

The Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project

AMBASSADOR NICHOLAS A. VELIOTES

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INTERVIEW

Q: Mr. Ambassador, I wonder if you could give me a little idea of your background. Where did you come from?

VELIOTES: I came from northern California. My mother and father were both Greek immigrants, who met and married in San Francisco. And I was born in Oakland. My family lived in Berkeley for the first twenty years of my life. They moved away in 1948 while I was in the Army. I returned, and I went to the University of California at Berkeley. And after passing the Foreign Service exams in late 1952, I stayed on to get a Master's, waiting for appointment. And I was appointed in the Foreign Service in May of 1955.

Q: What attracted you to the Foreign Service?

VELIOTES: Well, in general I had always been interested in foreign affairs. I was not only a Depression baby, I was a World War II baby, if you will--the Spanish Civil War, the problems of Ethiopia, the early parts of the war, '39. And I continued this interest; in the Army I was stationed in Germany for over a year. But I didn't pursue it actively in my first few years in college, basically because I wasn't sure what I wanted to do, although I found that the courses that I was most interested in happened to have some relationship to history, economics, and, most particularly, international affairs. I was debating, in my senior year, what to do, and law school seemed to be where I was going, when I read in the *Daily Californian* that there was a Foreign Service officer coming to talk about careers in the Foreign Service. I went to hear him. I liked him. It was not a hard sell; it wasn't a soft sell. He said who he was and what he did. It wasn't for everyone, but if this was something that you might be interested in, why don't you apply to take the examination. And that's what I did.

Q: You came in in May '55. I came in July '55, and we were Class One, so you must have been the equivalent to an infantry replacement type, weren't you?

VELIOTES: This was a very unsatisfactory entry into the Foreign Service, particularly since we waited a while. We weren't kids, the group of us who came in. Several of us were veterans. As a matter of fact, what you had was the, if you will, the Scott McLeod/Joseph McCarthy delay in appointments in the Foreign Service. You may have gotten caught up in this. Some people who had passed the examinations in '52 came in in '54. I was in the next group. But we all came in in dribs and drabs. And the only monies available, as it turned out, were for the refugee relief programs. So the first group was brought in, and they were spread around Europe. I was brought in in a repo-depot kind of three weeks in Washington with two other FSOs; classes that were the tail end of

Wristonization, which meant you had people who were 60 and people who were 23. We had secretaries to consuls general.

Q: So there was no sense of unity.

VELIOTES: None whatsoever. I was told I was going to Italy--I took, I think, a week of Italian. The other two people went to Germany--they took two weeks of German. The State Department, in Personnel, was utterly disorganized. They had me scheduled to go to Curaçao, but they kept telling me "You're really going to Naples." I never really figured that out.

Q: Because there was no refugee program.

VELIOTES: No, there wasn't. It wasn't an auspicious beginning.

Q: I might add, for the record, the Refugee Relief Act was passed in 1953, I believe, and it was designed really to clean up much of the camps in Europe, and also to allow some people from the Far East to come in. It also had very strong political overtones.

VELIOTES: Particularly by '55 to '56.

Q: It was really designed, in many ways, to let a lot of Italians in, because Emanuel Celler and others who came...

VELIOTES: Well, and the '56 election into play here. And the administration really wanted to go on record with the ethnics--the Poles; the Greeks; the Italians; to some extent, the Israelis, the Jews--that they were being forthcoming.

Q: Obviously, we're going to concentrate more on the latter part of your career, but you served in Naples from '55 to '57, and then in Rome from '57 to '60. I wonder if you could talk a bit about your experience in Italy. This was the first time you had really seen the Foreign Service in action, although you started off in the Refugee Relief Program, which was sort of a unique program. What were your impressions and what were you doing?

VELIOTES: Well, the Refugee Relief Program was a large bureaucracy for an overseas post. You used the Army analogy; it continued at the post. We had far too many people, much too qualified for the kinds of clerical work that we were doing in the Refugee Relief Program. But it did give me a terrific opportunity to learn Italian, because that was one thing we did, was interact.

Q: You were talking to Italians all day long.

VELIOTES: Yes. The work itself was awful; the people were terrific. I realized early on that here I was at a post with about thirty peers, all of us thrown together, not only because of our age and commonality of experiences before coming in (most of us had

been in the armed services and things like this), but we were also thrown together through adversity--we all hated the work we were doing. But we saw it in perspective: we had a good sense of humor; we knew it wouldn't last forever. It wasn't the kind of an experience that led you to have great respect for the Foreign Service as an administrative institution. There was a certain maturity, however, on the part of most people who...

Q: I think it's hard for people to understand today, but back in the fifties almost everyone had had one to four or five or even more years of military experience, so they were used to dealing with a bureaucracy.

VELIOTES: That's right, and used to being in sort of Catch 22 situations. And we figured we could somehow beat the system and wait them out. And I'll say this, the lasting legacy of that was that my dearest personal friends, in the last thirty-five years, all came from Naples: Bill Bradford, Sam Lewis, the rest of them over there.

Q: Basically it's a bonding situation, as we call it today.

VELIOTES: It was a bonding situation, and we came out...

Italy, of course, itself, was fascinating. It was just recovering from the ravages of the war. And the four and a half years we were in Naples and Rome saw it go from barely beginning to recover to being the leading advocate of what became the European Community.

The experiences I had in Naples, I want to comment on them, because I've said a lot of negative things about that experience. There was an opportunity to demonstrate that you could get things done. Everyone knew we were smart--you don't get in unless you're smart--but could you make anything happen? Could you do anything? Even if it were on a principle of visa law, were you willing to make your voice heard? And then when we rotated into administration, a terrific opportunity, because it was such a mess, to pull it together, to look at the business side of an overseas post, and to make it better. So I learned a lot, and I got a lot of experience.

Q: Who was the consul general at the time?

VELIOTES: James Henderson, who was a career consular officer, really, and one of these marvelous people. He's a very decent person. Maybe he was ahead of his time, but, you know, you could run into Captain Queegs easily in the Foreign Service in those days. James Henderson was a good man, I thought. He worried about all these young officers, how could he help them, how could he work with them. It wasn't easy because of the generation gap, but we all respected him and we felt he was fair. You went into a job and he let you do it. So I appreciated that very much. The combination of Naples, which had tremendous external attractions...there's one of them right there.

Q: My last position abroad was consul general in Naples.

VELIOTES: Well, then I need not go into that. The opportunity to learn Italian, the sense of bonding that came out of it, and the opportunity to learn.

Q: Well, then you went up to Rome.

VELIOTES: Well, that was because of a remarkable administrative counselor called William Crockett, who ended his career as under secretary for management.

Q: And a man who put quite a stamp on the administration of the Foreign Service.

VELIOTES: Right, he really was a manager. And he talked the Department into allowing the embassy to take advantage of this very large pool of manpower in Italy in less desirable jobs, to pick out officers who really did their jobs under difficult circumstances (as these jobs were not the best jobs in the world), and if you learned Italian, to offer you another assignment in Italy. Because Italy at that time had six or seven consulates.

Q: It still has, I think, seven posts. Of course, also, the Refugee Relief Act ran out, I think, on the 31st of December of '57, so that they...

VELIOTES: It was running out, and Bill Crockett, as I say, talked the Department into letting the embassy offer to a number of officers a second post in Italy, on the grounds that we'd learned Italian and, frankly, we'd produced and we deserved something else. That's how I got to Rome in the Economic Section.

Q: And you were doing what, in the Economic Section?

VELIOTES: I was assistant commercial attaché. I did it for two years, and I very much regret that a young Foreign Service officer cannot do that today. It was another great learning experience, another kind of experience in a big bureaucracy where you could actually express yourself professionally. You could go out and work, and you weren't under the same constraints as the junior officers in the Political Section, for example.

Q: What were you doing as a commercial officer at that time? These interviews are designed really for somebody doing research who is not overly familiar with this.

VELIOTES: My basic function at that time was to help American businessmen who were interested in investing in Italy, or selling in Italy, or those businessmen who were already in Italy and had problems with the Italian government.

And remember, at the time, we used to talk about the dollar overhang, which meant that we were trying to get people to sell to us so we could buy their products abroad and reduce this enormous so-called dollar overhang that existed in Europe, bring some of the dollars back. That changed as the circumstances changed, in the late fifties, and we started to worry about American exports abroad.

The most interesting part of the job was getting in on the Common Market, when American business woke up to the fact that Europe had recovered and it wasn't sufficient to just count on exporting to Europe, because the Europeans were going to be tough competitors everywhere, including in their own markets. The most creative part of the job was that, working with the Americans who came there.

You had your own world of Italian contacts, both governmental--interagency, as well as private--trade associations, business people. It was an area in which you could do a lot and get a lot of satisfaction.

Q: Did you find American business responsive? You would make trade-opportunity reports, but did you find that there was a good response on the part of American business?

VELIOTES: Not really. Many of the problems are the problems that you have today. American business had gotten used to being in the driver's seat and would not go after the contracts.

To some extent we had responsibility, working with our new embassy in Libya, for example, for Libya. I remember a case where someone in Libya wanted to buy a million tires, and the American tire manufacturer didn't think that was worth the time to respond to this, whereas the foreign competitors sent representatives, saying, hey, this could be the beginning of something. There was no sensitivity on the price, and service concepts were far behind what the Europeans were starting to develop at that time.

Q: How did you feel at that time about how responsive and how much cooperation was there with the Department of Commerce?

VELIOTES: Well, I thought there was enough cooperation. It depends on what you mean by cooperation. Your work was primarily with Commerce back in Washington. I found very quickly that no matter how good a job I was doing (and I was doing a hell of a good job; I ended up for a year as acting commercial attaché at a crucial point in the Common Market), the Commerce people and the Bureau of Foreign Commerce would never give you a top rating for your work, because it ran against what they saw as their own bureaucratic interest--to create their own commercial service, and if Foreign Service officers were doing a good job, and they said they were doing a good job, that would act against this. As a matter of fact, the only people the Department of Commerce sent out as commercial attachés at that time were duds (our top Italian told me, when I left I was replaced by three senior people out from Commerce); they detracted from the work. This was a disappointment to me. And yet, when I came back to Commerce, I was romanced and I was asked why don't I come to Commerce and work for two years. And I told them very frankly why. I said, "If I was that good, why didn't you say so? I can't see where my career can be enhanced by my putting in two more years..." So I went over to State.

Q: Within the embassy, how much interest at the top? Most of the time was what, Ambassador James Zellerbach? How much interest was there in the promotion of American commerce?

VELIOTES: Well, you know, Zellerbach, of course, he was a businessman, he took it seriously. But basically, in the bureaucracy, they left us alone. That was the fun of it. I never objected to it. I was able to go and do things that other officers of my rank and experience would never get into. I negotiated an international agreement with half a dozen Italian ministries on war risk insurance. It was great; I was able to do these things. I found that being a commercial attaché abroad at that time was a little bit like working in the Bureau of Educational and Cultural Affairs in the early sixties: basically your bosses didn't want problems, so they'd let you do almost anything on your own as long as no one was complaining.

Q: This is, of course, the secret of the Foreign Service. You came back to the Department then, where you served from '60 to '64. What were you doing?

VELIOTES: My first assignment was in the Secretariat. My first supervisor was Bill Bradford, who was my first supervisor in Naples. The great old DSR-11 Section.

Q: DSR-11?

VELIOTES: We stamped forms in Naples. It was a silly job, but everyone, as I say, had a good sense of humor. In my first six or eight months I was the early-morning editor for the president's daily intelligence brief. Which meant I'd come in early in the morning, by early 3:00. I'd review the telegrams that came in and decide which ones should go into the daily intelligence brief. Then I'd be responsible for assigning writers, who would come in a few hours later, and then they would do the stories, and then I would edit them. And then we would select a group of telegrams, in those days to be looked at by the secretary and the under secretary; today it would be the deputy secretary.

Q: During this period, Christian Herter was the secretary, wasn't he?

VELIOTES: Christian Herter was the secretary in the latter part of '60, when I came in. And then we had the transition to Dean Rusk.

Q: With Herter, were there any particular things, word of mouth or even orders, that he's really very interested in this sort of thing, or was it fairly straightforward?

VELIOTES: No, it was straightforward. Alex Johnson was always interested in political-military issues, but that was his job. The only time I was ever told that there should be a special interest was when I moved from that job into the line jobs in the Secretariat. Those were the jobs where you had responsibility for areas of the world. You were astride the paper flow, and your job was to review the papers when they came up for action by the senior officers, to make sure they were still current, that nothing had come in since it

left the assistant secretary's desk that could change it, because you'd have access to that even before the assistant secretary. And there the word was out that Livy Merchant wanted to see every...

Q: Livingston Merchant, one of the great names in the Foreign Service.

VELIOTES: Livingston Merchant, who was then under secretary for political affairs. That he wanted to see anything that was truly funny that came in. And that's where I became acquainted with Frank Ortiz. Frank Ortiz had written a classic airgram, in the old airgram days. He was GSO in Ethiopia, and it was the story of a wedding of one of Haile Selassie's daughters or sons. It was just priceless and funny.

Q: I might point out that the airgram, which was essentially written and went by surface or by air but was not cabled, allowed literary skill to come into play. With the demise of the airgram, when everything went into telegraphese, something was lost.

VELIOTES: It was. One of the best, more recent ones was Dick Parker's piece from Algiers: Leningrad on the Mediterranean. You could indulge yourself. You don't do it with a telegram--it's instantaneous, a wide distribution--you don't do it.

So that's what I did there.

Because I already spoke Italian, and because I had done a good job as assistant commercial attaché, when my boss came back to work (he'd been sick for quite a while), I became sort of a roving troubleshooter for the minister at the time, Outerbridge Horsey. And I was acting GSO for about four months. I was acting non-immigrant visa officer.

Q: This was in Rome?

VELIOTES: Yes. And then I became the embassy attaché for the 1960 Olympics.

Q: In Rome.

VELIOTES: And did all kinds of things, none of them very great as far as policy was concerned, but all of them demonstrating an ability to make things happen and to do things.

Q: Well, now, in Washington, you were there during the transition between Eisenhower and Kennedy. How would you describe this? Was this a hostile takeover, from your observation and your experience?

VELIOTES: Probably wasn't any more hostile than the Bush-Reagan transition, to tell you the truth, the way people were bounced out and everything. Well, it was the first time, and, you know, like everyone of my generation, I was very enthusiastic about John Kennedy. In retrospect, it had nothing to do with policy; I think it was just he was an attractive guy. The Eisenhower administration had been running out of steam. That

happens. And Christian Herter personally was ill. You may remember this. And there was no dynamism left in this kind of...

Q: Dulles had died, and that was a slow, long death while he was in office.

VELIOTES: And the campaign was going on. Trying to run any kind of foreign policy during a campaign, through the presidency, is almost impossible, unless you have one like Reagan's second campaign, and then the Bush-Dukakis, where things became clear that Bush would win in a big way.

There were two things about the transition that struck me very much.

Kennedy's personal curiosity and his desire to know became very clear very early. I remember how, just one little thing, Kennedy sent a query back on why we had recommended he not respond to the congratulatory letter of the East German president. And we were shocked. I was handling Europe at the time in the Secretariat. I mean, how could this guy not know that we don't recognize them, and the consequence of recognizing them, our relationship with West Germany and all of this. We had a brilliant director of German Affairs at the time, Martin Hillenbrand. I remember talking to Marty, and we decided, well, you know, maybe what the president really needs is just a two-page background on why--not long, but, yeah, you asked why, bang, bang, bang. And Marty was brilliant. He and Russ Fessenden, who was running the NATO Office at that time, the best tandem I've ever seen at that level. And, of course, it went over to Kennedy, and Kennedy read it and said fine, I understand that. That got everyone knowing that you don't take anything for granted. Boilerplate will not be accepted. It's not quite boilerplate, because what we usually refer to as boilerplate is accepted policy. In that sense, every administration falls into boilerplate.

The other thing was the nature of the changes that Kennedy brought in to the State Department. There was nothing hostile about them. Whereas the previous executive secretaries had been FSOs at the Two Level, let's say--Arch Calhoun, Walter Stoessel--Rusk's executive secretary was Luke Battle. And clearly the signal was that he, Dean Rusk, was going to put his stamp on the place, and he was going to use the Secretariat as his mechanism. That changed the nature of the job, and you had a much more activist Seventh Floor at that point.

Q: You feel the adrenalin running a little more?

VELIOTES: Yeah, yeah, the adrenalin running, and there was an excitement with Kennedy that, you know, everyone who has experienced it, you never expect to find it again. Not that kind of... But that was an important...

But there was no hostility involved. There were silly things that happened, but they happen all the time. Certainly the career officers were not hurt. There even was a major effort made to demonstrate nonpartisanship. Don't forget, Bill Macomber, whom

everyone confuses with a career officer, was a political appointee of John Foster Dulles, and when the administration ended, Macomber, I believe, was assistant secretary for Congressional Affairs. The decision was made, deliberately, and Luke Battle had the largest role to play, to offer Bill Macomber, a clearly identified Republican appointee who had worked very closely with the Eisenhower administration and the previous secretaries of state, an embassy. That carried a message that was very positive. Totally different from what happened to Luke Battle when the Republicans came in in '52. He was literally hounded out of the Foreign Service because of his close relationship with Dean Acheson, Luke and others. So you had just the opposite of hostility, you had a feeling that these people appreciated us and that they were not going to play a game of witch-hunting against the career officers.

Q: You were in the Secretariat. Did you do anything else within the Department in this '60 to '64 period?

VELIOTES: Yes. In '62, Luke Battle was appointed assistant secretary for cultural affairs. I had been pretty well set to go off to Paris as number two in the NATO political advisor's office. And Luke Battle convinced me I should go to CU with him as his special assistant. It was the greatest thing that could have happened.

Q: I wonder if you could describe two things: one, Luke Battle's method of operation and your evaluation of his effectiveness; and two, what were you doing?

VELIOTES: Luke Battle was a high-profile person, who himself had been career. When he left the Foreign Service, he went into what had become a sort of a Democratic holding...

Q: Shadow cabinet?

VELIOTES: Down at Williamsburg. And when the Kennedys won, Dean Rusk asked Luke Battle to come back into government and work with him in the State Department in this key position. So Luke had the advantages of being both an insider and a political appointee. But what everyone respected him for, above all, was his integrity. Luke Battle always did what he thought was right. He never compromised his integrity. Up-front in every way. I was amazed. It's when I realized, and it was a very happy realization, that, for all the cynicism in this town, there is respect for integrity, contrary to what a lot of people believe. And that was always my experience from then on out, built on that. Battle had a problem, he immediately addressed it. If someone in the Congress was said to be unhappy, Battle would pick up the phone and call him and go see him. Another colleague, everything was up-front, everything. As a result, he turned around the cultural program. He literally saved it. He got the support of such people as John Rooney, who, as you recall, was a man who...

Q: He was a congressman on Appropriations, from Brooklyn.

VELIOTES: The head of Appropriations, and he ran the programs. Battle also showed me how much fun you could have doing the right thing, in the right way, and do it in the national interest. I thought the world of him.

There was another thing about Luke Battle. I could spend hours talking about Luke Battle, and all positive. He really showed me, too, the scope there was for creativity, despite the bureaucracy. And I suppose these were things that I sensed instinctively, but this made it clear, that if you are willing to take responsibility for your actions...we come back to integrity again, you can accomplish a lot. You are not really hamstrung by bureaucratic considerations. There is bureaucratic inertia. There are reasons why people are cautious... But you can get things done if you just decide to go ahead and do it and be ready to take responsibility for your actions.

Q: What were you doing? What was Cultural Affairs doing in this period of time? We're talking about from about '62 to '64? And particularly what was Cultural Affairs doing in the State Department, as opposed to...

VELIOTES: The Bureau of Educational and Cultural Affairs was in the State Department because Senator Fulbright thought it should be there; that it was not an arm of propaganda, but it was an arm of policy. In the positive sense, the State Department managed the affairs of the country overseas, and he wanted the Fulbright Program and those programs associated with it to be managed in that manner.

We had two parts to it basically. One was the exchange of persons, both ways, including the Fulbright Program. And cultural exchanges, which were essentially groups that were going both ways.

We had a budget of about sixty to eighty million dollars that we defended and was earmarked for our work, which gave us our own congressional relations, our own public affairs and public relations, and, frankly, our own foreign constituency.

Now we administered these programs overseas with USIA. It didn't cause any problems at all as far as we were concerned, because we staffed the offices in Washington with civil servants, Foreign Service officers from the State Department, and Foreign Service officers from USIA. And occasionally we would rotate out a career civil servant, for instance, into one of the jobs overseas, so we kept some leavening that way.

It was a very creative time, because the program had fallen on hard times with the Congress. It was time for a reevaluation. And Luke Battle did that; he led the reevaluation. We reorganized the program, we reorganized the bureau, and the two years were a terrific experience for me.

Q: You said you had your own constituency overseas. What was the constituency?

VELIOTES: Fulbright commissions. Overseas, most Fulbright Programs were sort of incorporated in the host countries, and they had binational commissions that were very prestigious--Americans as well as foreigners over there. These were often ministers of education, university presidents, things like this. When we would travel abroad, these were the people we would see. We were into the university world, the cultural world.

Q: There you sat, with Luke Battle. What were you trying to do in CU?

VELIOTES: Well, we were trying to manage the official cultural relations of the United States with other countries.

Q: But beyond managing it, what was the goal of CU?

VELIOTES: Well, the goal of cultural relations, if you will, is goodwill. It was a belief in the power of people knowing more about each other, learning about each other, teaching about each other. A belief that that, in the long run, would be good--good for the United States, good for the other countries involved. We did a lot of lecturing abroad on the American system, which, you know, our system is based on human rights, if you will. You start explaining what is the American democracy? What is the First Amendment? What is the Fourth Amendment? What are these things? What is this Bill of Rights? What makes Americans tick? It's not just the materialism that we have. This was the other side, an important other side. To acquaint the world outside with our universities, with our educational system, with our art, with our literature.

Now these are very difficult programs to evaluate. There is no way you can quantify the results. Now ten years into the program, twenty years into the program, you can say, "Do you know that we had here, as Fulbright scholars or as leaders then, 23 prime ministers, 45 university presidents, et cetera?" That's the only quantification you can do on it. The payoff is really much more subtle. It's the kind of payoff that you get right now in Eastern Europe. I'm not suggesting our cultural programs did this. But the belief that the values in the United States were relevant in the world at large, that was the basis of what the educational and cultural program was and is all about.

Q: Let me ask a question, because this has come up in a number of interviews, and one of the people who articulated this best was Bob Woodward, who felt that many of our values that you were talking about were severely undercut by CIA-type operations. Did you have any problem with this at the time? In other words, it's sort of a little bit the mirror image to the Soviet KGB efforts and all.

VELIOTES: Do you mean in the cultural field?

Q: Not in the cultural field, but when you're trying to spread American values, and you have essentially a secret arm of the government carrying on subversive...

VELIOTES: Dealing in corruption. Well, what the CIA does is it gets something on someone and blackmails them.

Q: Yeah, yeah, that sort of thing.

VELIOTES: Although that isn't where they get most of their human information. They get it through people who want to give it to us. But nevertheless that's what you're trained in. I never saw that as a major problem, even in the cultural field. When the CIA funded the Afro-American Institute, the Asia Foundation, and other things, there were specific reasons why they funded, for example, the Afro-American Institute. We could not, as an ally of Portugal, get close to the future leaders of Portuguese Africa, but a private foundation could. That is nothing to apologize for.

Q: No, no, I understand.

VELIOTES: I never felt that as a major problem. I knew it, I mean, it was there, you could guess. I felt the CIA, like the armed forces, if you will, was a little like a police department. They're part and parcel of the world we live in. I never felt that this was really undercutting us. Not that I agreed with everything they did. I thought a lot of what was done was unnecessary. Dabbling for the sake of dabbling. But by and large I never felt that the existence of the CIA undercut what we were trying to do. I think there is a difference between looking at the CIA as an institution... And, as I've said, I understand it, I certainly accept it, and I believe it was and is a necessary component to what we do in this world to support American interests. And I happen to believe that America was and is still the world's last best hope. So, if you disagree with that, you'd say, well, the CIA, everything it does is awful. That doesn't mean I agreed with everything the CIA did. Now Bob Woodward is a little older than I am, and Bob may have lived through circumstances where he was in command of...

Q: Well, particularly in Central America during the Eisenhower administration, when there was...

VELIOTES: Well, they knocked off...

Q: Arbenz.

VELIOTES: Yeah, Arbenz in Guatemala, for example. If that had been a rogue operation, I think the CIA should be condemned. But it wasn't; it was approved by the White House. And that's where I draw the line. It's not fair to blame the CIA for operations that the political leadership of the country, including the secretary of state, quite often, has agreed with.

Q: Very good point.

VELIOTES: Now having said that, I have never been, in my relationships, when I became senior enough to have anything to do, aware of any CIA rogue operations in my area of responsibility. That may be a sign of the times; it may be a sign of the personalities of the people I was involved with. All admirable, the station chiefs--Peter Jessup, Chuck Cogan, Peter Karimeles, David Blee. These are top-flight people, and I respect and honor them all. But that didn't mean I agreed with everything thing that came up. And, like every bureaucracy, they had to feel they were innovating. Quite often, guys like me had to say, "You're crazy," or "I will oppose it," or "If we go to the White House, I'll fight you on it." But, as I said, in my own personal relationships, in the countries where I was either ambassador or DCM or chargé, or when I was assistant secretary, I wasn't aware of any rogue operations, like the Ollie North nonsense.

Q: Well, not on the CIA side, but on the political side, with Cultural Affairs, did you have any political problems of having people who were maybe too far to the left in academic thought? Because the academic world, in any country, is almost invariably to the left of any administration. And when you were sending people out, scholars, lecturers, et cetera, was this a problem?

VELIOTES: It wasn't a problem in the Kennedy administration. We had a board of foreign scholarships, made up of professors. Jim Billington was one of them.

Q: He's now the librarian of Congress.

VELIOTES: There are two kinds of people that you send out: those who really represent the views of the prevailing administration, more or less (a couple of people I know are going out on a USIA partially sponsored tour, and they fall into that category); and then there are area specialists, or subject specialists, who are not part of the administration or the thought.

We did not have that problem. I cannot speak about the Eisenhower administration. I suspect the first three years of the Eisenhower administration had a hell of a lot of trouble.

Q: Well, of course, this was the height of the McCarthy thing, when they were burning books in our USIA libraries. The whole thing was a shambles.

VELIOTES: To my knowledge, we never had this problem.

Q: So you never felt this was a pressure at the time.

VELIOTES: No. But we did have a problem, however. Again, this speaks to Luke Battle's sense of integrity. We were one of the few organizations in the State Department that had flexibility in hiring. And the administration was determined to bring in some prominent blacks at decent levels. And you had left in Security the remnants of the Joe McCarthy crowd. And I remember one black professor that we wanted to recruit, and we subsequently recruited, from the South, that had been turned down on security grounds.

And Luke Battle insisted on seeing the security file. That was fought tooth and nail. We finally got the security file, and the recommendation for turning him down had nothing to do with his politics; it had everything to do with the racism of the people who were evaluating his file, most particularly the fact that this fellow had had relations with some white women.

Q: Of course, we're talking about the investigators who were coming out of J. Edgar Hoover's FBI at the time.

VELIOTES: Well, these people were State Department security. But this case, I believe, led to a reorganization of security in the State Department.

Q: Was there anything else we should cover on this, do you think?

VELIOTES: Not on the cultural side, although, of all my assignments up to that time, the two assignments in the State Department--the Secretariat, which showed me how government really worked and how the State Department worked, how it interacted with other agencies; and then the CU experience, which gave me a wonderful opportunity to manage large bodies of people and money, because I was given a lot of responsibility for doing this--were just invaluable in the rest of my career.

Q: I might point out here that, in the career of people who rose to senior ranks, many have gone through these two experiences--the Secretariat, where you learn how the paper flows and who does what to whom; and then being an assistant to somebody who is fairly senior, where you also learn how an organization operates.

VELIOTES: Well, you participate in it.

Q: You participate and you're watching things such as: Does integrity pay?

VELIOTES: Yes, and also if you're doing your job on behalf of your boss, you are saving him a lot of time. Because that's all we do is save our bosses time, you know. You can argue that the entire State Department as an institution is designed to filter the issues that get to the secretary, the recognition that he has just so much time and energy. But when you're in a position like that, if you are saving the time of your boss, it means you are making decisions on his behalf that others are taking away as his, and you learn how to personally bear responsibility and how to be prudent, and you hone your judgment. So it's not unusual that that would lead to greater success.

Q: Then your next assignment was to New Delhi.

VELIOTES: Yes, but it almost didn't happen.

Q: We're talking about 1964 to '66.

VELIOTES: Right, it almost didn't happen. Vietnam had become very big by that time, and I had been told that I was going to Vietnam to become the deputy political counselor, replacing Bob Miller. I wasn't wild about the idea, with two little kids and my wife, and not sure I could take my family. This was early in '64. Then the embassy was bombed, and the ambassador said there can be no transfers. So my assignment was canceled.

My assignment to India grew directly out of the fact that while I was in the Secretariat, I worked with the office of the under secretary, now the deputy secretary, very closely, and I was actually detached to Chester Bowles on some trips abroad. His executive assistant was Brandon Grove, in India. Brandon was back in Washington on a recruiting trip for the ambassador. Shortly after my assignment to Vietnam had collapsed, I saw him and he asked me if I'd like to come out to Delhi. If so, I was one of the people the ambassador would be interested in having. So I asked my wife, and she was delighted at the thought of going to India. And that's how we got to India, in the summer of '64.

But just as my wife and children had left for California, and our household shipment had left for New Delhi, I got a phone call, about midnight, congratulating me on my new assignment to Vietnam. And I just said, "No way. I don't care who, I'm not going. I was ready to go, I've gone through this, my wife and children and the household effects. I'm going to India."

Q: What were you doing in India? What was your position?

VELIOTES: It was rather interesting. I was a Class-Three officer at that time, which is today equivalent to a One, which made me rather over-ranked for the job that I got. I became the deputy, in the internal political section, to Howard Schaffer, who was ranked below me. But I'd just been promoted to Class Three, and I thought the best way to learn India was through Howard Schaffer, whom I'd known before and who even then was a great expert. So I spent a year doing domestic political reporting in India. My responsibilities were North India. I spoke a modicum of Hindi, just enough to get in and out of taxis, but fortunately, the English level in India is quite high.

Q: What was the situation in North India at the time?

VELIOTES: Well, at the time, you had to look at the Indian context. It's hard to believe today, but '62, '64, those times, no one was paying much attention to the Middle East. Vietnam had not yet grown to the point where it was to be a few years later. The last major flashpoint that could have threatened a Soviet-American confrontation had occurred in 1962 when the Indians and the Chinese went to war, and the Indians were soundly defeated. That led to a secret American-Indian agreement that if the Chinese were to attack India, we would go to India's defense with our Air Force. So, insofar as we had a major interest involving Soviet-American relations outside of Europe, it was the subcontinent. India, Pakistan, this was really big politics back home.

Q: And at that time, Pakistan had not been seen as the dominant key to the situation and where we were as concentrated on Pakistan...

VELIOTES: No, we had been, through the Dulles years, but with the Kennedy administration, particularly with Chester Bowles going there, remember John Kenneth Galbraith had gone earlier, the chips were on India, more or less, and the Indian democratic experiment, which is and was real, India's prominence in the world; nonalignment was very important. It's hard today, if you hadn't lived through that period, to think of India as one of the central pillars of American policy, but it was.

Q: Well, this is what we're trying to recreate now, to have scholars understand how we looked at the situation.

VELIOTES: Well, as I say, we had a secret agreement to go to India's aid should the Chinese attack. Those were the days when you could have secret agreements, by the way. The Indians wanted it because it reassured them, but if we had had to go up to the Congress with it, we never would have had one. I'm not sure that's bad, I'm just making a comment.

Q: Well, the Indians probably would not have accepted it either.

VELIOTES: But this was a time when, as I say, the thought of going to India was very exciting because it was central with respect to the national security interests of the United States. So when the chance came and they offered me the job of political/military officer in the embassy, I took it.

We had 135 American soldiers stationed in the embassy to run our military assistance program in India. Apart from that, we had a very large economic assistance program, and an extremely large PL 480 program.

Q: PL 480 being the surplus wheat, surplus grain.

VELIOTES: Surplus foodstuffs. My goodness, we were the largest embassy in the world by far. I've already mentioned the military mission. They had to build a whole new office building to hold our AID mission. USIA was extremely large. Then much of this was replicated in other posts. Madras, we had cultural centers all around the place. We had the three consulates.

Q: Those were Madras...

VELIOTES: Madras, Bombay, and Calcutta. It was during that time that we had two wars between India and Pakistan. The first was in the spring of '65, as I recall, and it took place in a strange place called the Rann of Kutch, down outside of Bombay, a desert.

Q: A horrible place.

VELIOTES: And I'm not even quite sure why the hostilities broke out. They were contained at the time.

That was the only experience I've ever had with fraudulent newspaper reporting. The Rann of Kutch made headlines all over the world when an American, who was a pool reporter (meaning there was room for one person on this plane, he went on the plane, from the Indian side, and whatever he learned, he was to share with all of the other reporters), came back reporting that he had seen Pakistani tank tracks in Indian territory. It was a scandal. It turned out later that it didn't exist; he made it up in order to get a byline in his newspaper.

This really escalated the tensions, but that calmed down.

However, some months later, in the fall, there was the outbreak of a very serious war between the Indians and the Pakistanis.

Just by coincidence, my wife and two children and I were up in Kashmir on a houseboat. And the last day we were there, we took the children and a guide, we rented horses and went up to see the glacier at Gulmarg. To get there, we had to go through this enormous stand of timber. We came back down that afternoon, got on the plane the next morning, and flew to Delhi. When we arrived, we learned that Pak infiltrators, in that area that we had just ridden through, had started the hostilities that quickly escalated from the Indian Army against the Pak infiltrators, down to Lahore, where we were quite concerned about the possibility of a Pak breakthrough. Remembering what had happened in 1962 when the Chinese broke through up in the mountains, when the entire Indian civil administration collapsed, we were very worried about what would this mean.

So Jerry Greene, our DCM, called me in and said, "You're in charge of our emergency evacuation. Keep me informed." But he let it be known that it was probably best if I didn't inform him of everything I was doing, because then he would have to tell the ambassador, and he was sure the ambassador would not agree. Chester Bowles was not known for his objectivity in assessing the Indian scene. Indeed, as we had been trying to predict the imminence of hostilities, he would predict the other way, because it didn't fit his own view as to what should go on out there.

So one of my jobs, then, was to prepare the evacuation plan, but beyond that, to look around at contingencies. And the big contingency we had to deal with was if the Paks broke through in the Punjab.

Now the Indians were already getting hysterical on the civil level. Rumors of Pak paratroopers sent scads of Indian vigilantes out trying to find people who were circumcised. Strangers who were circumcised were Pak parachutists. Howie Schaffer was stopped at gunpoint, in an embassy car, with an embassy driver, and he was fluent in Hindi. How could they think he was? He and I together one night were stopped.

Vigilantes were roaming the streets. In our compound the Muslim servants all moved into the homes of the Americans, because the Christians, for survival, were siding with the Hindi majority servants, and they were worried about their lives and their families' lives.

In this kind of an environment, it would have been criminal for us not to look at the contingency of a breakdown of law and order and what that would mean with respect to the American community, indeed, the diplomatic community around the compound.

So, without telling the ambassador, we devised a plan to go up to the hill station where a lot of American kids were in school and bring them out.

Q: Was this Simla, or someplace like that?

VELIOTES: Somewhere like Simla, as I recall. And we devised a plan (I had a lot of soldiers, I told you, we had 135 soldiers there) on how to get to the airport if and when the planes came in, getting our air attaché and others to work on a plan to seize the airport and secure it. If law and order had broken down, that was the only thing. And then the question of hostile mobs coming out. Our guys were looking at perimeter defense, and perhaps suggesting that the British and the Japanese and the others out there come and join us. And, of course, we had the Pakistani Embassy right across the way.

Q: Because they hadn't broken relations, had they?

VELIOTES: No. In that time frame we had set up a hospital, a school, all quietly. And as far as weapons, we had been supplying the Khamba tribesmen. We did that so we had plenty of weapons in the compound. Fortunately, none of this had to come to pass, but in talking about things you do in the Foreign Service, well, you do things like this.

Q: Well, I assume part of this was an evaluation of the ability of the Indian Army, which had not shown itself to be very capable, at that particular time, against the Chinese.

VELIOTES: Right, and there was a lot of belief, amongst the American military, anyway, that since the Pak Army was armed by the Americans and indirectly trained by the Americans, they'd be irresistible. The soldiers in our Embassy said, "Look, the Indians are well trained, they're professional." I had no reason to believe it would happen or not happen. However, as a contingency, we had to plan.

Q: And particularly when you're talking not just about a military action, but civil unrest, which was your real concern.

VELIOTES: Civil unrest, that was our concern. The Indian authorities would have done their best to protect people, but that wasn't the point. They were in a war, and civil unrest, what could we do to protect ourselves? We had the fleet off on the horizon, ready to come in with airplanes if the needed them. Fortunately for us and for India, the Indians defeated

the Paks soundly in the tank battles that took place, and the feared breakthrough never took place.

There were some other things that happened there. Much of this has not been reported, in the context of my relationships.

I had a newsman friend, a Canadian, working as a syndicated columnist for an American newspaper, who had a very good friend in the Polish Embassy, the Polish counselor from a previous...

The Chinese had delivered an ultimatum to the Indians. The Indians had done some humiliating things once they were safe from the Paks. And the Chinese had been threatening to support the Paks in this. The Indians went to the embassy, in the compound area, and taunted them--no threats, but taunted them. The Chinese had threatened reprisals unless the Indians returned some Tibetan llamas, or something, that they claimed had been stolen--a rather silly thing. The Indians came to us and said, "Okay, the Chinese are threatening us, we want to dust off the air agreement." It turned out I was the only one in the embassy who knew about the air agreement, because when I had inherited all these files the year before, as is my wont, I went through them, because I wanted to know what was there; I winnowed five or six file cabinets down to one, and, stuck somewhere in there, I found this very interesting air agreement. So when the DCM came back and said, "Where the hell...who knows what...I've just been called by the foreign minister, he wants to invoke the air agreement... what's he talking about?", I smiled and I said, "Here it is."

Q: So much for institutional memory.

VELIOTES: Yeah. And so, at that time, there was that concern. And, of course, people were wondering, well, gee, if the Chinese come in, and we clobber the Chinese, what'll the Russians do?

This friend of mine, who was a journalist, called me up and said, "I've got to see you right away. My Polish friend has given me a message. He knows we're friends, and he knows I'm going to tell you." And he said, "The Russians are not going to do anything if the Chinese do attack and you feel you have to help the Indians, just as long as you don't do anything stupid like try to overturn the Chinese government, unleash Chiang Kai-shek, and things like that."

Well, that led a lot of us to breathe a little easier, and we got that into the hopper. Things calmed down.

Q: This was the beginning of the great rift between China and the Soviet Union.

VELIOTES: As a matter of fact, it was not the beginning, it was the verification. See, there were some people who had seen it. Lindsey Grant, who's fascinating on this subject...

Q: I'm going to interview him next week.

VELIOTES: Well, he wrote a speech for Roger Hilsman, I think it was in '62.

Q: He was the director of INR at the time.

VELIOTES: Roger Hilsman was. But Lindsey was the very young acting director of China Affairs, and it was a speech, I forget the details, which said, "Hey, we are not silly, let's try to rebuild some bridges with these people," for which Lindsey was exiled to India. (That's me saying this, not him.)

There were people who had seen the rift. And I guess the reason why we didn't see it, in part, was because of Dean Rusk's own experiences. It was before the Khrushchev memoirs. Dean Rusk was assistant secretary for East Asia and the Far East at that time, during the Korean War. He always believed the Chinese started the Korean War. And he saw the Chinese also in Vietnam. It wasn't until we got Khrushchev's memoirs that we had the confirmation that the Russians started it, with the North Koreans. And, of course, the Chinese were not intervening on the side of the North Vietnamese. They were allowing their territory to be used, but they weren't the problem in Vietnam.

So that episode ended. But because the Indians and the Paks went to war, and both sides used American weapons, and because Lyndon Johnson believed that he had not been well served by his ambassadors out there, he cut all aid to both sides. That started a change in the American-Indian relationship and a change in the American-Pakistani relationship.

The change in the American-Indian relationship was confirmed during the Indo-Pak War of '72, when Henry Kissinger, in a very ill-advised move, sent our fleet into the Bay of Bengal.

Q: Sent the aircraft carrier Enterprise.

VELIOTES: Yeah, I was able to delay that for a couple of days in Washington, because I was back at that time. Then the Paks became increasingly close to the Chinese. The American-Pak relationship was healed when the Paks paved the way for Nixon's visit to China.

So let me explain, what you see is South Asia from the early sixties...after all, the first assistant secretary for the Near East and South Asia, for Kennedy, was Phil Talbot, who only had experience in India. You had the metamorphosis over that period of time from the South Asian focus of the administration to South Asia becoming a subsidiary point of interest.

Q: In the time you were there, how were your personal relations in dealing with the Indian officials and Indian officialdom?

VELIOTES: Well, it's an acquired taste. It took time. We ended up with some friends--not many, but you don't have many friends, anyway.

Q: Not in the Foreign Service.

VELIOTES: Not in the Foreign Service. To many, these are your contacts, these are your business associates. I had the same frustrations that anyone has dealing with Indians, particularly at that time. They were highly moralistic, monomaniacal on the Pakistan issue, which was their only concern, only interest, and, in a very unattractive manner, would dismiss anything on your mind or your country's mind as a sign of mistaken immaturity or imperialism. It was hard to take, in dealing with them.

They were clearly uncomfortable at the degree to which they had come to depend upon us by '64, in the two years after the Chinese invaded. Clearly uncomfortable. That was clear, too, that we should be trying to find ways to cut back ourselves, because that was a very unnatural situation. We were too deeply involved; we had too high a profile. Despite Chester Bowles, they didn't want to be like us. They wanted to have a good relationship with us, but they didn't want to have us on top. We were too close. You could see them starting to move back towards the Russians (that was well before we cut aid), because they had to, for their own psyche. They couldn't be Indian... did not want to be that dependent on one side.

We ended up with several friends in the Indian community--a couple of officials, an Army officer and his wife, a doctor, a journalist, as I recall--and I thought that was quite successful. My wife got very interested in Indian culture, and I think that helped us get into the Indian community to the extent we did.

Q: Looking at it at that time, did you see a real thrust from the Soviet Union on India, either internally or externally?

VELIOTES: No, the Soviet Union clearly did not want to replace us as the guarantor that there would be no starvation in India. In the first place, it couldn't. I used to periodically meet with a group of embassy officers, one of them being Russian. Anytime you were around Russians, in those days, there used to be a lot of heavy drinking, and, in vino veritas, the Russians would make it very clear that they had no interest in this.

As a matter of fact, just before I left, there was quite a breakthrough. I was approached by a Russian embassy officer who said he wanted to talk to me about nuclear matters, because I used to handle nuclear matters, too. So we had the beginning of a dialogue with the Russians on nonproliferation. We realized they were worried about this. No, it was awfully hard to see, from a Russian point of view, and they were extremely cynical themselves, the Russians.

I remember one day, in one of these sessions, one of the Russian counselors looked at me and said, "What would happen if there was no government in Delhi?" We'd been talking about...

And I said, "I never thought of that."

He said, "You should. Nothing would happen, because this country is so strange. It would still run, and the same people would run it."

India is much too culturally diverse and too immersed with nonmaterial symbolism and religiosity to ever become a Marxist government. It just could never happen. That didn't mean that there were not pockets of Communism, but they came in one of the most literate parts of India, Kerala, and in the poorest part of India, Calcutta.

Q: So this was not an overriding fear as far as we were concerned at the embassy.

VELIOTES: Well, certainly I didn't see this as being a problem, that the Indians were somehow going to become Communists. What we worried about was Indian positions on international policy issues of concern to us. One of them, increasingly, was Vietnam. And one of the things that we had in common with the Indians at that time was our opposition to China. And as the Russians increasingly were becoming opposed to China, the Russians were seen as less of a threat but more of a counterbalance to China. That's how the Indians saw the Russians. And the Indians figured, we're far away, we had a lot of interests; the Russians were closer and the Russians were obsessed with China, so it was to their interest. We were worried about the Indian economic development and whether they could really progress if they had linked themselves into Russia's five-year plan. There was a lot of barter going on then, and we thought that was a dangerous thing for the Indians to do, but that didn't pose a threat to us.

One of the greatest concerns that we had was the attitude of the Indian bureaucrats with respect to the private sector, most particularly foreign aid. There just seemed to be something in that combination of high-caste Hindu and high-class British education which seemed to combine the worst of both. You would get a lot of supercilious arrogance, and, you know, a merchant in traditional Hindu life is a banya, and we were above these people and looked down on them. And a lot of very frustrated foreign businessmen, who were invited by the senior government officials... down below. That was a major concern that we had. I can't really think that we saw India going Communist.

Q: You then were assigned to Laos, from '66 to '69, which certainly was at the top of our concern at the time, because this was all part of the Indochina concentration, and Laos was right in the middle of this. I wonder if you could describe the situation when you got there and how you got your job.

VELIOTES: Bill Sullivan was the guy who tried to get me to Vietnam the second time. I told you that I had...

Q: The midnight call.

VELIOTES: Yeah, and I was sure the other shoe was going to drop. And, sure enough, it did, when he was ambassador in Laos, and Colby Swank was his DCM; I used to work with Colby.

We had an embassy softball league in Delhi, and I was having a terrific year; I think I was leading the league in hitting. I prided myself on never having struck out during this season, and it was fast pitch. I'm not that good, I was just having a good season. We were playing the Marines, and it was my turn to get up to bat, and a friend of mine came over from the code room and said, "I have a telegram for you," and informed me I had ten days to get to Laos. I promptly struck out.

I went to Laos in late '66, preceding my family because I had to get there fast. My introduction to Laos was marvelous. I got to Thailand. I'd never been in that part of the world before. I got on a Royal Air Lao C-47, with chickens and bananas and people, and we flew into Vientiane, Laos. We were told we had to get there fast, to hurry up, because there were no lights. It turned out that every time they put lights out, the tribesmen would come and steal the wire for copper amulets. And if we got there after dark, they'd have to line the field with cars, so get there before dark. So I arrived, and I'm met by Mark Pratt. I'm the chief of the political section in this little embassy. And Mark Pratt walks me over to his car, and the first thing that strikes me, a whole row of parking places labeled CAS. Well, you remember, that used to be CIA. And I stopped and I looked at Mark, and I said, "Mark, I know we have an active CIA program here, but isn't this overdoing it?"

And he laughed, and he said, "No, no, that's not Confidential American Source, that's Continental Air Service...the CIA run it."

So that was my introduction to Laos.

The first night there, I was introduced to one of Mark Pratt's Chinese dinners. He's a remarkable human being; he's a French and Chinese gourmet, and he's also a linguist, French and Chinese. And Mark Pratt was very traditional: if you had fifteen people for dinner, you had fifteen courses. And it was the first time I was going to try to speak French professionally since I left French school in Nice, in late '59 or the middle of '59.

What I didn't tell you is that I was sent off to French school, from Rome, against my wishes. And I never understood why they insisted I should go to French school when I had another year to go in Italy. And my Italian was terrific at that time. But, no, I had to go. And I spent three months, and it turned out to be a very good thing, I learned a lot of French. But the hope was we could turn around the desire of Congressman Rooney to get back at the then head of FSI by closing these terrific language schools in Germany, Mexico City, Rio, and Nice. And that misguided venture never worked.

Q: They had to staff them to make them appear full.

VELIOTES: And to try to say, "See, aren't we doing well?" And then I got sent back to Italy, of course, and my head had been totally drained of Italian, and I had to relearn Italian.

Our embassy there was quite an embassy; it was an honor to be chosen to go to Laos. Bill Sullivan was the ambassador, a bright young man in East Asian Affairs. Cobey Swank was the deputy, he was later minister in Moscow, ambassador in Cambodia, and had been Dean Rusk's executive assistant. Hugh Mendenhall was the AID director, later an ambassador. The CIA chief there was Ted Shackley.

Q: Later station chief in Saigon.

VELIOTES: Bill Mayes was the young economic officer when I arrived, working with the AID mission. Keith Adamson was one of the PAOs who was in Laos. My political section staff was Mark Pratt and Sam Thompson, who now is our representative out in one of the Trust Territories. Peter Leiden, who was our Laos speaker. Sam spoke Vietnamese. Jim..., terrific guy. We had a great crew. Tom Barnes was there, the only man I ever knew who could study five languages at the same time and stay fluent in all of them: Mandarin, Lao, French, Vietnamese, Thai. Great esprit de corps.

But you've got to understand Laos at that time. It was the flank of the Vietnam War, in two senses. It really was the flank as far as the war; the bombing was being done on the Ho Chi Minh Trail essentially in Laos. We were running a Meo war up in the north, to try to pin down Vietnamese forces.

Q: Meo being Montagnard tribes people.

VELIOTES: A Montagnard tribe that had fought with the French against the Vietnamese when they were Viet Minh. And we replaced the French to help them against their traditional enemy. That was genocide up there; the Vietnamese had had the Meo and were going to try to get rid of them. And they did, pretty much, in the end.

We had an enormous AID mission that did actually do economic development. We had some young heroes--Peter Leiden was one of them for year--who went out and worked with the Lao people on health and on agriculture and education; their lives were put in danger.

But most of the AID mission was another cover for helping the Lao militarily. We had a large military mission that funneled arms to the Lao Army proper, and then we did the targeting for the bombing from Udorn and from the Thai bases, to put that into perspective. We did our best to save as many civilian lives as we could. If the Lao had had their way, there would have been a free-fire zone. But Bill Sullivan always had a young political officer who worked with him as staff aide and also with targets, with the

photography. You know, there might have a Vietnamese anti-aircraft gun hidden under that house, but we were not going to take out the house.

So part of it was real war. Not in Vientiane itself, but I'll talk about that.

The other part was that we were also the possibility of being the catalyst for a peace movement, because the Geneva Conference on Laos of 1962 set up Laos as independent and neutral--violated in the breach by the Vietnamese initially, and then we responded--but our aim was to try to maintain as much of the fiction of Lao neutrality as possible, the thought being that perhaps a reconvened Geneva Conference on Laos might be a catalyst for a broader conference. It may have been a vain hope, but Bill Sullivan was Averell Harriman's aide at the Lao Conference; he was hand-picked to go to Laos and not let the war extend any further into Laos than it had. Even our aid to the Meo was deniable, if you will.

And that's where we were.

Vientiane itself was a very strange experience. It was an island, a few kilometers on either side, that was safe. It wasn't safe because it was defended; it was safe because the other side decided it was in their interest not to blast it. And that included a school and an AID housing complex at Kilometer Five, K-5, I think. If you went to K-10, you might get zapped. In its own way, it was very tense, although most of us have fond memories of Laos and we could go forever on humorous anecdotes. It wasn't much fun there with two young kids, no place to play, particularly after Delhi. That was a terrific family post, just terrific. The school was terrific. I was the head of the school board for a year. The kids were in a multicultural context. There are problems in India, but they weren't the kind there. I knew that the Vietnamese probably had the mortar range of every damned American house there and could zap us anytime they wanted. It didn't bother me for myself, you live with these things, but it did used to periodically bother me with the kids and my wife.

All in all, Vientiane was the one part of our Foreign Service career we wished we had done without.

Q: How did Ambassador Sullivan operate?

VELIOTES: Well, Bill Sullivan was a high roller. He had Averell Harriman in his hip pocket, which means he could afford to be a wise ass. And he was very fun. He was hardworking. He was quite arrogant and intolerant of other views, which means that he and I had a lot of trouble. He also...it was very funny, I never understood this. Bill--so bright, so successful, so visible--seemed only comfortable with people around him who were older than he was.

Q: That's a very odd manifestation.

VELIOTES: Yes. And I always got the strange feeling that maybe I was too young. I didn't ask for Laos; I was forced to go to Laos. It was a very strange thing; I never really understood that about him. And perhaps I was wrong.

The second DCM, Bob Hurwitch, who came, we had a fair enough relationship, but, again, that was uncomfortable. And I found that I had to be a den father to my staff. I would go to bat for them and protect them.

And I'll tell you what we did that didn't endear us to anyone. But I felt I had no den father; I couldn't trust the DCM after Colby Swank left. And the ambassador and I disagreed on some issues. I thought that what he was trying to do was right, but I thought some of the things he let happen were wrong. And I used to tell him about that, even before some of them happened. And then they happened, and then they were proven wrong, and that doesn't endear you to anyone.

I looked around and I said, "Well, what role does the political section have here? Why have one? Laos isn't a real country."

Q: I was going to ask, just what...

VELIOTES: There seemed to be a hundred people back in Washington who sent out obscure instructions on United Nations issues, so we would just sort of make up answers and wave them past the Lao. Fortunately, the daughter of the prime minister came back and became director general of the Foreign Service, Maune Souvanna Phouma, who was a brilliant young woman and also had a great sense of humor. So I could always go by and see Maune and we could come up with something.

So I decided the only thing that justified my being there, and this bright staff of young guys, was we were going to try to operate as a control mechanism for the ambassador, whether he liked it or not. We were going to find out what was going on in the country and what Americans were doing. And we were going to try to measure them against our policies, and be a source of information to the ambassador, to help him control this monster that we had there.

Q: I might add that we had responded to the whole Indochina business by just putting tremendous amounts of equipment and personnel in, many of whom were sort of moving on their own.

VELIOTES: Probably less so under Bill Sullivan, but Bill Sullivan didn't know everything. And there were a lot of things that were going on. So I assigned one guy to USIA, another one to AID. I took the Agency.

Q: The Agency being CIA.

VELIOTES: CIA, and the military attachés. These were the most sensitive. We got out and my guys went over and found out a lot of things. We did a hell of a lot of good reporting. We kept track of the Chinese community, the Vietnamese community, the Thai community. I liaised with the French--the French ambassador, the French generals--because Sullivan hated the French. We tried to just keep on track of who was doing what. And I realized early on that this was being resented, and I just said, "Well, I don't care. They could always send me home and cut my staff in half, but if they want me here, I'm going to do something."

We learned, for example, that the famous Opium War that the Lao general claimed had happened in the Golden Triangle, and that had been reported by the CIA as having happened, where this man came out a hero; he stood off... drug smugglers, et cetera... I sent Sam Thompson up there. Sam Thompson came back and said, "There was no war. The general's sawmill is still there. This is all bullshit." The first thing that stuck us was maybe the Lao were more engaged in dope than we thought, and we learned a little about that.

But basically our job was to be supportive. I saw our job as to be loyal and supportive. We had a policy, let's see if we're doing it. How are we doing? How can we do it better?

And we had a lot of problems, the worst one being when there was a decision to mount an assault in an area in northern Laos called Nambak. It was supposed to be a secret assault, but everyone in Vientiane knew about it. So if everyone in Vientiane knew about it, so did the enemy. And everyone who did know about it, particularly the Lao, who were more outspoken, were calling it the new Dien Bien Phu. So we got our information together, and I forced a reevaluation in the country team. They tolerated me, and they reevaluated it, and they decided to go ahead. For all the reasons that were very easy to discern, it did turn into a disaster. The Meo not only lost heavily, because they were using Meo guerrillas as regular troops, the Lao Army was pretty much destroyed. As a result of this effort to go up and seal the Chinese border, the Chinese started building roads down into northern Laos. It was an unmitigated disaster.

Okay, it happened. So it happens, you go about... I came in one morning, and the ambassador had approved the station chief's fable of what had happened, the net result of which was that it was a great idea and they should have succeeded, there just were a few little mistakes, but we'll get 'em next time.

I went in to see Sullivan, and I said, "Look, what are you doing?" And he got very defensive. We talked about it, and I said, "Look, I forced through. I don't want to say I told you so, but we did tell them it was so. We told them all it was going to be a disaster. Okay, these things happen. I'm not trying to harp on that. But then all of a sudden I see this thing, and you have concurred, and you send it in and it's a lie. What are we going to do? Are we going to encourage the next station chief and the next ambassador and the next political chief to go down the same road?" He got very, very mad. And I said, "What I object to more than anything else is that you would let this go without my seeing it."

You're the ambassador, you don't have to let me see it, but knowing how deeply I felt about this and my staff felt about this operation, you would send this in. That really..." Well, he asked me what I wanted to do about it and all that. I said, "You know, I don't want to embarrass you, I don't want to embarrass the station, I just want to make sure this never happens again." Too many young kids were dead. So I said, "I'll think of some way to get it into the files at home."

That conversation kept me in grade four years. And those were the days you never saw your efficiency report. And it was only after I'd been passed over again, and I was one of the youngest Class Threes in the Service, and now I was getting pretty close to being selected out time-in-grade. Then you could see your file, and a guy in Personnel said, "Come on down and see your file and you'll understand why." And I went back to see it, and... it made indirect reference... the ambassador, something very negative about my argumentativeness, or something like that, or not being able to see the forest for the trees.

And I knew immediately what he meant, and I said, "Look at the other reports, they're all very good."

He said, "We don't... the competition. You'd better get something in there."

So I took it down to Sullivan.

Q: Who was back in Washington at that time.

VELIOTES: He was back in Washington. And I said, "Bill, you probably don't even remember this, but did you think I was very weak as a political counselor?"

He said, "Of course not, you were a damn good political counselor."

The fact that I was now special assistant to the deputy secretary may have had something to do with it. But I don't know; I give Sullivan a lot more credit than that.

I said, "Well, you know, I think you and I had a time when you were very piqued at me. I understand that. I even tried to transfer, but the inspector, Mac Godley, wouldn't let me. But if you say you didn't feel that way, would you please say so, because this is holding me up."

Well, he did. He didn't say this is wrong, but he...

There were a lot of things in the Lao thing. I don't regret anything I did along those lines.

Q: Well, now there is much more of a mechanism that was developed before dissent. In the Foreign Service in that era, you might have had something, but the idea of going the dissent route was just not done.

VELIOTES: The ironic thing about it was I wasn't trying to do that, and I wasn't trying to get visible, I really did want to have the record straight, somewhere back in Washington, on this issue.

One of the results of coming out was to get out of East Asia. I refused to have anything more to do with East Asia.

Q: How did you see the situation? You left there in 1969. In the first place, did you feel any repercussion from the advent of the Nixon administration?

VELIOTES: Oh, sure. Look, what happened, I was not a violent opponent of the Vietnam experience. I'm not sure I ever had to think it through in the early days--not very many people did--even though I saw some things that happened in the early part of the Kennedy administration which made me worry that other voices were being systematically dealt out. Chester Bowles, for example, was deliberately excluded from the decision-making process of really increasing our troop levels in Vietnam, in the early sixties, when he was still under secretary. I think Roger Hilsman, Abe Chayes, these were people who were dealt out, deliberately, on orders of the White House, I believe.

I had visited Saigon in early '62, on a trip, and had been impressed by what a beautiful city it was still at that time, although the American presence was starting to grow. During the time I was in Laos, I did visit Saigon and was shocked at what it had become--just an armed camp and a brothel.

In Laos itself, I could live with our policy there because we saw ourselves as a place where you tried to control the violence and tried to keep the door open to something else. And that went a long way to keeping you on board with the policy.

I began to wonder and had very serious doubts about whether I could believe what my own government was saying, within six months after I got to Laos.

One of my jobs was to be the liaison officer with the prime minister's office. And periodically I would go to the secretary general of the prime minister's office to discuss remuneration for the innocents who were killed by mistake by American bombing. Now here are planes coming out of Thailand, there is no anti-aircraft, they just make mistakes. Instead of bombing there, they bomb here. Innocents are dead. And it didn't take long to say, "Wait a minute. If that's happening here, without any anti-aircraft, how can every day in every way the Johnson administration, including the president, maintain there are no civilian casualties in the bombing of North Vietnam? There are no *deliberate* civilian casualties, but there *have* to be civilian casualties. If they're here in Laos, they've got to be there."

This may sound like a little thing to you, but this bothered me more and more. And I went in to see Sullivan, and I said, "Look, we've got to talk. I've been here long enough now. I haven't been involved in Vietnam, as you have, but this is a lie. And if this is a lie, what

in the hell else is the truth? Because this is a lie you don't have to lie about. I mean, why not just say we regret it?" Well, he was quite sympathetic to this and said well, he'd been trying to tell them...

While I was there, Harrison Salisbury came out.

Q: He was New York Times.

VELIOTES: *New York Times*. He'd been invited to Hanoi, and he was going to fly to Hanoi on the International Control Commission plane. The International Control Commission, which I'll mention in a moment, used to have a plane that flew to Saigon and other places... into Hanoi. And I was his control officer... great interest in Washington. He said, "I'm going to tell you... You can send this telegram if you like. I'm going to come out of Hanoi whenever I do, and you'll be at the airport."

And I said, "Yeah."

He said, "Then I'm going to come back here. I'm going to tell you everything. I will already have filed... so I'm going to tell you what I've seen and what I wrote, because I don't want to surprise anyone. And I do this sadly, because I know what I'm going to see. And if the administration had ever been honest, I wouldn't be here; this would not be a scandal."

But, if you'll recall, this was when the credibility gap really...

Q: Yes, I remember, it was such a shock, the Salisbury reporting. I wasn't paying that much attention, but it rings in my mind.

VELIOTES: Well, you see, that's what got my attention in Laos, that there's got to be something wrong here.

So, sure enough, Salisbury came back, gave me the briefing. We had every damn... we had the JCS, the..., the White House, secretary of defense, secretary of state, all wanting to know about this. And then he won the Pulitzer Prize for it.

By the time I left Laos, after almost three years, the Nixon administration was on, and Mac Godley had replaced Sullivan. Mac wanted me to stay, and I said, "No way." But you saw a difference right away. Mac was a can-do, let's bomb them, let's shoot 'em... That was his image of himself--cigar smoking, hard drinking, carrying guns. It worked well for him in the Congo, and I guess he loved it in Beirut; he saw all those guys carrying guns there. That's just the way Mac was. He got to Vientiane, and he immediately went on a trip around the country, with the attachés, the station chief, and some of my people. In fact, my replacement had arrived, and I was going to leave in a few weeks. He came back and he dictated a telegram, and he asked us all to look at it and talk with him the next morning. I saw this telegram... meeting. I said, "Christ, you are saying the war can be won

in Laos... I like you. You realize... every bit of credibility... this telegram, because anyone who knows anything about Laos knows you can't win this war. The Vietnamese are too strong, the Lao are too weak. It's too bloody... It can't be done. Don't send the telegram."

Well, of course, he then had his meeting... he sent the telegram.

What I didn't know until I got back was that Nixon and Kissinger had devised this sort of Vietnamization policy, and you had to at least pretend, I guess, that the war was going very well on the ground in order to justify the withdrawal of American troops--as is not unusual in such situations. The political hopes and realities at home serve to distort the perceptions overseas. You wanted to hear what you wanted to hear. And you didn't want Mac Godley, who you sent out because he was a tough-minded guy, to say, hey, we can't do that here.

Q: I might add, in about '69, I had gone to Saigon as consul general there, just running the consular section. But the feeling was, things were going fairly well in Vietnam at the time. The Tet offensive had run its course a year before. The military situation seemed in fairly good control there. At least that was the perception.

VELIOTES: That wasn't the perception in Laos, if you had your eyes open. Just too many people had been... Anyway, it had become clear to me, certainly in the last year I was there, that we weren't going to stay the course. Too many visits by too many people. Another visit to Saigon. As I said, I was just appalled by the place and wondering how long the South Vietnamese population was going to put up with that kind of an occupation. You know, they could have..., and we could have left...

In any event, I came back, after 32 months. Actually, the Lao were a very sweet people. I really enjoyed them. I thought it's too bad they're not in an island in the Caribbean. They really were nice people. They were very gracious. I used to play tennis with them. You could go down to this funny old stadium, and everyone in Laos who had a high school education would be there playing, drinking beer, laughing. Very accessible. Very accessible.

But, in retrospect, particularly from the family point of view, it was the one post both my wife and I agreed we could have done without.

Q: Today is May 1, 1990--May Day.

VELIOTES: Happy May Day.

Q: Happy May Day to you, too. This is the second of a series of interviews with Ambassador Veliotis concerning his career. In our last interview, we had you leaving Laos in 1969. Then you did what?

VELIOTES: I was assigned to the Woodrow Wilson School, as a Woodrow Wilson fellow, in Princeton, and I stayed there for a year.

Q: Did you have any particular thing you were pursuing?

VELIOTES: I never quite understood why I was sent there. I had asked for the War College, because I wanted to come back to Washington and get settled for four years with my children; we'd been moving around too much. That was turned down and instead I was sent off to the Woodrow Wilson School, which was fine, an honor. And I wasn't quite sure why, because I had not expressed any desire to return to academic life. I had no real projects in mind for writing. I tried to get the Department to reverse itself, and they said no, the decision was firm. And I finally came to the conclusion that because I'd had some academic background before coming into the Service, and because I was out of Southeast Asia, they thought that I could be helpful in explaining American Southeast Asian policy on the college campus to which I was assigned.

Q: Well, of course, to put it into context, this was a period of extreme agitation on campuses; really the very height of the student agitation. And I suppose this had priority over everything else, as far as the...

VELIOTES: Well, it did, but no one ever asked me what I felt about that policy and whether I felt confident about defending it. And, of course, I didn't; I was something of a peacenik myself after my Lao experience. It was clear we had no staying power in our policies. And I was on campus when the famous Cambodian invasion took place, in the spring of 1970, that was designed to find the bamboo Pentagon, in the parrot's beak.

Q: Yes, I was in Saigon at the time, and we were looking for KOSVAN, the supreme headquarters of the Vietnamese in the south.

VELIOTES: Like a lot of people who went through some kind of a Southeast Asian experience, I was only too happy to put it all behind me, and I hadn't even evidenced any interest in it for years. But I recently read two books, one by David Hackworth, a celebrated Army colonel who resigned over his...

Q: His book About Face?

VELIOTES: His recent book, *About Face*, a lot of it is about Vietnam. And the other one was by Neil Sheehan.

Q: A Bright, Shining Lie.

VELIOTES: Not that you would agree with everything in either of them, but they were both fascinating. And the parrot's beak reminded me of sitting in the university with several hundred students when President Nixon came on camera that night to explain why

we were invading neutral Cambodia and why we had lied about it all this time. So I'm afraid I was no more effective as a spokesman for...

Q: I'm just curious, because a tremendous effort was made at that time to get Foreign Service officers onto campuses to have them explain, either as a touring road show or already there, how did you deal with this at the time?

VELIOTES: Well, I dealt with people in small groups. I talked to those students who wanted to talk to me. And it was less my attempting to defend American policy than to explain background, what the situation was. That was a time when the only black hats in Southeast Asia were supposed to be Americans, as far as most campuses. People were concerned. It wasn't a very productive time.

Q: Did you find that the faculty sort of had an attitude towards you?

VELIOTES: Well, as far as coming out of Southeast Asia, no, there was no negative attitude as such. But that's because Dick Uhlman and a former West Pointer were administrators in the program, and these were people who were very sophisticated. The attitude, more than negative towards me, was a belief that any efforts not directed towards urban renewal were sort of irrelevant to the world in which we lived. So here you had the Woodrow Wilson School on public administration--which had become one of the premier schools in training young Americans to assume responsibilities and careers in foreign affairs, not all in the government, business as well--teaching courses on urban renewal. I mean, most of the students made you feel irrelevant, if you took them too seriously.

Q: After that sort of almost amorphous type situation, you came back to doing what? This would be 1970.

VELIOTES: Well, I initially came back as special assistant to David Newsom, who was the assistant secretary for Africa. I had made it clear I didn't want to go into the East Asian Bureau; too many people were spending too much of their lives in what was increasingly being seen as a losing cause, and a heartbreaking one, very heartbreaking, because of the people who were there. We had many Laotians, for example, who were sincere in their belief that we were going to be committed to them for an indefinite period of time. And they'd put, therefore, their lives and their families' fortunes at risk and jeopardy. It didn't take much to know that you were going to let them down. So I thought the best thing to do, for me personally, was to get distance.

The Dave Newsom proposal came up. I was offered the same job in Europe, but I knew nothing about Africa, and I thought I'd try to learn something about Africa. As it turned out, I stayed there just long enough to end up on the Seventh Floor, working for Deputy Secretary Irwin.

Q: You worked for John Irwin for what, about...

VELIOTES: About two and a half years.

Q: Could you describe how he operated and his effectiveness in the Department?

VELIOTES: Well, John Irwin suffered from what I call the deputy secretary's disease, and that is that you are basically unknown publicly, and you work like hell in the interagency environment. Traditionally, the deputy secretary had to fight the White House on personnel issues, and wrestle with the Commerce Department and Treasury, who wanted to set up their own embassies abroad, and be the guy who tried to keep a lid on how many cover positions the CIA would get.

The other thing, because he himself was quite an accomplished lawyer, we took a very deep interest in legal matters in the Department. And, indeed, my politically appointed colleague, a special assistant, Scott Custer, was an extremely talented international lawyer. He subsequently ended up in Brussels with a multinational law firm.

Then, because Mr. Irwin at an earlier time had been a Panama Canal negotiator and had a deep interest in Latin America, much of Latin America came our way--the Panama Canal negotiations, the Peruvian expropriations, and then Chile, when Allende took over.

And, because of a curious situation (I never did understand it), the under secretary for economic affairs was pretty much a non-player. He was a remarkable human being-- was and is.

Q: Who was that?

VELIOTES: Nathaniel Samuels, one of the world's leading investment bankers, who could not stand bureaucracy--couldn't tolerate it and therefore couldn't master it. He was a terrific investment banker; he was discrete, he could operate out of his hip pocket. But you don't coordinate multilateral economic diplomacy that way.

So we ended up either de facto, because Mr. Samuels was taking himself out of so many bureaucratic arenas, virtually de jure when he resigned and you had no one for a while, taking on a very heavy economic load, which got us into three very interesting areas.

One was petroleum policy, at a time when the Arab states, in the period prior to the 1973 Arab-Israel War, were starting to nationalize American properties--the Arab states and the Shah of Iran--and threatening dramatic rises in the oil price.

Q: This was the beginning of the real coordination of OPEC, wasn't it?

VELIOTES: Yes, and that got us into that very deeply, with the oil companies and with the foreign governments, including a trip abroad in early '71 or maybe it was even '72.

More immediately, the president had assigned Irwin the responsibility for relief and rehabilitation of Jordan, in the aftermath of the Jordanian war with the Palestinians in Jordan.

Q: This was after the Black September.

VELIOTES: Black September of 1970.

And that went so well, the president asked Mr. Irwin to take on similar responsibilities for the Southeast Asian area, which got us back into Southeast Asia, including a visit to Vietnam, Cambodia, Laos, and Thailand, with a planeload full of dignitaries, including Marshall Green, the assistant secretary; Bill Sullivan, deputy assistant secretary and my former ambassador in Laos; Arthur Hartman, who at that time was deputy director of the policy planning staff; the head of the economic... And this got us into a proposal. It was a proposal that Irwin made to the president to go to the Congress and work with the Congress for a five-year authorization for economic and military assistance to Vietnam. This was in '71 or '72. And associate the Congress with our withdrawal from Southeast Asia.

Q: This was just the beginning...

VELIOTES: The beginning of Vietnamization.

Q: Vietnamization, which really got cranking in 1970.

VELIOTES: And we had done some feelers on the Congress before going...[tape ended] ...were asked to do anything in Southeast Asia.

Q: Do you know what may have stopped that?

VELIOTES: Oh, sure, I have no doubt. I can't prove it, but I'm sure Henry Kissinger was mad that something went directly to the president, and he didn't like it and so he just killed it.

Q: Just to highlight this, one of the really nastiest things about the way the South Vietnamese thing played out was the fact that we got the peace accords and then we essentially cut the rug out from underneath the South Vietnamese government without any long-term...

VELIOTES: Well, let me say that I thought about this the day in the spring of '75 when I was chargé in Israel and I opened the paper and learned we had left South Vietnam. I thought about what we had proposed three years earlier, and it looked pretty damn good as far as a responsible American position to try to heal wounds and reassure the people for whom we had risked so much and who were risking for us and whom we had compromised.

Curious. I recall, on that trip, we had an East Asian chiefs-of-missions meeting in Manila, and Jack Irwin chaired it. The chiefs of missions were asked to go into working groups and come up with a list of American priorities in East Asia. And they did. And I won't mention the names. Vietnam was on the bottom of everyone's priority list.

Q: And these were chiefs of missions in Southeast Asia, where the dominoes were located.

VELIOTES: That's right. Strengthening the relationship with China. The Sino-Soviet split was beginning to be more and more obvious. ASEAN. Japan. The relationship with Japan was looming.

The career man who was the deputy ambassador in Saigon, and the career officer who was the NSC man for East Asia, working for Henry directly, both pleaded that this be changed, this be suppressed, because it would be such a shock back in Washington, it would hit the press, blah, blah. And it was. It was one of the things that I think I was most ashamed to be associated with as a Foreign Service officer. I guess we recouped from that with this five-year proposal, and we never heard again from it.

I got into the Middle East, actually, through the Jordanian AID program. And then, of course, the association with the petroleum program was also something that sort of helped me as I moved towards the last phase of my career, which was...

But let me say something about that period. We always think, as good pessimistic Foreign Service officers, that today things have never been worse. I remember the White House calls to Jack Irwin, trying to get him to agree to place political appointees into the Class-One DCM jobs overseas and into the senior consulates general.

Q: I was a consul general, and we were very aware of our... that the DCM...

VELIOTES: The Service owes Jack Irwin a great, great debt of gratitude; he just refused to even countenance that. And I'm talking about the Haldemans and the Ehrlichmans, these were the people who were calling on this stuff.

The famous Cambodian demonstration of the young FSOs, and signing petitions and things. I never thought that was the way you should have operated as an FSO, but nevertheless, Jack Irwin found himself standing between those people and the wrath of Richard Nixon. I can tell you that from personal experience.

Q: Could you explain a little more of the background, because I think this is an important episode.

VELIOTES: I wish I could think of the timing. It must have been in the spring of '72, or late '71.

Q: Well, Cambodia was the spring of '70.

VELIOTES: It may have been the spring of '70 when this happened. I came on board in Irwin's office some months later. And the president personally wanted to know what was being done to fire at these people.

Q: These were some young officers...

VELIOTES: A number of whom had had experience out in Vietnam and Laos, who spoke the local languages and who were opposed to what had happened in trying to expand the war. They signed a petition, and there was a lot of publicity about it, and the president of the United States was determined that they be written out of the Service. When I showed up, there were a few phone calls from some of the powerful underlings, and then, by God, the president himself. President Nixon was following this and ranting and raving about the traitors.

And Deputy Secretary Irwin, this quiet man that no one knew, quietly just put the wall up, protecting these young people, and protecting the integrity of the Service as a whole as they sought to rape it through appointing the lesser, younger political contributors to give them "experience as consul general in Frankfurt, DCM in Paris. Jack... these people... create a group for the future."

Q: Part of this does show the absolute importance, at certain positions in the Department far enough up, of having somebody who is a political appointee who is not beholden to a career principle, but who can protect it.

VELIOTES: Yes, I don't think it makes any sense to have a career officer as deputy secretary. I don't think Eagleburger makes any sense today; he's neither a political appointee, with his own political base, who can..., nor is he a career officer. So I believe strongly in the Number One and Number Two people in the State Department being political and, hopefully, with a political base.

Q: I'd like to return to a couple of things you've mentioned. Could you talk a bit about your impressions of this growing oil movement in the world. OPEC was changing into an instrument, while before, it had just been a commodity.

VELIOTES: Well, actually, what you were getting into was economic liberation. You'd already had political liberation; at the beginning of the sixties, there were very few colonies left. And ten years later, colonies or dependencies, newly independent, started to look at these hundred-year leases. Some of our aluminum companies had 100-year leases in Latin America.

Q: Sounds like our lease on Guantánamo Bay.

VELIOTES: We met not just with the oil people, we met with the aluminum people, to explain that what was going on in Jamaica and in Suriname, I think, and some other places was that you made deals twenty years ago to last for a hundred years, and that circumstances had changed, or maybe it was forty years ago, and you just had to adjust to it. Some people accused us of being communists.

Q: How did you find the business community? Did you find a realism there?

VELIOTES: No. Some oil companies, yes. Some oil companies, absolutely none. Absolutely none. They didn't seem to understand.

Q: That's funny, because I served in Dhahran, Saudi Arabia, back in the fifties, and ARAMCO had a very good view of where the world was going. They wanted to keep pumping oil, and they made whatever concessions...they were accused of selling out. So, ARAMCO seemed to be very enlightened, but what about...

VELIOTES: Not all the ARAMCO partners were.

Q: Ah.

VELIOTES: That's the issue. And we were dealing with the partners. Some were. Some appreciated our getting into the act to try to ease the transition and help them.

And we had a remarkable person working with us, on oil in particular, called James Akins, who was subsequently ambassador to Saudi Arabia, who would not put up with Henry Kissinger, and who retired and has subsequently become one of the most important petroleum consultants in the country. Jim saw the handwriting on the wall. He sent questionnaires to CEOs (chief executive officers). He forced the oil companies... There were people scared to death of doing this, saying: You can't do that. Well, gee, what will be the political impact? and all this.

Jack Irwin, again, supported Jim. I told you earlier, we got into economic affairs. And, yes, he wanted to know the facts, and, as a businessman himself, he realized you didn't help anyone by hiding the facts from them. And try to find what people think. What do they know?

Net result: we took the first initiative of the U.S. government, ever, seeking to moderate the demand of the oil countries on the companies, with the full support of the companies, and with a waiver from the Justice Department for doing this.

It didn't work. We had a five-year deal, and it wasn't Qadhafi who broke it, it was the Shah of Iran. You have to keep this in mind. As a matter of fact, as far as the oil policy went, the shah was the radical with respect to price rises and with respect to insisting on owning.

Q: There was almost an overly close relationship between the president and Henry Kissinger and the Shah. As you were planning this out, were you finding this a problem as far as the shah?

VELIOTES: Well, I'll tell you what I did. There was at that time a group of younger Foreign Service officers, who were Farsi speakers, who tried to point out that... Bill Miller, who subsequently went to the Senate as a very important staffer--the first chief counsel of the Senate Intelligence Committee--resigned over the issue, because he just could not see our policy of blind support for the shah succeeding.

Actually, I saw how far it went when I came back into the policy planning staff as deputy director in the fall of 1975. We had been told that you could not really put your nose into American-Iranian policy because Nixon and Kissinger had said, in essence, the shah's our boy in the Gulf; he's the policeman, and what he wants, he can have. And what he really wanted was guns. I thought that you could approach this from away. That, okay, so they wouldn't allow us to get involved as to whether that made sense as a policy. And that pretty much put our CIA activities and our intelligence activities--overt and covert--in a box, and you could only talk to the shah or his people, who would tell you what was happening in the country. We all know they didn't even know, as it turned out a few years later. But at that time, I thought, well, I had talked to some people, and I said, well, let's look at it from another way.

There is some interesting work out on foreign presences in the Gulf area that pointed out that, traditionally, large foreign presences have been real problems in these societies. So I had an idea that we could do a study on what would be an optimum U.S. presence in Iran, to support the things the Shah wanted. And I wasn't sure what it was, but whatever we would come up with, then I thought that we could have a policy that said, okay, Mr. Shah, you can have whatever you want that you can pay for, as long as there are no more than X number of Americans in your country at any one time. That was one way to try to get in.

We couldn't even do that--I was reminded of Secretary Kissinger's and President Ford's policy that you couldn't get into it.

Kissinger wasn't at all happy about the trip we went on, by the way, because he had a habit, if you'll recall, when he was in the National Security Council, of controlling everything by ensuring that the bureaucracy was exhausted in useless studies. So we did four things that he didn't like at all, because the president told us to do them: the Jordanian rehabilitation; the trip to Southeast Asia, which the president himself called and commissioned; a later visit down to Latin America; and this visit out to the petroleum area. It did not have the support of the national security advisor.

Q: I want to touch on one other thing, and then come back to the relationship between these peculiar individuals--Kissinger and Nixon. You said that Under Secretary Irwin got involved in Latin America; particularly, could we talk about the Chile business and Allende and all that, from what you saw, and how that played out, from your perspective.

VELIOTES: Well, as far as our office was concerned, we had an interest in Chile because, I believe, there were some unresolved claims for nationalization of copper assets, and we were involved in this. We then followed very closely what was happening in Chile, through the 1970 election and its aftermath.

Q: This was the election that brought Allende in.

VELIOTES: Yes. That also got us on a trip down to Latin America. My boss headed up the American delegation to UNCTAD (the United Nations Conference on Trade and Development), which was being held in Santiago, and that gave him the opportunity of being the first senior American official to talk to Allende since the revolution.

And then we stayed involved, in a manner of speaking, because it turned out that the Chile situation was almost a classic of what was happening to the command and control lines in the national security policy in the first Nixon administration. You had State Department telegrams that were taking one point of view, both to and from Chile, or at least were addressing policy at that level, and you had covert telegrams, some of which were sent by the ambassador, who had signed the other telegrams to the secretary, that were being sent over to the national security advisor, saying things that were totally different. A very, very dangerous...

Q: Were you aware of these?

VELIOTES: I was aware of some of them, sure.

Q: What was your feeling? Our ambassador was Nat Davis, wasn't it?

VELIOTES: No, Ed Korry.

Q: What was your feeling?

VELIOTES: I was appalled.

Q: Were you looking askance at Korry?

VELIOTES: Yes. Well, I was appalled. After all, I was a reasonably junior staffer, but I understood process, and to get a No-dist. cable to the secretary of state one day, and then its equivalent in the back channel to the national security advisor, that somehow would find its way to us as well, which said, "Disregard what I just said to the secretary of state..." I saw a few things like that, but then how many do you need?

Q: I know. What was your impression of Secretary Rogers in this position, both his relationship to Irwin and to Kissinger, as you saw it?

VELIOTES: Well, his relationship to Irwin was, I thought, very good. There was mutual trust and respect between the two men. And it helped that Irwin had no desire for press coverage, because Secretary Rogers was a public man, with a certain ego. And probably he appreciated Irwin even more, given the problems that were happening in the White House. Now Rogers was a person who was personally very close to Richard Nixon, and we assumed that the reason why he allowed things to go on the way they did was because of his close relationship with the president. That didn't stop the president from replacing him with Kissinger in the second administration, of course. As a matter of fact, there was only one part of the world, as it turned out, and it's been documented in memoirs, that Rogers was left with, and that was the Middle East. But even there, the fact that there was no support from the White House, or perhaps even sabotage from Kissinger personally, on attempts of Assistant Secretary Sisco and Secretary Rogers to broker a peace process between them helped ensure that that could go nowhere.

Q: At that time, did you have the feeling that you were part of what essentially was a rather ineffective instrument? Or did you feel you were part of a battle that was fighting Kissinger? How did you feel?

VELIOTES: Well, it depends. It depends. It was very confused. Let me give you an example. I learned to never cease to be amazed at the scope of Kissinger's authority, or reach for authority, and how he trusted no one, and how, even if you helped him, you could be hurt.

I'll give you an example. We did a lot of work with NATO in our office, and the OECD and the EC--to Europe very often. There was a time when a major issue in NATO was a conventional arms negotiation in Central Europe. That seemed to be something that a lot of people wanted and that we were going to acquiesce in, as we acquiesced later in the Helsinki Conference. But the Turks and the Norwegians were furious because, in our scheme for these negotiations, we weren't going to let there be any peripheral representation. Kissinger said, well, we're going to talk about Central Europe, we'll talk about Central Europe--us and the Germans and the French and the British. You know, I mean...

Q: A non-NATO NATO...

VELIOTES: A non-Central European NATO. Well, the Turks went crazy; they were talking about leaving NATO. "What are you talking about, you know, you leave us here, where do you think those troops are going to go if they redeploy from the central front? They're going to come over here. We want to have a voice." Well, things were in a hell of a mess. Our major allies in Europe were convinced Kissinger was going behind their back to the Russians on nuclear negotiations. And we were having a very serious NATO crisis.

I'll never forget the day that it got so bad that the agreement was that Jack Irwin (maybe he was acting secretary at the time, but this was done with full White House approval, but who I don't know, perhaps Kissinger wasn't in town) but things had gotten so bad we

better have groups of NATO ambassadors come in and be reassured about our policies. The first group was the British, German, Italian; I know those three. And the Brit took the lead. He and Irwin were very close; they'd been at Oxford together, I believe. He said, "Mr. Secretary, our governments have asked us to come in... We're very concerned about what's going on. You're not consulting with us; we have the feeling we're being left out." Et cetera.

Irwin listened, and, in a very dignified, effective way, he responded that he had been asked by the president to assure them that the United States would coordinate fully on these various policies with them.

The British ambassador said, "Now, Mr. Secretary, I want to repeat, you did say the president assures us of this." You knew immediately what he was saying--Kissinger.

And Irwin said, "Yes, I've been authorized by the president to say the following..."

And the tension went out of the room, and the British ambassador looked at his colleagues and leaned back, and he said, "Well, Jack, for Christ's sake, it's about time."

Now when Kissinger came back he was furious that we had done these things to reestablish equilibrium in the alliance. Why? Did he take it as an implied criticism of him? Was he mad because someone else had the limelight for a while? What could he possibly be upset about?

Q: Looking at this at this time, we'll come back to this later on, when you're wearing a different hat, but what was your impression of Kissinger? Was this an ego thing, or was this a deliberate Machiavellian ploy to keep everybody off balance?

VELIOTES: Well, I think he believed that the only way to have effective policy formation in sensitive areas was to do it in secret. Now his definition of who you should trust obviously did not include the secretary of state. He didn't have to trust me; I didn't care, I was a young officer. Now that apparently just fed right into Richard Nixon's own way of looking at the world, and certain paranoia. Both of them were very paranoid in their own ways of not trusting anyone and believing that these people were not making mistakes, but that they were really trying to sabotage them and their policies.

A lot of things were happening. You hardly got through the Cambodian crisis, when Watergate started, and the Vietnamese rallies, and the million people clogging the streets, and then Watergate. It was a time that led people to feel besieged. You know, you try to do your best and ascribe decent motives to people. I have no doubt that both Nixon and Kissinger thought they were doing what was in the best interests of the United States. But I do also believe that there were occasions when Kissinger, through his ignorance in certain areas, did things that we subsequently paid for.

I'll give you an example, in that time frame. The Pakistani army was just murdering people in Bangladesh. If you remember, there was a genocide plan there: anyone who was educated, the Paks were going to kill. And they didn't have Bengalis doing it, they had Dethans and Punjabis and tribes people. And India-Pakistan went to war. There was a wildly implausible intelligence report about the Indians going to attack Pakistan; and nothing to support it--only one cabinet report that someone said that in the cabinet. Based on that report, Kissinger ordered a battle group into the Bay of Bengal to threaten the Indians.

Q: This was the Enterprise, was it?

VELIOTES: Yes, I held it up for twenty-four hours. I went into my boss and I said, "Look, this is crazy. The Indians aren't going to go in and attack the Pakistanis. All we can do here is upset the Indians." Of course, I didn't know that Henry was playing some games with the Chinese. He was being macho, to show the Chinese. Well, we did that all right, and I guess we made a few points with the Chinese. And what happened? The Indians exploded their atom bomb. Up to that time we had succeeded, with others, in preventing them from going nuclear. Am I saying the Indians never would have exploded an atom bomb? No, I'm not saying that. But there they were, threatened by us.

Q: This was a tit for tat type thing.

VELIOTES: I think so. They had to say: We'll show you.

Q: But did you have the feeling...

VELIOTES: I had the feeling that this was a government that, under the impact of Watergate in particular, the early part of Watergate, was starting to go out of control. And Kissinger, through ability, through stamina, through intelligence, through daring, audacity, was literally running the entire national security policy of the government, utterly unchallenged. Things were happening that no one knew about.

Q: Let's go to the Enterprise battle group, which became quite an issue. One remembers it today. This was part of the tilt towards Pakistan.

VELIOTES: Totally unnecessary.

Q: It was absolutely gratuitous.

VELIOTES: Absolutely.

Q: I mean, a battle group going off...one of the world's largest, certainly populationwise, a very powerful military country, and one battle group...

VELIOTES: Anyone who had known what happened in 1965 would know that the Indians weren't about to sacrifice their tank army against the Pakistani defenses in the center, in the Punjab. In '65, the Indians defeated the Paks resoundingly in some large-armor battles. Theoretically, they could have gone quite a ways into Pakistan. But to do it, they'd have had to go across canals and... And for what? Did Henry Kissinger really think India wanted to annex another hundred million Muslims? That's crazy. They want to dominate them out there; they don't want to put them in part of India. It was a gratuitous thing. It was a mistake. I don't know if Kissinger ever said it was a mistake or not, but that was really a mistake. And there was no way to discuss it.

Q: You say an order came to send a battle group to the Bay of Bengal. Did it go through the State Department?

VELIOTES: No, my boss picked up the phone and called someone in Defense, or he may have called the chairman of the Joint Chiefs to say what the hell is this?

And he said, "Well, we got this order."

And I said, "Well, hold it up, I want to find out about it. What's going on? It doesn't make any sense."

And then we were told, no, it had to go forward. I mean, I wasn't a part of any process that discussed it; I didn't hear that there was any.

And, of course, it's all justified, in retrospect, by the fact Henry was secretly negotiating with the Chinese, and we had to prove to the Chinese how tough we were. And this was, you know...

Q: This is sort of the global chess that I have heard again and again in these interviews on Henry Kissinger. Basically, the thing was he didn't understand local conditions very much. And if you don't listen to the professionals down below, you can come a cropper.

VELIOTES: Well, of course. I mean, my God, I used to do political/military in nuclear work in India, and it was clear, if we put nonproliferation as a very high value in the world, and presumably we did, that our best chance of keeping the Indians from going nuclear and starting the Paks down that road would be to have a decent relationship with them. My God, not to threaten them with a carrier battle group. They were doing what really should have been done in East Pakistan, to save the lives of the Bengali elite. That was scandalous what was happening in East Pakistan. Scandalous. And then that seemed to be an endorsement of it. I mean, do you have to do all that? Is that what the Chinese find...

Q: Of course, we're trying to look at it at the time, but the interesting thing is you have Richard Nixon, who, as vice president and even as a private citizen, has won quite a few praises from the Foreign Service, which probably politically would not find him very attractive, but in doing his homework, asking the right questions, going around and

doing a very, very competent job, all of a sudden moving off with, essentially, an amateur.

VELIOTES: Well, you know, don't forget who you had at that time. It's not as though you had an incompetent as assistant secretary for the Near East and South Asia. You had Joe Sisco. You can do things like that without talking to him? And it didn't make any sense. Subsequently, we all know that was an intelligence report that no one should...I saw it, no one could pay any attention to it. But that was the justification used for doing these things. I can't explain it. Obviously, Kissinger is a very capable man, and he did many things as secretary of state that I found admirable, but his great failure was this.

Q: You stayed with Irwin until...

VELIOTES: Until after the election of '72, at which point he was replaced by the deputy secretary of defense, Kenneth Rush. And Irwin then went off to Paris.

Q: You had Rush for a while. Had he been ambassador to France?

VELIOTES: Germany.

Q: Before that, when he came back. How did you view his operations and his effect, just in the time you were with him?

VELIOTES: Rush was a very close personal friend of the president, and he had under his belt a very substantial, successful Berlin negotiation, the early seventies. He was a former Union Carbide CEO. He understood the world; he knew a lot. I think he really expected to become secretary of state. I think he believed he was coming over to the State Department as deputy secretary as a preliminary to replacing Rogers, who would move off after a year, after five years. I don't know whether that would have happened or not, because Watergate jumped in. And my time with Rush was totally colored by Watergate. This was early '73, and every morning started off in the deputy secretary's conference room, a small group, on Watergate.

Q: You mean the latest revelations?

VELIOTES: Not so much the latest revelations, but, rather, Rush sort of assumed the siege mentality of the White House and the administration, sort of: "They out there are all after us. It's all sort of a plot, and none of it's important." It was not a happy six months. I don't blame him.

Q: Well, how was Rogers responding to this? Were you getting any reflection of Rogers at this time?

VELIOTES: No. Obviously, when Irwin left, I was asked by Rush to stay on, and I told him I thought I could do it for another six months or so. Well, I hadn't made up my mind

how long I wanted to do it, but when I saw what was happening and that we were going to spend all of our waking moments pissing and moaning about Watergate, I decided it was time to go back overseas.

Q: In a way, just to get a picture of this period as you saw it here sort of at the top, there really wasn't much in the way of direction of foreign policy. It was concern with a domestic...

VELIOTES: ... I remember two things about the Ken Rush period.

One, he was a pretty tough guy with respect to the political candidates for ambassador.

Q: In other words, trying to keep them from coming in and...

VELIOTES: Well, if you want a model for a non-career ambassador, he would offer you Ken Rush, who was in charge of the Union Carbide international operation, and then president and chairman, and a man of real substance. Many of the people who subsequently were appointed in the other Republican administrations never would have gotten by Ken Rush. That's the first thing.

The second thing is a visit to South Asia, to Afghanistan, to India, which was cut short, and then to Tehran for a chief-of-missions meeting, in early '73, for the Middle East and South Asia. And what struck me about that was how tight the security was. It was terrible. We actually had to send home the wife of a political ambassador who refused to follow the security rules.

Q: We're talking about Iranian security, not our security.

VELIOTES: No, no, Iranian, for the chiefs-of-missions meeting, in early '73, I believe. And Joe Sisco was the assistant secretary. We literally had an armed corridor, a street that was ringed with troops, from our hotel down to the embassy, where we had our meetings, and back. And you could only shop in armed convoys, with this heavy security. That's how worried the Iranians were that we would be targets of anti-shah dissidents.

Q: God, I was in Vietnam at the height of the war, and this was never...

VELIOTES: Well, this was really tough. And I had to deal with this woman who said that she would not abide by this, and to hell with what the rules were, she was going out on her own. I had to go to Ken Rush and say, "I'm sorry I've got to tell you this. You've got to deal with this." Well, he was a pretty tough guy, he did. He got hold of her husband and said, "You can both leave, or your wife can leave, or if she stays, she follows the rules." She left.

Those were the only two memories of work. And the other thing was how the deepening Watergate crisis was just leading to paralysis.

Q: Did you see a change in the chemistry between Rush and Kissinger at that particular time?

VELIOTES: Yeah, and Rush thought it was going to work out fine. He had dealt with Henry on the Berlin negotiation. Henry knew that Rush was close to the president, Rush had a track record, and I think there was a wariness, at least, on Kissinger's side. Who became deputy after Rush, because Rush then went to Paris, didn't he?

Q: I want to say Christopher, but it wasn't Christopher.

VELIOTES: No, it was not Christopher. Who was it that came after him? But Rush did not stay as deputy. Once Henry came in as secretary, then Rush went on.

Q: Rush was too big a man to play second fiddle.

VELIOTES: Well, I think Rush was quite shocked that he wasn't going to be the secretary, and therefore he went on. I believe he went to Paris, if I'm not mistaken.

Q: Did you have any feel at this time, during the Watergate thing, which was before you took your next assignment, that there was a real paralysis in the foreign-affairs apparatus, that we were missing some bets, or something like this?

VELIOTES: Well, you've got to understand that you still had a foreign-affairs environment that was heavily dominated by Vietnam. Everything else, at best, was second best. Then you had the deepening crisis. It wasn't a very satisfying period to be in the Department once the Watergate thing broke.

Q: You then left to go to Tel Aviv, is that correct?

VELIOTES: Right. At the chief-of-missions conference, I was told by Ken Rush and Joe Sisco. During that trip, they pulled me in and said, "Look, you have been asked for by Ken Keating, who is the new ambassador to Israel, as DCM. But if you would rather, we will nominate you for ambassador to Bangladesh. We're going to Bangladesh, you can make up your mind then." I talked to my wife, and she said, "Well, go see what it's like." We were very reluctant to be parted from our children at that time, and that's what a Bangladesh assignment would have meant. Also, I was very tired, and I thought maybe what would be best for all of us would be, and my wife agreed, sort of a vacation in Israel.

Q: You served as deputy chief of mission in Tel Aviv from '73 until '75. I wonder if you could talk a bit about how you got the job and what the situation was when you arrived there.

VELIOTES: Well, I guess I got the job because of, first, my ties into NEA, which were based on my service in India in the mid-sixties.

Q: I might say that NEA covered...

VELIOTES: South Asia as well as the Middle East and North Africa.

Q: And South Asia would include the...

VELIOTES: India-Pakistan area. When I was with the deputy secretary, we handled NEA issues that way. We handled all military and economic assistance for the Department. That was Jack Irwin, who was the top of that interagency pyramid that went heavily to the Middle East. Our office was responsible for coordinating the relief efforts into Jordan after the war with the Palestinians, Black September of 1970.

We were deeply involved in these issues. And I was considered a part of the NEA cadre. Joe Sisco was the assistant secretary. Roy Atherton was his deputy. When the time came for an assignment after I'd been in that particular job for three years, somewhere in NEA seemed natural. Actually, as it turned out, I was offered two different jobs: I was offered ambassador to Bangladesh or DCM in Israel. And my wife and I decided that Israel would be more interesting, and, for some reason, we thought it would be more restful.

Q: Good God! We're talking about early '73.

VELIOTES: Early '73. We were in the sixth year of the post-1967 euphoria in Israel, where there was a widespread belief the millennium had arrived, et cetera. And there was a tremendous amount of belief that Israel was a great vacation spot.

Q: You're talking about within the Foreign Service?

VELIOTES: Well, generally. And as far as I was concerned, it was attractive because I had two teenaged sons; they had a good school in Tel Aviv. It was essentially an English-language post; you could get by without knowing Arabic or Hebrew. And there was a challenge there. I was going to be the senior career officer, with an admirable elderly ambassador, a former senator, called Kenneth Keating, who had asked me to come.

Q: Barbour had left by this time?

VELIOTES: Barbour was gone. So I left in the summer of '73 and actually arrived as chargé for a month. Owen Zurhellen, who had been chargé for six months, was off to his next assignment, and I came in as chargé. And almost immediately, even at that time...

Q: This was...

VELIOTES: This was July of '73, I believe. I realized that, even though Israel was at peace, Israel was never at peace. The energy level in the society was extremely high. There was a feeling there of security, of having fought all the wars that had to be fought. There was a not-unattractive sense of optimism, and some arrogance. And there was a sun, sand, and surf philosophy, which, of course, my sons enjoyed immensely in those few months that it lasted.

But even at that time, I realized it was going to be a seven-day-a-week job, exacerbated by the difference in time change, which meant Washington awakened when we closed. And there was always a high interest in what was going on in the Middle East at this time, as the war of attrition had ended, and the Soviets had rebuilt the Syrian and Egyptian armed services, and Nasser had died, and Sadat had come in. And who is Sadat? He'd just thrown out the Russians. What were the Israelis doing? Where were the settlements going? Did it make sense to rely on the Bar-Lev line along the Canal, which was stationary? All these things. And, you know, there are times when you go into a situation fresh, where, because your mind is open, you can actually see some things.

In the month before the ambassador arrived, I went around on my introductory meetings, and it was fascinating. I went down to see the Bar-Lev line, along the Sinai, and it seemed rather strange to stand there and wave to the Egyptian soldiers on the other side, and to see these enormous, what looked like sand ramparts, enormous things up in the sky, and to get a briefing from the Israeli generals. They were impatient with any questions you would ask, like "What are those gigantic sand things?"

"Oh, forget about those. If the Egyptians attack, they may cross over at night, but in the morning they will die. In the morning they will die."

No conception that perhaps the Egyptians might have the capability to cross and stay, and that there might be a combination of factors that would make it impossible for the Israelis to do in the future what they did in the past with their tanks and their airplanes.

When I called on Moshe Dayan and asked his views, at that time he was minister of defense, he described the Arab armies as akin to rusting freighters at anchor, slowly sinking into the water. That was his description of the Arab army--rusting and slowly sinking into the sand.

It was only a few months before the war.

We had continuing mini-crises. A Libyan plane was hijacked and brought in.

And to round this out, Israel closed down from Friday night to Saturday night.

Q: This was because of the holy day.

VELIOTES: Shabbat, the religious holy day. In Washington, of course, any busy State Department office works at least Saturday morning, which means they're in the office from five to ten p.m. Israel time. In any busy embassy, the senior officers go in in the morning on Saturdays. And the Israeli cabinet always met on Sunday, which meant you were getting ready for the cabinet meeting. And it wasn't unusual to meet people on Sunday mornings and try to influence the cabinet meeting, or to go up to Jerusalem on Sunday and get a read-out on the cabinet.

Q: You know, you're saying something that I find very interesting, because here are two sovereign nations, and you're saying that the cabinet meeting is going to take place. In other words, we sound like a participatory body in the cabinet meeting, not because of a particular crisis, but sort of as a standard way. Was it this sort of relationship?

VELIOTES: Well, there were always issues that had an impact, as we saw it, on us. There were always U.N. votes. Will there be new settlements? Always something. How about most-favored-nation treatment for Romania? Would they let the Jews out? Later on, that became the problem with the Russians. The American-Israeli relationship is unique, so that unless you participated in it on the ground in Israel, it's very difficult to comprehend. There is a very symbiotic relationship there. The Israeli society is so open that it's a miracle they were or are ever able to keep any military secrets. And they can, or at least they used to. There are so many pressure points in the political system. Two or three correspondents, writing in different newspapers, can actually focus public and political interest in such a way that you'll have a discussion in a cabinet meeting, or possibly a decision.

Q: Including correspondents from, say, the New York Times or the Washington Post?

VELIOTES: No. You have to understand that there are three things that interest the Israelis. One, Israel and their own security. Two, beyond that, the state of world Jewry--in Russia and wherever. But anything outside of that, let's call it the Israeli-centric or Jewish-centric issues, the only other issue is the United States. What are they thinking in the United States? What are they saying in the United States? The Kol Israel, English-language morning program is full of the United States. So are their newspapers, front page stories from the columnists. The best assignment, the most important assignment you can get is as an Israeli journalist here. You've got to understand that. And then, of course, the interrelationships amongst American Jews and the Israeli Jewish population. The political relationships here. And the Israelis are always trying to influence our body politic. I mean, it's rather silly to talk about the fact that you don't intervene--you always intervene. We try to do it there; they try to do it here.

As a matter of fact, Joyce Starr, who used to be in the White House and is currently an independent consultant, has written a book, that is supposed to be coming out in the next few months, on the American-Israeli relationship. And a number of us have talked to her about it.

So, against that backdrop, it's not unusual. Also, as deputy chief of mission, one of my jobs was briefing Americans who were in Israel, organized groups that wanted to come in--thirty, forty--we had a big conference room; they'd come in and we'd talk. Always meeting with American Jewish leaders, not to mention the congressional delegations who would go to Israel, as Mecca, before elections, to get support.

I've seen it from both sides, from the Washington side and the Israeli side, and you can't really appreciate it until you live it on the Israeli side. That's why it's good to get Sam Lewis and Peter Jessup talking about these things.

Q: So you arrived and you found you were completely immersed.

VELIOTES: Immediately.

Q: Let me ask one question before we move on to developments. I have heard, from others who have served in Israel, that the Israelis, particularly at the very beginning, are looking at you very closely: Are you a hundred percent with us? If you're not a hundred percent with us, therefore you're against us.

VELIOTES: Have you ever spoken to Walter Smith? You should. Walter was political counselor when I arrived, and Walter was convinced there was a big black book up in Jerusalem, an enormous ledger, and the Israelis made up their minds whether you were a good guy or a bad guy, and you were entered into that ledger. If you were a bad guy, you'd never get off. If you were a good guy, they gave you a lot of leeway. You could move, but even then, it was difficult. Yes, they look at you, they talk to you.

Q: Were you sort of ready for this, and did you feel you were being judged all the time? And was this an inhibition? After all, there are American interests and Israeli interests.

VELIOTES: Yes, of course there are. Sure, it's an inhibition. Well, the Jews have developed, over the centuries, ways of dealing with their security and the non-Jewish community. I don't want to generalize this, but clearly my conclusion in Israel was they looked at you and they were trying to judge, you know, could you be seduced? Not in a sexual sense, but could you be intimidated? Could you be bought? I understood that, when I got there, when I felt it, when I saw it. Some of the things, I thought, were a little crude, the kinds of pressure that were put on. But there's no doubt that the Israelis seek to take an American official and turn him or her into an advocate for Israel.

I'll give you an anecdote. I was chargé, and it was after the failure of the second Sinai agreement, which failed in March of 1975. My ambassador had died, I was chargé for six months or so. There was very bad blood between the American government and the Israelis at that time, because after this failure of that, President Ford announced his reassessment of American policy. The Israeli press was vying with itself on who could describe Kissinger as the greater villain. You heard and read things, openly stated, that he

was the greatest traitor to the Jewish race since Josephus, which takes you back to the Zealots' revolt.

Q: Titus and all that sort of thing.

VELIOTES: Josephus was a great guerilla commander who finally gave in to the Romans, became a Roman citizen, went to Rome, and wrote the history of the Jewish wars. He's known as a great traitor, this kind of stuff. Well, one day I was called by the Foreign Ministry to come to Jerusalem--a very serious problem. So I went up there, and met with my friend, Eppie Evron, who was then, I think, running the Foreign Ministry. He had the title of director, or deputy director, but in any event, he was the number-one guy for the Americans, working with Foreign Minister Allon. And he said the foreign minister had asked that he call me in to discuss this very important problem. It was all about criticism of Israel in high places in the United States, that somehow was stimulated by the reporting from the embassy, and how the secretary of state always calls the Israeli ambassador and complains. We were going around and around, and finally I said, "Wait a minute. You say this happens often."

He said, "Yes, sometimes daily."

And I said, "Well, we submit a daily press summary, and it's one of the basic reporting tools for the embassy and for Washington. We have a brilliant young girl who comes in, about five in the morning, she assembles it all, and we tell her the five or six subjects that we're interested in. And, of course, American-Israeli relations are very high on the list. So we send in that summary every day, by telegram, and I have no doubt that it goes right to the secretary of state."

And he said, "Well, I guess that's it." And he hemmed and hawed.

And I said, "Hey, you're not telling me I'm to censor the *Israeli Times*? I'm to censor your press so my secretary of state...?"

So he said, "Well, Nick, it's not that."

But then this man made very clear to me, he said, "But, you know, your job here is to explain us to Washington. You've got to explain why we do the things we do."

And what he was saying was: You've got to explain why we should not be held to the same standards as others.

And I said to him, "Look, I think I'm as sympathetic as anyone can be, but I really can't accept that my job here is to explain you to Washington. That's part of my job. The other part of my job is to try to convince you to support American policies. I'm sorry..."

But that's the kind of feeling that you get there.

Q: Well, examining this, because I think this is extremely important, particularly in Tel Aviv, as our embassy, more than anywhere else that I can think of...

VELIOTES: Doesn't exist anywhere else.

Q: When you arrived, you came out of NEA, but you had not been an Arab specialist.

VELIOTES: Yes, in those days, that was very important.

Q: How did you find the embassy? Did you find it broken down? Were you kind of on watch- out, to find whether you had zealots or anti-zealots?

VELIOTES: No, I could find out simply by talking to them. I had a terrific staff.

Walter Smith was political counselor, a man who could not have been more sympathetic to the Israelis. But he knew them well; he was an extremely shrewd judge and was always a step ahead of them. He really understood. But Walter, as political counselor, was a first class officer; he knew what his job was.

The top man in internal reporting was an American Jew called John Hirsch, who was a Hebrew speaker, probably the best political reporter, internal, I've run into. Now John was not unsympathetic to Israel, my God. But, again, he really understood. He knew what our objectives were, and we had no problems.

You did have a few problems on the periphery, but nothing that was what I would consider in the guts of the operation.

My military attachés were top-flight people. Sure, they were sympathetic to the Israeli army, but they knew what we were doing as a government.

Peter Jessup was the station chief. Who could have been better than he on these things?

So I never had that feeling.

Q: You came in and you felt here was a united embassy.

VELIOTES: Oh, yes, but the embassy was suffering from what always happens when an ambassador is gone for a long time. The chargé, no matter how good he is, simply is not the ambassador. And everyone knows that. A little pulling together was... And when I came, they realized that I wasn't the ambassador, but they also realized that I was going to be the top career guy.

Q: Had Keating been named when you...?

VELIOTES: Yes, sure.

Q: When did he arrive?

VELIOTES: Sometime in August, as I recall.

Q: Could you describe Kenneth Keating and his method of operation.

VELIOTES: Kenneth Keating should not be remembered as a practiced diplomatist, but as an American who spent over forty years in public life, at every level, including the judiciary, and never had a blemish on his name.

Q: Speaking in 1990, this is almost a unique eulogy.

VELIOTES: This man was a man that I really respected. Now he had his quirks; he was in his mid- seventies; he had a weak heart; he got married again. He suffered from what I call the congressional disease of sometimes confusing policy with the press release. But as a career officer in a position like that, I couldn't have asked for a better political ambassador.

Q: How well was he plugged-in to the Israelis? Was he used, or did he use them?

VELIOTES: They remembered him as an extremely sympathetic senator from New York who had been to Israel a half a dozen times, at least, before he got there. You've got to understand, he was a pretty shrewd guy. You don't live as long as Ken Keating did and spend all that time in public life without understanding that there are people who are going to try to use you. He understood that. I thought he had remarkable balance on this. I used to draft most of his telegrams, including his first-person telegrams. I tried to understand his style, and I did it.

Q: For the record, what's the difference between a regular telegram and a first-person telegram?

VELIOTES: Well, every telegram that comes from an embassy is signed with the ambassador's name. A first-person telegram is one in which the ambassador speaks in the first-person singular: "I believe this..." "When I said to the prime minister..."

He would always sign the cables, but he was a very cautious man, and even though he and I had a terrific relationship, the name on the bottom of that cable was "Keating," not "Veliotes." So I would go over them. I must admit, this was rather onerous after a while. After working all goddamn day, I'd go over at night and sit there as he went over the cables till midnight or whenever.

But, no, he knew what he was doing.

Q: Well, I wonder, then, if we could move to the developments, because this was an extremely important period. You arrived; a new ambassador was on the job; you had not been there too long, and you're now moving into the fall of 1973. Were you getting any intimations of disquiet from either Syria or Egypt, or from Washington?

VELIOTES: Yes, Washington. But you always had disquiet out there. Something was always happening, as I mentioned to you. And the Israelis, even though they were in euphoria, there was a certain nervousness--terrorism going on. The Israelis were zapping suspected terrorists overseas. They made a horrible mistake and murdered an innocent man in Norway. These things were always happening there.

I should say this about the Israelis, too. They'd love to have you agree with them, but if you don't agree with them, they want you to speak up. The Israelis' national pastime is debating and arguing. And it's not a sign of disrespect to have a good, solid argument with them. As a matter of fact, they respect you for it if they know where you stand. But they want to make sure you're not anti-Semitic, that you're not uncomfortable around Jews. They pick this up. Blacks pick it up. People pick it up.

There was an election that was due later that year, so we were focusing-in on the party platforms and arguing why the Labor Party should not support settlement in their platform. You had the first signs of disaffected Oriental Jews, the creation of something called the Black Panther Party, and, for the first time, the Sephardics were going to be part of this political process.

Q: These are the ones mainly from the Arab world.

VELIOTES: The Arab countries. At that time, a book came out, *Who Rules Israel?*, and 99.9 percent of the people were of European origin.

Q: Ashkenazi.

VELIOTES: Seventy-three was the twenty-fifth anniversary of Israel. *Life* put out a special edition. On the front cover was an attractive, young Israeli tanker, later killed in the '73 War. But, you know, it was all reinforcement of: things aren't perfect, but things are a hell of a lot better than we ever thought. No hurry. Sadat offers a partial deal in the Sinai; Golda Meir turns it down. The Rogers Plan has come and gone, but how to get a comprehensive peace.

Well, people are wondering. They start to hear it from Washington. We're moving towards October. What's going on? We're picking up signs that the Egyptians, in particular, are engaging in warlike actions--mobilizations and things. The Israeli answer is: "It's all routine. You Americans, don't tell us what's happening. We know. We live next to them. Don't worry about it. We've got it taped. Everything under control."

Well, the questions from Washington become more insistent, in the last two weeks of September, as I recall. And as we get near the end of September and into early October, there are virtually open lines between the attachés and Peter Jessup and his people. And the Israelis are going on.

A few days before October 6, the day the Egyptians and Syrians launched their attack, one of our guys went in to see military intelligence. And instead of getting the usual, the Israelis said, "What do you think of this?" All the alarm bells went off. Contrary to popular belief, our guys saw something coming, but we were so mesmerized by the myth of Israeli intelligence invincibility that we never...

Q: I think everyone, anywhere, who followed this, thought that the Israelis were into everything. Also, did you find, say, from our reporting from Cairo and from Damascus, too, they were kind of asking what does Israeli intelligence think about what's happening?

VELIOTES: Well, that's implied. After all, in '67, the Israeli intelligence was so terrific, it allowed the Israeli army to win a terrific victory over the Arabs.

But the Israelis got complacent. You know, it's your mind set, it's how you interpret the intelligence that you have that is important. Look at *Pearl Harbor '41*, the famous book on that subject. So I think that was a large part of it--the Israeli overconfidence.

So much so, that even a few days before the outbreak of war, Moshe Dayan refused to mobilize the Israeli army. By the time they realized what was going to happen, you really couldn't launch preemptive strikes. It was too late to stop it.

Q: Can you describe how you and the embassy responded at the time of the attack, and what you were doing. Because what we're trying to do in this is to get a feel for not only what happened and the chronological record, but also how we react. How does an embassy under fire work?

VELIOTES: On the day of October 6, which was Yom Kippur, I received an early-morning phone call that the ambassador and I were requested to come see the prime minister, in Tel Aviv. Now even though it was Yom Kippur, we had our special car window plaques which would allow us to move.

Q: This is because, normally, on a religious holiday...

VELIOTES: On that holiday you're not supposed to be in a car. Tel Aviv was the tipoff, because that was the center of the Israeli armed services. And that's when we learned that the Israelis knew that the attack was coming. They asked us to get to the Russians, get to the Arabs and tell them the Israelis know, don't do it, it'll be a war that'll go badly.

There was a funny element as we were doing our telegram on this subject. I called the Israeli desk officer, Heywood Stackhouse, who was at home, and I said, "Hey, wake up, there's going to be war."

He said, "Don't talk any more, this is an open line!"

I said, "Hey, it doesn't make any difference. Wake up Sisco, wake up Atherton, someone better wake up the secretary. You'll have a telegram by the time you get back. Mrs. Meir says the Egyptians and Syrians are going to attack this afternoon. She wants us to stop them, work with the Russians."

As I'm telling him this, he's worrying about security, and I'm shouting over, "It doesn't make any goddamn difference."

Q: Anybody who knows, knows anyway.

VELIOTES: "They know. Get in. Hey, get in!"

I'm not quite sure what happened on the Washington side after that, but then the war started. For several days we were in the dark. It's all well documented. There was an aborted air raid. And people didn't really know how close it had come up in the north.

Q: This was an air raid on Jerusalem.

VELIOTES: No, no, on Tel Aviv. Apparently some Egyptian plane got within a hundred miles or something. But there was a very serious concern as to what was happening, and we didn't really know. The Israeli news coverage was distorted, to some extent deliberately so, by the military. There were three very hairy days.

On the morning of the 9th of October, the ambassador and I went to see the foreign minister, who was also deputy prime minister, again in Tel Aviv, early in the morning. And he said, "We stopped them in the north."

And that's when the Israelis gave us their shopping list for resupply. Then, of course, the Russians resupplied, and then we started our airlift. As often happens, the best laid plans, none of the equipment that the Air Force flew in worked. So Bill Foresman, our air attaché, was running that damned airlift with phones and walkie talkies for days.

Q: This is the usual thing, that the communications equipment doesn't...

VELIOTES: Things go wrong. And our attachés did a fantastic job. Then clearly the focus was on the south. We did not go down. It was killing the ambassador not to go down. You know, I mean, after all... [tape ended] ...attachés went down, took a look and then saw what the Israelis were up to. Then we were able to go down freely, you know. I didn't go, my job wasn't there, but our air attachés went, once the Israelis cracked across

the Canal the other way. Then you worked continuously. You had people calling you from everywhere. In a fast-moving situation, the telegrams only tell part of the story.

Q: With telephone calls, the lines are open.

VELIOTES: And you can't record telephones; you can't keep it. That's why if people say, Well, what are you hiding?, well, you're not hiding anything, it's just that you frankly are more concerned about doing your job and doing it right than the historical record. If you know anything about Henry Kissinger's operating style, it was utterly maddening to be at an overseas' post in the middle of important issues at that time, and particularly in Israel, where you began to believe that he trusted the Israelis, but he didn't trust the Americans.

Q: I've gotten this thing where you could substitute the names of the Soviets, particularly Dobrynin, the ambassador, as dealing with the Russians, as compared to the American representatives.

VELIOTES: We knew we weren't getting information. And this was difficult, very difficult. It became more so as the time went on. I mean, in the middle of the war and everything, well, who cared? We were trying to get a little bit of sleep and to reassure a hell of a lot of Americans who were stuck. You know, the kinds of things you do which don't get headlines.

Q: One of the things I would like to ask, as a former consular officer (I was in Athens at the time), your embassy must have been absolutely deluged with inquiries about the welfare and whereabouts of Americans and also of Israelis with relatives in America.

VELIOTES: The system bogged down, and all we could say to them was, "Look, we don't have the time. We'll let you know if anyone's hurt. But, apart from that, we can't reassure you that those 300,000 Americans are safe."

There were some very funny stories. The embassy is right down in the red-light district. There were some restaurants around there and bars on Hayarkon Street that were owned by Greek Jews, and you'd always hear bouzouki music as you walked down in the sun at lunch. Well, at night, you had a blackout, and everything was pitch black. And, boy, really black; the Israelis, you know, this was serious stuff. If you had to move your car, you would have just a little circle of light with your car, and flashlights, but you had them painted dark blue or black, with little pinpoints of light. Well, in Israel at night, one of the ways that the prostitutes advertise is by flashing the flashlights on the side of the roads. Billy Foresman and I had to get out to the ambassador this one night. It was about the third day of the war. And we finally typed up this massive list of things the Israelis wanted. And I'd had the full reporting cable. You know, it takes you all day to do that stuff. You get the quick report in and say, "Details follow." And you do a lot on the phone. It was about midnight, and Billy and I went out. Here's this former fighter pilot and me. Well, I've got a form of night blindness; I don't see well at night. It's a problem when I drive on the highway; I really have to concentrate. And you can imagine how that

was exacerbated, walking out into this pitch black place. Well, I learned at that moment that that was why Billy Foresman was no longer a fighter pilot. We walked out and we were both blind. And we had to get to one of our cars to drive out to the ambassador's house. Just as we were standing there, adjusting to the dark and stumbling around, a couple of little pinpoints of flashlights went off. It was the local prostitutes; this is the way they work. So we hailed them, and they escorted us over to our cars.

Q: So this was the first step in getting American aid to Israel.

VELIOTES: Getting to the car so we could go out. It was really funny.

Q: Let me ask a question about this American aid, because later on, talking to people, particularly in the American military, there was tremendous resentment, on purely professional grounds, that our NATO stocks were badly depleted in order to help Israel. And, professionally, this is a sore that still rankles with some people. How did you and our military attachés feel about these requests?

VELIOTES: Well, I think that, yes, they were onerous, but that showed you the parlous state of the reserves in NATO because of the drain of Vietnam. I mean, that really was the issue. They got mad at the Israelis; the real problem for the Central European front was Vietnam, where everything was. Our attachés, you're talking about colonels here, I'm not sure that they were focusing in on the great big picture. They may have. Anyway, their job was to accurately present the case.

As it turned out, although you had a lot of panic in the short run--a lot of EL AL airplanes converting and bringing...--I think the Israelis needed heavy equipment less than we initially thought, because of their own reserves. They lost a hell of a lot. More than the equipment itself, what they needed and what we wanted to convey was the commitment.

You have to understand this against the backdrop of what the Soviets were doing in Syria, in particular. The Soviets were resupplying the Syrians at an incredible rate. And that was when I learned how many new tanks the Soviets had sitting around the Soviet Union. It was remarkable! We scraped to get 50 or so; I think the Russians resupplied the 2,000 Syrian tanks in several months--ships coming in and all of this.

And we had another reason for wanting to do it, because the Israelis were so concerned, that they were threatening to shoot-up the Russian planes as they came in.

Now the only one thing that I begrudged at that time frame, the lack of communication from Washington, was when my attachés came in to see me with one of these interminable military messages, 60 paragraphs, and it was down in paragraph 45 that we learned the 82nd Airborne had been put on war alert for the Middle East, and that there was a nuclear alert. Now I had to learn this...

Q: Sort of an ordinary procurement...

VELIOTES: That's right. Why the hell couldn't Kissinger have passed the word to us to go tell the Israelis? But for me to reassure our people, I picked up the phone and I called Roy Atherton and said, "What the hell's wrong with you guys in Washington?"

He said, "What do you mean?"

I said, "Well, goddamn it, I gather we're on a nuclear alert and you've got the 82nd Airborne on alert to come here. I assume you've told the Israelis. What about the Americans? We are responsible for the welfare of Americans in this place. What are we supposed to do?" I mean, you can't just duck it, because this is an important part of our responsibility.

Q: This, of course, is one of the problems that comes across when you try to deal at the very top. There are an awful lot of policy considerations that have to be carried out by the people on the ground.

VELIOTES: Well, if the Israeli foreign minister had called me and said, What's this about the 82nd Airborne?, I would have felt like an absolute fool. I'm not sure he ever would have talked to me again.

Q: Speaking about nuclear alert, what was our perception of the nuclear capabilities of the Israelis at that time? And was there a possibility, when things were really looking dark, that sort of an Armageddon complex or a Masada complex might have taken place?

VELIOTES: I think we felt that the Israelis had a nuclear device at that time, but it was a rather crude one; it would probably have to be dropped out of a C-130. That was possible to do. But, you know, the distances in the Middle East are such...how do you control fallout from a dirty bomb? I mean, would they kill themselves? And they were far from that.

They say, though, that Golda Meir...this is still in controversy, and when I was in Israel, I never heard it, but, later, people say that the military did get from her the beginning of a nuclear alert. But I've never really seen that confirmed. And while I was there, the only nuclear alert was the one we went through. And, of course, we claim we responded to the Soviets putting their airborne on alert.

So, from then on out, from October 6, 1973, literally until the time I left, which was in the fall of '75, we were working our way through, I'd say, three things.

One, the aftermath of the war, on the ground. And that meant several negotiating attempts by Henry Kissinger. Three of the four were successful. The last major successful negotiation was in November of '75, with the so-called Second Sinai Agreement, which set the stage for Carter and Camp David a couple of years later.

The second was working out this new relationship with Israel, bilaterally. At that time, starting with a 2.2-billion-dollar aid package right after the war, we became, literally, Israel's sole support-- military and economic aid. And people forget that when people like Ariel Sharon posture and rail against us as not caring about Israel's security, we did it. The Israeli army, we paid for, we equipped. And we're still paying for it, and we're still paying for the economic impact of the '73 War, and never have we ever suggested that the Israeli army should stack arms.

Well, this was new, this relationship of one-sided dependence upon us. And it was in that time frame that the Israelis began to get quite nervous with their perception in the United States of Israel as a country to be supported, first, because of Jewish pressure, but on moral grounds, what it represented. They began to worry about how will that, after all, keep this relationship going? And it was at that time that the Israelis started to talk about a strategic agreement, a NATO-type agreement between Israel and the United States, which led us up to the Reagan years.

The third factor, as an embassy, was coping with the enormously increased desire of Israelis to emigrate to the United States.

Q: Could we talk about this, because I think this is something that sort of gets swept under the rug or something. Emigration is something that's sort of out there, but it's...

VELIOTES: It was overwhelming. We had to redesign our consular section to accommodate it. We had to enhance the staff. And I think they're still doing this; they're still under great pressure.

It also was the first time I'm aware of, of a major demonstration against the Americans by Israelis, led by Rabbi Kahane. You began to get the real emergence of the right wing.

Q: This is the Jewish Defense League, isn't it?

VELIOTES: Yes, transported to Israel. We almost had a major disaster when these people came screaming and yelling up against our plate glass windows. The disaster would have been if the windows had broken, they would have lacerated dozens of young people. And you'll go to the embassy today and it looks like the same fortress that all other embassies in the Middle East look like, which is too bad.

Q: What were they demonstrating about?

VELIOTES: What they saw as American pressure to force them to give back some land to the Arabs and to make peace. These were the zealots; these were the people who wanted to keep every inch. These were the people who waited at the entry to Jerusalem and, when Kissinger came by, all stood and in unison gave him the finger. Many of them were Americans.

Those forces that were unleashed at that time led to the victory of Menachem Begin in 1977, which has given you thirteen years in Israel of right-wing or center-right-wing government.

Q: During the war, obviously you were up to your neck in just staying afloat, but were you getting any impression, at the level you were dealing with, that there was panic on the part of the Israelis? How professional were they?

VELIOTES: No, I'll tell you, there wasn't panic on the part of the general Israeli public, because, fortunately, the general Israeli public didn't know how bad things were in the north.

Q: Yes, the Syrians were very close to a breakthrough there.

VELIOTES: And there was real heroism up there, of an incredible kind, that stopped them. Now by the time the Israelis began to understand (we're only talking about 72 hours), that deadly threat had passed. And the focus went back to the Sinai.

Q: Where there was some room for maneuver, too.

VELIOTES: Room for maneuver. I remember, one day, Israel's leading gossip columnist (she'd die if I used that phrase) was in the embassy, and I was going down the elevator with her. And as she got off the elevator, she looked at me and said, "Look south." And she left. Three or four days later, the Israelis broke across the Canal. Which means a lot of people knew that was happening.

No, I think what happened in Israel was not in the first few days; what happened in Israel was in the weeks and months that followed.

One American Jewish friend of mine, who was a social psychologist, was on a sabbatical. And he came to see me, and as he was talking, he started to cry, because he had come to Israel with such high hopes. It was that period of euphoria that I described to you. And he said he couldn't take it, because the society had suffered a collective nervous breakdown, and he had to leave.

And it had. The casualty figures, for a little country, were just tremendous. I forget, 3,000 killed? At that time, Israel was three million people. Seventy times three, that would have been the equivalent of 210,000 Americans killed in two and a half weeks. The country went into mourning. There were no parties. There was no nothing. Every Israeli family was touched with tragedy.

Q: So, despite the fact that, militarily...

VELIOTES: It was a great victory. It was a great victory over incredible odds.

Q: But this...

VELIOTES: It destroyed Golda Meir, number one. It put Moshe Dayan's career into an eclipse. You had a reshuffle. You had a new government. The major military figures of the time went off to pasture. I think the head of military intelligence died of a heart attack shortly thereafter. And this was a new Israel that was bewildered, felt betrayed by its own people, had lost its sense of invulnerability. It was a vulnerable Israel again. And you had the rise of the right wing. And the only good thing that's happened since that time was Camp David and Jimmy Carter.

Q: This is tape four of an interview with Ambassador Nicholas Veliotis. This is November 20, 1990. Mr. Ambassador, I wonder if you could comment about how you at the embassy felt, and reflections from the Israelis, about the growing dependence of Israel on the United States. Was this of concern to those of you who were dealing with the problem right there? And how about with the Israelis?

VELIOTES: In the aftermath of the October War?

Q: Yes.

VELIOTES: Of course it was a major concern of the Israelis. Dependence doesn't happen in a vacuum, and when we think of dependence we often think of military security, but if you take a look at the Israel that emerged after the October War, the one thing that will strike you is the rapid escalation of the inflation rate. Israel's feet of clay, economically, were exposed by this war--they really had no reserves--and their dependence on foreign aid, primarily American. But in the period before the October War, this foreign aid was, I think, primarily through Israeli bonds and things like that, with some direct government-to-government aid. After the October War, the Israeli economy was in a shambles, emigration rates were zooming. We had to redesign our consulate at least twice in order to accommodate the pressures.

Q: People going to the United States.

VELIOTES: Trying to get out. Then, in that context, there was the total dependence of Israel for its well being, and, frankly, economic survival, on American aid grants. That's what happened, and this was of great concern to the Israelis, who are a very independent people. And I think there is a direct relationship between what happened in that time frame, during the seventies, and the increasing realization of the Israelis of their dependence upon the United States, and the Israeli policy of seeking to change the terms of the relationship from one of partners in peace, American moral commitment to Israel, things like this, to Israel's strategic importance to the United States. The Israelis believed that they had to have something much more tangible to offer the American Congress, and, through them, the American people, of Israel's importance to the United States, in exchange for these enormous military and economic aid programs each year. So all of these are linked.

Q: This is a personal note, but I've always felt our relationship to Israel has been one like the definition of a wife: "Someone who will stand by you in the time of trouble that you never would have experienced if you hadn't been married." Trying to go back to that time, how did the embassy and you yourself view the strategic importance of Israel?

VELIOTES: Well, at the time when we were in Israel, there was no question of Israel being America's major strategic partner in the Middle East for the purposes of fighting the Russians. The aim was to make sure that Israel was strong enough to protect itself, and so strong that the Arabs would realize the folly of seeking to deal with Israel militarily. And this, Israel's preponderant military strength, was a major component of American peace policy in the area. It was not only to make sure Israel could protect itself and have confidence in itself and have confidence in us, but the reverse of this was the Arabs would see the folly of refusing to negotiate peace with Israel. That was it. Well, that's very much, that's important.

Israel as a strategic asset, you began to hear more and more during the Carter administration. But, of course, those were the years of Camp David and the elimination of a major threat to Israeli security--the peace with Egypt.

I was in Washington during the end of the Ford administration and the beginning of the Carter administration, in senior positions. I came back from Israel, and, after a stint in the Personnel Office, I became deputy director of the Policy Planning staff, with responsibility for the Middle East, and then I became deputy assistant secretary for Arab-Israeli Affairs.

Now you saw the progression here, but the Carter administration wasn't about to change the basic terms of our relationship with Israel--we were partners in peace, and those things that I said earlier. But the Israelis kept seeking to get a recognized public strategic relationship, again for the reasons I said earlier. It wasn't until the Reagan administration that they succeeded in this.

Q: Are we talking about a perception or, you might say, a justification?

VELIOTES: A justification. You're asking for my personal view, and I would say this was the view, unanimously, of the professional civilian and uniformed military people who worked in this area. There were some political appointees who disagreed on this; nevertheless, this became the policy of the Reagan administration.

It had no relevance to the threats facing the United States. Indeed, the biggest problem we had was trying to figure out how to explain the policy. The Israelis wanted us to be their partner against Syria, perhaps against Iraq. We figured, well, hell, Syria and Iraq are not strategic threats, they're regional problems. The only one strategic problem we had was the Russians, so where could the Israelis be helpful with the Russians? And we spent a lot

of time, a disproportionate amount of time, trying to come up with a justification where Israel could really be an American strategic ally.

The irony of that situation is that when we finally did have a major crisis in the Gulf area, Israel was irrelevant to it.

Q: We're now talking about November, 1990, with Iraq having taken over Kuwait.

VELIOTES: Right. It was a domestic policy in this country, and very important in Israel--Begin used it to improve his political position. And, by the way, it was deliberately designed by the Israeli Likud and by those political appointees in our government, under Reagan, to subsume the Palestinian problem and Arab-Israel problem under this strategic alliance. It was very simple, that if Israel is such a strong, important strategic ally in the area, well, then, you're not going to waste your time with secondary and tertiary issues such as the problems of the occupied territories. However, even when you came up with justifications and everything, none of it really made any sense.

And you had to come up with exercises. I mean, you can't have policy and a strategic relationship without exercises, so they came up with some marginal things they could do. In order to sort of balance the exercises, we had been carrying out real live military exercises with the Jordanians and the Egyptians, looking to a move to the Gulf, and then, if you remember, the famous Saudi AWACs fight during 1981--these were looking at the real world.

Q: We were then thinking more in terms of Iran, but in many ways Iran, Iraq, Russia...

VELIOTES: Anyone who threatened the Gulf, which is a strategic interest of the United States. But, even then, we were thinking of that, and we were playing this charade with the Israelis over here, for domestic political purposes and for Israeli political purposes, as we were preparing, on the other hand, for such emergencies as were there in August of 1990.

Q: Well, in the seventies, when you were in Tel Aviv, as this moved, was there a feeling within the embassy that, well, this is all very nice, but this is in many ways peripheral to American interests? Or was it one of these things where it was best to keep your mouth shut?

VELIOTES: Well, in the seventies, in the embassy in Israel, our policy was very clear. It was the one I enunciated earlier: the basis of our relationship with Israel was partnership for peace in the area. And Israel was also a beacon of representative government and intellectual freedom. Our support for Israel, militarily, was designed to protect Israel and also to encourage the Arabs to go for peace. There were no contradictions. In '73, while I was there in the embassy, and like, I think, everyone else in the U.S. government, we wanted the Israelis not to be overrun. So there were no problems at that point. The problems came in the eighties.

Q: At that time, was there a concern about the religious fundamentalists in Israel and a possible change in the texture as more sort of native-born or area-born Israelis became more dominant?

VELIOTES: In the early seventies, the, until that time politically quiescent, Sephardic community (Jews of non-European origin, called Oriental Jews, Sephardim) first began to manifest itself politically. The elections of 1973 had to be postponed because of the war, and you had a radical Sephardic Party come up then. Sephardic nationalism, or Sephardic political awareness, later, in the coming years, turned into support for the Likud, which was the hardest line, particularly in the anti, post-73 area. Sure, you could see that coming.

Q: How about contacts with the Likud?

VELIOTES: Well, you had contacts with them, but not very many. Begin was sort of a joke in Israeli political life; he was considered rather a fringe type. There was a shock when he was elected in '77. Everyone assumed it was because of the self-destruction of the Labor Party, and that obviously had a role to play. But the success of the Likud in the last twelve years suggests a major realignment of forces, with the Oriental Jews being very supportive of the right wing. You've always had religious problems in Israel--we're talking now about Jewish religious problems--you've always had extremists, you've always had a split in the two communities. When we were in Israel, a major intermarriage event was an Ashkenazi and a Sephardic Jew. So that exists.

Q: How about the issue, as you all saw it in Tel Aviv, of you going to Jerusalem as a capital?

VELIOTES: It wasn't a problem in a policy sense, because we and the Israelis were very careful about American sensitivities, so we always had our meetings in West Jerusalem. There has never been an American position that the capital of Israel should not be West Jerusalem. Our reservations have always been on the claim of Jerusalem as an undivided city, with Israel representing all of it as its capital. So this did not give us any real problems.

Q: Kissinger was certainly at his height at that time. How did you all see Kissinger's operation, and also how did he, you might say, treat the embassy?

VELIOTES: Well, of course, you know, Henry Kissinger in those days was larger than life. And we were all supportive of what he was trying to do, which was to make a virtue out of necessity and make something good happen out of tragedy. And, indeed, he did set the groundwork for Jimmy Carter's later successes. And on the Syrian-Israeli border, up on the Golan, I don't believe there have been violations, or, if there have been, very damn few, since 1974. That's sixteen years now, so I'd say he did a pretty good job. And he started the process whereby Israel and Egypt made peace.

He was a very complicated person, obsessed with secrecy. Working in the Middle East, you learn to be obsessed with secrecy, because so much can leak. Looking at it, though, from the point of view of the embassy as a contributor, Henry did not use us. His obsession with secrecy with respect to Israel was to exclude the embassy. And while he was conducting active oral and other types of negotiations with the Israelis, through the ambassador here, Simcha Dinitz, he did not understand that he was losing a resource.

Let me give you an example. I was the senior career officer there, and the Israelis sort of looked to me as the guy who was running things in the embassy, although I had this marvelous ambassador, Ken Keating; still, realities of the situation there. During his frequent visits, Kissinger had this very unattractive habit of cutting you down in public in front of foreigners. And, frankly, in order to retain credibility with the Israelis, I had to react in some way to indicate I wasn't irrelevant and I wasn't being pushed around, or the Israelis would figure: Why deal with this guy? And he should have thought of things like this. As a matter of fact, I sometimes felt I was being smuggled into the meetings with the Israelis. Henry would have ten people in his entourage.

When everything's going fine, there are no problems. But when it breaks down is when things get tough. I'll give you an example. In 1974, in March, Henry Kissinger never once talked to us, never once asked for any suggestions. Had he asked for suggestions, we would have argued the next step would have been with Jordan, because we thought the Israeli government would have been prepared to make a gesture, and, even though the Jordanians were saying no, no, no, no, we had reason to believe the Jordanians would in the final analysis accept this gesture. But he'd already made his own agreements with the Egyptians, I learned later, to move ahead on a second Sinai Agreement. In March of '75, you'd had Kilometer 101, Sinai One, the Golan. He ignored this front, the Jordanian front, and went back to Egypt. It was March. He never once asked our view as to whether it was doable with the Israelis, what were the factors that were working on the Israelis. He cut us off every substantive telegram. All the exchanges took place in Washington, so the Israeli government knew things that the embassy did not; a small group of people in U.S. government knew things.

Q: Well, where was he getting his sensitivity to what the Israelis wanted?

VELIOTES: I don't know.

Q: Was this purely on his...

VELIOTES: You've got to understand the enormous arrogance and conceit of this man, and his paranoia, which I think clouded his judgment.

So we learned, almost by mistake, that Henry Kissinger was going to come back to the Middle East to make a try for a second Sinai Agreement. March of '75, Vietnam is collapsing; obviously, he wanted a success.

One day, I asked this remarkable chief of the political section, John Hirsch, to bring the translations of all the Friday Hebrew papers, which are like Sunday papers, and he and I sat down and analyzed them. We could see clear signs of the Israeli position hardening, so we said, okay, let's have a few discussions with people, then let's get together later today and write a telegram. We wrote a telegram (as I recall, I was chargé at the time), and I remember starting it out: "We have been told nothing. We don't know really whether the secretary is coming or, if he's coming, what he really hopes to accomplish. But if the aim is to come soon and accomplish a second agreement that would require the Israelis to make certain concessions, our analysis is the Israeli position has hardened in the past week or so, and unless you know something we don't know," (I think I used those words) "it's highly unlikely that there will be success in this mission." We sent this in.

Henry came out. He failed.

Larry Eagleburger, or someone, gave a backgrounder, I think it was Larry, in which he blamed the embassy for failing to keep the Department informed of significant developments in Israel. And by the time the press got back to the United States and filed, to follow up that initial story, Kissinger was spreading blame all over the embassy.

So much so that the head of the CIA sent the station chief a special message sort of saying, "Don't tell the chargé or the ambassador, but you start reporting politically on this."

My station chief, a remarkable guy called Peter Jessup, came to me and showed me his reply, in which he said, "There is no disconnect here. My views were fully reflected in the embassy. Here, we work in a coordinated manner. Let me refer you to such and such, and such and such, and such and such. Review these before you come to the conclusion the embassy wasn't doing its job." It was that kind of thing.

Q: Often, when somebody is playing this secrecy game, and I know it all, and all this, the system usually works around it. In other words, didn't you have moles, or something, in Kissinger's staff?

VELIOTES: It was very hard. Don't forget, you did not have secure phones that really worked. Even today, most secure phones overseas sound like Donald Duck with laryngitis. In those days, you had to place the call hours in advance. And you certainly couldn't do this on the open phone, with everyone listening to you--the Russians. We didn't care if the Israelis heard it, because they already knew.

Q: They were better informed than you.

VELIOTES: (I think Jim Akins would be a good man to talk to.) I recall a telegram from Jim, who was ambassador in Saudi Arabia at the time, bitterly complaining about the wheel and spoke kind of relationship, that the Department would only tell embassies in

the area a very small piece of even what involved their own countries, and yet somehow expected us to be able to do our jobs.

Q: Did you, often as chargé but other times as the chief professional person, have a problem with the rest of the staff, not only, obviously, with yourself, but keeping up, you might say, the professional edge and all when you were being undercut?

VELIOTES: Not at all. We had a remarkable group of people, and they all used their information. You know where we learned what was going on in Washington? From the newspapers, from the newsmen who represented, in those days, identifiable cabinet officers, and from Israeli officials. I'd go up to Jerusalem and say, okay, now what the hell is this... And they'd tell me. They wanted to use me, of course.

Q: Did you more or less have to level? I mean, did they know that you were cut out?

VELIOTES: Hell, yes. I never played games. I said, "I don't know what the hell's going on, but we better talk. I can't get it from Henry."

About the only thing I used to get from Henry in this time was the continuing complaints from the Department that the Israeli press was mad at him.

Q: Why would he care?

VELIOTES: Well, you know.

Q: I mean, as a practical measure..

VELIOTES: And the poor Israelis would call me in and say, "What are you reporting?"

And I'd say, "Why do you care? What business is it of yours?" These were people that I knew quite well.

(This is the way you talk to the Israelis, by the way, and they talk that way to you.)

And they said, "Because Henry Kissinger is complaining every day to our ambassador."

And so I said, "Well, I thought that was it. Here, I brought you several copies. Here's our week's unclassified review of the Israeli press that we send in every day."

The upshot was, the guy said, "Could you send us one of these every day, too?"

It was a very trying time. A delegation of forty members of Congress, led by Tip O'Neill, came out to Israel. I was chargé at the time, and while I was riding in the car with Tip and Silvio Conte, a leading Republican, the first thing Tip said was, "Is it true what Henry says, that you guys really screwed up and let him down?"

And I said, "Of course not."

Tip said, "That's what I thought." And he turned to Silvio Conte, "See, I told you." And then he said to me, "Would you mind telling our whole delegation what the real story is?"

And I did, I was so Goddamn mad.

Q: Of course, for every action there is a counter action. But this must have been, for you, a very difficult time.

VELIOTES: Oh, it was. This is the kind of problem you don't need. When you're in that kind of a war-peace situation--high stakes, very fast-moving--what you don't need is lack of contact, meaningfully, with the U.S. government, and, frankly, suspicion.

At the time this was all going on, when Henry was blaming the embassy, I was in Israel defending him against charges by Israelis wherever I went--vacation in a kibbutz--that, amongst other things, he was the greatest traitor to the Jewish race since Josephus, and things like this.

No, I didn't like it, but I did my job. Our morale was terrific. Our staffing was great. We did just a great job, particularly under the limitations that we had to suffer.

Q: It's remarkable really.

VELIOTES: Now I'm not the only one who had to go through this, if you talk to other people who were in positions of responsibility.

Q: Well, I talked to George Vest, for example, who found when he was negotiating this treaty, which was just signed yesterday, for the...

VELIOTES: Conventional arms reduction.

Q: Conventional arms reduction, but basically for European peace, that Kissinger was cutting him down with the Russians when he was working as one of the negotiators on this, because he was working on something else and it wasn't his treaty.

VELIOTES: He did this all the time. He did this all the time. The story of the Rogers Plan, when Henry was still in... I'm sure he has good reasons for what he did, but he did undercut you. I don't know if you know the story about George Vest.

Q: No, I don't.

VELIOTES: George Vest was the press spokesman for Henry--a terrific press spokesman, because everyone respected him; he knew the substance. But Henry Kissinger, as I told

you, used to have this habit of humiliating his staff in public. And George Vest went in to him and said, "Henry, if this ever happens again, you find a new press spokesman." I guess Henry didn't believe him--it happened; George resigned. A man of great, great integrity.

Q: Before we leave Israel on this, how about the nuclear issue, when you were dealing with this?

VELIOTES: The nuclear issue, when I was in Israel, was subsumed. But the nuclear issue has been a part of our relationship with Israel since at least, I'd say, the mid-sixties. And I found a remarkable file in the embassy, detailing the history of American-Israeli relations on the nuclear issue, where the Israelis first claimed it was a textile plant or something else or something else or something else. Interestingly, Jack Kennedy got very, very interested in this and was starting to focus in on the Israeli nuclear issue about the time he got shot. He was beginning to worry about the Middle East and different facets of the Middle East, including Israel.

Q: At the time you were there (again, obviously, this is an unclassified interview), was it more or less accepted at that point that the Israelis had nuclear capability?

VELIOTES: Yes, in '73, '75, I don't remember the analyses now, but it was accepted that they had a nuclear capability. Whether at that time we thought they had a serviceable bomb that could be delivered, I don't know. People used to talk about a bomb on a great big primitive device that would roll out of the back of the C-130, or something like that. But there was no question that Dimona was a nuclear facility, and the purpose of that nuclear facility was to produce atomic weapons, and that they had everything in place to produce those weapons. And you could only assume that some of them had been produced.

Q: At any time, particularly in the very early days of the October War, were you thinking it might go nuclear?

VELIOTES: Not really, because we were being lied to, everyone was being lied to by the Israelis. You had three very tense days, between the 7th of October and the 9th of October, when the tide shifted up in the Golan. The Israelis were saying, "We're winning," and all of a sudden you found they weren't winning, but they weren't losing. Now there is journalistic interest today, there is someone writing a book on whether or not the Israelis threatened a nuclear option in their negotiations with the United States over resupply, and whether or not Golda Meir ordered the planes to be fitted. I just don't remember. If this was a factor, it wasn't an important factor. And, anyway, this went by so fast. But there is a journalist who believes that this indeed was an option the Israelis were prepared to use. I have no...

Q: It was not something that came up at this time.

VELIOTES: Things were moving too fast. The attack started about sundown, as I recall, on October 6. By the morning of October 9, the Syrians had been stopped in the Golan. So whatever might have gone on, I just don't know. This person claims something did come up; I have no way of corroborating that, or denying it. It wasn't a factor. No one said to me, "If we don't get that early resupply, we're going to nuke 'em." Now whether there were private conversations of any kind, I don't know.

Q: Well, I think we might move on from Tel Aviv. You then got, what, a regular assignment to...

VELIOTES: I was assigned to the Personnel Office for six months, in charge of the Labor Management Office, the negotiations. About that time, we had decided to be serious in our dealings with AFSA.

Q: AFSA being the American Foreign Service Association.

VELIOTES: Which had become a bargaining agent for the State Department. And it was also the time that John Hemenway became president of AFSA, in this remarkable arrangement.

Q: Let me give my impression: He seemed like a nut. I mean, he was really a very peculiar representative of professional officers.

VELIOTES: He'd been selected out. I'm told that when he was on the German desk, whenever we'd have a problem in Berlin, John's answer was: "Nuke 'em." I mean, his superiors got a little tired of this advice, you know, a visa problem--"Nuke 'em." Now this is all hearsay. But he left the Service, either voluntarily or involuntarily. He was very bitter. He became president of the Association. He was a very bitter opponent of Henry Kissinger. He aligned himself with the extreme right on the Hill. And he was going to use his platform to attack American policy and, I suppose, to attack the secretary of state.

In any event, my dealings with him were in his context as AFSA president, not any of these other things. But I found soon that I could no longer talk to him. He'd say he'd want to come in and talk to me, and he'd bring in tape recorders. So I said, "This is a courtesy call, and you've got a tape recorder?"

And he'd say, "Yeah."

I said, "Fine." He started asking me all these provocative questions, and I said, "I've got nothing to say."

Q: It sounds like there was no real dialogue there at all.

VELIOTES: It was impossible to talk to the man. We tried, in good faith; there were issues that we were negotiating. I had to tell my staff that I'm the only one that was going

to deal with him. He'd talk to other people. It was a very strange period. As I recall, there was a recall election in six or eight months.

Q: I think there was, yes.

VELIOTES: Where he was recalled. And I don't think that's ever happened in the history of AFSA.

But, in that time, I worked with the director general, Carol Laise, and the under secretary for management, Larry Eagleburger, on the rear end of the Foreign Service. I mean, I found myself, because we were putting in a grievance system...

Q: This was, what, 1975, '76?

VELIOTES: This was late '75 till the spring of '76. Putting in the grievance system, which was legislation and which was linked to negotiations with AFSA, got me into the questions of grievances and disciplinary actions, which got me into a review of the outstanding problem cases, from a Personnel point of view, that we had. It was quite an eye opener, the nature and breadth of these problems to...I think the only way you could describe it, the inept manner of the State Department in dealing with it.

For example, there was no system in those days. Let's say I charge you with something. I'm at a post. Well, I don't have to be at a post, somewhere else. I accuse you of peering over the transom in the ladies' dressing room at the club. Okay? And I'm really serious about it, and I've got some witnesses, and I level this charge. Months later it would be rattling around the director general's office. There was no system for immediately triggering an automatic inspection. Automatic. Bango. You go out, you investigate, you come back with facts. We'd screw around for months.

Q: By that time, people have moved.

VELIOTES: Well, and the poor guy that was charged, you know. I mean, you don't do that. The kinds of problems that we had. I remember one famous case where the wife of an officer, in some Latin American country, decided that she was going to be topless go-go dancer. So what do you do about that? It's not security. Is it suitability? But what is suitability?

Q: I would have thought that there would have been some volunteers to go down and investigate.

VELIOTES: You know, the doctor accused of diddling with patients while he was examining them. The attempt by AFSA to negotiate a change in the personnel system through designation of certain posts as homosexual posts.

Q: Would you explain.

VELIOTES: Well, I found, yeah, there was an attempt. AFSA negotiators...[tape ended] ...what I had to deal with when I walked in was a negotiating demand by this AFSA-sanctioned team to change the personnel policies of the United States to allow avowed homosexuals to come into the Foreign Service, or, if in the Foreign Service, to serve normally. It was interesting, the question. We've heard a lot of it since then, that if you...

Q: It's certainly come much more to the fore now.

VELIOTES: If you admit it, then you're not a security problem. There were other considerations than security. There was the question of the efficiency of the Service, effectiveness. The attitudes of the host government. There were things that had to be looked at. The efficiency of the Service, what do you call it? There is a phrase, a term of art. And that's basically what about the coworkers, would they be...

Q: How would you like to go to Madras, which is known as a homosexual post. You know, ...a normal family.

VELIOTES: And what about the office itself? And then how about social affairs? After all, you are a small, close-knit community. What happens if he brings his boyfriend, or she brings her girlfriend? What if someone's in drag? I mean, where do you go? Where do you go on this? These were very difficult issues. And I'm not claiming I was the ideal person to handle them.

But what we did is say, look, I don't want to talk about the State Department, I want to talk about the Foreign Service, because that's what we're talking about. You go off to a five-person post, that raises certain problems. The argument was, "Well, why don't you just then designate certain posts where we know there's tolerance? Stockholm, Oslo, Amsterdam, The Hague, Copenhagen, and," they said, "in all of the Muslim countries."

So I said, "You mean we're going to designate posts as homosexual posts? And the ambassador is going to tell the prime minister of Sweden? As far as the Muslim posts, in every country homosexuality is not only frowned upon, it's a religious and criminal crime."

Q: In Saudi Arabia, a little before my time there, they used to push homosexuals off oil derricks.

VELIOTES: Well, you know, I mean, it happens. We left that hanging, because I got transferred to the Policy Planning staff. We did install a grievance system, and it is the grievance system that works today. We changed the process, and I believe, today, that if charges are leveled, there is an investigation immediately, so people aren't hanging in the wind.

On this issue, I was ambassador in Jordan, four or five years later, when all of a sudden I get a telegram. And, sure enough, this was the issue: "Go in and talk to your host government on how they would feel about our assigning avowed homosexuals to your post." I remember no one wanted to go in, so I called poor Phil Mayhew, who's over in EA now, he was political chief, and I said, "Okay, Phil, you've got to go over and talk to these guys." And when he raised it, the Chief of Protocol said, "Well, it's a religious crime. It's a violation of our criminal law. And if you insisted on this, and you tell us, we won't let them in. And if they're here and we find out, we're going to kick them out." We reported this.

I don't know what happened.

Q: I'm surprised at the timing of this, because...

VELIOTES: There was a court case. An Air Force sergeant came out of the closet.

Q: Yes, Maholovich, or something like that.

VELIOTES: The Supreme Court upheld his discharge. And that took the pressure off, as I recall.

Q: I think this is very interesting because of how things have developed now, where it's a much different world. Was this coming from Hemenway, trying...

VELIOTES: Oh, not Hemenway, no. He inherited this.

Q: Well, how did you work with AFSA if you had an undearable president?

VELIOTES: This was the problem, on how to work with him. As I said, I gave instructions to my staff that I'm the only one who deals with Hemenway, so I'll take the responsibility of dealing with Hemenway. Also, he tried to take us all to court for something at one point. I was a witness; I still have the file on this. We had to keep the work going. We had a lot of important issues with AFSA. We had to go to the Congress and get the grievance legislation approved, and then we had to install it, then we had to make it operate. And we had all these cases in the pipeline. It was difficult. It couldn't have worked over time, but they finally recalled him.

Q: He more or less hoisted himself on his own petard. Why was it that the Foreign Service (which has been in existence since 1924, filled with very bright, highly selected people), as late as 1975-76, didn't have a reasonable grievance system? Why did this happen?

VELIOTES: Well, you remember when you came in the Service, you were supposed to grin and bear it. And if you were at a post, the consul general or the ambassador could be Captain Queeg. And I remember, in my first evaluation, they seriously questioned you on

your taste in wine. And did you complain? It was assumed that this would be, I guess, a small, elite group of gentlemen who would all get along. People weren't supposed to shit on other people. The reality, of course, was that we could not run ourselves. And as the system became bigger, through Wristonization and then as sunshine opened onto it, we realized that there was no systematic way to register complaints against the bureaucratic system. There weren't those constraints. And we were sloppy, sloppy administrators, sloppy personnel administrators. The game used to be, well, give everyone a five, and then the ones you think really aren't very good, or the ones you don't like, you handle with a phone call to Personnel with respect to their next assignment.

Q: Five being...

VELIOTES: Five out of six.

Q: Of the categories: Very Bad, Kind of Good, Rather Good, Quite Good, and then Excellent. Quite Good being the five. [You need one more category.]

VELIOTES: Yes, and then there was another abomination. When that system started to break down, they decided we needed two systems: First, you rate the person on their performance; and then you rate them on their potential. You could see what you got on your performance, but you didn't get a chance to see what you got on your potential, for three years, or when you were on home leave, when you... The net result was another way to damn people without their knowing or having any defenses.

Q: It's an incredible system.

VELIOTES: This happened to me. I was at a post where I made waves, and, worse than making waves, I happened to be right. And the ambassador wrote something about me that I didn't know about for three or four years. When I learned, I was told, "You simply will not get promoted again until that's out of the file or something else is on it, because it's so competitive." I went back to the guy and said, "Hey, did you know you said this? And, if you did, it's been interpreted in a certain way. Will you please write something?" And the DCM, I went to. Now at that time, they were both deputy assistant secretaries. They could have told me to go to hell. The reason they didn't is because I was the special assistant to the deputy secretary of state. So they were happy...I mean, I don't want to be too cynical about this.

Q: But it was a factor.

VELIOTES: It was a factor. Whether I ever would have gone to a grievance procedure, or whether I would have been selected out, I doubt that. I think I would have been promoted, finally, over time.

But that's the kind of thing you didn't know about, and that was wrong. We were not serious in our approaches to people and personnel and career development. And I think

all of this, there were so many abuses in the system. If you happened to know people, you could right yourself. If your friends happened to be in the right place at the right time, well, you would get another assignment, and that assignment would solve the problem. But what if you didn't know the right people? What if you just happened to be a talented, dedicated introvert who just did damn good work, but maybe didn't relate easily to people? You got selected out. That's why selection-out failed. So we were a mess.

And even though this has caused some problems, I think on balance it's much healthier.

Q: Oh, I think it's the difference between night and day, because, well, one thing, it used to be a school of gentlemen, and many of us weren't that connected or couldn't retire to our estate if we didn't like the way things were.

VELIOTES: We had to work for a living.

Q: This was our job.

VELIOTES: When I think of the differences when I was at my first post, where the consul general was a man who was an abomination. He was an alcoholic; he never should have been kept on until he was sixty. He went from consulate to consulate his friends kept him there. He was running up against young people, driving them out of the Service, through disgust, or destroying careers. The old Service, you can romanticize it; I don't.

Q: I'm with you. Well, you moved on then to Policy Planning.

VELIOTES: I moved on to Policy Planning, working with Winston Lord. I was deputy director, and my responsibilities included the Middle East, the developing world, East Asia, and functional problems: environmentalism, peaceful nuclear issues, all of the OES panoply of issues--population and all this.

Q: Henry Kissinger was secretary of state at that time, wasn't he?

VELIOTES: Right.

Q: How did he look upon, I mean, or at least Policy Planning of what you were feeding up, view...our problems of today seem rather important, I mean, population, environment, things that aren't just nation-to-nation problems, and even the North-South...

VELIOTES: Well, Henry Kissinger played a seminal role (and people forget this) in increasing our awareness of these issues. As I recall, his assistant secretary at the time was Fred Irving, a top-flight administrator who'd been ambassador in Jamaica for OES. Sam Lewis was the assistant secretary for International Affairs, and Sam and the Policy Planning staff wrote Henry Kissinger's seminal speech on North-South issues that he delivered to the United Nations. Kissinger threw himself into the law-of-the-sea international negotiations, which subsequently failed. We took this very seriously.

Now let's take a look at the kinds of people we had in that Policy Planning staff. I mentioned Sam Lewis, who had gone on to be assistant secretary; Winston Lord; Reggie Bartholomew; Mike Armacost; Harry Blaney, who did a lot of the multilateral issues; Tom...what's his name, he's still a civil servant, brilliant man on nuclear issues; Jeff Garten on economic issues; this other top-flight economist who's still with the government, whom I saw the other day, I forget his name. We had a hell of a team. And Henry listened.

Q: I was going to ask you, I mean, Policy Planning is sort of an amorphous thing. It sounds great...

VELIOTES: Talking about Henry Kissinger when I was in Israel, and talking about Henry Kissinger when I was deputy in the Policy Planning staff is night and day. Henry Kissinger used the Policy Planning staff as a coordinating mechanism for national security policy in the government. It was staffed with Foreign Service officers and others. Bill Kontos was in from AID, doing developmental issues. We had guys from ACDA, the Pentagon, a few professors.

The Policy Planning staff's responsibility was manifold. It was one of the most exciting six or eight months I've had in my career. You were a monitor on implementation of policy. You were supposed to take a look at the materials, your staff, the telegrams that were going out to implement policy, from the various agencies. You wanted to make sure that policy was not being changed incrementally under the force of events.

Q: So you really were acting as a monitor.

VELIOTES: Number one, a monitor on policy, taking a look at this whole thing and making sure that policy was not being changed incrementally under the pressure of events.

Q: So you weren't just a think tank.

VELIOTES: No. Oh, no. No, no.

Then you were supposed to look at policy in, let's say, a three-year projection--how do you see it three years down the road? Anything beyond that got too airy-fairy, because you were dealing with too many variables.

And then you were supposed to think in terms of new policy initiatives. And there were three that I could point to in that time frame. The North-South initiative that was launched in the United Nations, and that was Henry Kissinger.

Q: Could you give a quick summary of what the North-South one was.

VELIOTES: Very briefly, it was the recognition by the United States that the developed countries had to do more to help the developing countries. Not just traditional bilateral aid, but multilateral aid, trade. We were no longer fighting the fact that you had a North-South world in addition to an East-West world. It was a recognition, a sort of a legitimization of the fact that this was the way the world was, and we were going to work with you guys instead of fight you all the time on a variety of issues that were of interest to you, the developing countries, whether it was quotas, tariffs, aid, what have you. That was a very important initiative at the time and set the policy line that you've seen, I think, through the time since.

Another initiative was a focus on multilateral diplomacy, on the law of the sea. Henry energized the law of the sea. He got awfully close to agreements on it. If Ford had been reelected, we would have had a law of the sea treaty, with Henry's fingerprints all over it.

Finally, he launched, frankly, America's Southern Africa initiative. Chet Crocker was involved in the White House at that time, and Peterson in Policy Planning...subsequently he's been an ambassador several times in Africa. They wrote the speech.

It was interesting. The policy proposals on Africa had to go from me to Winston Lord. And they went to Henry. And, by God, if Winston Lord thought that it was important enough to go to Henry Kissinger, he took it home and he read it and he worked on it. Winston Lord was one of the most important and unsung players of that time, the one person that Henry Kissinger deeply respected and had deep affection for, and who I think would be a great secretary of state.

I remember when we got the staff study back on Africa, Henry had torn it apart, and the people who had worked on it were very downtrodden. I said, "Hey, do you know how long he would have had to have spent on this in order to write all of this? Two hours, on a Sunday. You got his attention. Let's go back now, let's work it through again, and let's come back."

And, sure enough, it ended up with Henry Kissinger going to Southern Africa and pronouncing that the United States does care about what's happening out here.

So there were many things about Henry that people forget. But working with him in that context, you were a partner, a junior partner, and he didn't lose all of his unattractive qualities.

Q: Did you have a feeling, because I think the personality, particularly of this man, who is a very important factor in American foreign affairs, did he deal with you on different terms than, say, these public attacks on a subordinate?

VELIOTES: Yeah, you'd sit there, and he was heavily sarcastic in all of this, but you knew what he was doing. You knew that he was working his way through these issues.

And he wanted to make sure you knew what you were talking about. It was a totally different situation and, I have to admit, without the same pressures.

When I was dealing with him in the Middle East, in Israel, Vietnam was collapsing, things weren't going our way in the Middle East, and he was trying to save the Ford presidency. I understood all of that, and I don't think that there was any malicious aforethought on his part. But, under those tense circumstances, he somehow found a release or comfort in humiliating inferiors.

Maybe one of the reasons that there was such a difference in my perception of Henry Kissinger in my dealings with Henry Kissinger, is that when I was dealing with him overseas--in the late-73 to mid-75 time frame, the time when you'd had a resignation of a president, a vice president--he was holding the national security posture of the United States together with mirrors and smoke, we had a real vacuum at the top in command and control, and the body politic was fractured over Watergate, over Vietnam. But by the time I worked with him on the Policy Planning staff, he was out of that thing, we had formally reconstructed our government, Gerald Ford was acting as an effective president, and we were out of Vietnam and trying to work through that period. So he was a remarkable person, and whatever grudges I may hold against him for certain behavior in Israel, I certainly recognize that the Republic owes him a debt of gratitude, if only for that performance at that time.

There was another very important aspect of Henry Kissinger that people did not see, and that was his support of the Department of State. Whatever he may have done with respect to going around or even undermining the institution when he was in the White House, once he became secretary of state, that was his institution.

Let me give you a good example of this. In late 1975, early '76, there was a move afoot in the House Ways and Means Committee to tax all Foreign Service allowances. And Congressman Uhlman had a particularly zealous, and frankly nutty, staffer who was convinced that life in the Foreign Service abroad was exactly the same as life in Arlington, and all of these people receiving these plush allowances should be taxed for them. We had no luck at all in talking to the staff; they wouldn't listen to us. So Eagleburger convened a meeting, and I was given, with a couple of other guys, drafting responsibility for a letter from Henry Kissinger to the chairman of the committee. Kissinger was outraged at what these people were thinking of doing, because it was going to destroy our ability to support people overseas. We got a draft up, the usual, and it started out sort of very wishy washy, from the financial guys in the Department who thought, well, we don't want to upset people. Then Eagleburger and I took it, and it was respectful, but it clearly was designed to knock this initiative totally out of the box. And it included descriptions of what it cost to house a secretary in Abu Dhabi, and how the tax on her housing was, of course, more than she made, and things like this. And we sent it in. The net result was a howl from the committee that we were unfair, that we had embarrassed them. But it died, and I don't believe that initiative has ever come forward since.

Q: I've never heard of it since, no.

VELIOTES: To understand the complexities of this man, you also have to understand this.

Q: You then moved to the Near East Bureau.

VELIOTES: Well, two things happened. First, Carter beat Ford.

Q: In 1976, and came in in '77.

VELIOTES: So I was part of the transition team in the Policy Planning staff. And I had already decided this was not where I was going to stay. I'd had a wonderful relationship with Winston Lord in the staff. I believed in the way we did things. I believed in Winston Lord. And although I had nothing against the others who were coming, that's not a good...

Q: Who was going to take over?

VELIOTES: Tony Lake, a former FSO who had worked with Kissinger early in the Nixon administration and was one of those who resigned, I think, over the bombing of Cambodia. He'd become a super peacenik on Vietnam, and I wasn't into that. I didn't think one of our national requirements was to find ways for apologizing to the Vietnamese, although I was glad the war was over, and I said some things to you earlier suggesting I wasn't the greatest enthusiast of the war.

They asked us all to write things. One of my functional responsibilities in Policy Planning was Congressional Relations, so I was asked if I had any views on it. Indeed I did, and I wrote a short memo saying how I thought you could organize Congressional Relations to make it more effective, draw more on the Department. It was a task-force idea, where, as the issues came up, you would have a task force, and the guy in charge of this in Congressional Relations would have access to the task force.

The upshot of this was that it caught the eye of Warren Christopher, deputy secretary, who passed it on to the new assistant secretary for congressional relations, Doug Bennet, who was an old friend of mine. Doug asked me to be his senior deputy, and I thought that was great, because I was always intrigued by congressional relations. And that had been approved by the new secretary of state, until Phil Habib walked down the hall and said, "You can't do that, I want him to go back to NEA."

So, with that, I ended up back in NEA. And at this time, I was in charge of what they called Arab-Israel. It was North Africa, Egypt, Israel, Jordan, Syria, Lebanon, and Iraq. And I spent the next two years there.

Q: Could you give a little idea of how NEA, from your point of view, operated? Was it Habib at the time?

VELIOTES: Habib was the under secretary.

Q: How did Vance run things?

VELIOTES: Vance ran the Department, I think, in a traditional way. Your senior career officer was Under Secretary for Political Affairs Philip Habib. I don't know if we had succeeded in that time to raise the under secretary to the same level, economic affairs, but I don't remember a career officer who ever held that position. Habib's role...whoever was in that position had the same role. Whether it was Phil Habib or Alex Johnson or David Newsom or any of the others, you were the person to whom the regional bureaus and INR reported. You were the liaison, at the top, with the Pentagon and with the CIA. And then, of course, you played a very important role in whatever White House fora the administration would develop. It was *the* key position with respect to political/military, intelligence and political. Philip Habib was an activist, and so he insisted on performance. Cy Vance had great confidence in Philip Habib. He had known him before, they'd been in the Paris negotiations together, and they had, really, a beautiful relationship. NEA really reported to Phil Habib, and that's the way the structure of it worked. And so did everyone else, don't get me wrong.

Q: What were the major issues of the period that you dealing with?

VELIOTES: Well, the major issues of the period were varied. To start off, with Morocco and Algeria, you had the Saharan War.

The Ford administration had left us a legacy of literally being on all sides of the Saharan War, which was fine until you had to go and explain your policy to the Congress. King Hassan had invaded the Sahara. There were two U.N. resolutions--one sponsored by Algeria, and one sponsored by Morocco--and they both passed, and I think we voted for both of them.

So one of the first things that hit me was being told I was going to be the administration's witness at this joint congressional hearing on American policy towards the Sahara. The only thing wrong was there was no documentation about what our posture was. Fortunately, Roy Atherton and Hal Saunders were still in senior positions, so, after talking to them, I came up with a statement that gave us a policy. The policy was somewhat analogous to our position on Israel and the occupied territories. We did not recognize the sovereignty of Morocco in the Sahara, but we recognized Morocco's responsibility for maintaining order. And they said, yes, that makes sense; that sounds like a good policy. So we went with it.

Q: One of the things in some of the other interviews that sort of surprised me, because I have not been in Washington for most of my career, was that there were some really true believers, on the Polisario, you might say, the Algerian side, in Congress and in the press on this, which strikes me as sort of an obscure conflict.

VELIOTES: Well, but this was sort of romantic. And it was, don't forget, too, post-Vietnam, the United States had to be wrong, and any government that supported us had to be wrong.

Q: And a king, too.

VELIOTES: And a king, and these noble Bedouins fighting. And, I must say, the Polisario were a hell of a fighting force. But we were trying to make the point that it wasn't our fight, and we believed there should be a referendum. Now although those people in the Congress who felt the way you described thought this was a real wimpish, almost fascist point of view, we learned the king of Morocco didn't like it any better. And the way we learned it was a letter a few weeks later that was delivered to Jimmy Carter. It was about a three-page letter, and I was mentioned twelve or thirteen times in it. If I'm not mistaken, that is our policy today. So that was one.

Qadhafi was a problem, of course, because he was so negative on anything having to do with peace in the Middle East and was starting to stir up the animals in countries in Africa.

Q: He hadn't yet started the major support of terrorist activities at that time.

VELIOTES: Well, he was involved with it, yes. And the first thing that hit Jimmy Carter in the terrorist field was a confirmed report that Qadhafi had commissioned a terrorist group to kill Hermann Eilts, our ambassador in Cairo.

Q: Oh, my God.

VELIOTES: Now we had a real problem, because if we told Qadhafi everything we knew about him, we were going to burn our sources in Qadhafi's terrorist cells. But Jimmy Carter insisted. It was one of the things we could not stop him from doing--personally intervening with Qadhafi on this. "Send him a letter." We had to exfiltrate some very important people as fast as we could. Sort of "I know what you're up to," you know. Well...

Q: This was very much Carter, wasn't it, telling it straightforward and not lying.

VELIOTES: That's right. And we told him, "You don't engage the president right off. There are other ways to get involved here. Let's get involved in other ways. We probably can kill it." No, he wanted to get involved. So he got an answer back from Qadhafi saying that he was a good Muslim, so he couldn't possibly be involved in this.

One of the humorous things that hit us about Libya was a letter of congratulations that Qadhafi had sent to Carter on his election. At the very end, it was Qadhafi expressing his

great concern about and saying that he intended to become a champion for the liberation of the American Indians.

That, we had as a problem.

Moving over to Egypt, here we had the post-Kissinger/Ford special agreements. How could we build on this?

Then, as I recall, as far as the Gulf was concerned, it was concern about the Iraqis and their threatening attitudes towards the Gulf, and the fact that we still had not reestablished relations with Iraq. [tape ended]

But Jimmy Carter decided he wanted to try to improve relations with everyone. And that's not a bad thing to do, in principle. And, of course, we were seen, as the career people, as sort of the enemy. This was the crowd who all came to work, for the first few weeks, in work boots and blue denim shirts, including the former FSOs who were assistant secretaries. And guys like me would drop in on them and say, "You realize you're going to offend every ambassador that comes to see you. They don't care about your proletarian origins." One of the guys who was the biggest offender is now a vice president of American Express, and I see him quite often here.

And there was, as I recall, this doctor in the White House. Well, in these early days, Jimmy Carter was very influenced by him. This guy knew an Iraqi doctor, or something, and the president insisted that Phil Habib fly to Iraq to try to reestablish relations--whether the Iraqis wanted him to come or not. And so, poor Phil had to do that. Of course, the Iraqis humiliated him and embarrassed the United States. So much for that.

The problems in the area were sort of routine. Beyond that, we were still dealing with the post-1973 oil shocks. The price of oil was going up, adding immeasurably to our own inflation. There were the usual issues of, in the aftermath of the October War, could we continue to keep our policy in the Gulf and our policy towards Arab-Israel on two separate tracks?

Q: This is something that I think is forgotten. One tends to think of our focusing on Israel and its relationship. Now, it's obviously very much to the fore (we're talking about as of today). But in NEA we were always thinking about the problem of the Gulf, no matter who...

VELIOTES: That's right, and different aspects of it, and trying to keep them on separate tracks--our relationship with Israel, and the Arab-Israel issue, and our interests in the Gulf--always understanding that how we managed this one over here had an impact, greater or lesser depending on the circumstances, on our policy problems and the priorities over here.

Then, of course, Camp David. Sadat's visit to Jerusalem. Jimmy Carter's attempts to engage the Soviets constructively in the Middle East, which failed. You had a revolution

here of...well, there were a lot of things that were well meaning but... Carter wouldn't talk to anyone.

I'll give you a good example. I was called by the White House, at nine o'clock in the morning, and... said, "I must know immediately every resolution in the United Nations that we voted for concerning the Palestinian issue."

And I said, "What are you talking about?"

"Well, you know, a homeland."

I said, "That's easy. None."

"Well, what did we vote for?"

And I said, "The Security Council, we voted for 242 and 338, and we voted for one that said the refugees have a right to remuneration or a return. Even 242 dealt with the Palestinians as a refugee problem; 338 ignored that, but it referred to it."

And I kept hearing, "But you've got to check. You've got to check."

I said, "I will. I'll put a full-court press on. But I know that's it."

At twelve noon, I found out why they kept asking me--because Jimmy Carter had decided he was going to come out in favor of a Palestinian homeland. This was March.

And, later, when asked why he had done it, he said, "Well, that's consistent with our policy in the U.N. for decades."

It wasn't.

And he gave it away for nothing. He gave it away for nothing. We could have bartered that for something we wanted from the Palestinians, maybe recognition of Israel. He gave it away for nothing.

Then he tried to get the Soviets to...

Q: This was the White House doing it, and you were there...

VELIOTES: Doing his own little thing and never talking to us.

Q: There was no sort of policy planning or anything.

VELIOTES: No. No, no, it was all knee-jerk stuff. And arrogance has a lot to do with it. The name of the game in this instance was Brzezinski. Maybe it's de rigueur to have

national security advisors who have accents and who are enormously arrogant vis-à-vis the career service. It was the early days, don't forget, and they were going to run with it. There had been a Brookings report, and the Brookings report said we gotta get peace going in Israel with the Palestinians--something we were all in favor of. But Jimmy Carter put himself on the defensive by that issue with the Jewish community and the Congress. Well, and we were just upset as hell, because he got nothing for it. And then the ill-fated attempt to engage the Soviets in a Middle East conference, which fell by the wayside. Finally, Sadat went to Jerusalem.

Q: Were you getting any intimations of his going to Jerusalem?

VELIOTES: Well, we knew the Egyptians were unhappy as hell that we were unable to get anything going. And Sadat was getting very uncomfortable just waiting for us to get something going. He wanted the Sinai back. He wanted the Suez Canal. He wanted the oil. He wanted these things, and he hoped that he could be a catalyst for a broader peace. So we learned the same time everyone learned, when Sadat announced that he was going to go to Jerusalem. And when we heard it, our first question was: "What language did he announce it in?" And they said, "Arabic, to the Egyptian parliament. He's going."

Curiously, we were all thrilled and excited in NEA. It turned out Brzezinski was initially quite upset, and he said, "Sadat's upsetting our careful plans for trying to bring everyone together for the Middle East." And then, of course, it didn't take long before that was misinterpreted, and it became "the Arabists in the State Department were opposed." And we were all cheering and we were happy as hell.

And then that led to the series of events that dominated all of our work until I left for Jordan, and that was trying to get this thing off the ground, and then Camp David.

Q: What were your main problems dealing with this process that led to Camp David?

VELIOTES: Well, sort of protecting the environment. I was the deputy for Arab-Israel. Roy Atherton and Hal Saunders were the two major players in the State Department, along with Cy Vance, on Camp David. Bill Quandt from the White House. That was your departmental team, really. The rest of us backed them up as they became so consumed with this. And then greater responsibility would devolve on us for, as I say, protecting the environment of negotiations.

Now let me give you two examples. The Israelis, anticipating that there would be a negotiation which would turn the Sinai back to Egypt in the coming years, hired a very high-priced legal talent to try to get us to change our position that you couldn't put any conditions on those natural resources that were in occupation and would have to be turned back to the Egyptians. They wanted us to agree that part of our negotiating posture would be that Egypt and Israel would jointly exploit the Sinai and all of this. Clearly, this was against international law and against our policy. So I spent a lot of time reassuring American oil companies, who had the concessions in the Red Sea and on the Sinai

Peninsula, that indeed those concessions would return, and they should continue to be in close touch with the Egyptians. And we assured the Egyptians that we weren't selling them out on this, and that these were our policies.

Another issue, which was minor in its presentation, but very major in its potential impact, was the Israeli attempt to steamroller through the U.S. government approval for direct charter flights of American carriers--American carriers--from the United States to Jerusalem. Now they were offering these American carriers a pretty attractive deal. Why? Well, the Jerusalem airport was within that part of the occupied territories, and if American carriers were authorized by the U.S. government to go in there, it would strengthen the Israeli claim to Jerusalem, and be seen as a major change in American policy, that we agreed with it. They fought, they fought, and they fought. And pretty soon I was all alone, with a couple of guys working with me. And we finally were able to get the U.S. government, on foreign policy grounds, not to approve this.

Q: You must have had an awful lot of pressure on you from the American carriers, didn't you?

VELIOTES: Yes, including from Israeli supporters from within the government and whatever regulatory agency there was.

Q: How can you win in something like that?

VELIOTES: Well, I'll tell you what I had to do, I had to wait for my own boss to be out of town, and I signed the letter in his absence and sent it on. And once they got that letter... They couldn't do it without the light of day.

But the Israelis were calling me, sort of threatening to go above me and all that. I remember a talk with one of the Israeli officers (I forget who it was now), and I said, "Look, this is the way it's going to be. We both know the issue is not tourism. We both know it's a political issue. We both know it's a *key* political issue: the status of Jerusalem and American policy. I would recommend you not go any higher on this; it'll just be embarrassing. Right now, the issue is dead. It'll never reach the press. I have no interest in publicizing it. Certainly your friends over in the regulatory agency have no interest in publicizing it. And you should have no interest in publicizing it. But if you decide to go higher, go ahead, and I can tell you that the policy will stay intact." Well, they dropped it.

There are lots of things like that.

Another major issue we had, again to protect the environment for negotiations, was the 1978 invasion of Lebanon by Israel, on the same grounds as 1982.

Q: This was much smaller and more limited.

VELIOTES: Much smaller and lasted very much shorter. And do you know why? As we were debating with the Israelis the terms and timing of their withdrawal, I was told to draft a telegram, to be sent to our embassy, of a letter from the president to Menachem Begin. And I did. When Jimmy Carter saw that letter, he inserted a phrase: "Unless you withdraw," (I'd had some waffley language, you know, an implicit phrase) he said, "I will be forced to invoke the terms of the Arms Export Control Act." Which meant an embargo on a...

Q: Yes, it was a death blow to...

VELIOTES: And they withdrew. And that's why. But, again, that was to protect the environment for negotiations.

Q: Were you watching a real learning process going on, with the new administration coming in, on these matters that you were dealing with?

VELIOTES: Yes, I'd say by that time they were all well in place. Unfortunately, while offering the Palestinians a homeland, simultaneously the administration tightened up our terms of dealing with the Palestinians by making it impossible to talk to them substantively. Because the original agreement with Israel said "negotiator recognizes;" it said nothing about talking to them. They made enough mistakes in the beginning to help frustrate our efforts to bring the PLO closer to the negotiating table through accepting the commitment we made to Israel.

There was another major problem as well; that was the civil war in Lebanon, between a large percentage of the Maronite Christians on the one hand, and the Palestinians, the left-wing Muslims on the other. And it was the time of the sort of implicit agreement that Syria could come into Lebanon, but would not go below certain red lines. The Israelis would say okay, but don't come down here. We had brokered that, and that was something that we were watching. And the Lebanese election was taking place at the time. And Lebanon was in chaos, as usual. Our ambassador would go to see the president, and bullets would fly around. We had to bring the ambassador out.

Q: Who was the ambassador?

VELIOTES: Dick Parker. We just had to bring him out for his own good, for six or eight weeks. Never sent him back, actually, he went on to Morocco as ambassador.

These were issues. We were working our way into (this was pre-Camp David) a military-assistance relationship with the Egyptians, which was a very important one. We were trying to stabilize and work to a commonsense economic-aid relationship with Egypt. Failed miserably over the years in creating an economic relationship that did not spawn a vast bureaucracy on the ground, which was a major mistake and is still there.

Q: Was this bureaucracy on the part of the United States, or Egypt, or both?

VELIOTES: No, this was on the part of the United States. This was the part of AID seeing in Egypt an opportunity to capture a lot of those positions it lost in Southeast Asia. We had people out in Egypt who were posing as economic development officers who were previously in Southeast Asia processing military aid. But they were on the rolls, and they were out there, and...

Q: Was there anything we could do? Because obviously this has political connotations, too.

VELIOTES: Well, I don't know what's happened. I tried to get a thirty percent cut in the mission. George Shultz wouldn't touch it. All he had to do was say it, and it would have been done. It sort of had a world of its own.

So that was the time before I went to Jordan.

Q: How did you get your appointment to be ambassador to Jordan, where you served from 1978 to 1981?

VELIOTES: Well, like these things always happen, there is a series of circumstances, and luck, that comes into play. I entered the Middle East proper. I had been in India before, the other part of the bureau, but I entered the Middle East proper, on the ground, when I went to Israel in 1973 as DCM. And then, from that time, mid-73 until the time I went to Jordan, with the exception of about a six-month period when I was doing a job in Personnel, I was associated with the Middle East, primarily Arab-Israeli issues, both when I was deputy in the Policy Planning staff, the last year of the Ford administration, when Kissinger was secretary, and the first two years of the Carter administration, when I came back to the Near East as deputy assistant secretary for Arab-Israel. I had Jordan, Israel, Lebanon, Egypt, Iraq, and Syria.

Q: All the fun places.

VELIOTES: The countries surrounding Israel, essentially. So when you took a look at that area... Tom Pickering was our ambassador in Jordan at the time. The tradition in NEA, at that time, anyway, was that if you became deputy for an area, you were expected to be a candidate for an embassy that opened in the area that you were handling. And the opening came in Jordan when Tom Pickering was transferred back to Washington to become assistant secretary for OES, at that time.

Q: Were there any problems of getting confirmed or anything like that?

VELIOTES: Not really. I had no problems. There was an initial concern, and I think misplaced concern, on the part of certain people in the bureau (particularly those who had entered NEA in a more traditional way, through Arabic training, something I never had), that the Jordanians might resent my having been assigned in a highly visible position in Israel, particularly during the October War. And I think that was a legitimate concern to

be explored. The decision was made that the Jordanians are smarter than that, and they might actually welcome having someone with whom they could speak with confidence, privately, about Israeli developments, which, of course, were so important to them. And basically that's the way it turned out. I had no problem in the Congress, no, none whatsoever.

Q: Well, on going out to Jordan, obviously you'd been dealing with this.

VELIOTES: Yes, I knew the issues.

Q: Did you set up: these are American interests with Jordan, and these are the major problems that I want to concentrate on? Did you sort of have an agenda?

VELIOTES: Well, you see, the Jordanian agenda almost defines itself, depending on what's going on in the area at the time.

What am I talking about? The peace process is always there. And, of course, this was Camp David. I presented my credentials in that Camp David time frame. That was one important part of the agenda: Could we get the Jordanians to support, or perhaps even participate in, the Camp David process? I'd say that was the top priority as far as the president was concerned.

The second issue also defined itself very quickly, because in that time frame several things happened to demonstrate again, vividly, the essential fragility of the Gulf and the need to protect our interests in that area. The Shah fell, bringing Khomeini to power, dedicated to the destruction of American and Western influence not only in Iran, but everywhere else in the area.

At about that same time, you had the Mecca mosque incident. A small renegade extremist splinter group of Sunni Muslim fanatics occupied, with guns, the great mosque at Mecca, during the Hajj, in 1979, I believe. And finally they were dislodged, with French help. It was clear to everyone that if that same group had done what they'd done in Mecca, in Riyadh, the royal family would have been wiped out. They just were not organized to protect themselves.

This led to a number of things. The Saudis ended up hiring a bunch of Pakistani mercenaries, in essence, to help them with their security.

The problem was how could we, now with the enhanced threat to the area through Khomeini and the continuing concern about Soviet penetration in the area... This was also the time when the Soviets invaded Afghanistan. Marxist South Yemen was seen as threatening North Yemen.

Q: In December of '79.

VELIOTES: So you began to think that maybe the great game of the 19th century was being replayed. It turned out, in retrospect, it was quite exaggerated, but those twin shocks, of the fall of the Shah and the invasion of Afghanistan, were things the administration had to cope with. And so did the area. What that meant is it put a premium on enhancing our security relationships with the Jordanians. And, indeed, within a year, we and the Jordanians had arrived at arrangements and exercises, et cetera, so that if there was a need to move into Saudi Arabia to protect it, the Jordanians would have gone with us.

Q: If I recall, at the time, there were maps in American newspapers, with big arrows pointing down through Iran, and having Soviet armored divisions coming down there.

VELIOTES: Yes, there was a lot of fantasizing about that, whether they were Soviets or Iranians. The problem was, this was an area that essentially was unprotected and could not defend itself.

We started then a process of trying to find ways to promote self-defense and readiness in the area, and sought to work with Jordanians, in the first instance, and then Egyptians, in exercises where we would acclimatize our equipment and have Arab partners in case we had to move to the area.

These were the days of the famous Rapid Deployment Force. And the Rapid Deployment Force existed in the person of Marine four-star general called P. X. Kelley, who was a perfect Marine and a Xerox machine. The Jordanians were the first division of the Rapid Deployment Force.

So the agenda defined itself. It was the peace process in Camp David. And, of course, the Palestinian issue. And then security cooperation.

Then, in your dealings with a country, it's not enough that you have the leadership with you, you have to try to ensure that enough of the needs of the people are met so that this favorable leadership will stay in power. So we had concerns about the economic situation.

We had a small but active and successful AID program. That led us into the problem of water resources. I spent a lot of time on seeking to get an agreement amongst the Jordanians, Syrians, and Israelis on control of the last water resource on the Yarmuk River.

This agenda is pretty much there.

Q: We'll talk about the individual parts, but did you find that the Jordanians were able to separate the threats to them coming from the Soviet Union and from Iran, and the fact that the United States was the obvious defender for that, and the other fact that we were a strong supporter of Israel? Were they able to separate this out?

VELIOTES: Yes, they were, in the Jordanian government, in the Palestinian elites. These were highly sophisticated people, extremely well educated, as opposed to the Palestinian man-on-the-street. But I think you had two points of view there. You had the Bedouin point of view, the native Jordanian point of view, which recognized the threat to Jordan from a number of sources, including from Israel. But they also saw us as their best guarantor against Israel because of our relationship with Israel.

Q: So this was not all a minus, by any means.

VELIOTES: It was not all a minus. I don't want to suggest that they supported the American relationship with Israel; that would not be true. But, in the palace, when you spoke to selected advisors, selected cabinet officers, you found people who understood the issues. And complicating everything in Jordan, of course, were the Palestinians, because the native Jordanians, at least when I was there, were as antagonistic to the Palestinians as they were to the Jews across the river. Frankly, the Palestinians were the ones who were their current problem.

Q: Did we see that as just something they were going to have to work out themselves, or did we try to do anything about the Palestinian problem?

VELIOTES: Well, through the Camp David process, at that time, we tried to engage the Palestinians as well as the Jordanians in discussions with Israel. And we failed. As far as Jordanian-Palestinian relations internally, a mixed marriage was a Jordanian marrying a Palestinian, or vice versa. And, of course, to complicate the situation further, you had two distinct Christian minorities--a Palestinian Christian minority and a native Jordanian Christian minority, based on Christian tribes. But the tribal pattern in Jordan was fascinating, because Christian tribes and Islamic tribes would form alliances against each other. I mean, you just didn't have one Christian tribe and another Christian tribe forming an alliance against the Islamics; no, you had, depending on where you lived...these were nomads, don't forget. In a sense, you were coming out of a pre-modern era.

Q: At the head of this, of course, was King Hussein. One gets a very mixed reaction as I've gone through these interviews, including somebody who remembers King Hussein, as a young boy, opening the door for him when one of our people went to visit his grandfather, Abdullah.

VELIOTES: And then you had the King Hussein, as the young king, who would go to Saudi Arabia in purple jumpsuits to offend the Saudis.

One of our problems was, back in Washington, you had a lot of people in the State Department and the CIA who remembered that King Hussein. And I have to tell you, I got very little briefing in Washington that was worth a damn, for dealing with King Hussein.

Tom Pickering gave me what I needed, but Tom, too, was an outsider. Tom went to Jordan and dealt with what he found there: the days of purple jumpsuits and grab-ass

parties at the palace long, long gone. By the time Tom got there, you were dealing with a man in his forties who had developed a certain sense of dignity, a sense of weightiness because of the events that had transpired over his life. And that was who I met. I had to discount most of what people...

Q: At that time, how did you deal with King Hussein? What was the approach that seemed best for you?

VELIOTES: Up-front all the time. Not uptight. Always be a hundred percent honest, which is, I think, what you should do in diplomacy all the time, anyway. Be sympathetic to the concerns, but make sure that the king, and whoever else is listening, doesn't interpret your sympathetic interest in their problems as lack of support for your own country's policies, because what they want to know is that you represent your government. I had good relations with them. I found them extremely congenial, so I liked them as well.

But my job was to make sure that they understood our policies and that we understood their policies. With Jordan being what it was and being in the fragile position it was in, particularly since the alienation between Jordan and the United States over Camp David and Egypt's peace treaty with Israel, the trick was to let them know that you thought they were wrong in not supporting American policy in their own interest, but to do this in a way, honestly, that could not be interpreted as therefore we've lost interest in the territorial integrity and stability of Jordan.

My hardest job was to get the Jordanian government and the U.S. government thinking beyond the current problem that we had. How do we fence off our disagreement on the peace process? Work on it over time and hope that we come to a meeting of minds, but put that over here and then work on the things that we really agree on, like security.

Q: In the Camp David agreement, Egypt was making peace with Israel. And, of course, we wanted to get Jordan to go along with the process, too, which would have really been a major victory. But when you went out there, did you feel that you were going to get anywhere with this, or did you say, well, I'll give it a try, but I'm not going to push too hard? How did you feel about this?

VELIOTES: The embassy had predicted the king's position one hundred percent, so Washington should not have been as surprised as apparently it was when Jordan did not follow in behind Sadat. What I did was try to get the Jordanians to keep their options open until senior people from Washington could come and talk to them. I think we succeeded in that; the Jordanians did not totally close down their policy options for a month or two.

I think there were two things that were primarily responsible for the Jordanians taking the position they took, which was very vigorously opposed to America's policy.

In my view, the most important was the fall of the Shah. I say this to people, and they're shocked.

Q: Because you could tie this together.

VELIOTES: Well, the fact of the matter is, the Shah's relationship to King Hussein was that of elder brother and protector and financier. All of a sudden, at a stroke, the king lost--an emotional loss--a man for whom he had deep, deep affection. Secondly, he lost the lever that would get more money out of the Saudis and the Gulfies, because the Shah would be the banker of last resort. He lost the counterbalance to Iraqi power, to keep the Iraqis honest, and maybe the Syrians honest. (Jordan's a very small, exposed country.) And he lost a major force for respectability of the thesis that Muslims in the Middle East should do business with Israel. Had the Shah lived, Hussein would have found himself between the Shah and Sadat, both of whom had decided to support American policy with respect to peace in the Middle East as well as the security of the area. Without the Shah and under those circumstances, Hussein considered himself abandoned by Sadat.

And, in our wisdom about this time, we had cut back all of the Jordanian aid programs.

Q: Was there a purpose for this? Was this a lever or just budgetary?

VELIOTES: Budgetary, essentially. You know, we go through these cycles. You may recall the early Carter administration equated military assistance with immorality. And then we decided also that budget support was immoral, because, you know, it's a bottomless pit and what do you want to just give people budget support for?

So we cut both of these things and put the Jordanians out looking around for money, looking around for emotional support, looking around for allies. And, all of a sudden, there was Iraq.

Q: Jordan and King Hussein supported Iraq. We're now speaking in September of 1991, where Jordan has found itself way out on a limb by support of Iraq.

VELIOTES: That process started in 1980.

Q: Were you in there at the beginning and involved one way or the other? We had a rather ambivalent relationship with Iraq all along.

VELIOTES: Right, through the eighties. Well, I'll tell you when my involvement started. My involvement started in Jordan when the Shah collapsed.

Q: This was in '78.

VELIOTES: I guess the Shah went down in '79. The Iran-Iraq War started in '80. I got involved because we had no embassy in Iraq. We had a low-level interest section that had access to no one. I found myself a channel of the U.S. government to Saddam Hussein,

through King Hussein. And I'd say that in the beginning our message to Saddam Hussein, through Hussein, was very clear: We do not support the war. We want the war to end. We see nothing good to come out of this. We will not support your dismemberment of Iran by taking the oil, Kazakhstan, which the Iraqis had renamed Arabistan). And we will fight any attempt on your part to expand the war.

And indeed we did. Saddam Hussein and King Hussein were pretty far along in trying to compromise the Gulf states. And we came down and we wiped that out. We told Saddam Hussein that we did not see his taking the oil-producing part of Iran as saving it from the Communists. We told him that this was a self-fulfilling prophecy. If anyone starts to dismember Iran, the Russians, for their own protection, will come in. So we oppose that. Don't even talk to us about that. Don't even think about it.

And these were the ways we got involved with Saddam Hussein.

Q: But you were basically calling on King Hussein and saying this is our policy...

VELIOTES: That's right, and would you please pass this on. Make sure he understands.

As I recall, on the first one, the question of the expansion of the war, we had learned, through our embassies in the Gulf, what was going on. Through intimidation, the Iraqi air force was starting to get ready to land in certain of these countries and go across the Persian Gulf and attack Iran. That would have compromised those countries. And we said no, that's not going to happen.

On the question of the dismemberment of Iran, this was raised with me, and I said, "No, that's not our policy, we will never support it. That's a self-fulfilling prophecy."

Q: We're talking about a time...

VELIOTES: That's the earlier part.

Q: We're talking about a time when here is somebody who is attacking Iran, Iran is holding our embassy hostage, and, you know, the old Middle East adage: My enemy's enemy is my friend. Were there any pressures at all on you from the United States, within the government, saying, oh, hell with them, let's let these Iraqis take the Iranians apart?

VELIOTES: No, our policy really was not determined by concern for our hostages. Our policy was determined by a very solid geopolitical consideration. We saw the dismemberment of Iran as the trigger for the scenario that we didn't want to happen and we were not prepared for, but which we would have to react to on the ground if it did happen, and that would be the Russian troops coming into northern Iran.

Q: We'd already gone through that in 1945.

VELIOTES: Well, you know the background. And we just said, no, we will never support this.

Now when I came to Washington in '81 as assistant secretary, things started to change. The Iranians started to mobilize themselves; they started to throw the Iraqis back. This process reached a point which led to near panic in the Gulf states. And the fear was that the Iranians would succeed in collapsing southern Iraq. And then what's to stop them if they decide to turn left? And we saw, in '90, that this was not a foolish concern. There was nothing there to stop it. So we had to deal with this. And, again, we had to deal with American geopolitical realities. Whereas, in the first instance, if we supported the dismemberment of Iran, there'd be the Russian scenario that we would have to meet on the ground. We were trying to get prepared for it, but no one wanted it. Certainly no one wanted to promote it or trigger it.

As that threat receded, the concern was that we'd have to meet the Iranians on the ground. Well, what do you do about this? It's simple, you help the Iraqis not lose the war--within limits.

Q: Did you find that, say, from the National Security Council and Zbigniew Brzezinski and this group...

VELIOTES: Well, but this is a different time; I'm talking now about the early Reagan administration.

Q: All right, but let's go back to the time you were there. The war began while you were in Jordan, under the Carter administration. There was a consistency in what we knew we really didn't want. What was our evaluation, as you saw it at that time and it was coming both from Washington and through Jordan and all, of Saddam Hussein?

VELIOTES: No one paid too much attention to Saddam. Well, very little. He was known as the strongman, the vice president. I think he probably came to prominence in the United States, on the intelligence screen, in 1975, when he negotiated with the Shah the humiliating Treaty of Algiers, wherein the Shah agreed to stop supporting the Kurdish rebellion in the north in exchange for the Iranian sharing of the Shatt-al-Arab waterway and a few other things.

Q: And it was humiliating for the United States, too, because of our involvement with having inspired the Kurds.

VELIOTES: Yes, it was not everyone's finest hour.

So Saddam was seen as the strongest of these shadowy figures that ran that bloodthirsty tyranny called the Baath Party and Iraq.

In 1977, Jimmy Carter made a horrible mistake. He insisted that we take the initiative in sending our Under Secretary for political affairs to Iraq to say, hey, we want to be friends. That was a time when Carter said, "Let's be friends with everyone. Aren't we all nice people in this world." It was not thought through. Some of us tried to stop it. And the net result was the Under Secretary for political affairs was sent to Baghdad and no one would talk to him. So we hardly were well disposed towards the Iraqis in this time frame.

When the war started with Iran, we had no role to play in it. We had our preoccupations with Afghanistan, with the hostages, with Camp David. And I should say, earlier in the Carter Administration, we had this scare of the invasion of North Yemen by South Yemen. And that was seen strictly in East-West terms.

Q: South Yemen was a Marxist state.

VELIOTES: Yes, and North Yemen was sort of a funny kind of a non-Marxist feudal state of some sort, without the trappings of monarchy, at that time. I wouldn't say we paid much attention to Iraq at all. As a matter of fact, when I was deputy, before Camp David, our concerns were the Israeli invasion of Lebanon; could we get the Geneva Conference reconstituted; how were things going on the disengagement agreements between Egypt and Israel and between Syria and Israel. We were worrying about oil supply and increasing prices.

Q: Now this was during a real OPEC crisis.

VELIOTES: Right. And reestablishing a working relationship with the Gulf countries in the aftermath of the '73 War. These were the kinds of things that were of concern to us. Iraq was over there, known to be a rich country and a pretty terrible place that no one had any real knowledge about, except some scholarly knowledge and what could be gleaned from the Americans who lived there and from travelers. It wasn't too important. It was a rejectionist state. It was seen as sort of living on its own blood. And then Saddam knocked off Bakr in '78, replaced him, and took over. Then the Syrians and the Iraqis started to fight again in their intelligence wars. That was the kind of stuff.

Q: How about Syria? That always posed, in a way, the greatest threat, didn't it, to Jordan?

VELIOTES: The Jordanians are always conscious of the Syrians. Some of my colleagues will tell you that, oh, well, we knew the Syrians would never invade Jordan. Well, they did, in '70, during Black September, during the Palestinian revolt, that's what you had. And the Syrians did come down into Jordan. They didn't do much fighting. They turned around and went back, for a variety of reasons, including the fact the Israeli air force might have destroyed them, or we might have--we had carriers out there. And the Jordanians surprised the Syrians by still being in control of their country and being deployed to fight. So, since the Syrians weren't going to be welcomed by crazy mobs enthusiastically putting roses in their gun barrels, they thought better of it and they went

home. But the Jordanians were always concerned about the Syrians. They preferred to have better relations with the Syrians rather than worse relations.

And one of the things the Jordanians had going for them, in the Syrian context, was the enmity between Iraq and Jordan, stemming from 1958 when the Iraqi army overthrew the precursors of the Baath Party, overthrew the monarchy, and killed the king's family. So, as long as the Jordanians were enemies of the Iraqis, they had something in common with the Syrians.

Well, that changed, and all of a sudden the Iraqis and the Jordanians, when the Iran-Iraq War started, became partners of convenience, and it turned into a very stable marriage. This offended the Syrians, who are great practitioners of intimidation, either directly or through intelligence operations.

I remember, once, in the eighties, talking to one of the leaders of a Lebanese faction. And I remembered it was generally believed his father had been killed by the Syrians. I was trying to persuade him about supporting American policy, noting that the Saudis were in support of us. And he looked at me--we were sitting there alone in my office in Washington, and I was assistant secretary at the time--and he said, "Well, you've got to understand something. For those of us who live out there, the Saudis are very important, and they've got a lot of money, and we really appreciate that, and they can influence us. But the Syrians kill."

The Syrians sought to use these various techniques on the Jordanians. Some hit men came into town, killed some Syrians dissidents who had sought refuge in Jordan. The Syrians believed the Jordanians were sympathetic to, if not actively supporting, the Islamic fundamentalists who were revolting in Syria in the early eighties.

Jordan's a very non-bloodthirsty country, by the way. The king is careful not to spill blood unless he absolutely has to. He doesn't have an accumulation of blood debts, which helps explain his longevity.

The king responded by hanging the hit men when they caught them.

The king hosted an Arab League meeting, which the Syrians didn't want to take place because, in 1980, they feared it would result in going on record in support of Iraq in the Iran-Iraq War. So the Syrians mobilized troops on the border. Well, what do you do if someone mobilizes a couple of divisions on your border? You mobilize and you turn to your friends.

Now my colleague up in Syria at the time, Talcott Seelye, reminded me recently that he thought I had terribly misjudged the situation. And I said I hadn't misjudged anything. It was the Jordanians who lived there who were sincerely worried that the Syrians might indeed come across the border.

And Jimmy Carter said, "If they come across, we're with you."

Q: And you passed this word on.

VELIOTES: Yes. And then that word gets out. Now I'm not suggesting that it was because we did this, but can you imagine not responding because Talcott Seelye thinks the Syrians won't do it? We heard a lot of this about ten years later.

Q: This was the Gulf war of '91.

VELIOTES: Of course, that's silly.

So the Syrians are a very difficult group of people. I've always felt they were a black box, from a policy point of view. The people who say they know them, and the books that are written about Syria, never answer key questions. Really, what is the motivation behind Syrian policy? I think most of us can deal with a country and say, well, here are the real motivations behind their policies. With Syria, I think the longer Assad has stayed in power, the less rational and the more idiosyncratic some of these things are. I mean, is he after the PLO and Arafat because Arafat humiliated him by claiming Syria did not fight in the war of '82? Or does he have some other scheme for wishing to weaken the PLO?

Q: Was King Hussein seeking assurance from you, or were we going to him with assurances?

VELIOTES: No, let me also say that in the time frame we're talking about, the Russians were very active in the Middle East as sponsors, in general, of the Syrians.

I think it would depend. With respect to our military relationships, with respect to our security cooperation concerning the protection of the Gulf, it was a mutual thing. We needed each other, and we just came... I will say this, he was ahead of certain parts of Washington. For reasons which I have never understood, the secretary of state, Cyrus Vance, did not wish to go into security cooperation with Jordan. The Pentagon and the White House wanted to. I wanted to, on the merits of it, and also on the fact that this created an important community of interest that I hoped would have a spillover effect into the peace process. So I think we came to each other in that instance.

On the Syrian issue, it was different. The king did not wish to alarm his Arab guests at the Arab League conference, so, for the two or three days that the conference took place, there was simply no concern expressed to anyone about the Syrian buildup. We were aware of a Syrian buildup, but the Jordanians had not come to me, and there was an Arab League meeting, and I thought, to hell with it, it's their country, their border. No one in Washington was panicking, but they were very interested in what are the Jordanians like. The Israelis wanted to know.

Apparently, the king took the last head of state to the airport, returned to the palace, and called me. He said, "Get up here fast." So I got up there, and he said, "Look what the Syrians are doing." They had the maps out and everything, you know, "Please communicate to Washington. Will you help us if the Syrians move?"

Q: Well, a little about the decision process. Here is somebody sitting on it, Washington is not always the fastest responder, and you had not an active...maybe I'm misstating it, but you had Secretary Vance and Carter who came in trying to be nice people to everybody and all this, and yet apparently you got a fast response.

VELIOTES: Yes, but don't forget, several things had happened during these years. Afghanistan was a terrible shock.

Q: Afghanistan was really the turning point.

VELIOTES: Terrible shock.

Q: That was the road to Damascus, wasn't it?

VELIOTES: Yes, it really was. And the fall of the Shah. Jimmy Carter just wasn't interested in any more friends going down the road. And don't forget, too, the Syrians were sponsored by the Russians. Not that the Russians were behind what the Syrians were doing. I think people have to be clear: If the Syrians are sons of bitches, then they're their own sons of bitches.

Q: But they were being sons of bitches with Russian tanks.

VELIOTES: Russian tanks, and Russian protection in Security Councils, and rhetoric in *Pravda* and *Tass*, and embassy propaganda. But it wasn't the Russians supporting the Syrian attack on Jordan.

But I had no problem getting a quick reaction to it. Basically all it would mean is the Jordanians would give us permission to fly a couple of squadrons of F-15s in, or F-16s. Out in that part of the world, wars are tank wars. If you've got control of the skies and the kind of sophisticated firepower that our Air Force represents, you win.

And Assad didn't want to take us on. I'm not sure he wanted to take the Jordanians on, but the Jordanians called his bluff. They're tough; they held the meeting. If they didn't get a condemnation of Syria for its support of Iran, they got a vast majority of the Arabs on record as supporting Iraq. These things were very important to Assad. But he failed.

Q: In dealing with the Jordanian government, did you feel that the king was absolutely the key, or were there other people you and the embassy...

VELIOTES: For decisions, it was the king. For discussions, there were other people to talk to-- foreign minister, crown prince, people in the court, prime minister, depending on

who he was. There weren't that many people to talk to. Former prime ministers, I'd go around and talk to and get a feel on how to do it. But the king was the one who made the important decisions, domestically and internationally. And once he made those decisions, they were unchallenged.

Q: This is interesting, because, in some of the earlier interviews, a different King Hussein, in the early period, was very moody, swinging back and forth, and they weren't quite sure where he was coming out.

VELIOTES: Well, I think this was most aptly described during the Black September period, when finally the army forced his hand. But when I knew him, yes, he was racked with indecision; these were agonizing decisions that had to be made.

Q: These were really life-and-death matters, too.

VELIOTES: He didn't take them lightly.

But on the Camp David thing, when he found out that the Palestinians would oppose him, and if he tried to go alone, the Saudis would not support him, then it was over. Sadat had told Carter, "Now don't worry, I've got the Arabs with me. I'll get Hussein." Well, he had no one. But he [Hussein] worried about this.

The decision to have a rapprochement with Iraq was easy. The king was on a long-time depression from the events of '79 and '80--Camp David, the fall of the Shah. The Iran-Iraq War was almost an emotional lifesaver to him, because here's an easy decision: I will ally myself with the Iraqis to save the Eastern Arab world from the fanaticism of the Iranians.

And I believe there was a lot of sincerity in that. That fit his dynastic vision of his family and himself. After all, Abdullah and Hussein of Mecca led the Arab revolt to liberate the Arab lands from the Turks. This was his opportunity to play a role in the worthy succession of his own view of his dynastic position. After all, the man who lost Jerusalem was going to go out and redeem himself in the East.

There were some practical considerations there, too. Saddam Hussein's Iraq was an immensely wealthy Iraq. Obviously, there were going to be financial benefits for Jordan. Not for the king, for Jordan. With the Gulf closed to shipping, Jordan was a transshipment point. The development of the port of Aqaba and the creation of a major transit industry was pretty important for a country that has no resources. So that played a role in it. And then Jordan became quite a prosperous little place.

Q: How did you feel about the concern that many people in the United States had about Islamic fundamentalism, fanaticism, seeing this arise from Khomeini and all? One, did you see this spilling over into Jordan? And, two, did this affect the operation of the embassy?

VELIOTES: Number one, it did spill over, even in the time I was there. Number two, it did not impact on the operations of the embassy.

There was an indigenous, conservative Islamic movement in Jordan amongst the Palestinians, based initially in the Hebron area in southern West Bank, where the tomb of Abraham is. This is a very strong, conservative Islamic area. Many of those people left the West Bank and ended up in Jordan. Jordan, don't forget, is full of dispossessed people. And this Islamic fundamentalism, to the extent you could see it, was strongest amongst the Palestinians.

You saw it in things like how many of the girls who received their degrees at Jordan University covered their heads or wore gloves to shake hands with the king, who was a male not a member of their immediate family. You saw this. And there was quite a scandal. The king refused to shake hands with one of the young girls who had had gloves on, because he had always considered himself a modernizing religious figure. He's very conscious of his descendance from the prophet. That's why he has the title sharif. So you began to see that.

It's a matter of fact that many Westerners in Islamic countries, or a country like Jordan, will come into contact with the more Westernized parts of the society. To the extent those societies have significant Christian minorities, the Christian minorities will be amongst the most highly educated and... modern sort of minority behavior for survival. So you could sort of monitor concern through your Christian friends.

My wife and I had an elderly Arabic teacher who was a Christian, and she would periodically, at coffee in the morning, talk about some of the events that were taking place in the mosques, things that worried the Christian community. King Hussein was seen as the protector of the Christians...interesting...which is a traditional role for an Arab...an enlightened Arab monarch, anyway.

So this was starting when I was there. It was not yet Iranian-influenced, I believe, it was more indigenous. But the king saw this, too, and he is a dedicated opponent of destructive Islamic conservatism. Fundamentalism is hard to define. I think you can be a religious conservative, and that is not necessarily a destructive context.

For example, for me, a young Islamic girl who wants to cover her head, it's just a statement, like...

Q: A yarmulke.

VELIOTES: A yarmulke, or wearing a cross or a Star of David. That's what it is. So I would not say that it was Iranian-influenced at the time.

But the extent to which the Iranian victories were accelerating in the East, and particularly the publicity being given to them in the press, must have quickened the pace of Islamic

fundamentalist awareness everywhere, including in Jordan, and led the king and his advisors to be even more convinced that they must support Iraq to prevent that infection from spreading by force of arms.

Q: How did you, as the ambassador, and your staff deal with the large Palestinian community?

VELIOTES: Well, we used to deal with them all the time. We were friends. I had a lot of Palestinians that I'd play tennis with, a lot of Jordanians that I'd play tennis with. We'd be invited to their parties.

It took a little while to get acceptance. You see, when I showed up there, during Camp David, the palace sort of put out a freeze on Americans. Not serious, but... And you were supposed to be given a hard time. Not threatened or anything, but... Well, that broke down pretty quickly, because Jordanians pretty clearly draw the line between official policies over which they have no control and people that they live with. We found them interesting; they found my wife and me interesting, so we circulated.

As a matter of fact, the problem wasn't socializing. Almost from day one, the problem was how to protect yourself from socializing, and that included Palestinians.

Q: Could you explain what you mean by that.

VELIOTES: Well, it means that we were invited by Palestinians to large Palestinian gatherings, as well as to native Jordanian gatherings. A lot of this is inherent in being the ambassador of the United States of America. Some of it depends upon personality and your relations with people, but a lot of it was formal stuff. It depends upon your position. My wife and I tried, whenever possible, to engage on an informal level with the Jordanians. And we found they responded.

Q: Did you have a problem with the Palestinians? The Palestinians must have felt that they were being left out of everything.

VELIOTES: Well, there are different levels. When I first arrived, we were invited to a dinner party. And I assumed that this was a pretty small society. It didn't have freedom of expression as we understand it, but nothing went unnoticed, and was reported. And very quickly I was confronted by this attractive Palestinian matron, who said, in a very loud voice in a crowded dining room, "Mr. Ambassador, where have you served in the Foreign Service?", knowing damn well I'd been in Israel my last post.

And I said, "Well, I've been in several posts, but my last one was Israel."

She kept needling me, and she finally started saying things that I recognized as coming out of the Protocols of the Elders of Zion, that czarist secret-police fraud about the Jewish conspiracy here and there and all that.

And I said that. I said, "Well, that's out of the Protocols of the Elders of Zion."

And she told me about how, yes, but it was authentic. And she went on and on.

And I stopped her, and I said, "You know, I told you I had been in Israel my last post. And I just decided the perfect partner for you. I'm going to suggest that you and Guella Cohen be locked in a room together." (Guella Cohen is this *rabid* anti-Arab Israeli that everyone knew.)

Well, the whole place broke up, laughing. I noticed one guy was splitting his sides. And there were many Palestinians in that room.

No one ever pulled any of that stuff on me after that.

And it turned out that the guy who was literally killing himself was her husband, and we subsequently became very close to both of them. You know, I mean, you just have to understand and do it.

Q: How about with the Jordanian army? This must have been a very important...target is the wrong word, but certainly...

VELIOTES: Point of contact.

Q: A very important point of contact.

VELIOTES: Jordanian army, Jordanian police and intelligence service, the palace, those were the three most important areas for me. The cabinet was secondary. I personally would not...I had a station chief and a military attaché, and they talked to their counterparts. I'd go to their parties, I would meet these people, I would talk to them, but that wasn't where I was doing my business. I was doing my business with the king and the commander in chief. That's what I did as far as in that context.

But we had a lot of business with the Jordanian army, official business. We had a lot of interaction, interchange. We had yearly meetings, formal meetings. I had, maybe once every two months, a general come through. And these were essential. I tried to encourage the greatest possible number of official visits to Jordan. Jordan is not Israel; we don't have people breaking down the fences to come in, from the Congress and other places. So I would encourage everyone to come, from Commerce, from Interior. Because, often, in a relationship like that, it becomes very personal, and the personal relations that we built up between our military were really the strongest bonds that we had to compensate for the strains in the political side.

So that was a very perceptive question.

Q: What about Congress? I mean, every congressman makes his Hajj to Israel, but what about Jordan? Were you able to get them there?

VELIOTES: When I heard of them going to Israel, I would ask them to come to Jordan. I got some, not as many as I would like. But they were all very important at the time and afterwards. There was an Appropriations Committee chairman...some pretty tough nuts. I got people like John Chaffee, Steve Solarz, Lee Hamilton. We got Senator Byrd, when he was majority leader. And when I came home, I'd go up and see the Congress, encourage them to come, all of them, many Jewish congressmen--Solarz being unusual in this respect--who didn't know what kind of a reception they would have. And I said, "Well, you're going to be received appropriately as an important member of the American parliament; that's how you're going to be received. And the king will talk to you; you'll talk to him. If he disagrees with you, he'll tell you; if you disagree with him, you tell him. Come out."

So this was a very important part of conducting relations with the Jordanians, particularly since King Hussein and Jimmy Carter were not speaking. I had to find ways to compensate for the fact that they not only weren't speaking, they didn't like each other.

Q: How did this come about?

VELIOTES: It came about, I think, two ways.

Number one, Carter was so disappointed that Hussein did not do what Sadat said he would do, that he bore him a deep grudge.

Secondly, Zbigniew Brzezinski, for whatever other credit you can give him as an analyst, was a horrible implementer of policy. I mean, he came out to Jordan, against my recommendation, and went to Saudi Arabia; totally clouded the waters, and just ended up, in the most insensitive way, making things infinitely worse.

I'll give you an example. I'd been called back on consultation, and they wanted me to do some speaking. And when I came back, I was asked, "What do you think about Brzezinski coming out to Jordan?"

And I said, "Look, it's just before the Baghdad Conference. He has nothing new to say. Unless we have something new to say, it'll be a failure. Why does the president want a high-profile failure when, a week later, the Arab League is going to condemn Camp David? Why have two in a row?"

And they said, "You're right." "You're absolutely right," said the secretary of state.

I went off on my speaking engagement. I came back, I walked into the Department, and someone said, "My God, where have you been? Get upstairs quickly." And I learned that Brzezinski had somehow managed to convince the president that he had to go to Saudi

Arabia, Jordan, and Egypt, in the period before this Baghdad Conference, which was sure to condemn Camp David. I read the briefing book and...[tape ended]...

VELIOTES: ...the under secretary for political affairs. We sort of sat and looked at each other. He looked at me and he said, "Tell me, why do you think Brzezinski's going to the Middle East?"

Well, I knew he had a great sense of humor, and I laughed and said, "Oh, it's one of those."

He said, "Yes, it's one of those, and you're to be on his airplane."

I said, "What am I supposed to do?"

He said, "Well, hopefully, brief him."

Well, here was a man who didn't need any briefing, because he knew everything. So I read his briefing book. And Gary Sick was on the plane, which surprised me because Gary had been dealing strictly with the Iranians.

Q: He was the National Security Council...

VELIOTES: And I said to Gary, who was a friend, "You know, Gary, this is a god-awful briefing book. It just is totally off the mark."

And he said, "Look, we put it together at the last minute. I'm not going to justify it. Why don't you write a one-page memo to Brzezinski."

I said, "Great." So I sat back in the plane and I did a one-page memo, that was typed up, that spoke about the Saudis and spoke about the Jordanians... going to do. I don't know if he ever read it, because he never asked to talk to me.

Q: You mean he never talked to you?

VELIOTES: I was sitting there in the back of the plane all the way across and he never talked to me.

So we got to Saudi Arabia, and Brzezinski said, "Let's have a briefing." So we went to the swimming pool.

Do you know what kind of a briefing you can have, sitting in the sun in Saudi Arabia in November around a pool? And who was there? John West, God bless him.

Q: He was a political appointee from South Carolina.

VELIOTES: Yes, the former governor of South Carolina. And his whole staff. And I was sort of sitting in the back. And Brzezinski, he had his shirt off, lying down, with dark glasses on, and people were briefing him before he went into this thing. Well, I sat there and listened to this. It turned out to be utter trash.

And finally the poor ambassador, impressed by Brzezinski, said something like, "Well, yes, I think that we can convince the Saudis to prevent the Arab League from ostracizing Sadat."

And that was too much. I just blurted out from the back row that this was absolute bull shit. That wasn't the way it was going to happen. (You know, sometimes you've got to say things in a certain way so someone will pay attention to you.) And that you can't possibly go in there with that idea.

Well, that sort of threw a pall over everything. But Brzezinski didn't ask me what I meant or why, and he still hadn't read my paper. So, as I was walking back, all of a sudden John West sort of accosted me, and I thought, "Oh, God, he's going to kill me."

And he said, "Thank God you said that."

And I said, "John, I know you know better. What's happened?"

He said, "Well, Nick, I told the president something he didn't want to hear about this, and do you know, I got an official reprimand. So I just don't feel I can say that... do it."

I said, "Well, John, you know how I feel. And you agree." Or maybe he didn't agree. John never really understood the subtleties, particularly at that time. It was early on... But he knew that...

Well, the next time I saw Brzezinski, we were a half hour out of Jordan, and he called me up, and he was lying down sort of on his couch, and he said some wise-ass thing about the king--"I don't want to see the king."

And I said, "You go in with that attitude, don't go. I mean, let's not even go. Go somewhere else. You've got to take time. You've got to so intrigue the king that he's going to want to know more. At that time, the three of us, or just the two of you go off into another room, because then you're going to start doing business."

Warren Christopher was on this trip, and I'll never forget this.

Q: He was the under secretary of state at that time.

VELIOTES: Deputy secretary of state. And I remember we were sitting in there, and the king had brought his entire power structure. Now, mind you, the last VIP that had come, about a month before, was Cyrus Vance. And Cyrus Vance had told the king and these

same people that there would be a five-year freeze in settlements. And it turned out not to be accurate.

Q: You're talking about Israeli settlement in the West Bank.

VELIOTES: Jimmy Carter had said there'd be a five-year freeze, and Menachem Begin said there'd be a three-month freeze, and there was a three-month freeze. So American credibility was quite low with respect to entering negotiations there. And I remember that this was a very wooden, wooden session. And the king had all of his advisors around, which meant everyone in Jordan would know about what went on, which meant he wasn't in a deal-making mood. Oh, and Brzezinski was only going to spend two or three hours in Jordan on the way to Sadat's. If you want to lose friends, say you're going to come and spend three hours with them on the way to somewhere else. You know, that's the currency that people deal with in foreign affairs; you have to be careful.

All of a sudden the king said something...I forget what it was, but he said something. And I wrote a note to Christopher and said, "Give this to Brzezinski. He must now say, 'Your Majesty, I'd like to explore that with you. Why don't we go into the next room, maybe, and have a chat?'" I said, "This is it, the first thing that is interesting. See what his terms are, what's he talking about. He won't talk in front of everyone. Go and do it."

I don't know what Christopher did with my note, but Brzezinski said, "Well, Your Majesty, that's very interesting, but, you see, I have to hurry because I have an appointment with President Sadat." He got up and he left.

That night, King Hussein gave an on-the-record press conference, which got him disinvited to Washington, and he went off to Baghdad.

Q: Well, going back to the original question, what inspired Brzezinski to make this trip, which wasn't going anywhere, not supported, and apparently he was not ready to deal?

VELIOTES: I don't know. The under secretary of political affairs didn't know what the hell he had in mind. The briefing book that was prepared for him was so shallow as to be useless. He damn well wanted to go out in the area and the action. And I guess he wanted to threaten people. I don't know, you know, he was a funny guy. Do you remember him looking down the barrel of a gun at the Khyber Pass?

Q: Oh, yes. One always had the feeling he was trying to out-Kissinger Kissinger. I don't know if this is fair or not.

VELIOTES: But sometimes you've got to be careful. Often you have to be careful. When you're national security advisor, you have to be particularly careful, because you're carrying the name of the president. This was a kamikaze mission if I ever saw one.

Q: Okay, you get a mission like this, which, as far as you're concerned, is a disaster. But you're the American ambassador on the ground. The kings and princes depart; you are left. What did you do in this case? You must have felt there was damage control that had to be done, didn't you?

VELIOTES: Well, there wasn't much that could be done for a while. The king was so mad that he figured, well, if Carter was going to do this to him, he was going to do this to Carter. And he said a lot of things that were unfortunate, on the record. A journalist friend of mine called me and said, "You're not going to believe what he's put on the record. I have to leave tonight. I just wanted you to know. Wait till you see it."

I waited a little while. Then the king was going to go to Washington in another few weeks or a month or something, and all of a sudden I got a message that, well, it was now inconvenient for the president to see him. And they gave me some cock-and-bull story to go and explain why the visit was being postponed. Fortunately, the king was not in Jordan. Then I had to explain something that...oh, you know, you stretch the truth. If I can use the old Marshall Green... put the best face on something, which was another sign of the very serious personal animosity between the two heads of state.

Now you would have thought it might have gotten better, with our security cooperation and things. We were doing things together that were important. And I stopped pressing for a visit. You know, there are times when you press, and there are times you don't press.

But all of a sudden I was jerked out of Amman and brought to the U.N., because the secretary of state was going to meet with King Hussein, in late '79, at the U.N. The king was giving a big speech there, and I was told they wanted me present because, after the meeting with the secretary, the king was going to be invited to come to Washington on a quick visit to meet with the president. So I was jerked in at the last minute, and I flew to New York (it takes you a day to get here), and I checked in to the U.N. Plaza. And you know what the U.N. is like--the secretary has twenty minutes for 400 people. And so all the people around him, spinning. I barely had to time to say hello to the people involved before we went into the meeting. And it was a good meeting, talking about a lot of things. The king left, and the secretary said to me, "Well, Nick, I can't do it. You have to tell the king he can't go to Washington to meet the president."

And I said, "Well, what are we talking about? What have I missed? I thought this was a very helpful, healing step. Isn't this what we're trying to do, start a process, long-term American interest and Jordanian interest? This was it."

He said, "I can't tell him to go see the president, because he hasn't agreed to join Camp David."

And I said, "Cy, whoever told you that was possible at this point? I'm totally stunned to hear this. You can't mean it. You can't mean that, at this point in time, with everything that we know and all the people who have been asked and my reporting, someone told the

president he was going to agree to join Camp David, as opposed to start the process and maybe moving closer together and looking to the future."

And he said, "I'm sorry, you must go and tell him."

If I had to choose the one low point in my career...I had to go over to the Pierre Hotel, sit with the king and the crown prince and the others, and explain to the king that he was not invited to Washington.

Q: Had it been implicit that he would be?

VELIOTES: Absolutely. Absolutely. Otherwise why would I go tell him he wasn't coming?

Now the denouement to this story is that I went to Washington, because I figured, well, you know, hell, they got me here, if I can't do anything useful in the State Department, I'll go up in the Congress and talk to people and see how things are and explain and talk. But I made an appointment...as a matter of fact, I was told, the minute I hit Washington, go see the Middle East negotiator, Robert Strauss. And I went into his office, and he said to me, his exact words, "Nick, how could you let the king not come here? How could you let this happen?"

I just assumed he was playing a game with me, and I said, "I was told that you and the secretary were going to make that decision after you talked to the king. Are you telling me that you were not a party to this, that Cy Vance just sent me over? Do you know what I had to do? Do you guys realize what you're doing as you seek to advance your move?"

Well, it turned out, the next day he was off the job and he'd taken the special trade negotiator job, so he didn't give a damn.

Q: Looking at this, where did this thing fall?

VELIOTES: Well, let me tell you. You know, it was all personal. King Hussein felt he had been abused and he had not been consulted on Camp David, and he'd written the president and he'd said to the president, "Please don't leave me hanging out here alone when Egypt makes a separate deal with Israel. Don't leave me. I can't accept it. I can't be a party to this." The president felt abused because the king, I guess, told him that, or did not see the opportunity and didn't have the courage to take the opportunity.

When we finally got the two of them together...

Q: When was this?

VELIOTES: Nineteen eighty, about June. It was a terrific meeting. I mean, they really talked things out, you know, motives and hurts and things like that. But it was a meeting

that should have taken place two years before, or at least a year before, when this thing hadn't gone all out of whack.

Q: Was this the president calling the shots, or the secretary of state, or were there advisors?

VELIOTES: I don't know.

Q: Because it's very difficult for me to think that the secretary of state, who's a skilled negotiator, would have assumed that King Hussein would have seen the light, with nothing particularly to have paved the way for it at a twenty-minute meeting in the U.N.

VELIOTES: I don't know. I don't know. Presumably Cy Vance said, "Mr. President, you must receive King Hussein. You must see him." And I can imagine the president saying, "Only if he agrees to Camp David." But I learned that only once the meeting was over.

Q: In a way, it sounds like one of those off-hand things where there are a lot of leaders coming and an unthought remark on the part of the president becomes policy.

VELIOTES: I don't know. But, then as now, if you're going to have a peace conference and if you're going to have Palestinians involved, you need Jordanians. Nothing much has changed in the ten or twelve years.

Q: No, they have been considered the key, always.

VELIOTES: I'm not suggesting that there was not fault on the king's side. I think he made a major mistake not joining Camp David, with or without anyone's support. It was such a remarkable opportunity to make progress. Such a remarkable opportunity. And he could have given the Palestinians a shield. Now if the Shah had been alive, maybe he would have done it, back there at the beginning. We'll never know.

Certainly, in the mid-eighties, starting with the Reagan plan in late '82 till about '85, as we tried to get the peace process going, the king felt much more secure in being able to try to work with us, because he had the security of the Iraqi relationship. Iraq was a giant in the Arab world at the time. And he had Iraq and Egypt. I thought he was being very cooperative in trying to get the joint delegation and things like this going. And Iraq, because of its needs in the Iran-Iraq War and because of its relationship with Jordan, had pretty well...ahead of time, we will acquiesce in whatever you think is right. So there had been a major change in Iraqi policy towards the peace process from one of complete rejection to, well, you know, what you and the Palestinians work out, we'll support.

Q: What about another issue that sort of clogged up the works--the 1980 Olympics? How did that come out? After Afghanistan, we decided to boycott the Olympics, and we were putting pressure on everybody to do it, and this became sort of a litmus test.

VELIOTES: I don't even remember what happened on that. I don't even know if the Jordanians went, if the Jordanians had any... They may have sent a rifle team or something. I don't know.

Q: Then it wasn't a big deal.

VELIOTES: Not for me, no.

Q: How about with the Carter administration and human rights? I noticed Amnesty International at the time sort of put Jordan on their list as having some violations of human rights with political prisoners and all that. Did this become much of an issue for you?

VELIOTES: Not too much, because, as I said, the king did not shed much blood. Most of the Jordanian papers were self-censored. That was censorship, don't get me wrong, but people were not thrown in jail for talking at cocktail parties or for meeting with people and things like this.

Q: It wasn't a Big Brother atmosphere.

VELIOTES: No, no. It was understood that there were things you couldn't do. You couldn't publicly criticize the king or the palace. You couldn't publicly support American policy if it was contrary to Jordanian policy. And most of their newspapers were hopeless rags of extremism.

Q: So, in a way, the media was not a problem.

VELIOTES: Not really, except that, sure, you know, people read the media, people watch it. You know, when it happened out there, you get a tirade of propaganda and then everyone turns to *Dallas*.

Q: Dallas being an American soap opera that was in.

VELIOTES: The first dinner party we went to at a Jordanian home (Jordanians eat quite late, not as late as the Egyptians, but still quite late for American tastes), we were all seated in the front living area of the house, the front rooms of a lovely old house. And at a certain point, about nine o'clock, I looked around and there were only foreigners in the room, foreign diplomats. I looked a little perplexed, and one of them laughed and said, "Go down the hall and look in that room." I went down the hall, and every Jordanian guest had his or her eyes glued to *Dallas*. So you couldn't eat until after *Dallas*.

Q: Well, this was true in Italy and everywhere else. Is there anything else we should cover on Jordan, do you think, before we stop at this point and then I'll come back to it?

VELIOTES: Oh, if you can think of anything else about Jordan that you'd like to talk about. The queen...

Q: King Hussein, in '78, married an American woman. Did that change anything? Could you explain a little about the relationship and all that.

VELIOTES: She is the daughter--Princeton graduate she is, lovely person--of a prominent Lebanese- American family. Najeeb Halaby had been the first federal aviation administrator, under Kennedy, and then went on to head Pan Am for a while and has always been active in Arab aviation matters. So his daughter sort of came back to her heritage and worked in the office of his company in Jordan. And it was in that capacity there, and she also did some pre-school teaching, I believe, that she met the king and the queen and their children. The queen died in a helicopter crash, and then the king and she got married.

I arrived shortly after the marriage. It would have been easier not having an American queen, having a Palestinian queen, someone whom my wife could relate to without any sense of inhibition, someone whom I could relate to, and someone who didn't feel that she had to overcompensate for being an American and becoming a super-Arab. These are all understandable things. And they had some very tragic consequences, because early in their marriage Camp David came up, and this was a traumatic experience for them, and she was pregnant with their first child. Well, it was such an emotional problem and she got so involved, she had a miscarriage. So it was a hard thing for her. And it's awfully hard to be a honey blonde posing as an Arab queen. I think she did a good job, while we were there, of trying to bridge these gaps. And, don't forget, this is a little, gossipy town, and everyone's got a favorite King Hussein stud story--not easy for her.

As far as we were concerned, I told the American community, you know, speak when spoken to. She's not an American, she's the queen of Jordan. And you're going to make her life a hell of a lot easier if you don't presume she's American. Those of you who knew her when she was Lisa Halaby, in particular, she'll call you, don't you call her. She's got too many things to do. I always treated her extremely formally, as did my wife. And when I left Jordan, I counted the king as a good friend, despite all the... ..trouble trying to relate to us. As I said, we stayed away. The first sort of reaching across came on the tennis court, because I used to play with some members of the royal family, and so did my wife, and she came out and played with us a few times in a group. But we...strictly no familiarity, none whatsoever. I assume she appreciated the way we handled it. And it was a very tough thing for her.

Her first visit back with the king was an extremely difficult issue for her. Fortunately, the press all treated her, I think, with a certain tenderness. Later on, when people got catty, it didn't make any difference, she was so secure in her role.

One of the things, though, that she did early, particularly around Camp David, particularly around the time that she was pregnant, whenever I came up to see the king, she was in the

meetings. I suspected he didn't like it, but I dealt with him. And she surprised me by how she would come in and come across. Later in the relationship, I think both of us--the king and I--rather tacitly understood that we would prefer to speak alone about some of these issues. I think she got the picture. She was always gracious when I was there--she'd come in, we'd talk--but often she would then just leave before we got into the issues. This is not a male-bonding issue.

Q: No, no, no.

VELIOTES: Here's a man who has been in his position for a long time before his current wife, hopes to stay a long time with her, and there were just things we had to talk about. Particularly when I had to say things to him that were unpalatable to him, that he wouldn't want to hear, I did not want to say them in front of his wife.

Q: Because this gets it on the emotional side, when we're talking about state-to-state relations, which are different from personal relations.

VELIOTES: Right. As I say, she got so emotionally upset in the Camp David period that it ended up with a miscarriage. And that was really too bad. It's not easy, I don't think, for her. I think she's done remarkably well at it. And I don't know, from my successors, what may have happened in their relationships there, but I haven't heard of anything negative.

Q: I haven't either. Well, all right, why don't we stop at this point. I'll catch you again and we'll get on to assistant secretary.

VELIOTES: Okay, Stu, thank you very much.

Q: Today is May 4, 1992. This is a continuing set of interviews with Ambassador Veliotes. We had just left you, in 1981, in Jordan, where we'd finished Jordan and you had been called back to Washington to be assistant secretary, where you served from '81 to '83. How did this assignment come about?

VELIOTES: I don't know. If I were given my preference, I would have argued that I'd be sent to the Philippines to replace Dick Murphy, who had been there three or four years. Clearly I had at that time a unique qualification for dealing with Arab-Israel issues. I had been chargé in Israel, and my next overseas post was ambassador in Jordan. So I was the first person to have very senior positions in an Arab country as well as in Israel, within a five-year time frame. And, in between, I had served as deputy assistant secretary of NEA. So I had that background. I think, in the course of my Middle East career, the close relations I had formed with congressmen, Jewish leaders, who remembered me from the first time in the Middle East, in Israel, were helpful, in the sense I did not carry the "harmful baggage" of being considered an Arabist. Now Arabist, to all of us, is a very honorable term--it's like a Sinologist or a Japanologist or a Sovietologist; it means an area language officer. But Arabist, in the popular journalist sense, has come to mean anti-Israeli, if not anti-Semitic.

Q: This is really more a creature of...can I say it? the Israeli lobby, which has promoted this for the wrong purposes.

VELIOTES: And popular conceptions--Herblock cartoons, you've seen how Arabs are portrayed. So it's not an easy job to fill, with a new administration. And I guess Al Haig felt that I would not have any major opposition and that I had enough knowledge to be helpful. I'm guessing.

Q: When the new administration came in, in late January of '81, when did you arrive?

VELIOTES: Well, I was called back in early December, shortly after the election. I was going home to California for Christmas, and I was told to come by and stop in Washington, which I did. And I saw different people, including Al Haig, who told me at the time that he wanted me to be assistant secretary. I went home to California, I came back after the holidays, and I was told to stay. I was given seven or eight days to close out in Jordan and come back to Washington. Then I left on about the 25th, 26th of January, and I started about the first week in February.

Q: I think it's always interesting how a bureau deals with a transition between one administration and another. Even with the same party it can be traumatic. These, of course, were two ideologically quite different, disparate administrations: the Carter administration, which, I suppose, you put more on the liberal wing; and the Reagan one, which very definitely was a more conservative one. There was sort of blood in the corridors over the Latin American bureau, but what about the transition in Near Eastern Affairs?

VELIOTES: We had our serious problems. Let me explain. Not only were there differences, but there was great suspicion on the part of the new Reagan group, the political appointees, of the Carter holdovers. Great suspicion and hostility. Well, where did that put me? Here I was a career Foreign Service officer; I had served at senior position in Washington and then ambassador in Jordan, under Carter; and then I was called back to be assistant secretary of state. Well, that didn't spare me from this suspicion and hostility, initially.

Q: Where was this hostility and suspicion? Who were the people?

VELIOTES: Well, there were some senior political appointees in the Political/Military area, in the Policy Planning staff, in the counselor's office, and around the secretary of state--a pretty healthy crowd.

I recall, about a month into the administration, when I had a meeting in my office, and I was the only career person in that meeting, one of the people (who is currently rather prominent in this administration, so I don't want to use the name) started, very pointedly, since he and I had very different views on some subjects, being highly critical of Carter

holdovers. And so I waited, and I looked around and said, "Well, I'm the only person in the room who fits this description." And I paused, and I said, "I'm also the only person who has been selected by the secretary of state and nominated by the president to be assistant secretary, and I'm going to be confirmed unanimously by the Senate. So if I ever hear another word like that from anyone, he's never coming back in this office, nor will he deal with anyone else in my bureau." NEA was the kind of bureau where you could enforce that, and your staff would, with great joy, help you.

Now why was this man upset? Why this hostility? I arrived in the office, I think it was the morning of February 8, and I got there very early because I was on jet lag. I was right across at the Columbia Plaza. I knew who my staff aide was, so I called and said, "Look, I really want to come in about six o'clock. Can you open things up and get someone there so I can see my In box? I may as well start." There were two memos I saw. Both of them had to do with the Middle East, Arab-Israel issues. Both of them were prepared for my signature to go to the secretary of state. And neither of them reflected my views at all. I couldn't understand this. So I called in my senior staff. They were all my friends--my deputies and the staff aides--and I said, "Who drafted these?"

And they said, "Well, this came from P/M and the Policy Planning Staff."

Q: P/M being Political/Military.

VELIOTES: And the Policy Planning staff. I said, "Well, why are your names on it?"

And they said, "Well, these were sort of dictated to us. This is the new regime."

So I said, "Okay, once I understand it. And this is what we do with stuff like this." And I tore 'em up and threw 'em in the burn bag. "Now I want you to go back and tell me what you really think. Once we do it, if it ever happens again, you're gone. You tell me what you think."

Well, two of the people who were in my room were the ones who were deeply involved in that. And I just demonstrated that they weren't going to run the bureau. They might beat me with the secretary, but they weren't going to run the bureau.

Q: This was sort of the lesson that somebody has to do, and that is, when you are new on the block and they're new on the block, there is a certain fight over control.

VELIOTES: Well, yes, but it goes beyond that. I'm a firm believer that any career officer who becomes assistant secretary should, in his or her mind, conclude this is the last assignment. There is some point where you've got to stop thinking about the next assignment. And I think that's it. And I let it be known that this was it; I had no interest in anything else. I was going to do my job as I saw it, and after, I was going off into happy retirement. And I fairly intended to do this. I didn't, because when I told George Shultz,

three years later, he went over to see the president and came back and said, "We want you to go to Egypt."

Q: But the strength of this is also that you can't be held hostage for the next job along the way.

VELIOTES: That's the point. Somewhere along the line we all, you know, but at some level you've got to stop that. And that level is assistant secretary. I mean, the career buck has to stop with you. You must protect the career people who are working with you, your subordinates. And you must say what you think at all levels. Now you also have to be prepared to carry out policies... But that's something else. You have to do that under any circumstances, or you can't possibly have a coherent institution or policy.

Now there were major changes. The Carter administration made its mark in the Middle East, in Arab-Israel, through the Camp David Accords, a great breakthrough for peace in the area, peace between Egypt and Israel. And here we are, fourteen years later, and it's the Camp David Accords that are currently being implemented in these talks amongst the Israelis and the Arabs. I think we ought to keep that in mind.

However, the other side of the Carter years was the collapse of the Shah, the humiliation of the American hostages, and the invasion by the Russians of Afghanistan, which raised very serious concerns in the area, not just in Israel, but amongst the Arabs and the Pakistanis and others, about the future and where was the United States. So there was a real requirement to reassure our friends that, in the worst of circumstances, we would help them militarily.

Now this is important, because it helps explain why I could do some of the things I did and was effective.

While I was in Jordan, when the Shah collapsed, when Afghanistan was invaded, I worked with the king of Jordan. You will remember that Carter created a Rapid Deployment Force. P. X. Kelley, later commandant of the Marine Corps, became the commanding general. But that's all we had--a mimeograph machine, a six-foot-two Marine general, and a lot of bluff.

Q: Did we have our base at Diego Garcia at that time?

VELIOTES: We were getting Diego.

Q: But it wasn't really in being.

VELIOTES: We really had nothing to deploy. So, working with the king, I created the first two divisions of the Rapid Deployment Force. But they were Jordanians. We exercised with the Jordanians, and then slowly we created an American counterpart force.

So, until 1981, if we had had to deploy to the Gulf for any reason, we would have gone with Jordanians. It's rather ironic when you think what happened later.

Well, that had been kept a secret. No one knew about it. We did everything legal, nothing covert, but the fact of its existence surprised so many people, and pleasantly surprised Al Haig and Dick Walters and all these people, that indeed we had something, that they just didn't walk into a void.

That gave me certain credentials in the context of the new security-minded Reagan administration.

Q: So you weren't just sort of a...

VELIOTES: Peacenik.

Q: A peacemaker. There was this difference.

VELIOTES: There was this difference. So I had credibility with the uniformed military and with a lot of the new Defense Department appointees--Cap Weinberger; Frank Carlucci, an old colleague of mine; Bing West; Rich Armitage--these were people that...

Q: You didn't mention Richard Perle.

VELIOTES: No, I wouldn't mention Richard Perle because he was one of those...although my relations with Richard Perle were probably to some extent tempered by my previous service in Israel, and the fact that I had so many contacts in the Jewish community, from my previous service in Israel and in Washington. I had dealt extensively with members of the Jewish community, both in and out of government. I was in a position where I couldn't really be intimidated by things...

Q: I'd like to do this step by step. On your nomination, you said you told people you were going to get unanimous consent.

VELIOTES: That happened.

Q: Were there any questions raised? Because this is always a crucial issue to what one calls the Israeli or the Jewish lobby, this assistant secretary for Near Eastern Affairs. Were there any questions raised about you from any side, within Congress or...?

VELIOTES: Nothing hostile, in part because I knew all the players, the Republicans and Democrats of both committees--Senate Foreign Relations and House Mideast Foreign Affairs Committee. That included the Jewish members of Congress and the other strongly pro-Israeli members. So I had no problems in that respect. And that was very fortunate, because the in-house battling during the Reagan years was ferocious.

Q: Well, this is it. In a way, for a supposedly tough leader, one has the feeling that this administration... certainly the Bush administration seems like a well-oiled machine compared to the Reagan administration, particularly in the foreign policy field, that the Pentagon, Caspar Weinberger had his own policy. There were battles going up and down all over the place.

VELIOTES: Yes, they were, and they got very irrational. But let me explain. Put that aside. In that first year of the Reagan administration, with all of these problems, we made some major, major policy decisions, and we implemented them, both on the peace front and on the security front in the Middle East.

Q: Could you go into that?

VELIOTES: Sure. I think the first four or five major decisions we made in the first months were of great import. Number one, we got the decision through the White House to create a multinational force in the Sinai in order to implement the Egyptian-Israeli treaty. That started.

And, by the way, I was given full authority to do it. It was remarkable: Al Haig said do it, and the Department, NEA did it. We went out and got all these people; we got fourteen countries. And we did it because no one got in our way. We knew what we were doing, Haig said do it, and we did it. We worked with the Army and the Pentagon, but not a lot of other people. We had support from the White House.

The decision was made to sell AWACS to the Saudis.

Q: AWACS being...

VELIOTES: Airborne Warning and Control System aircraft, which we had loaned to the Saudis in the aftermath of the collapse of the Shah and the beginning of the Iran-Iraq War. So we did that. It was very important, setting the stage for cooperation, which finally culminated in the cooperation in the Gulf War.

Q: In 1991.

VELIOTES: Right, ten years later.

We got the agreement for significant improvement in our relationship with Pakistan, which included a healthy segment of military assistance, which was the essential first step in upgrading our aid to the Afghan rebels to help them fight the Russians.

Q: I might explain that we've already mentioned this before, but this was the December '79 invasion of Afghanistan by the Soviet forces.

VELIOTES: Right, which had its impact all the way down to the Gulf.

Q: It's hard to recreate that today, with the Soviet Union no longer--a footnote to history--but we were really thinking very seriously that there might be a Soviet invasion that might go right through Iran and Iraq and go down to Saudi Arabia. This was at least conceivable.

VELIOTES: This was being game-planned in the Pentagon. How realistic it was I don't know. But the military gets paid to protect your interests, and the rest of us in the national security environment have got to decide what those interests are. Certainly Gulf oil was and is very high on that list of interests.

We brought Phil Habib out of retirement to go and tamp down a budding war between the PLO in Israel over the northern border of Israel. Now why was that important, apart from saving lives? It was going to take us until the end of April '82 to get in place everything we needed so, by the date fixed in the treaty, the Israelis would retreat from the Sinai and there would be an exchange of ambassadors. We didn't want anything to blow that up, the Egyptian-Israeli Peace Treaty, so it was imperative that we prevent, if at all possible, the outbreak of major hostilities between Israel and any Arab party, which could put pressure on the Egyptians at that time.

Q: This was done right at the beginning.

VELIOTES: Yes, in the first few months. We set these things in motion, regardless of the fighting, regardless of the hassling, regardless of the personalities and clash of ambitions.

Q: I wonder if you could comment on your observations of the effect that the clash of ambitions and personalities can have on the foreign policy process.

VELIOTES: Well, there's no question but that Al Haig's presidential ambitions heavily influenced the way he looked at a lot of issues, most particularly on the Middle East. The very sophisticated analyses that he brought to European issues, for example...

Q: He had been the NATO commander.

VELIOTES: He had been the NATO commander, totally absent in the Middle East. We made major missteps because of bad advice and because he thought it would play good.

Q: Play good domestically.

VELIOTES: Domestically. For example, we went off to the Middle East in April of '81, and Al Haig absolutely refused to take the time to stop in Syria, even though Lebanon was blowing up on the Syrian side. And not only that, but he took the occasion of a press conference after his meeting with the Israeli prime minister in Jerusalem, to issue a challenge to Assad.

Q: Who was the president of Syria.

VELIOTES: A very bellicose statement, totally unnecessary and unhelpful. What it did, it helped encourage people like General Sharon in thinking...

Q: That's Ariel Sharon, who was the leading...

VELIOTES: Hawk.

Q: Of the Israeli political scene.

VELIOTES: To think that anything that the right-wing Israeli government decided to do we would support, on grounds that they are fighting the Communists now. You've got to make some pretty insane conceptual leaps to consider Assad a Communist or an agent of the Soviet Union--he was his own son of a bitch. That was tough enough.

But we saw this all the time. Things got all screwed up.

Q: Was there somebody sitting by his side or whispering in his ear?

VELIOTES: A lot of them.

Q: Who was this?

VELIOTES: I don't want to get into names; some other time. Well, a whole series of political appointees, basically, non-career people from outside the government, certainly outside the State Department. And basically they had a view of the Middle East and American interests and how to protect American interests that was so totally unfounded as to be funny, if it weren't so tragic.

For example, I remember a serious paper from the Policy Planning staff...

Q: Of the State Department.

VELIOTES: Of the State Department, in this time frame, that argued that we should be able to form a military alliance between the Arabs and the Israelis because of their mutual concerns of the enlargement of Soviet power, even to the suggestion that several Israeli divisions might even be deployed into the Gulf area to help fight the Russians if the Russians decided to come down this way. Well, in the first place, the Russians weren't about to do that, although we did run these theoretical exercises. But if they did, and you deployed Israeli troops, all the Arabs would end up fighting the Israelis.

I mean, crazy stuff, yet it reached the point of being sanctioned. These things would come to me and I would write things on paper and send them forward that no one ever dreamed would ever have to be written about this.

There was an element in this of: If we could somehow convince these people--the Saudis and the others--that they and the Israelis had a common interest, then Israel wouldn't have to worry about the Palestinian problem. And then you'd take another step forward if people like Veliotos would stop talking about the Palestinian problem. It wouldn't exist. Because clearly they are the only ones who see it. I mean, after all, the Israelis live right there, and the right-wing Israelis don't see it, how can these people see it?

This all sounds rather crazy in view of what happened in the Middle East since that time, but this was real. This was legitimized idiocy that kept me fighting a lot of people.

Q: What was your relation on this issue, and, of course, then on the other issue, the Soviet issue in Afghanistan and around and all that, but on this particular issue about Israel, what was your relation to Al Haig? He was secretary of state, you were his principal advisor on this, he had picked you, and yet at least this one you weren't quite...

VELIOTES: Al Haig was different from these other people. These other people around him wanted to control me, or at least censor my views. That's not what Al Haig wanted. Al Haig and I disagreed on many things, but to his credit, he always wanted to hear what I had to say. He might disagree with me, he might make another decision. I could always get in the door again and make other points to him.

But the net result was, we didn't have much in the way of a coherent policy. As you move along through the administration year, we went through a charade of seeking to continue the peace talks on the Palestinian issue, the so-called second part of Camp David. We went almost a year without a special negotiator. All of a sudden, Al Haig decided to appoint a special negotiator. He appointed Richard Fairbanks.

Q: Whom I've interviewed and who came there with no experience in the field whatsoever.

VELIOTES: He knew nothing at all. Frankly, and this is nothing against Dick Fairbanks, who did his best, but no one took him seriously out in the Middle East.

Q: Well, they didn't take him seriously in the Department of State. I know, because...

VELIOTES: I was going to be more delicate than that.

Q: It's sad.

VELIOTES: Yes, but it gave a signal that this is what this administration really thought about the Palestinian problem.

Q: What were you, as the head of the bureau, trying to do to keep the peace process going? Where was the point of conflict?

VELIOTES: Well, almost everywhere. Nowhere in the Department, outside of NEA, did we get any support for any serious treatment of the peace process, with the exception of the need to implement the Egyptian-Israeli Treaty. On the peace side, I saw as my overriding responsibility ensuring that, fifteen months after the Reagan administration came to power, it did not lose what Carter had gained, and that was the Egyptian-Israeli Treaty.

Now I had a lot of stupidity involved. The secretary of state became obsessed for a while with the need to get the Palestinian problem out of the way. He could see it continuing to inconvenience him. He was right. And I think he leaned towards the idea, finally, that it was really guys like me that were responsible for it. It wasn't really there. That wasn't important. What was really important was the Soviet menace. You know, let's get everyone together and let's get it out of the way. He concluded that the way to get it out of the way was to have Sadat sign a sweetheart agreement with Begin.

I'd been running for about six months what I thought was a very closely held series of meetings and papers with the secretary on the peace process, built around Sadat's visit and then a visit by a Brit, who was, I think, the head of the EC at that time. Much to my surprise, I was told we were going to have a meeting on the subject, and the whole conference room was full of people who had been receiving all of my papers. And with the exception of my own NEA guys in the room, every damn one of them was opposed to any serious engagement on the peace process. So the conclusion of that meeting was that Sadat would be asked to sign this sweetheart agreement.

Q: A sweetheart agreement, in your context...

VELIOTES: In the traditional labor terms, which would mean selling out the Palestinians; an agreement that had nothing in it for the Palestinians; one that could never have been accepted by anyone.

I lost. So I walked in to see the secretary, shut the door, and said, "Now, you know what I feel, that I've lost, so I am going to do exactly what you want, and you're going to send it to the president. But it's going to be rejected by Sadat. That's the first thing you've got to know. He will not accept it. And if by any incredible chance he accepted it, it would be denounced by all the Arabs, and there'd be U.N. resolutions against you, and all the European NATO allies will denounce it. It's a real loser. Under those circumstances, let me talk about you and the political scene in Washington. I don't think you want to be so closely associated with such a loser. At least say, "We can try this, and if it doesn't work, we'll have to come to a fallback." Give yourself some time. Give yourself some maneuvering room."

And he said, "You know, you're right. Go and do that. That makes sense to me."

Q: So you went to the domestic political side, his vulnerability on it.

VELIOTES: Yes, but I went beyond and told him what would happen, and that the impact here, apart from anything else, you are going to be terribly embarrassed and weakened. You're my boss; I don't like that, let's build in flexibility.

So what we sent over was not what we had agreed in the meeting.

Another thing that Al Haig did, because he was a very complex guy, he authorized me to run a totally private, indirect negotiation with Arafat, to try to get Arafat to agree to our terms.

Q: He was and is the head of the Palestine Liberation Organization.

VELIOTES: And what were our terms? To accept Security Council Resolution 242, of 1967, in which the State of Israel is implicitly recognized and you are committed to peace in return for land. And the second thing is to explicitly accept Israel's right to exist. Those were the two points. And Haig, who was no friend of the PLO, said, "Well, look, if Arafat will do that, he then has accepted American policy, so go ahead and try to do it." And he went over with one page, talked to Ronald Reagan, came back, and said do it. And we did this for close to a year.

Q: How do you do this? We're on a very strict...

VELIOTES: I did it, there was one other person in the bureau, Wat Cluverius, who was my deputy. Wat carried out the discussions with an American who had been chosen by Arafat, John Mroz, a unique person in New York, in the Institute for East-West Understanding. Mroz went to see Arafat personally, and then he'd come back and talk to Watt, because this was a totally unofficial discussion, committing no one to anything. I think I had some pretty interesting developments. We got very close, until the Israelis invaded Lebanon. But that, too, was part of our multifaceted attempt to protect the Egyptian-Israeli Treaty. If it worked, fine. On its merits, we wanted to peruse it, but it was also another way of inhibiting horrible things that could happen that could lead to major hostilities and disrupt this Egyptian-Israeli Treaty, which we felt was...

Q: I would have thought that you would have had, at least within the professional ranks of the Pentagon, strong support about settling this thing and doing something about it, because the military just hated what happened during the '73 War, when we basically denuded our military stocks in order to preserve Israel.

VELIOTES: Well, the Pentagon was always a strong supporter of this. And so was the CIA. Jeff Kemp in the White House, in a very anomalous position, was very helpful. But on this PLO issue, that was just kept to Haig, myself, and Wat Cluverius, and Ronald Reagan at one time. Bud McFarlane, the counselor, was informed that it was going on; he never showed any particular interest. When it broke a few years later, I said to people, "We did it right within the terms of our agreements with Israel," which we did. In 1984 it all hit the front pages of *The New York Times*. I'm not quite sure what happened, but it

did. I was asked to come to an off-the-record briefing of the House Middle East Subcommittee, House Foreign Affairs Committee. And I had about ten, twelve people there, a number of them very pro-Israeli, some Jewish, and they asked me was it true?

I said "Yes."

And they said, "How could you do this?"

I said, "What do you mean how could I do it? It was in pursuance of our policy to get the PLO to accept American policy. So, on it's merits, it was right. Secondly, it was very important to keep the peace in Lebanon between Israel and the PLO, to save lives. And, finally, overriding the other two, it was a very important part of our strategy in protecting the Egyptian-Israeli Treaty. So, for those reasons, I did it. And I'd do it again. And you ought to support it."

A few months later, that same committee put a rider on the foreign aid bill, precluding the Executive branch from ever trying to get the PLO to accept American policy. It was a real low point in idiocy. It was unconstitutional as well.

Al Haig was a very complicated man, and I never knew which Al Haig I was going to meet. He and Cap Weinberger fought for eight months over whether or not we should proclaim Israel a strategic ally.

The Israelis very much wanted this. They wanted it for a number of reasons. Number one, they were worried and nervous that our moral commitment to Israel would not be enough, that at some point Americans would walk away from that. If they could be seen as a major strategic asset in the fight against worldwide communism, no matter how ludicrous that might seem to strategic...

Q: I find it incredible, but this was...

VELIOTES: This was '81. They tried with Carter, and Carter turned them down, saying no, let's keep our current relationship, which included lots of military and economic assistance.

Weinberger was opposed because there was no one in a uniform in the Pentagon who thought Israel could be anything but a strategic liability if we were talking about using Israel in any way in conjunction with the rest of the Middle East against the Russians.

Q: Which was proved, in a secondary way, in the Gulf War.

VELIOTES: Yes, it finally came out in that.

But Al Haig was my boss, and he wanted it. And he didn't give a damn if it made any sense; he wanted it for political reasons. It became very important politically within Israel

and within the United States. Haig, because he had his own agenda. The other reason, the right wing of the Israeli political scene wanted it because they felt that would legitimize whatever the Israelis might do militarily against their neighbors. This was in the aftermath of the bombing of the Iraqi reactor. Ronald Reagan didn't take too kindly to that or to the destruction of an entire inhabited apartment building in the middle of Beirut in the hopes of getting a couple of PLO leaders.

This battle went on and on and on. Finally, as tempers shortened, it turned out I was the only guy left that anyone in the Pentagon would talk to. They stopped talking to Rick Burt and Paul Wolfowitz... And I had been kept out of this; they didn't want me in. I was suspect because I didn't believe in it.

Finally, Al Haig called me in and said, "I'm going to Asia. Begin's coming in a couple of months. And I want you to get this done. Go get it done. You've got to do it. The other guys can't get anywhere."

So I went to work. And I got a much-watered-down version of what they wanted, but at least I got something that could be billed as a strategic agreement. When Begin came to Washington, I still worked for Al Haig, he was secretary of state. So Al Haig came back and called me up, and he was terribly exercised because I got the agreement for the strategic alliance with Israel through the Pentagon. Why? At that moment it would have suited him if he could have gone to the president to complain about this as well, concerning Cap Weinberger, and the fact I'd carried out his instructions deprived him of this.

Well, this is not too serious, but it tells you a little bit about him.

Q: But this has an effect on policy.

VELIOTES: Yes. I'm painting a picture of a very complicated and difficult environment. If it seems like a zigzag and circling around and back, that's exactly what it was.

When Sadat was assassinated, all of a sudden the secretary of state called me in one day and said... As I told you, he was so anxious (this was eight months later) to get the Palestinian issue off the table, in his view, that he engaged, on a couple of trips to Egypt and Israel, to try to move forward these stalled talks on Palestinian autonomy, and failed. Then he told me that he was about to recommend to the Israelis that unless the Egyptians agreed to a sweetheart agreement (we go back to that again), that they not withdraw from the Sinai.

When I realized he was serious, I said, "Well, you know I disagree with you, and I think this would be a terrible thing. There are a lot of reasons why it would be bad, but the worst I can think of now is domestic. Ronald Reagan will go down in history as the American president that lost the Egyptian-Israeli Treaty. You may not care, but I think

Ronald Reagan doesn't want to have that stigma, to lose what Carter had achieved." So I left him that.

Some weeks later, he stopped me again. Pretty soon it began to be a little joke between us. But about a month before the Israelis were to leave the Sinai, I was at a party given by the Israelis. I was about to go off to Egypt and Israel to be the forerunner of the withdrawal, do an advance. And the Israeli military attaché came up to me and said, "Tell me, is it true that the secretary believes that unless we can get the Egyptians to agree to the Palestinian agreement, he will recommend we not leave?"

And my mind was working: Which one of those bastards told him?

And I laughed and said, "Well, you know, there was a lot of silly talk like that in the past, this or that, but no one ever took that seriously. But whatever, it's over. Don't report that to Jerusalem. It's sure as hell not the message I'm bringing out."

And he said, "You know, I don't know. I have heard it."

Years later I figured out who it was--Harvey Sickerman, a guy who used to write the jokes for Haig's speeches. He turned out to be Haig's quiet expert on the Middle East. I guess because he was Jewish, Haig thought he had some...and he's a very bright guy.

But that was the kind of environment you were working in. I got so upset I called Ambassador Atherton in Cairo and Ambassador Lewis in Israel on the secure phone and told them this is what might be coming down. And they both said, well, don't worry, you let us know when we can weigh in, if we have to, because this would be an absolute disaster if it happened this way.

Al Haig didn't understand the Lebanon scene except for two elements. He was only interested in Lebanon to keep things quiet. And we never really had an opportunity to instruct him on the ins and outs of Lebanon. Sometimes he would tune off. The two elements of Lebanon that he knew about: number one, the PLO was there, headquarters in Beirut; number two, in the northern part of Beirut, in Mount Lebanon, there was something called the Christian Militia, the Maronite group, with a leader called Bashir Gemayel, who had close relations with the Israelis. For Al Haig, that was Lebanon. Other issues, the Syrians in Lebanon and all that, there's a lot there. How the Israelis manipulated us so that the right wing could posture as the defenders of Israel, before a key election in '81, when they came from way behind in the polls to win. We lent ourselves to this because of Al Haig's fascination, first, with things Israeli (again, think presidential), and his unwillingness, in the non-European or at least the Middle East context, to think in any terms but simplistic military terms, security terms. Remarkable thing. Maybe the two went hand in hand.

Now, as 1982 started to move along, it became more and more obvious that the Israelis had no interest in moving ahead in good faith in the negotiations with the Egyptians on

the autonomy talks. That was obvious from the talks that we attended. And both sides, at the end of another year of negotiations, ended up with positions harder than when we began those negotiations.

Q: Quite an achievement.

VELIOTES: So those were dead. And Sharon, who was a prime mover, as defense minister, claimed security this, security that, to justify all the duplicity in these negotiations.

But, at the same time, it was becoming clearer and clearer, from what our consulate general in Jerusalem and Embassy Tel Aviv were hearing from Israelis, that Sharon saw the solution of the Palestinian problem in Beirut, and if he could get a pretext, he was going to invade Lebanon and destroy the PLO militarily. That would solve the Palestinian problem.

Now I said to you earlier, Al Haig only knew about two things in Lebanon. And the people around him all encouraged Israeli militarily. There was even a fellow who was Paul Wolfowitz's deputy, whose contribution to peacemaking in the Middle East was a serious recommendation that we bomb Syria at a certain point; Dougie Fife and Ray Cantor over in the NSC, so pro-Israeli as not to be useful in any context.

Q: Well, this was a reflection, wasn't it, of the Reagan administration, coming out of Hollywood, in a way? Or did this develop separately?

VELIOTES: I simply don't know. Al Haig had a hell of a lot to do with all of these, to start with.

Now, in February, I think, of 1982, Brandon Grove, who is currently the head of our Foreign Service Institute, was consul general in Jerusalem. And when I heard him, I insisted that Al Haig have breakfast. Brandon gave a brilliant, five-minute presentation to Al Haig, explaining the Israeli position on the Palestinian issue and predicting the invasion of Lebanon, on any pretext, not to protect Israel's security from terrorist attack, but instead to settle the Palestinian issue by arms in Beirut. Beautiful. I mean, it was not wordy; it was succinct; it could keep your attention.

I am telling you this because it should have come as no surprise to Al Haig that Arik Sharon was lying to him. As a matter of fact, I don't know that they were lying to Al Haig. I think he allowed himself to be pulled along and to be duped willingly.

Before the Israeli invasion in the late spring, he had a visit from an Israeli leader--it could have been Arik Sharon, it could have been the head of military intelligence; I was not invited to the meeting. But, again, Al Haig called me that night and he asked me to stand by, because I knew he wanted to talk to me about his meeting. And I knew it was on Lebanon, so I asked Morris Draper, who was then deputy assistant secretary, later Phil

Habib's deputy in the negotiations in Lebanon, to come with me, because I was sure we were getting near to a crunch point in Lebanon. I was sitting to Al Haig's right, Morris was standing in front of his desk, and off to the left was his easel with a big map of Lebanon on it. Al Haig was telling us, briefly, very briefly, about his meeting with the Israeli, and he was rather enthusiastic as he pointed to the map and said, "You see, if they have to go in, their plan would be to link up the group here in the south with the Christians up here."

And Maury Draper (who was a very circumspect person; if anything, Maury was too reticent in the face of that kind of senior authority) blurted out, "For Christ's sake, Mr. Secretary, there's a million and a half Muslims between them, and at least a million of them are Shi`ah!"

And Haig was really startled; it was as if he'd never known this.

So I said to him, "I don't know what you told this person, but if you didn't really make it clear we would oppose an invasion, we'd better send something over to Ambassador Lewis right away."

He said, "Well, I told him that unless there was an internationally recognizable cause..."

And I said, "Well, you know, yeah, 'internationally recognizable cause,' whatever that means. If their plan is to do all of this, that means war with Syria, and God knows the carnage. You will have a Middle East policy in tatters. Now I'm telling you this, don't think anything's going to be left of it. You won't have anything. About the only thing we'll have left at that point is trying to make sure the Egyptian-Israeli Treaty survives and Iran doesn't overrun Iraq. That's your policy for the rest of the administration. Now, having told you this, I'm not going to quit, I'm not going to run away. Maury's going to stay. But we're only going to be picking up pieces, and we'll do that to the best of our ability."

Well, Haig then sent a strong message off to Lewis, who went in with that caveat. That's why they say he gave them the amber light. But Lewis was ignored, because the Israelis had already heard from...

Q: Because this has been a point of...I won't even say contention, of almost accepted fact, that somehow or other Secretary of State Haig gave the Israelis either a wink or an amber light or something.

VELIOTES: I think it must be true.

I was home in California with my mother. I'd just walked in the door, and they had kept the line open for half an hour. Maury Draper was on the other end, saying, "It's happened. Get back. They've just crossed the border." And I turned around and flew back.

Increasingly during that time, Haig found himself at odds with the White House, increasingly identifying with the Israelis against the president.

Q: You found a real shift, that the president was unhappy with the Israeli attack? Why was this?

VELIOTES: Reagan wasn't a simpleton. Reagan was going to defend Israel's right to defend itself. Reagan was violently anti-terrorist. He was very sympathetic to Israel. But he also abhorred senseless bloodshed. I think, in his first year and a half in office, he was most proud of Phil Habib's peace missions. I mean, he gave Phil, subsequently, the Medal of Freedom. Habib went and stopped the killing across that frontier in mid-'81. Phil then went out and tried to get people interested in peace. Reagan liked the idea of peace. So that period ended with Al Haig's firing. Because that's what it was: they maneuvered him into submitting his resignation, and then the president accepted it.

Q: When you got back to Washington, after this Israeli invasion, which initially was to be just a small protective zone, and kept going, how did he react to this?

VELIOTES: Well, there were different views towards the Israeli invasion. I myself (and it may have been because I had lived in Israel during some pretty horrendous events of terrorism) was not prepared to condemn the Israeli cleaning up of the PLO ammunition caches in southern Lebanon.

...back to the early part of the administration, I talked about the problems that I saw, the people who were giving us problems.

A strong source of support for me was William Clark, Reagan's friend who was deputy secretary of state. I could always go to him. He cared; he was supportive. He would not allow anyone or any parties to indulge in intimidation of any sort. He, from my perspective, was a very effective deputy secretary. I suspect others in the bureaucracy had that same experience; certainly I did. And he had the personal channel to the president. When he replaced Richard Allen in the White House...

Q: As national security advisor.

VELIOTES: In late '81, early '82, I had a friend at the top of the National Security Council.

Q: Of course, one great advantage was, he was a friend without his own political agenda.

VELIOTES: That's right.

Q: And really without a policy. I'm using it in a good form.

VELIOTES: He was concerned about Ronald Reagan. In that sense, he was a perfect staff man. And I found that he had very sound judgment on the issues that I was dealing with, and he had a lot of courage. And in that, he reflected the president, as far as the president's courage. I mean, Ronald Reagan was a very complex individual. Clark was also a good friend of Caspar Weinberger's. And during that period where Haig and Weinberger were at each other all the time, Bill Clark could play a useful role.

We can back up. When we talk again, we can talk about evolution of policy towards the Iran-Iraq War.

Q: I'd like to do that and also to come back to the aftermath of the invasion and our reactions.

VELIOTES: All right, but also I want, as a separate thing, the Iran-Iraq War, starting from my role in Jordan as ambassador, when Iraq invaded Iran, though to the time I left my job in NEA.

Q: Very good. And Afghanistan, too.

VELIOTES: To the extent you want to talk about that, although that was essentially a CIA operation.

Q: Today is May 10, 1993. This is a continuation of an interview with Ambassador Nicholas Veliotes. Backtracking just a little bit before we continue to discuss the invasion of Lebanon [1982], could you talk a little about the Israeli absorption or whatever you want to call it--the protectorate which it established in Lebanon? From your experience, how did we react to that?

VELIOTES: Well, the first time I became aware of the Israeli intention to stay on the ground across the Israeli border in southern Lebanon was in 1977, when the Israeli Foreign Minister, Yigal Allon, came to Washington to talk about something called a "good fence." This was described as a sort of Israeli hospitality suite for "good" Lebanese. That presaged the creation--I believe it had not been done before then--of the South Lebanese Army, under a renegade Christian in the thinly populated parts of South Lebanon, in which there were Christian pockets. I think that his name was Major Haddad.

Before that time, as I recall, the Israelis would periodically cross the border. But clearly, at this point, they were going to stay there, for security purposes. We made clear that we were opposed to it and that we would not recognize any Israeli extraterritorial rights. But as is often the case with Israel, when it comes to the question of defense against countries still officially at war with Israel, you don't really follow this up. However, in 1978, when the Israelis invaded southern Lebanon, President Carter acted very quickly and was very tough in forcing them out.

Q: Were you at all involved in that period, in 1978?

VELIOTES: Yes, I was Deputy Assistant Secretary of State, with responsibility for Arab-Israeli affairs.

Q: Well, just to get a feel for the situation, when the word came of the Israeli incursion [in 1978], what were we getting from Israel and how quickly did this move up to the White House?

VELIOTES: I would say that it wasn't a major White House issue until the Israelis invaded southern Lebanon. [President] Jimmy Carter wanted them out. At that point people were talking about the Israelis--and this involved former Prime Minister Begin. [The incursion into southern Lebanon was] one of the first Likud initiatives which they took on the ground, after the elections in 1977. It seemed to be one of the never-ending "final sweeps" to protect the northern border of Israel. Richard Viets, I remember, was Chargé d'affaires at that time in Tel Aviv. Ezer Weizman, at the time, was Israeli Defense Minister. Viets had some very strong words with him, in part because the Israelis had lied to us. That was when [President] Jimmy Carter stepped in and threatened to cut off aid to Israel unless they left Lebanon. And they left, but only in part. They stayed in what later became the Israeli security zone in southern Lebanon.

Q: So this was the "good neighbor," the "good fence" zone?

VELIOTES: Yes.

Q: In our last interview we covered the beginning of the invasion of Lebanon--was it in 1981?

VELIOTES: 1982--June, 1982.

Q: Haig was still Secretary of State. As I recall it, there was a series of statements from the Israelis like, "We're only going to go so far..." But they kept moving, and it was obvious that the whole idea was to go into Beirut and clean out the PLO [Palestine Liberation Organization]. Were we aware of what they were doing or were we always a little bit behind the curve?

VELIOTES: Well, there was no secret as to what Arik Sharon [then Israeli Defense Minister] wanted to do. We had had information on that for a long time. However, that isn't what the Israelis said that they were going to do. Sharon planned to create a Southern Lebanon, from Mt. Lebanon to the South. That would be sort of a condominium between the Christians--that is, the Maronites--and the Israelis. This was a wildly impractical scheme because between the so-called "Southern Lebanese Army," which was basically Christian, and Mt. Lebanon, which was the home of the Maronite Christians, there were at least one million Muslims, at least half of whom were Shi'a. We knew that Sharon wanted to solve the Palestinian problem in Beirut. But it was a loony idea that you could kill Palestinian nationalism by force of arms in Beirut, with three million other

Palestinians living around them in the Middle East, Even if you could eliminate the leadership, that would just have led to temporary openings in the structure, and the leadership would have been reconstituted elsewhere.

Although we may have had suspicions, the Israelis consistently told us that that wasn't what they wanted to do. They said that they were planning to have a security sweep, like the one that they had had in 1978. And, indeed, they did discover a tremendous amount of weapons in the area. It was to be a 40 kilometer sweep into Lebanon. That, I guess, was the range of the PLO weapon with the longest range, the 130 mm, Russian-made artillery. But that turned out to be a pretext. We saw that when Ambassador Phil Habib, on the President's instructions, brokered a cease-fire between the Syrians and the Israelis. As we saw it, this would be a first step toward a broader cease-fire. Then the Israelis claimed that the Syrians had shot at them, and so they then flanked the Syrians and inflicted a very heavy defeat on them. It turned out that it was true that the Syrians shot at them [the Israelis] because the Israelis continued to move. Later, we were told, with a straight face, by the Prime Minister of Israel, "Aha. We said we'd stop shooting but we didn't say that we'd stay in place."

Q: Oh, my God!

VELIOTES: And this passed for being a precise or even clever comment. It was sheer dishonesty. And they lied their way up to Beirut.

Q: Well, tell me, what was this all about? After all, this involved one of our strategic allies and all of that. What did this do? In diplomacy, we are told, and with reason, no matter what you do, don't lie. Because once you've lied, your usefulness is gone. When the [Israeli] Prime Minister lied to a number of people, what did this do to the Bureau of Near Eastern Affairs and your...

VELIOTES: First, of course, we were terribly upset, but I can't tell you that I was surprised. In the past the Israelis had lied to us. They just expected us to understand that, well, the situation was different. And because their security was at take, we were to understand this.

Q: While this was going on, was the Israeli lobby, in any of its manifestations, pressuring us not to do anything, to let them go ahead? Was it orchestrated or not?

VELIOTES: No. Don't forget that there was a shooting war going on, and no one had time, in the early days, really to establish positions for lobbying, apart from just being supportive of Israel. I don't recall that the Israeli lobby did much. When it became clear that the Israelis intended to destroy the PLO in Beirut physically and the television pictures started coming back, with all of their horror, then the Jewish community in this country, by and large, supported the position of President Ronald Reagan--that that kind of activity must stop. After that, I think that the Jewish community in the U. S. was very supportive of our efforts to negotiate the so-called "May 17 Agreement." Then, in the

aftermath of the Sabra and Shatila massacres [Palestinian refugee camps in southern Beirut], the failures in Lebanon, and the great controversy in Israel--because when I said that the Israeli Government had lied to us, they also had lied to their own people. And there was a great controversy there, indeed. Prime Minister Begin was finished 18 months after the invasion of Lebanon began, both morally, politically, and internally in Israel. So I think that situation was reflected here in the U. S., as well.

But there was strong support for the aid program [for Israel] in Congress and the supplemental aid program of \$500 million in December, 1992, as well. There was great unhappiness in the Jewish community in the United States that we continued to retain certain restrictions on our military supply relationship with the Israelis. For example, the Israeli Defense Forces had been using "cluster bombs" against civilian targets, and things like that.

Q: I have interviewed Ambassador Bob Dillon, who was our Ambassador to Lebanon at the time. He was reporting Israeli Army units right next to him but he was being told by Washington that this couldn't be true because we had been assured that they were not doing that sort of thing, and so forth.

VELIOTES: Well, we were also assured that the Israelis weren't bombing targets or using artillery. We had Prime Minister Begin on one telephone line one night and Ambassador Phil Habib on another line. We were listening to it. The Prime Minister was telling us that he had been assured that nothing [of the kind] was going on. Well, the Israelis lied their way up to Beirut.

Q: What was your view of Secretary of State Alexander Haig? He had been a strong supporter of Israel. He had just been appointed Secretary of State and was rather new to the game. Here was a situation which was really falling apart and getting out of control. This was about as bad as it could be. The Israelis were not on the defensive--brave little Israel.

VELIOTES: He resolved every dilemma in favor of the Likud Government, whatever problems there were. At that time I think that his basic, psychological state was one of constant turmoil. Here was a man who, a year and a half before, or before the November, 1980, election, was considered a viable presidential candidate himself. Now, a year and a half later, he was on the verge of being fired by President [Reagan]. Indeed, he was fired, in effect, although they let him resign. He threatened his resignation one time too often. They encouraged it, and the President accepted it. I just think that the last several months with Alexander Haig as Secretary of State were not a happy time for me as Assistant Secretary of State for Near East Affairs, because he [Haig] was in such turmoil at the time.

Q: Well, it was the Near East that did him in, wasn't it?

VELIOTES: Well, in part. But basically he had virtually declared war on the White House. That's what did him in. And then he refused to seek allies. He got into big fights with Bill Clark, Jim Baker, Casper Weinberger, Bill Casey, and Jeane Kirkpatrick.

I'll tell you two anecdotes. In one case, he'd been having some trouble with policies [advocated by] Jeane Kirkpatrick.

Q: She was Ambassador to the United Nations.

VELIOTES: The policies had to do with the Middle East. So I called her up one day and said, "Jeane, look. I think that we ought to talk. I've told the Secretary that I ought to go up and see you. If it's all right with you, I'll tell the Secretary that I'm going to go up and see you." She said, "Fine. Come on up. That's great. I'll see you at such and such a time." So I said to Al Haig, "I'm going up to see Jeane Kirkpatrick." His reaction was, "What? What are you going to do up there?" I said, "Well, I'm going to talk to her. You've expressed some concerns. I want to air them with her." His immediate reaction was that, somehow, I was consorting with the enemy. I'll never forget his admonitions to me to beware of the Baker-Bush gang.

Q: James Baker and George Bush.

VELIOTES: The chief of staff to the President and the Vice President. And just before Haig was fired in July, 1982, Israeli Prime Minister Menachem Begin visited the U. S. The President spent a couple of hours, lecturing Begin on the bombing and killing in Beirut. He really wanted it stopped. The day Begin was leaving I was called up to Secretary Haig's office. Charles Hill, Jerry Bremer and Larry Eagleburger were already there. Larry was pacing with his...

Q: Asthma.

VELIOTES: Asthma. He was Under Secretary for Political Affairs. Charley Hill was sort of on detached duty but part of NEA [Bureau of Near Eastern Affairs], technically, working on Lebanon. Jerry was Executive Secretary [of the Department of State]. Haig was fulminating that the President wasn't treating Begin right. He went on and on and said, "By God, [I'm] going to tell Begin to go into Beirut and finish the job."

Q: You mean that Haig was saying that?

VELIOTES: Yes. And I said, "Wait a minute, the President has just spent two days telling him [Begin] not to [do that]." I said, "What are you saying?" And as we were walking to the door [of Haig's office], I remember him saying to me, "Don't be taken in by that Baker-Bush gang." Then came a lot of silly philosophy about the price of victory is blood and all that kind of thing. I figured that I was talking to a man who was disturbed at that time. I say this with regret, because I had a lot of respect for Al Haig. He's a friend.

Although we had a lot of policy disagreements, I can't complain about [not] having had my say.

I remember that we had a preliminary meeting with a couple of Prime Minister Begin's people. We were sitting there, and Al Haig said, "Well, we have a problem with President Reagan." I wondered, "Who is 'we'?" He said, "Nick, tell them." Well, I had no problem at this point. I held a presidential commission. My problem was with Israeli policies. So, as I say, it wasn't a happy time, most particularly for Al Haig.

Q: Well, let's move over to another, very easy problem! That is, the problem of Iran and Iraq.

VELIOTES: Let me ask you this. Have we talked about policy toward Lebanon? Have we talked about the May 5 and May 17 Agreements?

Q: No, we haven't. Let's first talk about those.

VELIOTES: You must remember that we put together the Reagan Plan, dated September 1, 1982. [Secretary of State] George Shultz wanted it very badly. He wanted us to have something on the table to proclaim to the area: that the United States was still in the peace business--peace between the Arabs and Israelis. This was despite what the Israelis had done in Lebanon. The idea was to recapture the momentum of Camp David and the Egyptian-Israeli Treaty, which was our first priority to implement. Which we did, in April, 1982. Shultz didn't want us to wait for the Lebanon crisis to be resolved but to have this also on the table.

Clearly, there was an argument on the other side, that unless the Lebanon crisis came out the right way, or, to put it another way, unless we were able to utilize our energies and capital to get the Israelis out of Lebanon soon, in the context of some informal agreement, when this clearly pro-Western and pro-Israeli [Lebanese] government was in office, there might be great risks in launching a peace plan.

But we were told to go ahead and do it, so we did. We came up with a terrific proposal, sure to be rejected by the Israelis. Probably, George Shultz didn't understand that. It was so good, and he [George Shultz] was such a decent guy. He cared so much. He thought that this was so obviously in the interests of Jews and Arabs that everyone would want it. Well, it was hard to explain to him [George Shultz] that Israeli Prime Minister Menachem Begin would reject it. He had no intention of negotiating over the West Bank, under any circumstances. The Jordanians could only accept it if they had PLO support. The first point was certain. The Israelis would certainly reject it. The second point was problematic. In any event attitudes were going to be determined on the Arab side, in part, by what happened in Lebanon. We got the Israelis out of the Sinai Desert area--that's one way to look at it. Actually, the Israelis left as a result of a very well orchestrated, diplomatic campaign, in which they got peace. But for the Arabs, it depends on your audience. We got [the Israelis] out of the Sinai. Could we get them out of Lebanon on

reasonable terms? If not, whatever gave anyone the idea that [Israeli Prime Minister] Begin would make any meaningful concessions on the West Bank [of the Jordan River]?

Well, we got ourselves into this circular situation, which meant that the Syrians were in utter disrepair, licking their wounds from a real trouncing [by the Israelis]. The Russians were off balance. The Shi'a were just starting to come to the fore, but the largest Shi'a organization, the Amal, was willing to be supportive, as long as the Israelis left southern Lebanon. They didn't intend to have Israeli guns substituted for PLO guns, because the PLO in the South had the guns, and were oppressing the Lebanese, including a hell of a lot of Shi'a--hundreds of thousands of them. They put us on notice--it happened in my office one day, when the head of the Amal, the moderate Shi'a faction, came to see me. Like many in the Middle East, he had a Green Card and a family in Detroit...

Q: Oh, yes. You're talking about an immigration card allowing him to live permanently in the U. S.

VELIOTES: Right. Nabih Berri. And he certainly told me, straight up, "We'll support your policy. We'll even support that [Lebanese] Government, though with misgivings. But you must get the Israelis out of southern Lebanon. If they stay there more than a couple of months, we'll fight them. One thing that those guys in Beirut can't do is to solve their problems with the Israelis, now that they've got the Syrians off their backs, by sending them to us. We will not tolerate that."

We figured that Israeli security was certainly in so much better shape, after the military victory that... Ambassador Phil Habib and I felt that our only hope was to get the American administration to come up with an American plan and force it through. That plan was not going to involve a lot of written agreements, because in the Middle East there is great scope for constructive hypocrisy. But almost no legalistic treaties between weak Arab countries and Israel would work, if the Syrians weren't going to play. So, no matter how weakened the Syrians were, they had to be considered. Unfortunately, for a lot of reasons, part of them the fault of the Lebanese, but primarily our fault--due to a lack of will, a lack of understanding of the relationships there, and a kind of wishful thinking on the part of the Secretary [George Shultz] that if you have a well negotiated agreement, the way we handled things in the labor field [in the United States]...

Q: He came from an American labor background. He had been Secretary of Labor, a labor lawyer, and a professor of labor relations.

VELIOTES: Right, and [Shultz felt] that this would stand up. And obviously, everyone would support it. Well, it didn't and it couldn't work out. And ironically, and I think significantly, when we briefed the [Israeli] Labor Party leadership in May, 1983, in Jerusalem on what the agreement was about, all of them, who were then out of power, said that this was silly. They said, "Who needs an agreement with the Lebanese? What we need is an agreement with the Syrians. Will Assad buy this? If not, forget it." Well, you wonder why a group of Israelis out of power understood this, but not us. Why did Phil

Habib and I do the best we could? Because we were professional diplomats. We had our day in court. We were told, "No." So we carried out a policy in which we had no confidence. I remember negotiating the final details on the last night. When we got it all done, I was told by the head of the Israeli team that now the [Israeli] Prime Minister wanted us to have a separate agreement under which we would support Israel in whatever actions the Israelis decided to take against Syria. I said, "What are you talking about? You've spent the last three months telling me, every time I've mentioned Syria, that they are not parties to this. And now you want us to give you carte blanche for the next Middle East war, if not World War III." This was while the Cold War was still going on. The Israeli replied, "Well, the Prime Minister feels strongly about it." I said, "So do we."

Then I remember that the next morning I was called to the Secretary's office for what was a very strange meeting. George Shultz is a marvelous, upright, national asset. I believe that about George Shultz. He said, "I gather that the Israelis are upset about Syria." I replied, "Yes. I'll tell you what happened last night." He said, "Well, that's why I called you here." A State Department officer by the name of Peter Rodman, of the Policy Planning Office, was also there. Peter Rodman first served American diplomatic history as Henry Kissinger's memory. He wrote down everything. A very intelligent guy. George Shultz said, "Well, Peter has some ideas, and I'd like you to look at them." And there was a piece of paper, whose subject was "Globalizing the Lebanon Issue." To increase the pressure on Syria, in his paper Peter had us maneuvering ships toward North Korea, buzzing Havana...

Q: Sounds like the essence of Henry Kissinger.

VELIOTES: The point of the matter was that [President] Assad wouldn't give a damn. He wouldn't give a damn if we bombed Moscow. Assad's views were what he thought, not what the Russians thought. I remember that I wasn't feeling well. I was exhausted. I remember rolling up the piece of paper and just throwing it across the room, and I made some comment like, "Let's get serious."

Now why do I mention this? Because it was one of the attitudes left over from the early period of the Reagan administration--a determination to globalize everything in the Middle East. In part it was because they believed it. They believed that the Carter administration had not been tough enough on the Russians. They thought that that is why there was a Soviet invasion of Afghanistan, and other things. In part, if your analysis of the Middle East always started from the East-West focus, you could obscure the regional roots of the problem. And, of course, the Palestinian issue was very painful. You could, perhaps, obscure it to the point that, if people like Veliotes would stop saying that it existed, it would go away. That was the kind of silliness that we were dealing with. That was the worst side of the Reagan administration, as far as I was concerned. There were good sides, too, but this...You would fall back on this issue. If you couldn't start with it, if the analysis, if events in reality did not support your analysis, well, then you could fall back on something like this. You could be found wanting in East-West terms. That was too bad.

A last comment on Lebanon. This agreement didn't work, and it couldn't work, but it embittered George Shultz toward the Egyptians. We may have promised too much, in the context of support of that agreement. The Saudis never promised more than they were willing to give--but you had to know how to listen to the Saudis. And then the Reagan plan went sour. And Shultz was alienated from [King] Hussein [of Jordan]. So, if you want to understand the following three years in American Middle East diplomacy, you have to understand that, by this time, by mid-1983, Secretary Shultz had really had it with our Arab friends. He had simply had it. And he saw the Israelis as having negotiated in good faith, etc. In many respects the Middle East just went off the radar screen for three years or so, until near the end of the Reagan administration.

But regarding Lebanon itself, people have asked me what caused the failure in Lebanese policy, what accounts for the failure of the policy? Didn't terrorism drive America away from Lebanon and cause us to change our policy? No, it didn't. Yes, there was terrorism. We lost civilians and we lost military people. Incidentally, people keep talking about the bombing of the Marine barracks and somehow have forgotten about the 100 or so civilians killed in the bombing of the Embassy. That didn't drive us away. That didn't cause the failure of policy.

Our policy, in retrospect--and I've believed this for a long time--failed when we were unable to take advantage of the window of opportunity that opened up in January-February, 1982, and get the Israelis to leave Lebanon. Now, they left a year later anyway and in the worst possible way.

Q: Under terrorist attack...

VELIOTES: And we could not get support. People were saying, "You've got to force them out pretty soon." We were risking being seen as anti-Israeli--the proponents of the only policy that had a chance as being in Israel's interest, as well as the American interest in Lebanon. So it wasn't terrorism that caused United States policy in Lebanon to fail. It was the inability to take advantage of a target of opportunity, using that opportunity to change the pieces in Lebanon. By the time we finished the May 17 Agreement, the Shi'a had been radicalized, the car bombings were starting, and the Amal organization had been eclipsed, to some extent, by Hezbollah. You had the Syrians regrouping and then you had ancient enmities come to the fore. Would things have been different if Bashir Gemayel had lived? Yes, I think so. I think that Bashir would have said to the Israelis, "OK. I appreciate what you've done. Now get the hell out of Lebanon, because the Americans support me." Bashir's brother couldn't do it. He wasn't strong enough.

But that didn't excuse us. We had the chips. We didn't play them right. The negotiations leading up to the May 17 Agreement were predestined to end in failure, and it was a very discouraging exercise at that time. Because we also saw, day by day, the erosion of any chance for the Reagan Plan to be implemented.

Yes, the Marines were there to provide reassurance for the PLO withdrawal. And then [Secretary of Defense] Casper Weinberger unilaterally withdrew them 10 days early, which was a terrible mistake. They should have stayed for the [scheduled] 30 days, because when Bashir Gemayel was blown up, after we withdrew the Marines precipitously, there were all of these guilt feelings around. This led us to reinsert them [the Marines]. But we didn't have a mission for them to perform.

Q: I was going to ask. I can understand the first insertion of the Marines and our purpose. But what were they doing [during the second deployment]? They sat at that airfield and became a problem.

VELIOTES: What happened is that we lost our focus on Lebanon. We had a short term focus. The aim was to get the PLO out, have the elections, get the Israelis out, get international help, and get the Lebanese to take a chance on living with one another. Neutralize the crazies. We lost that focus and sense of urgency. Once we lost the focus, things started "to return to normal." As in Lebanon, so did things return to normal in the Reagan administration, which meant that there was no real consensus on what our policy was toward the Middle East. There were those of us who could see it in terms of trying to trigger the peace process. Use Lebanon as the way to reinforce the Reagan Plan. This view was in favor of getting the Israelis out [of Lebanon] as fast as possible. There were others who believed that we should support the Israeli presence in there [in Lebanon] and somehow use this to our strategic advantage.

At an NSC [National Security Council] meeting shortly after George Shultz became Secretary of State Jeane Kirkpatrick said to President Reagan that the Israeli victory in Lebanon represented the greatest strategic turnaround in the West since the fall of Vietnam. And the meeting broke up shortly after because she had successfully pressed Ronald Reagan's buttons.

So you had that feeling. You had Bud McFarlane [Special Assistant to the President for National Security Affairs] and others, who were hoping...

Q: He was in the NSC.

VELIOTES: The NSC, who were hoping to use Lebanon as a way to break out of the famous post-Vietnam syndrome--the reluctance to send troops abroad. We had meetings where some of the participants seriously said that we could put the 82nd Airborne Division in. Rather than putting in a smaller number of troops, they wanted to do this. Earlier on during the Reagan administration there were people on the Policy Planning Staff who seriously advocated American air strikes against Syria. So all of these ideas were coming back, and before you knew it, we had the USS NEW JERSEY shelling Druze villages [in Lebanon] and killing people! All of this because we lost our focus on this. And there were a lot of people running around, trying to be "macho." There simply was no policy. It wasn't the bombing of the Marine barracks that changed our policy. As I say, our policy failed when we failed to seize the opportunity. Would it have succeeded

otherwise? I don't know, but at least we would have had an American policy to implement. And that would have given us an opportunity to move on the Reagan Plan. President Reagan wanted to do these things, and so did [Secretary of State] George Shultz. But then it all got...

Q: Well, was there any effort to say, "Well, look, we don't know what to do. Let's get these Marines out." At one point we had these Marines sitting around an airfield. They had no mission. They were beginning to get shot at.

VELIOTES: That's right. I went out there after the bombing of the Embassy in--when was it?--April, 1983. I went out to Lebanon to spend a few days--it was in the spring of 1983--or it may have been winter of 1983. I spent three or four days in Beirut with Ambassador Dillon and his staff. That was when we had a Chiefs of Mission meeting in Cairo. At that time I went out to the airport. I went out to some of the advanced Marine positions. They were sitting ducks. The "bad guys" were starting to occupy the high ground. We had our guys in foxholes.

Q: Was there anybody saying, "Hey, what are we supposed to do?" Some people say that it was difficult because George Shultz was an ex-Marine, and he felt reluctant to order a withdrawal, or something...

VELIOTES: As I say, we got terribly confused. In this period, before our policy in Lebanon collapsed altogether, we even had Bud McFarlane...

Q: Also a former Marine officer.

VELIOTES: ...sneaking off with the Saudi Ambassador on a mission to see the Syrian President, without the knowledge of the Secretary of State. I mean, what in the hell was he doing out there? As I said, about the time that we reached the May 17 Agreement, we had no policy on Lebanon. And we opened the road to the Syrians to come back a few months after the May 17 Agreement.

There were two parts to the Agreement. Well, the more it resembled a treaty the less likely it was that it would be able to stand, because of Syrian opposition. And then the Israelis insisted on a provision that really was crazy at the time. In retrospect, it turned out to be suicidal. They insisted on a side letter with us that they would not withdraw unless the PLO and Syrians withdrew first. The Lebanese then had a side letter with us, saying that, unless the Israelis withdraw, they reserved the right to declare the Agreement null and void.

When George Shultz briefed President Assad [of Syria] on this Agreement in May, 1973, Assad sat impassively for several hours until George Shultz got to that point. Assad asked him to repeat it. He broke out in a smile, slapped the arm of the chair, and said, "Mr. Secretary, thank you. I guarantee that that Agreement will never be implemented. We will

make sure that the Israelis leave." And he described how they were going to do it. And they did.

Q: Well, then, turning to the Iran-Iraq situation. You were in Near Eastern Affairs at the time of the Khomeini takeover in Iran?

VELIOTES: I was Ambassador to Jordan at that time. It happened about the same time as the Soviet invasion of Afghanistan.

Q: The takeover of the Embassy [in Tehran] was in November, 1979, and the Soviet invasion of Afghanistan occurred around Christmas, 1979.

VELIOTES: I remember that I was seeing the King of Jordan quite often, though our governments were estranged over the Camp David Agreement. He would not join it. We wanted him to associate himself with the Camp David Agreement. And that led to a lot of things, including the King's trying to isolate Egypt in the Arab world, which they did and which we didn't like. But we still had a lot of contact with Jordan. I was up seeing him one day when I told him that I understood that the Shah [of Iran] did not publicly take the salute on Armed Forces Day. King Hussein was stunned. He made a phone call. He came back and said, "You're right. I'm leaving for Tehran in an hour." He came back the next day and, with tears in his eyes, described what he had found there--a virtually paralyzed Shah, who was finished. King Hussein was very close to the Shah in many respects. Frankly, I think that the role of the Shah was a major, negative factor in our attempts to get the Arabs--particularly the Jordanians--to support the Camp David Agreement and to protect [President Anwar] Sadat [of Egypt] in that context. The Shah meant many things to the Jordanians, with respect to oil and ultimate security against the "bad guys"--the Syrians and the Iraqis, plus an ultimate form of financial reassurance should the Saudis seek to cut them [the Jordanians] off.

When the Iran-Iraq War started, the Jordanians and the Iraqis had natural reasons for a rapprochement. This was 1980. For 22 years the Government of Jordan and the Government of Iraq were at a very high level of antagonism, stemming from the 1958 Revolution, when the revolutionaries in Baghdad killed most of the king's family [King Faisal of Iraq, overthrown and killed in that revolution]. So it was quite an emotional thing when the Iraqis and the Jordanians reconciled. They both needed each other. These were the heady days of the Iraqis charging into Iran with no opposition.

Our basic goal, during the Iran-Iraq War, was to hope that it wouldn't spread. Our second aim was to hope that we could find a way to stop it. We had no interest in any Iraqi effort to dismember Iran. We feared that a Soviet invasion of the northern part of Iran would be a self-fulfilling prophecy. So one of my first jobs...

Q: When you were back in NEA?

VELIOTES: No, when I was still in Jordan, through 1980. I was the major channel overseas to the Government of Iraq. We had an "Interests Section" [in Baghdad] which had no access to anyone. Once the Palace was reconciled to Saddam Hussein...

Q: You mean the Jordanian Royal Palace.

VELIOTES: Yes. I became a major communications link between the United States Government and the head of Iraq, through King Hussein. I remember that our first effort was to tell Saddam Hussein that we would not support, under any circumstances, his annexation of the oil-producing parts of Iran. As you recall, he [Saddam Hussein] had changed the name of this area to "Arabistan," at that point. We had been given some fanciful reasons why we in the West should be keeping this oil out of Soviet hands, and all that stuff. We said, "No way. We stand for the territorial integrity of Iran and Iraq." We were able to hold that position consistently. We let everyone know what our position was.

Secondly, we were adamantly opposed to any attempt by Saddam Hussein to widen the war to include the other Arabs. And we made clear that they understood that we had caught them, down in the Gulf, trying to intimidate the Gulf sheikhdoms into allowing his [Saddam Hussein's] air force to use their beautiful airfields for attacks across into southern Iran. We turned that off.

At about that time the Saudi mosque incident took place.

Q: This was the takeover of the mosque by Iranians.

VELIOTES: It was in 1979 or 1980. There was utter panic in Saudi Arabia. It happened during an Arab League meeting. The King and the Crown Prince of Saudi Arabia were there. They asked the Jordanians for help. And everything that you heard was that the Saudis were utterly disorganized, both in Tunis, where the Arab League was meeting, and in Saudi Arabia itself. And ultimately, as you know, the French helped the Saudis retake that mosque. King Hussein and I talked about this. There was the Iran-Iraq War, insecurity in the Gulf, and the significance of how shaky the Saudis were. They had no confidence in themselves. We had that crazy Yemeni incident when the Saudis panicked Brzezinski into getting President Carter to waive the terms of the Arms Export Control Act. We earmarked \$500 million worth of arms to go to Yemen for a war that never took place.

The upshot was that the King and I worked together and finally got [then Secretary of State] Cyrus Vance on board. We created a confidential American-Jordanian military relationship which included training and everything. It was basically the first division of the Rapid Deployment Force. In those days we had created something called the Rapid Deployment Force, which essentially consisted of Gen P. X. Kelley, later commandant of the Marine Corps--a wonderful, strapping guy--and a Xerox machine. Our Defense Department was delighted to have the opportunity to exercise with the Jordanians. This,

of course, gave us an opportunity, a way of retaining our relationship with the Jordanians, as we sought to find ways to heal the wounds of the political antagonisms, which stretched right up to the White House. President Jimmy Carter canceled the visit of King Hussein to the White House. He did it in a very crude way, including leading him [King Hussein] to believe that if he visited the U. N., he would be invited to the White House. Then he disinvited him.

Q: Was this Brzezinski's...

VELIOTES: Yes. No one in the Carter White House wanted to understand that King Hussein was not a free agent because about 70% of his people were Palestinians. Secondly, he depended so heavily on Saudi money. He simply was not a free agent. [Egyptian President] Sadat promised too much at Camp David, and rather than getting mad at Sadat, the White House got mad at Hussein.

Q: Well, isn't this an example of the tendency to pick on the little guy? I've seen this in other interviews and other circumstances. Particularly among policy makers, it's nice to be "macho" and pick on somebody you know cannot hit back.

VELIOTES: This was rather stupid. Any chance we had of inducing the King to take some risks could only come as a result of his feeling he had the confidence of the American President. Bob Strauss as a Middle East negotiator! He never took it seriously, and no one took him seriously. He was replaced by Ambassador Sol Linowitz, who was a much more statesmanlike and credible negotiator, but, I think, so committed to it that he missed the forest for the trees. I say that with all affection and respect for Sol Linowitz. So that was what we were doing in Jordan as of the time when I was called back in 1981 to be Assistant Secretary [for Near Eastern Affairs]. On the one hand, [Jordan and the U. S.] were estranged politically because of Jordan's failure to support the Camp David Accord. On the other hand the American and the Jordanian military had been working together to give us some kind of deployment option, should we have to go into the Gulf for whatever reason with some Arab partner at that time.

Q: This was when you were back in NEA? The Iran-Iraq War dragged on and on, and it was a bloody war, the whole time. But did our attitude change toward that war while you were in NEA? Did our view change as to who was winning, who was losing, or where we wanted things to come out?

VELIOTES: Sure. Until about the middle of 1981 it was the Iraqis who were winning and who were threatening to destabilize or dismember Iran. Then the situation changed. It was the Iranians who were winning and threatening to destabilize and dismember Iraq. There was panic in the Gulf over this prospect. I visited there in early 1982. This was after the Battle of Khorramshahr, when the Iranians captured several hundred thousand Iraqi reservists--militia types. Then [the Iranians] moved on Basra, which was the key to the Shi'a South [of Iraq]. If they [the Iranians] had won that battle, it's very possible that Iraq would have been destabilized and dismembered. In any event the southern part of Iraq

would have been occupied by the Iranians, which would have faced us with the unpalatable prospect of dealing with the Iranians in Kuwait. We were totally unprepared for anything like that. We had just created the Rapid Deployment Force--it had become CENTCOM [Central Command]. But CENTCOM was at an air base in Florida [Macdill Field in Tampa], because the Arabs wouldn't let us come in [establish a base in the Gulf area]. We had started the process in 1977 and then later in 1981, through the sale of F-15 aircraft, and then later on AWACS [Airborne Warning and Control System] aircraft to the Saudis, which we would need in the Gulf, should we ever have to go there. The Saudis, in the context of both of these and other sales, agreed to "over stock" with American equipment and armament. We had hundreds of American technicians, in and out of uniform, on the ground, starting to make it possible for us to have a forward deployment area, should we need one. We needed time. Anyway, if we didn't have to fight there, we would prefer not to. This led to our arranging for an intelligence exchange with the Iraqis, to give them military intelligence--at least to let them know what their own vulnerabilities were--for the coming Iranian attack on Basra. This was done at my initiative. In this way the Iraqis filled the gaps in their lines. They [the Iraqis] won a very bloody victory that blunted the Iranian offensive.

Q: You say "intelligence." What did this include--basically giving them satellite pictures?

VELIOTES: Sure.

Q: Did this also include giving them intelligence analyses?

VELIOTES: I don't know just what it included. I know that it included satellite pictures. I suppose that there was some analysis delivered orally that went into that.

And at the same time the Egyptians were starting to cuddle up to Iraq. The Iraqis didn't even know how to use artillery. They were using armor piercing rounds against massed infantry. A pretty shocking display of ineptitude. I'm not sure what intelligence we gave them, but we gave them enough to protect themselves. Quite frankly, neither we nor the Gulf states wanted either of them to emerge as great victors, because we figured that whoever emerged as an overwhelming victor would pose a threat to the rest of the Gulf.

Q: I'm talking about the time you were in NEA. Were we giving them [the Iraqis] anything other than military intelligence? Did we rely pretty much on the Soviets to keep the armaments flowing?

VELIOTES: Oh, we didn't give them arms. There was a proposal, to which I was opposed, to give them a certain quantity of arms in exchange for a T-72 Soviet tank, which was our top priority because of Central Europe. We had some very serious questions as to our ability to stop that tank on the ground, because of its new armor. As I predicted, the Iraqi political authorities did not go along with their lower level military people, so this proposal never got off the ground. However, it was picked up by the Israelis through some members of the American Jewish community. One of these people

ran his own Middle East news letter. He came to see me. I said that I'd confirm the report, but I begged him not to run it. I said that it had nothing to do with Iraq, nothing to do with Israel, but everything to do with perceived American vulnerability vis-a-vis the T-72, and we didn't want him to run something like this. The person agreed not to run it, except if it were ever going to appear [in print somewhere else]. Then he would run it. And he kept that promise for about six months.

Q: We're talking about some of these "macho" guys running around. Did you see any change in attitude by Bud McFarlane or others, who were beginning to see Iraq as their "boy?" Was there any...

VELIOTES: No. Throughout this period I would periodically be faced with either being accosted at a reception or reading an article on some "Op Ed" page by people who insisted that there was an Iranian strategic option if only we would grasp it.

Q: What does that mean? What was the...

VELIOTES: It meant, "don't be pro-Iraqi." This was really rather foolish stuff. I wish I could say that it came from only one side of the political spectrum, but it was a silly thing. The fact of the matter was that the Reagan administration, which came into office in 1981, was very anti-Iranian. The President felt very strongly about what those bastards had done to us in humiliating us. And so did all of us. So no one wanted to do them any favors. We had to convince President Reagan to honor the Algiers Agreement, which the present Secretary of State, Warren Christopher, negotiated [regarding the release of American Embassy hostages held in Tehran]. He was Deputy Secretary of State under President Carter.

Q: This was just at the end of the Carter administration.

VELIOTES: Yes. We did, indeed, continue to embargo their [purchase of American] military equipment, but we left open [the possibility] that they could do business with us in the commercial field. Many of us believed that a rapprochement with Iran was something which we would [ultimately] want. If you're a diplomat, you look for ways to improve relations with people. No one, even our very anti-Iranian government, ever underestimated the value of Iran as an important and strategic piece of real estate, because of its location. Even back in 1981 we left open the possibility that the Iranians--should they so wish--could do business with us. If they wished to get help in their oil fields, or something like that. In that case, our people [American technicians] could help them. What we could not do was offer them any protection. I remember several businessmen who came in and said that they'd been approached--and, incidentally, the Iranian mullahs showed that they were quite pragmatic at times. When they wanted something, they put their concerns about the "Great Satan" [that is, the U. S.] aside and came after us. We learned, in the context of their implementing the claims part of the Algiers Agreement...

Q: This concerned financial claims.

VELIOTES: Right. They would settle a claim with an American company when they wanted something from that company. But for our part we played hard ball with them. I learned that, through a bookkeeping error, we had withheld \$500 million from them which otherwise was probably open to them. My position on that was, "Tough. When they do something which we think is worthwhile and positive, we will consider giving them back their money." We owed them nothing. Why be nice to them? I say that because we hoped to help prevent the collapse of Iraq. Then, through the things that we did, we tried to dry up the supply of arms to the Iranians and turned a blind eye to arms going to Iraq from our allies--the British, French, and others. We did that because we figured that it was the Iranians who wanted to prolong the war, not the Iraqis. There was not a ghost of a chance that the Iraqis were going to collapse Iran at any point. In that time frame we always remembered--at least I always remembered--that Saddam Hussein and his government, and he, personally, was a bloodthirsty bastard. His government was a very unlovable group of murderers. So we weren't pro-Iraqi. We were helping the Iraqis for a purpose, a very important national security objective which was important to our friends in the Gulf. We never lost sight of who the Iraqis were. After all, it wasn't all of that long before that the Iraqis had been agitating, through propaganda and other means, against the Gulf governments.

I remember when the [Iraqi] minister of information visited the Gulf area at the beginning of the Iran-Iraq War. He said, "What is it that we can do to reassure you that our intentions are benign, as between brothers?" [The Gulf authorities said], "You can stop this damned propaganda." And the minister of information went back and stopped the propaganda. So they stopped threatening the Gulf states. And also, because they needed the Gulf states, and because they needed us, they changed their attitude on peace with Israel, from one of rejection to one of supporting whatever the Palestinians would agree to accept. They did, indeed, put the clamps on Abu Nidal and a few of the other terrorists. So, we knew what we were doing and we knew with whom we were dealing. At that time--this is up to 1984--there was never any idea, amongst any of us with any knowledge of the Iranian situation, that there was a whole bunch of people called "pragmatists" and "moderates" waiting there for us to discover.

I remember that I went up to see Eagleburger [Deputy Under Secretary of State for Political Affairs] and said, "I've got a great idea. I had a brainstorming session with the Egyptian Ambassador, Ashraf Ghorbal. Out of that came the idea of allowing the Iraqis to have some intelligence that would allow them to defend themselves more effectively." Eagleburger immediately said, "Let's go with it."

But we had no intention to...In the first place we knew who the Iraqis were--we had no illusions as to who they were. Unfortunately, we also knew who the Iranians were. We didn't think that there was anyone over there, just waiting to be plucked, who was pro-American.

Q: Sometimes we over-sell ourselves. We take nasty people and turn them into freedom fighters. But this wasn't going on?

VELIOTES: No, not amongst those I was working with.

Q: One last thing, just to finish off this portion, and then we can pick up on your time in Cairo. Afghanistan. Was this pretty much out of your hands?

VELIOTES: I was a player because the key partners in Afghanistan were Pakistan, Saudi Arabia, and Egypt. Saudi Arabia for the money, Egypt for the logistical support--we handled much of the transit of equipment through Cairo--and Pakistan...

Q: Because they were next door.

VELIOTES: One of the top priorities in 1981, when we took an active role...I told you that one of our priorities was the implementation of the Egyptian-Israeli Treaty. The second priority was strengthening relationships, including economic and military assistance, with Pakistan, to enable us to work more closely with the Pakistanis to be more effective with the Afghans. The next priority was the Saudi AWACS sale. The last two were important for keeping the confidence, and frankly developing the confidence of the Pakistanis, as well as increasing the confidence of the Saudis, also for the purposes of our Afghan effort.

I was responsible in the Department, and ultimately in the government, working with the Defense Department, in coming up with a package that would be supported by Congress and which we could offer the Pakistanis as an earnest of our desire for closer relations and a real partnership with respect to the Russians in Afghanistan. You know, the Pakistanis were taking great risks. They not only had three million Afghan refugees, but the Soviets were threatening them with violence--bombing and who knows what else? So it was very important to help them. However, on the other side of the ledger, anything that we did to improve relations with Pakistan created a corresponding problem with the Indians. It seems to me that one of the interesting results of our success in Afghanistan--even though the Indians were remarkably obtuse about this, refusing to see that the Soviets had done anything wrong--was that, quite remarkably, we ended up the decade of the 1980's with a stronger relationship with both the Pakistanis and the Indians. And the freedom fighters won in Afghanistan.

I was not involved in choosing weapons or in training the Afghans--this was a CIA and military responsibility. But the Bureau of Near Eastern Affairs and the State Department were involved in the continuing work of strengthening relationships with the key players.

Q: When you came to NEA, had the basic decision already been made that we were going to support the mujahideen to fight the Soviets?

VELIOTES: Yes. The decision had been made, but the resources, in sufficient amounts, had not been made available. Not because President Carter didn't want to do it, but first because you've got to create the basis. You had to set up this network and you had to have people on the ground in Peshawar and elsewhere. You had to have the training and so on. You had to have the Pakistanis on your side. The Pakistanis weren't going to take all that many more risks unless there was something in it for them. One of the things we did was to sell them F-16's [fighter aircraft]. You could argue that the Pakistanis wanted the F-16's to fight India. But the answer to that was, "Who cares?" Those few F-16's that we gave the Pakistanis were a drop in the bucket, compared to what the Indians had. Unless you think that about 30 F-16's could eliminate 200-300 Indian MiGs. These were the issues, as far as the Afghans were concerned.

Q: Well, you went from NEA to Egypt?

VELIOTES: Yes.

Q: Today is August 4, 1993, and this is an interview with Ambassador Veliotes. Nick, you were in Egypt from when to when?

VELIOTES: From November, 1983, to April, 1986.

Q: So to start with, how did you get this appointment?

VELIOTES: My previous assignment was that of Assistant Secretary for the NEA area. I had told the Secretary of State [George Shultz] in the summer of 1983 that I had really had a difficult two and a half years and that, within six months, I would like to be replaced. We did not talk of another assignment, and I did not even suggest that I was interested in another assignment. A few days later Secretary Shultz asked me to come to his office. He was alone. He said that he had spoken to President [Reagan] and that they wanted me to go to Egypt to replace Ambassador Atherton, whom they were going to bring back to the Department as Director General of the Foreign Service. I said that this was surprising. He said that Ambassador Atherton had indicated, in the past, that he would like to come back to the Department and finish his career as Director General of the Foreign Service. We talked about this a little bit because, like many things in Washington having to do with assignments and transfers, it became quite controversial. I said to the Secretary, "Well, fine. Let me talk to my wife." I said that I thought we would say, "Yes." Meanwhile, the matter really had to be handled carefully, because Roy Atherton was not only a friend of mine. He was a respected, senior Foreign Service Officer who had had a very successful and dignified career. I wanted him to learn about this from the Secretary of State, not from the press, as happened too often. The Secretary said, "I can guarantee you that. I will get through to Roy immediately and that he will hear it from me and not from anyone else." Meanwhile, no one was going to hear it from me, because my wife and I were going to California on a two-week vacation. So I mentioned it to Patty, and she said, "Yes." So we left on vacation.

About two days later I got a phone call in a friend's cabin on Monterey Bay [in California] from an irate Ambassador Atherton, who had just learned from the press that I was replacing him. Having been the Assistant Secretary for the NEA area, it was easy to assume that this was something that I had engineered. It wasn't. First, the transfer wasn't. Secondly, the Secretary said that he was going to do it in such and such a way. The Secretary was terribly embarrassed when he found that the leak had come, as usual, from the White House. Well, this is much ado about nothing and had no impact on anything.

Q: But still, it shows...

VELIOTES: I can't remember a good way in which these things are ever handled. I had thought that this was as good a way as it could ever be done. If you know George Shultz, he is a very fine human being, and was a top flight Secretary of State. He was mortified by this incident. Certainly, I was.

Q: Were you able to make amends with [Ambassador Atherton]?

VELIOTES: Well, I had to make amends. Incidentally, for the record, Roy had said to the Secretary, at some point, that he wanted to go back to Washington and end up his career as Director General of the Foreign Service. He had been Ambassador to Egypt for five years. But that wasn't the point. The point was how it was done.

Q: And also the leakage, which also was blamed on the State Department, whereas the White House...

VELIOTES: I think that in the experience of both of us we know where most of the leaks come from. Most of them come from political appointees. Most of them do not come from the State Department.

So then I went [to Cairo].

Q: When you went out there, you would basically have been the person to give instructions to an ambassador. What did you carry in your briefcase as far as what you felt should be done, what were...

VELIOTES: Well, don't forget that by 1983 I had spent 10 or 11 years continuously working on Middle East affairs, at senior positions--longer, if you count the three years I spent as Special Assistant to the Deputy Secretary, where we were working on important Middle East issues, from the perspective of the Seventh Floor [of the State Department building, where the most senior officials have their offices]. And then I was Assistant Secretary for Near East Affairs for almost three years. So if I didn't know what the policies were, it was highly unlikely that anyone could tell me.

We had as top priorities the consolidation of the Egyptian-Israeli Treaty, supporting, where possible, the efforts that were being made to get some kind of negotiations going

between the Israelis and the Arabs--in this case, the Palestinians--and working with the Egyptians in common efforts to oppose the Soviet invasion of Afghanistan. The Egyptians were very important in that context. Cairo was a major transshipment point for equipment.

Q: You're talking about our supplies to the...

VELIOTES: To the Afghans. And we were working with the Egyptians in a common effort to oppose an Iranian victory in the Iran-Iraq War.

Q: That's right, the Iran-Iraq War was in full swing at that time.

VELIOTES: Right. Another issue was terrorism, and Muammar Qadhafi was very high on the list. It seemed that at least once a week there was a new, Libyan-inspired plot to kill officials of the Egyptian Government, or me, or bomb the Embassy. A number [of these plots] was broken up by the Egyptians at that time. Domestically, we were very, very anxious to help the Egyptians to use American aid to the utmost degree. This was a tough issue, because the Egyptians were very cautious about changing anything in the outlook of what was an incredibly centralized, bureaucratized, Nasserist, statist government. The Egyptians have a well-developed sense of uniqueness. They've been around for 5,000 years. That helps to understand their attitude. But that outlook expanded into believing that the laws of economics and the experience of other countries didn't pertain to Egypt. I think that those were the basic issues between us.

Q: When you got [to Cairo], Hosni Mubarak was President, as he is today. He'd only been [in that office] as President for a couple of years at that time. What was our evaluation and your evaluation of him when you went out there, and did this view change as you watched him in operation?

VELIOTES: Well, I think that our evaluation of him was that he was an honest, blunt, shrewd person who sought to return Egypt to its position of prominence in the Arab and the non-aligned world, within the context of the treaty with Israel and the virtual alliance with the United States. These were his policy goals, and we endorsed them. Those issues related to foreign policy. Internally, we encouraged what was obviously his desire to govern an increasingly less repressive society. He immediately released many people whom [the late President] Sadat had put in prison, whose only crimes were writings or criticism. He reestablished a political life. We supported these objectives.

In view of what happened in Operation DESERT STORM, I suppose that one of the most important things that we did was to accelerate our security cooperation with the Egyptians. We initiated a series of, I think it was, biennial maneuvers in the Western Desert [of Egypt]. Several of the divisions that came to prominence in the Gulf War had come to Egypt and had trained with their Egyptian counterparts.

Q: Was there an unstated purpose of these maneuvers which told Qadhafi, "Don't mess around?"

VELIOTES: Yes. This was a time--things come flooding back--when the Libyans had mined the approaches to the Suez Canal. The Egyptians remembered that. The Libyans, as I say, were continually mounting terrorist actions, which the Egyptians broke up. So the purpose of these efforts was not directed at Libya. That was a good, secondary effect. We also had other kinds of military maneuvers, including sea, air, and land. They were very extensive.

Q: How did you find that our military--to use a military term--"interfaced" with the Egyptian military? I mean the Egyptians seemed to be very different.

VELIOTES: There are two answers to that--good and not so good. "Good" describes the interpersonal relationships. No one is better at this than the American military, working with counterparts and all that. Or, working with them in the U. S. The young soldiers who come here from foreign countries to train really love it. And our military goes all out, in ways that the civilian side of the government can only marvel at--the respect, the friendships, the hospitality, the sense of inclusion that they get from their military colleagues. Overseas, they're terrific. They are respectful of and sensitive to their counterparts. I am really very impressed about the way in which the American military handles those aspects of military cooperation.

Where it was not so good was basically where Washington was concerned. We were determined that we were going to prepare ourselves for the eventual need to deploy troops in the Gulf. We weren't sure whom we were going to fight.

Q: Iran was probably a more likely enemy.

VELIOTES: Well, even the Russians. That was a concern. And you may recall that the forerunner of CENTRAL COMMAND was the Rapid Deployment Force in the late 1970's. Then we had CENTRAL COMMAND created, and we were seeking, in the late 1970's and the early 1980's, to enhance a relationship that was initially negotiated during the Carter administration by Reggie Bartholomew, who was then Assistant Secretary for Political-Military Affairs. The early impact of this was in the Gulf itself, primarily in Somalia and in Oman--both allegedly "non-sensitive areas." The "sensitive places" were the main Gulf areas, such as Saudi Arabia and Egypt. Egypt--and people always should remember this--was virtually occupied by the Soviet Union for 20 years. I think that there were about 30,000 Russians there at one time.

Q: Good God!

VELIOTES: These Russians were ostensibly trainers, but they had virtually identified large parts of Egypt as sovereign Soviet territory. This included parts of the beach in Alexandria, where there were "Russian only" areas.

As I say, we [in the American Embassy in Cairo] were very sensitive about this. But back here [in the U. S.] the planners, somewhat encouraged by President Sadat, whose visions, sometimes, went beyond reality, decided that they were going to put a very large base in Ras Banas. Well, for Sadat, if the crazy Americans wanted to put a base in...

Q: Ras Banas is where?

VELIOTES: In a windswept desert, a desolate, former Soviet air base in the extreme southern part of Egypt on the Red Sea. If you visited the place, you would see that the remaining installations had completely deteriorated. That's where we were going to spend a billion dollars. Boy, we were going to create this state of the art installation, have equipment there, and no problem. Well, you weren't going to spend a billion dollars on something and put another billion dollars worth of equipment there, unless you ran it. You see, Sadat died before this matter could get anywhere beyond the talking stage. Well, after Sadat died, we gave the Egyptians our plans. There would be an American base? They said, "No, thank you." And then our planners said, "Well, we've cut it back and cut it back, but..." Well, we were getting this pressure, and I was Assistant Secretary. I led a mission over to discuss this. When I got there, I was stunned to learn that we had submitted some plans to the Egyptians on what we would need for logistical support in northern Egypt in order to support our base in southern Egypt. Basically, we were going to pave over the area between Alexandria and Cairo. We were going to build a massive airport. Well, the Egyptians said, "No thank you" on that. Their reaction was really rather bitter. So when I was sent out as Ambassador, I inherited this matter.

We kept the discussions going and kept them going until two things happened. One day the Egyptian government got a copy of the [U. S. Army] Corps of Engineers standard request for bid document, which had gone out all over the world.

Q: You're talking about a document two inches thick?

VELIOTES: And covered by an olive drab cover. In the middle of the olive drab cover is the Great Seal of the United States, and under it was printed in large letters, "U. S. Army Corps of Engineers Invitation to Bid on the Construction of a Base and Facilities in Ras Banas, Egypt." That hit President [Mubarak]. He asked, "What kind of a quiet thing is this?" And, no, we could not give preference to Egyptian contractors. I mean, we couldn't do anything to ease the impact because of standard Corps of Engineers policies.

The other thing that happened was that, about that same time, I met the new chief of the Joint Chiefs of Staff, who was coming through Egypt. He and I spent the evening together and we were back in his hotel about midnight.

Q: Who was this?

VELIOTES: General John Vessey, of the U. S. Army. He had just replaced an Air Force general [as chairman of the Joint Chiefs]. By the way, the Defense Department had gone to Congress for appropriations for this base. At this point we were asking for \$500 million or so. General Vessey and I returned to his hotel after a dinner hosted by the Egyptian military. He said, "All right, now, Nick. Don't think you can lobby me on that Ras Banas white elephant." I said, "Wait a minute. Let's talk about it." He made it very clear that this was an Air Force issue and [what he considered was] an Air Force boondoggle. It was not worth the money. He had told the Secretary of Defense that he would not support it in his [scheduled] testimony before Congress. For the first time I learned how contentious this matter was, even within the DOD.

Q: You mean that you were just getting the view that this was absolutely essential? So the U. S. military was talking out of one side of its mouth--that was the whole thing?

VELIOTES: Yes. We were hurt, too, in this. I told you that our relations with the Egyptians were terrific and that our guys on the ground were marvelous. But we had some serious problems stemming from the effort to rescue hostages in Iran by helicopter in 1979 or 1980. We had a residual base in another, presently Egyptian base--this time in central Egypt. Rocky, desolate ground. And we had over 100 people there, doing nothing, as far as I could see.

Q: They were still hanging around. This is...

VELIOTES: And I could not get the U. S. Government to pull them out.

Q: This was three or four years after the [abortive Iranian hostages rescue effort].

VELIOTES: No one talked about it, but the Egyptians would say, periodically, "Well, you still have those people there. How can we trust you down there?" Washington never really understood--that is, senior, Reagan Washington never understood--the depth of feeling of the Egyptians against a permanent, foreign military presence. They never understood...

Q: The Egyptians had had a problem with the British, and the Soviets came in almost right after that.

VELIOTES: They never understood that, and this was a problem for us. This was the outlook of the same people who could never understand that the Arabs would never welcome the Israeli Army to help them fight the Russians or anyone else.

So that was one of the things that happened during my time there.

Q: But I assume that basically, between you and General Vessey and so on, that pretty soon went away.

VELIOTES: Well, we had so many things going with the Egyptians in the national security area. You have to remember when it was. The Cold War was still in full swing. This was the worst part of the Iran-Iraq War and the worst part of the Soviet occupation of Afghanistan.

Q: This was not a quiet period in the Middle East.

VELIOTES: No. It was very threatening, and we were trying to do our best to develop the means to defend what we considered to be our vital interests in the Gulf. When I was in Jordan, even though the U. S. and Jordan governments were estranged politically, we still were able to work with the Jordanians. In an earlier period, when the Rapid Deployment Force was created in name [only], the Jordanians had earmarked a division for deployment if we needed them. So this was really important stuff. It was very real. I don't want to exaggerate this, but these were the kinds of things that hit you. But we had many other issues before us. We could try to be annoyed with the Egyptians, but how could the Army or the Air Force or the Navy stay mad? The Egyptians would agree to a new exercise. The admiral commanding a carrier task force steaming toward the Gulf told me that it was his three or four days spent maneuvering with the Egyptians which, in effect, created his task force out of disparate ships. Those ships would gather around a carrier on the East Coast [of the U. S.]. They had never worked together--even the captains didn't know each other. They would steam to Egypt and get into real war games. What a tremendous opportunity for them to create a cohesive battle group. And incidentally, to worry Qadhafi.

Another thing on the way that Washington operates. One of the things that we wanted to get from the Egyptians was authority for our nuclear powered warships to go through the [Suez] Canal. This was terribly important, to cut costs, and particularly in terms of the deployments that might be required in a hurry because of the war in the Gulf. The Egyptians were very wary about this for two reasons. First, if there happened to be a nuclear accident, it would have destroyed the Suez Canal as a revenue earner for a generation. Secondly, they were afraid that if they let us through, they would have to let the Russians through. And even though they knew that we were "good" in terms of our reactor technology, they knew that the Russians weren't. They knew as much as we did about Russian nuclear accidents at sea. Finally, there was an emergency, and we got them to agree [to the passage of U. S. Navy nuclear powered ships through the Suez Canal], on the assumption that there would be no publicity. I said, "I know the Navy. All that I can promise you is that we won't have any immediate publicity. But someone, somewhere, is going to talk." I was talking with the [Egyptian] Prime Minister. The President was not available, so I dealt with the Prime Minister. I said that someone would talk, even if it was only a sailor in a bar, near an Associated Press stringer. The Prime Minister said, "OK, that we can understand, but that will come later, and it won't cause us these problems."

The battle group had hardly gotten through the Suez Canal before a story came out of Washington, reporting, "The first time ever...unprecedented...nuclear powered battle

group goes through the Suez Canal." I turned to my staff and said, "John Poindexter, at that time National Security Adviser, a Navy, nuclear powered specialist, the one who'd been pressing this, just could not contain himself."

Q: So there you are, left with a broom to clean up after the parade.

VELIOTES: Yes. When you think back on it, it was frustrating. But our relations with the Egyptians were extremely close.

Q: What about the other side? Your point of view is somewhat different from when you were Assistant Secretary. You're sitting in Egypt, looking at Israel. We were doing all these things because, very obviously, they were defensive. We really were looking to Egypt, as you say, to be a real factor in Middle Eastern affairs, because of our concerns about Iran, Iraq, and the Soviets. This must have caused a lot of heartburn in Israel as they saw all this, suggesting essentially that they'd been supplanted.

VELIOTES: The Egyptians worked hard, not to supplant Israel in the affections of the United States, but to get to a level of equality. They wanted us to look at them in the same context of partnership as we did with the Israelis. And they succeeded. The Israelis, while I'm sure that they were not happy about everything that the Egyptians did, recognized that it was to their interest to maintain the treaty, whether or not it fulfilled all of Israel's expectations. It was a guarantee of no violence, no war, on the southern [Israeli] front. And there was an Israeli flag flying in a major Arab capital. So the Israelis, on the one hand, were delighted that Egypt was out of the strategic equation and that they could talk to them. On the other hand, they were a little nervous that the Egyptians might become too effective as advocates for other Arabs. But the other side of that was that the Israelis understood that, just by example, the Egyptians were also very important advocates for peace with Israel on behalf of other Arabs.

Q: Were there any other, serious problems between Egypt and Israel while you were there and did you get involved in any of them?

VELIOTES: There were two issues. One was a serious, "silly" problem. Like [the old saying that]"the situation is desperate but not serious." This was like the standard message from the Embassy in Vientiane, Laos. A manufactured dispute raised by Arik Sharon.

Q: Was he still [Israeli] Minister of Defense?

VELIOTES: Yes. This came up at the time of the [Israeli] withdrawal from the Sinai Peninsula and was designed to stick a pin in the Egyptians and to keep us occupied. Finally, after five or six years and truly enormous expenditure of money, effort, manpower, and ill will--how could anything have earned Israel such ill will from the Egyptians as their insistence on keeping Taba.

Q: This is a little, coastal...

VELIOTES: A little, coastal place [adjoining Elat on the Gulf of Aqaba]. It had a hotel, the Sonesta Hotel. Israelis used to giggle and tell me that it was the last place where they could take their mistresses, now that the Sinai Peninsula was no longer so easy to get to. And the Israelis moved border markers. Well, the Israelis were at fault in connection with a lot of this stuff that had happened earlier during the Arab-Israel dispute--moving markers and so forth. The Taba dispute was finally solved, but it really poisoned the atmosphere for the leadership groups of the two countries. And it was used by the opposition in Egypt to beat the government over the head. It was used by everyone to beat us over the head.

A more serious incident occurred during this terrible summer of 1985. It was very tragic. An Egyptian policeman in the Sinai Desert must have run amok. He machine gunned seven or eight Israelis, including women and children. Then, totally losing his head, he kept people away from those who had been shot until--I don't know how many died. If the Israelis could have come in with hospital personnel... This was a very serious issue. The summer of 1985--I said it was "the terrible summer," because it was. There was this incident.

Q: Did you get involved in this incident?

VELIOTES: Well, I was talking to the Egyptians almost every day about it. They prosecuted the man, they did it in a military court, and they put him in jail, where he reportedly committed suicide. Atrocities like that happen in Israel, too. A young Jewish soldier went nuts on the Temple Mount [in Jerusalem] and cut down 20 or 30 people. The fact that the perpetrator is out of his mind doesn't make the incident any less tragic. These incidents raised all of those concerns again such as, "Can you trust the Arabs?" The Egyptians were terribly embarrassed by the incident involving the Egyptian policeman and by the fact that they couldn't help the wounded. As I recall, the Israelis wanted a more public trial, though I don't think that a public trial was needed. Neither did the Egyptians. What if someone started demonstrating in favor of these people? Which could happen.

Then there was the hijacking of that TWA airplane that shuttled between Algiers and Beirut. An American Seabee was killed and thrown off the plane. Then the people got out--the terrorists escaped. The Israelis bought them off with about 100 or so people they let out of prison. Although no one alludes to that, it was definitely the Israelis buying the lives of American passengers with their prisoners. Then there was the killing in Cyprus of two or three Israelis on a yacht, including one woman, by Arab murderers. The Arabs claimed that they were a Mossad "hit team." Of course, we spoke out. We said that we condemn terrorism. We condemn that violence. Then there was an Israeli retaliation raid against PLO headquarters...

Q: In Tunisia.

VELIOTES: ...which killed over 120 people and wounded many others, many of whom had nothing to do with the PLO, beyond the circumstance of being clerks or coffee servers.

At this point President Reagan made a statement which was interpreted widely as endorsing the Israeli action. Tensions were starting to grow at this point. When the Israelis attacked PLO headquarters, just before the Egyptian schools and universities were reopening, there was a great deal of animosity, and much anti-American and anti-Israeli feeling. And President Reagan stepped right into that.

Q: Did this statement come out of the White House?

VELIOTES: Yes. It was really stupid. Whether it was approved in the State Department, I don't know. It was really stupid because of the way in which it was interpreted. Two or three Israelis were killed and the Americans were outraged. More than 120 Arabs were killed, and the Americans, in effect, said to the Israelis, "Go get 'em." In the ensuing riots--and don't forget that the rioters were kids. No government likes to shoot its own kids--people must understand that Egyptian college kids were involved in these riots. The Egyptian government told the students that they needed to have a permit to demonstrate and that they may only demonstrate on university grounds. They could not come out of university premises. The Israeli Embassy wasn't very far from the university. It's an urban university, like Columbia University [in New York] or George Washington University [in Washington, D. C.]. Before the schools actually reopened, the ACHILLE LAURO hijacking took place and the sequence of events that led to the American capture of the Egyptian aircraft...

Q: We'll come back to that.

VELIOTES: This was really an extremely long period of high tension.

Q: How did the demonstration...

VELIOTES: They didn't hold it. I'm trying to describe an atmosphere to you, because if you want to understand the ACHILLE LAURO incident and the decisions made by the Egyptian government at that time, you must understand the broader atmosphere. It was already very poisonous and had the whole damned Egyptian establishment on edge. Then the ACHILLE LAURO incident occurred.

Q: Well, as a matter of timing, had the bombing of Libya taken place?

VELIOTES: No. The bombing of Libya took place a few days after I retired.

Q: OK, so things were not very good at this time, politically. We have mentioned the fact that we had not been very tough on the Israelis...

VELIOTES: We were sharply criticized for applauding the loss of what they saw as "innocent" Arab lives, whereas we showed righteous outrage when Israelis were killed. On this we said, in effect, "Go get 'em." It wasn't a happy time.

Q: Well, then, could you talk about the ACHILLE LAURO incident and your role in it?

VELIOTES: The ACHILLE LAURO incident has to be seen in the context of what I just described--the whole terrible summer of tensions building, the buffeting of the Egyptian body politic, and the pressures put on those few decision makers in Egypt. The ACHILLE LAURO incident only lasted about five days, but in those five days you packed in about all you could get in a hostage cum terrorist situation. We had high seas chases...

Q: Would you explain what the ACHILLE LAURO was?

VELIOTES: The ACHILLE LAURO was an Italian cruise ship. Interestingly enough, it was named after the Mayor of Naples when I was in Naples, my first post. It belonged to the Lauro Lines.

Q: Yes, the Lauro's were still a big name in Naples.

VELIOTES: But they were famous for a lot of things, including the fact that they were the last royalists. The ship arrived in Alexandria. Usually, many passengers got off, toured Alexandria, drove up to Cairo, visited the museums and the pyramids, and then rejoined the ship at Port Said. This particular group of Americans on the ship were well on in years. The vast majority of them left the ship [at Alexandria] to do the tour with everyone else. This left no more than 20 [American passengers] on the ship, most of whom were members of a particular synagogue in New Jersey. As it turned out, this cruise was kind of a farewell voyage to say goodbye to their friend, Marilyn Klinghoffer, who was dying of cancer and who, indeed, died a few months after the terrorist incident. Her husband was crippled and in a wheelchair. So the Klinghoffer group stayed on the ship. They were the principal victims of what ensued.

A group of Palestinian terrorists from the Arab Liberation Front, headed by someone called Mohammed Abul al-Abbas, we learned later, hijacked the ship.

Q: Did this happen between Alexandria and Port Said?

VELIOTES: Yes. And then the hijackers just took the ship [on a random cruise of the eastern Mediterranean]. Among other things that I learned was just how big the Mediterranean was. We didn't know where it [the ship] was. All of our Navy and all of our Air Force was out looking for it. Everyone else was looking for it. We kept track of it, frankly--at least at first--from some intercepted radio broadcasts. The Secretary of State, for example, called me and started giving me instructions on what to tell the Egyptians to do when the ship came to them. I said, "That's fine, but it's not here." He said, "I've just been informed that it's steaming in Egyptian waters." I said, "No, it's off the port of

Tartus, in [southern] Syria. We have an intercepted exchange of messages between the Syrians and the ship."

Well, it eventually showed up in Egyptian waters. We asked the Egyptians to keep it in international waters and keep it isolated, while we headed for it as soon as possible. Well, you don't have to be too smart to ... You keep it in international waters so that, if we were to mount an assault on it, no one could blame the Egyptians. You keep them isolated from the press, so that, we've learned, you can dampen their enthusiasm or longevity if they can't advertise their point of view. The objective is to get the incident over quickly for essentially humanitarian reasons.

There was clearly a split in the Egyptian government on how to handle this incident. The Defense Minister was determined that these people [the hijackers] should be apprehended.

Q: He told the Egyptian ruling circles how to deal with the matter.

VELIOTES: Yes, the Defense Minister. The security people strongly believed that Egypt would soon arrest these criminals, who had stained Egypt's honor--after all, the hijacking took place in Egypt--and put them on trial. The Foreign Ministry and the Presidency--and I think it was more the President--just wanted to dispose of the problem. In part they were afraid that if they put them on trial in Egypt, there would be a lot of people who would support them. And President Mubarak could just see--God, here are the television cameras, hundreds of people cheering these murderers for killing a crippled Jew.

Q: We might explain this. Was it already known what had happened?

VELIOTES: Yes. No, it was not yet known. If you want to get into some of the details...

Q: I mean, just to get this...

VELIOTES: We had been told by the captain of the ship--a message had been received from the captain when he anchored outside of Egyptian waters, that there had been no harm done. The four terrorists surrendered to the Egyptians. Well, good heavens, let's go back. I spent one full day--first, fighting with the British, French, Italian, and German ambassadors, who wished to accept an invitation from the terrorists, conveyed through the Foreign Minister, to meet with them to discuss the situation. The Italian Ambassador--because it was an Italian boat--the British Ambassador--because there were British passengers on board--the German Ambassador, because there were a lot of German passengers on board--and us, because Americans were the major group of hostages. I spent several hours talking them out of this--just asking them please to check back with their governments. I finally got the German Ambassador to agree. I said that this could do no good at all. It would prolong the agony, and I urged them not to do it. Before we broke up, we were called to the Foreign Ministry, where the signals had changed. The [Egyptian] Foreign Minister gave us 20 minutes to

consider agreeing--on behalf of our governments--that we would not seek to extradite these people or prosecute them, in exchange for their surrender to the Egyptians immediately.

The British Ambassador was still a bit annoyed because I had kept him from his 15 minutes--or 15 seconds--of fame. He seemed ready to agree. I said, "Well, I don't know what Mrs. Thatcher [British Prime Minister] thinks about it, but I know what President Ronald Reagan thinks about it." I said to the Foreign Minister, "What are you asking? Are you asking Nick Veliotis, as an [individual for a] humanitarian gesture, or are you asking the Ambassador of the United States?" I said, "In the first case, sure, I can say that I would use my good offices with my government--I could do all of that. But as Ambassador I have to tell you that my government's policy is that we make no deals with terrorists and that we seek their prosecution." I said, "And you give us 20 minutes and then what? We would have to wash our hands of this." There were 400 people on the ship, including 20 Americans. I decided to call the bluff. I said, "No. Certainly, they would understand that I must ask my government for instructions." So I got an open telephone line to Mike Armacost [then Deputy Under Secretary of State for Political Affairs]. And finally, and reluctantly, the other Ambassadors said that they would also ask for instructions. I said that we could not leave the ministry. We were besieged. There were hundreds of journalists there. Because no matter what anyone says, the whole story was going to be on the news wires and could prejudice the lives of our people. So I said that we should stay at the Foreign Ministry. I asked the Foreign Minister to give each one of us a room.

So we all got on the phone [to our governments]. The Italian Ambassador was the first to come to me and say, "My government says 'all right,' But he sort of winked and said, "You know, we're not going to adhere to this." I said, "Well, you don't understand. If my government gives a promise, my government gives a promise." The German Ambassador came to me and said, "My government is willing to say 'Yes' [to the Egyptian Foreign Minister's proposal]. But you see, that's not the whole story. My government will agree not to seek extradition. But according to our law, any of the victims can seek redress through the courts." I said, "OK, I understand that. Thank you." I said that I still have no answer and that I won't get an answer. I said, "I'm not going to get a `Yes' [to the Egyptian proposal]. We could play with language. The language would say certain things, but not `Yes,' and I could prepare a proposed form of words for the Foreign Minister. But not anything that tells them that they can get off scot free. My government doesn't believe in it, and I don't believe in it." I'd already told the Foreign Minister that if he was really sure that no one had been hurt, that the earlier report that an American was killed was not true, then it might be easier for my government to be less enthusiastic about its pursuit of these hijackers. But I said that he would get no formal undertaking [not to pursue the hijackers]. Then the British Ambassador came to me and said, "Take your time." I asked why, and he said, "It's lucky I called. The minute I talked to (whomever he talked to), he said, 'No. No one is going to make any decision on this except Prime Minister Thatcher, and she's at the Conservative Party conference. We can't get to her for three or four hours.'" The British

Ambassador said, "I doubt very much that she will want to announce to the Conservative Party conference that she has changed her attitude on terrorism."

Hours went by. And then the ambassadors were called in and told that the Foreign Minister had received a phone call, informing him that the hijackers had surrendered to the Egyptian authorities and that the incident was over. I told the Foreign Minister, "Congratulations," and I shook his hand. He turned to the other ambassadors and said, "I hope you'll remember what Ambassador Veliotis just said." I said, "Well, my congratulations meant that you ended this incident without loss of life."

Then I went back to the Embassy, called the Defense Minister, and asked him if he could get me a plane [to go to Port Said]. I said, "I've got to fly to Port Said. I've got to get on that ship and I'm bringing a consular officer and our doctor." I meant the doctor who's currently head of MED [Office of Medical Services in the State Department], a wonderful, wonderful woman. I can't remember her name. She is a lovely person and a terrific doctor. She was our Embassy doctor at the time. Her husband works with USIA [United States Information Agency]. With me was Edmund Hull, a political officer. He's currently in the Department. He went from Cairo to Tunis. His wife is a Palestinian. So we reached Port Said and boarded the ship. The Italian Ambassador had gone out to the ship earlier than we did, as he should have done. The minute I got on board the ship I knew that something had gone wrong.

Q: The Egyptians hadn't told you...

VELIOTES: The Egyptians claimed that they hadn't, up to the time I saw the Foreign Minister at about 5:00 PM. Curiously, the Italian Ambassador and the Austrian Ambassador were there. I don't think that the British and the German Ambassadors came at all. We finally got out to the ship at about midnight. I knew that something awful had happened. In the first place, the crew was shell-shocked. No one was sure that all of them [the hijackers] had gone, because only four of them had left. The crew thought that there were about 10 hijackers. You know, I still understand Italian. I could hear the crew muttering.

By the time I reached the captain, the Italian Ambassador was there, the ship's officers, and Captain La Rosa, who came up to me with tears in his eyes. He handed me Mr. Klinghoffer's passport and he said, "I'm sorry. I did my best." Then he started to cry. At that point I said, "Well, is his death confirmed?" The captain answered, "Yes." I said, "I'll have to contact my Embassy." They gave me a phone. I got through to Bill Clark, who was DCM. I told him that we must insist to the [Egyptian authorities] that there had been a death. An American had been murdered, and we must insist that these sons of bitches be prosecuted. That was the phrase I used.

Q: That became a well-known phrase.

VELIOTES: Apparently, it was being repeated. This was all part of the story. I just said that. Then I said, "After you have done that, report it to Washington." That was the most important thing to do first and then to tell Washington that we'd done this. So Bill, of course, did this. The captain asked if he could see me alone. The Italian Ambassador was with him at the time.

Q: You were sort of rolling your eyes.

VELIOTES: [The Italian Ambassador] really griped me. He stole the boat to get on the ship first. I was angry at the time. After all, I brought him there in an airplane, and then it turned out...I understood why he wanted to be the first one on the ship, but there was a dead American, and I thought I should have been there with him. But then he sort of disappeared. And there I was with this poor Italian captain, who was telling me what had happened. The captain had been a real hero. He had risked his life to save at least one other life. Then he showed me his instructions. He had received instructions from his company that since he was still in international waters, he was to proceed immediately to complete the cruise.

Q: To complete the cruise?

VELIOTES: To go to Ashdod [Israel--the next scheduled port]. To continue as if nothing had happened. I said to him, "But you can't. There's been a murder. There's going to be a prosecution. The [Egyptian] criminal authorities are going to want to come on board." I said things like that. He started to cry and said, "But what can I do? I'll be finished if I don't follow instructions." I replied, "I know what we'll do." By this time the Egyptian military had come on board, [headed by] a major general. I said to the general, "Look, you've got to solve the [captain's] problem. You should take this ship into port." He nodded and disappeared. He came back and said, "I've just received instructions, captain, to take you into port." Obviously, the Defense Minister had told him, "Hell, yes, get him into port." So we went into Port Said.

Now all this time I had been assuming that the Egyptian government was going to arrest and prosecute the hijackers. That was confirmed by the senior Egyptian military officer on the ship. So I stayed up all night and went around, talking to those hostages who were not in their cabins and could not sleep, to reassure them. And then they said to me, "Would you please go and knock on the doors of the other people? Tell them that things are really all right. You can't imagine the terror which we have been through." So I went along, knocking on doors. Some humorous incidents happened when these people opened their doors. They were quite elderly people. They would say, "Who is it?" And I would reply, "The American Ambassador." They would say, "How do we know who you are?" I replied, "Believe me, it's the American Ambassador." I'd tell them my name, and we'd talk and joke, and finally I'd get them to open their doors. I would go in and talk to them. The only person whose door I did not knock on was that of Mrs. Klinghoffer, because I was told that she was under sedation.

Meanwhile, the [Embassy] doctor was meeting with everyone and talking to them. Edmund Hull, one of our political officers, went around and met people. He is one of those very capable officers whom you instinctively gravitate to, because they do everything right. He was going around, talking to them and reassuring them. By that time I must have looked like a terrorist myself, as I hadn't shaved or had time to clean up. We all had breakfast and then I said, "Look, do you think that we should meet before I leave?" They said, "Yes, we'd like that very much. We want to talk to you." They said, "Oh, by the way, would you go down and talk Mrs. Klinghoffer into joining us, just in case she would want to come?"

So I went down and knocked on her door. I entered her room and held her hand and talked to her. She had a woman friend in the room who had spent the night with her. I said, "You know, we really want you to come and be with us. All of your friends are waiting." She said, "OK." And I'll never forget when she walked into the room. She was a very pretty woman. She had cleaned up, made herself up, and put on a gorgeous, summer dress and came in to join her friends. As it turned out, there wasn't much that they wanted to hear from me. They appreciated what we had done and what we were trying to do. They elected a spokesman. What they wanted me to know is that they were terrorized, they were just so scared, but they were also damned mad. The spokesman said, "Mr. Ambassador, we want you to know that we didn't crack, we didn't crawl, and we always remembered that we were Americans." And I thought, "My God, they are reassuring me!" I said, "May I tell people this?" And they said, "Please tell them." So I said this to the assembled press and I called it through to Mike Armacost and suggested that he put it in his testimony to Congress. I said that these people were the heroes of this incident.

Well, since the Italian Ambassador had taken my plane back, I had to wait for another plane. I got to the Embassy about 11:00 AM. I was told that I had been asked to go over and see the Foreign Minister immediately. I said, "Look, I'm beat. I stink. I feel rotten. I haven't slept for three days. I'm hungry." So I called my wife. I said, "Honey, come over [to the Embassy] and bring some clothes." Then I said, "Tell the Foreign Minister that I'll be there in an hour and a half or so." By the way, when I told my wife about what had happened on the ship, I just broke down and cried. It was just such a touching, emotional experience.

When I walked in to see the Foreign Minister, he was very reserved. We were on a first name basis--I'd known him for years. I could see immediately that [our conversation] was going to be in terms of "Mr. Ambassador" and "Mr. Foreign Minister." He started saying things like, "The President doesn't understand" and "How could this happen?" I tried to reply and I said, "You know, I don't think that I know what you're talking about." He started in again. I said, "Excuse me. Something must be happening that I know nothing about. Would you please tell me what it is." He said, "You don't know, do you?" I said, "No." He took about three feet of press reports, ruffled through them, and showed them to me. He said, "This is being broadcast, every hour on the hour, in the United States, on every radio station." It was my statement that I had called in [to the Department]. I said, "Well, in the first place, I was in no position to have secure communications. The most

important thing to do was to notify my government and your government, on the assumption that you didn't know that an American had been killed. Equally important was to tell you our position, that these hijackers must be prosecuted." He said, "Yes, but why did you have to call them 'sons of bitches'?" I said, "Well, aren't they?" He said, "Well, of course they are, and worse. But this has put real pressure on us." I said, "Well, this was unintended, but it happened. Now, let's talk about what you're going to do about it." He said, "Oh, well, we're going to..." I said, "Now, wait a minute. Maybe I ought to talk to the President." He replied, "No, the President isn't talking to anyone." I said, "It's not very wise for the President not to talk to anyone on this." He said, "Oh, well," and this and that. I said, "Look, you've got these people. They're murderers, they carried out a hijacking, probably in Egyptian waters. Anyway, they're now in your custody. We have a confirmed murder of an American, and you're telling me that you're not going to prosecute them?"

Then he got back to my statement--how people were interpreting this, and how this looked like a deliberate attempt to stir up my government. I said, "Well, it actually reflects my sentiments. It's the least that I could say. But that's not the point. The point isn't what we are doing. The point is what you're doing, and I urge you to make a decision that these people should be put on trial." He said, "Oh, well, we can't do that." I said, "Look, if you can't do it, fine. I think that the Italians have or will be asking for extradition for them." I said, "I don't know if we well--we probably will. I will support your giving these people to the Italians. I will tell you right now that I'll tell my government that we don't need them in the United States." Frankly, I thought that we couldn't prosecute them. We could have brought them in tiger cages down Fifth Avenue, and then what? They would have been released. There would be a Jewish lawyer from the ACLU [American Civil Liberties Union to defend them] because, you know, of their rights in this country. I was told later, by the way, by a team from the Justice Department that I was right.

Well, I could not get through to the President [of Egypt], and [Secretary of State] George Shultz could not get through to him. What then happened was that during that afternoon my Chief of Station [senior CIA representative in the Embassy] came in and said, "I've got a message for you." The message was that if these guys [the hijackers] leave [Egypt], the U. S. is going to try to get them. I said, "Thank you." I'd been informed. Good enough. I wasn't about to say that if they left, and we got them, the world was going to end, because, you know, the world doesn't end. Anyway, I thought they should have been prosecuted, which brings me to George Shultz's book. Why he said that I wanted them to go free, I have no idea. In any event, we then found that the Egyptians were starting to play games with us. But then the plane took off, and we captured the hijackers.

Q: You mean that we intercepted the plane and forced them...

VELIOTES: The plane landed at Sigonella. The first reaction I received was from the Egyptian Defense Minister. I stayed on the phone for 45 minutes, giving him therapy. I told him, number one, that he couldn't resign. He figured that he was such a good friend

of ours and that we had made his position untenable. He felt that he was the linchpin of our whole security operation out there, in the Gulf and everything! I said, "No, you can't do that." He said, "Well, I'll go there [to Sigonella]." I said, "Well, if you insist on going there, fine." He asked, "Don't you know what's happened?" I said, "No." He said, "Your forces have surrounded our plane. We cannot allow this. We must fight you." I said, "Well, for heaven's sake, this has to be sorted out." Fortunately, it was. It was nothing but bad judgment on our part. If you'll remember, our forces surrounded their [the Egyptians'] plane, and the Italian Carabinieri surrounded our forces.

Q: Yes, I was talking to our Ambassador to Italy at the time, Max Rabb. He said that he was trying to get this sorted out, and he was told no, that this was all in the hands of LTC Oliver North and that they only took orders from him, or something like that.

VELIOTES: No one told me this. My problem with that view is that Ambassador Rabb did not go to Sigonella himself.

Q: Well, he didn't go.

VELIOTES: Yes. He had some young consular officer down there. The impact back in Egypt was that we were not letting--well, finally, the four hijackers were taken off the plane. The four persons actually involved were prosecuted. The plane then went on with this guy, Mohammed Abul al-Abbas, whom we had never heard of. I honestly didn't know who he was. The Egyptians I talked to didn't know him. As a matter of fact, they asked me, earlier that day or the day before, "Who in hell is this guy?" I asked Washington and never got an answer. So the Egyptian plane flew to Rome, and the question is, what's going to happen to Mohammed Abul al-Abbas? Well, we know what happened. The Italian Government fell after Mohammed Abul al-Abbas sneaked away on a Yugoslav plane. Back in Egypt the Italian refusal to allow the plane to leave Sigonella led to the Egyptians' claiming that they were keeping everyone on the boat [the ACHILLE LAURO] for some phoney reason, allegedly for a forensic [investigation]. That came to me from Bill Clark. I said, "Bill, you'd better tell Osama El-Baz, the national security adviser, that, whoever this refers to, it doesn't apply to the Americans who were [on board]. Those people have been through too much. Our buses are arriving there. We expect the Americans to be escorted into the buses to come to the hotel. So whatever games they [the Egyptians] may have been playing, this doesn't affect them. Just let them [the Egyptians] know of that. You tell them that." Often it's best to use...

Q: Yes, to have somebody else...

VELIOTES: They could play whatever games they wanted to play, but not with these people. They'd been through too much. And it all worked out. However, while the Egyptians were still playing their games with the Italians, we got our people on the buses. Then the Italian legal--their criminal--authorities asked if any of our people, any of our hostages, would be willing to come to Sigonella and identify them [the hijackers]. Bill Clark was out at the hotel [with the former hostages]. I said to him, "Ask them. We're not

going to force anyone to do anything." And every one of them said, "Yes," and it was almost like something out of a novel or a movie. Marilyn Klinghoffer, when she identified the man who, we think, killed her husband, spit in his face.

That ended that phase of it, but, of course, the relationship between Egypt and the United States was at an impasse. [President] Mubarak insisted that President Reagan apologize. Reagan insisted that Mubarak apologize, and things continued the way they were. This is when a career officer with experience as an Ambassador plays a very important role. You are most important and effective when Washington is utterly disorganized and in chaos. This is where we were. We had the Legal Adviser's Office [in the State Department] running this situation. We had 16 other people [involved]. Incidentally, if LTC North played a role, I never heard about it.

Q: I don't know. I was just repeating what Ambassador Rabb said.

VELIOTES: Someone asked me, "Well, did he [Oliver North] ever call you during this?" I said, "If he did, I wouldn't have taken the call. What do you mean? I stopped dealing with lieutenant colonels a long time ago." I mean, the generals knew where I was if they wanted me. So, as luck would have it, about three days into this impasse, and certain elements of the [Egyptian] press were calling for my assassination, the Egyptians had put us in the deep freeze--all except one person, whom I want to talk to you about. It's worth recording.

I was scheduled to go out to dedicate a Chevrolet-Isuzu truck plant with the President [of Egypt]. So I went out with Ted Rosen, a terrific guy who was our commercial counselor. The Egyptians were as anxious for me to be there as I was. They were euphoric that I was there. I took the occasion very stiffly to say hello to the President [Mubarak] and deliver a letter from [President] Reagan, which didn't say much. But it indicated that direct, top level communications had been reestablished. I was about 20 minutes late because my driver got lost in the desert. The Egyptians thought that I was boycotting the ceremony! When I showed up, about a dozen Egyptian cabinet ministers waved and got me up front. Well, this was the start of the rapprochement, which both sides wanted, but neither side knew how to handle. So I said to Ted Rosen, when we were driving back, "I think I ought to give a press conference today. I've never met the press in Cairo, except individually, at lunches, and off the record. What do you think?" He had great feelings about it and said, "I think so." He had married an Egyptian. And I sat there, and the formula came to me. So by the time we got to Cairo, I got George Sherman, the Political Counselor, and I said, "This is what I want to say." And I started out that the United States very much regrets the necessity of having to stop the Egyptian plane, and I likened it to a bus on which some criminals were trying to escape. The police stopped it. But I used the words "regret" and "necessity."

So in the press came and I handed out this press statement in the full glory of the TV cameras and everything. I said, "I'd like to add that we want to commend the Egyptian government for its handling of this ACHILLE LAURO hijacking." I said, "That [the hijacking] took place before the Egyptians became involved, and the Egyptians speedily

brought this to a resolution which saved the hostages--and there were 400 people, remember--from additional trauma and possible, physical violence. For political, as well as humanitarian reasons, this was the way to handle it." So I said that. And I played down stopping the [passengers] from leaving the boat, stopping the plane, and all of that, and emphasized the positive. I didn't clear any of this, of course, [with the State Department]. I was told later on that when [my statement] hit Washington--I had called Dick Murphy [Assistant Secretary for Near Eastern Affairs] and told him, "Look, Dick, I'm not going to put any pressure on you or anyone else. You can see my remarks as I'm making them." And I'm told that the first reaction was outrage in certain quarters. And then, the next day, we sent back the details. George Sherman and Bill Clark coordinated this for me. The detailed blueprint of how to reestablish the Egyptian-American relationship at its previous level. Everyone accepted that, and it was the blueprint from which we worked. Then, because this concerned the Middle East, funny things happened.

About six weeks later the Libyans hijacked an Egyptian airplane, full of Egyptian hostages, and took it to Malta. The Egyptians asked us if we would escort the Egyptian aircraft [carrying an Egyptian commando team to Malta] because it would be within range of Libyan fighters. They [Egyptian fighters] didn't have the range [to escort it]. So six weeks or so [after the ACHILLE LAURO incident] planes from the Sixth Fleet--of course, it was planes from the Sixth Fleet that had hijacked the Egyptian plane--were escorting the Egyptian Army to Malta, where they were going to rescue their hostages from the Libyans. We had two of our own soldiers on board [the Egyptian aircraft], ostensibly as observers. But basically the Egyptians wanted to make sure that we were really going to escort them [the Egyptian Army commando team]. So I asked our General, General Wiegman, a wonderful Green Beret, what he thought of this. He thought it was great. He said, "Of course I'll go." I said, "Well, you'll need orders." He said, "I suppose I should check." I said, "I'll tell you what to do. Just before you go"--and he took lieutenant colonel Mike Taylor with him, also a Green Beret officer--"you have your office say that I ordered you to go on this flight."

By this time--and the fact that we had done that--what was becoming a form of conventional wisdom in Egypt, through all kinds of conspiratorial theories, was that Reagan and Mubarak had coordinated our capture of the Egyptian plane with the hijackers aboard.

Q: Oh, yes, I believe that. I've served in the Middle East.

VELIOTES: People would be punished, but Egypt could not be blamed. Of course, that's ridiculous. There was a lot more to it than this. The Egyptian Foreign Minister said, "You must leave us with a shred of dignity. Mohammed Abul al-Abbas was under our protection. He came here and he negotiated the end of this [the hijacking of the ACHILLE LAURO]. Whatever else he may be, we owe him safe passage out of Egypt. You must leave us this shred of dignity." I agreed, although I did argue that Mohammed Abul al-Abbas wasn't as important as the American relationship with Italy or the American relationship with Egypt. He was just one ass hole we could get later, if we

needed to do that.

On that matter

I went to President [Reagan]. I went above the Secretary's [George Shultz's] head, because I know what he thought. Anyway, I think that what we did in Italy was crazy. They, the people around the Secretary, got mad at me. I'm sure Charley Hill and others, because I disagreed with some of their pet theories. So they cut me off from telegrams about what was going on in Italy, which was pretty stupid. I realized what had happened, so I complained. They turned the telegrams back on. The first one I got was the message to the Embassy [in Rome] that was to be given to the Italians that would argue that Mohammed al-Abbas should be held for trial. I read it, picked up the phone, called Mike Armacost, and said, "Mike, for Christ's sake, cancel that. This is a Mossad [Israeli intelligence organization] report. Anyone who has served in the Middle East will know the Israeli style. I mean, you guys didn't even paraphrase it. And therefore, the [Italians] will dismiss it." Well, Mike admitted that he didn't quite know what I was talking about--someone else was handling this. And, sure enough, the second telegram I received was about an Italian Foreign Ministry official telling our DCM [in Rome], "This is a Mossad report. How do you expect us to act on [the basis of] Israeli propaganda?"

And then, you know, the [Italian] government fell. This was the government that took all of these risks with us that started second thoughts in the Soviet government that it couldn't compete with us regarding missiles. The Italians had agreed that we could deploy modernized, intermediate range missiles and just swept [Soviet objections] aside.

Q: Well, this raises the problem of posturing back in Washington--you know, the feeling that we need to show that we're tough, and all that...

VELIOTES: Here we are, the same people who were insisting that Mohammed al-Abbas had to be tried, regardless of consequences for American policy in Europe and the Middle East, including NATO bases. To me it's not coincidental that this happened after this series of events in Sigonella. Not so much intercepting the plane--but what happened afterwards. The Spaniards canceled the bases agreement. [They seemed to be saying], "That's the way the Americans recognize the sovereignty of their partners." It was unbelievable, but it was a tough time. To me, as an individual, it was tough. But we got things back on track. [Deputy Secretary of State] John Whitehead came out and said essentially my line--people got over their initial unhappiness--and it was all over the press and the Egyptians picked up the word "regret" and fraudulently played it. I'll say this about [President] Ronald Reagan. He did not bear grudges. I mean, Ronald Reagan, in this sense, had a real grasp of the broader subject. He wanted to get on with our work.

The Deputy Secretary came, and, I think, things started back from there. You pay a price. I told you that there were some opposition journalists who suggested that I should be assassinated. And, I'll tell you, our social life dried up. My wife was particularly concerned about it, because she had some very lovely Egyptian women friends, with whom she had worked and helped with various charitable institutions. Well, looked at from her perspective, I understand that she was very hurt, because this really did change

[the atmosphere]. She was very upset. I looked at it differently. I understand "les raisons d'etat."

But there was one exception to all of this. This is a story worth telling. In 1965, I think it was, the Mayor of Cairo was a young, former Major in the Police Force, called Salah Desouki. He was very close to [the late President] Nasser. Someone burned the American Cultural Center. Salah Desouki insisted that the American Ambassador call on him so that he, Salah Desouki, could say publicly how sorry he, the city of Cairo, and the Egyptian people were, that this happened. Lucius Battle was Ambassador at the time. This almost cost Desouki his life. He had to go into exile. Nasser saved his life by making him Ambassador to Finland. He never came back to Egypt until Sadat. Well, because Desouki was a man who had been a very good friend of mine who happened to be an Ambassador at that time, Patty and I immediately looked him up. And we became very close. We played tennis together, and our wives were close friends. About two days into this nonsense, the "deep freeze" treatment, I received a phone call in the office from Salah Desouki. He said, "Nick, your friends want to play tennis with you in the next day or so." I said, "Look, Salah, I'm not sure that it's the smartest thing for you to do." He said, "Your friends want to play tennis with you. Now, is it going to be today or tomorrow--just tell me." I said, "OK, we'll do it tomorrow." I walked onto that tennis court, and the whole place stopped and just looked. And Salah Desouki and a couple of other guys started to play tennis with me. That broke the ice.

That Friday or Saturday night he also had a dinner party to which I was invited, along with a group of journalists. A lot of them were more or less in the opposition. As I recall, the group included Mohammed Heikal [a prominent Egyptian journalist]. It was fascinating. What they wanted to talk about wasn't the official, Egyptian version [of the hijacking] but what really happened! Salah Desouki is someone with rare courage. You don't see that often, anywhere.

One final comment--while I was holding the line in Cairo on U.S. policy at no negotiations, no concessions to terrorists, Ollie North and Bud McFarlane et al were trying to ransom the hostages in Lebanon by giving the Iranians military equipment.

Q: No, you don't.

VELIOTES: Particularly in a country with an authoritarian tradition. He is someone I've always honored. Well, knowing him, I wasn't surprised, but still...

Q: Well, then, the period of 1983-1985. You left in 1985 to retire?

VELIOTES: 1986.

Q: Were there any other major developments that...

VELIOTES: Yes, the Egyptians began a rather remarkable process of reconciliation with the Arabs, within the context of their treaty with Israel and their alliance with the United States. It started in two ways. First, [Foreign Minister] Boutros-Gali...

Q: Who is now the Secretary General of the United Nations.

VELIOTES: ...was such a positive force all of these years in Africa that Egypt always retained its strong position in the Organization of African Unity. It was very important. It was one real, formal, Third World outlet, which is very important to the psyche of people like that.

That was followed by...Egypt stopped attacking other Arab countries, in its official media and radio, including Qadhafi. They said [in effect], "Let that fool do what he wants. We're not going to reply in kind." The King of Morocco, as I recall, invited [President] Mubarak and some non-aligned leaders to start up the process of reconciliation in the non-aligned context. Then the Syrians chased the PLO out of northern Lebanon. The Israelis had chased them out of the rest of Lebanon. And Mubarak and Arafat met in Egypt as Arafat and his troops were being pulled out of Lebanon. And that was a very important step.

Q: Oh, yes.

VELIOTES: It was followed, by a fortuitous set of circumstances, by our arranging a meeting between [President] Mubarak and [King] Hussein, and Mubarak, Hussein, and [President] Reagan in the White House in Washington. That was followed by formal Jordanian recognition of Egypt once again or a Jordanian decision to re-establish diplomatic relations. So the Jordanians were the first Arab flag to come back to Cairo after the treaty [with Israel]. This was a terribly important step. Don't forget that Egypt is not only again the headquarters of the Arab League but the former Egyptian Foreign Minister, Ismat Abdul Majid, is the secretary general of the Arab League.

Q: Well, were you talking to either Mubarak or the Foreign Ministry? Were you saying, "Look, we want to help you get back in with the Arab League"?

VELIOTES: We knew what they were doing, and I would say that we supported it.

Q: Did you say, "Anything that we can do to help"?

VELIOTES: Didn't even have to say that. We'd learn what was happening, and I would...And I'll tell you. Ronald Reagan personally was terrific on this. [We reported that] this was what was going on here. It was to our advantage, and we would hope the White House as well as the State Department would issue an appropriate statement and suggested some specific language. They [the Egyptians] knew that we were supportive of their efforts on this. Osama El-Baz, the [Egyptian] national security adviser, was the architect of this. He did a remarkable job for the Egyptians.

As to other issues, well we almost had a terrific, bilateral agreement in the private sector, but for reasons that probably explain the problems of GM [General Motors], coupled with the problems that the Egyptians have, as a government, it never came to fruition. This agreement would have included a GM offer to take over the Egyptian automotive industry, such as it was, build Opals, and, within three to five years, guarantee that 80 percent [of the automobiles produced] would be composed of Egyptian parts; and then bringing in Pittsburgh Paints and transmission companies. About four [elements] were involved in this proposed agreement, which would have transformed the Egyptian light engineering sector, using as a platform for parts for Opal in Europe. There were different problems with getting it started, but the basic reason was the inability of the political level of the Egyptian government, starting with [President] Mubarak, to grab the bureaucracy and tell them, "It will happen." But it didn't happen, so a lot of those companies are now in Turkey, because the Turks did grab the opportunity. This was too bad. This was really too bad--a great, missed opportunity.

Q: Well, shall we pretty well end it there?

VELIOTES: I think so.

Q: One question I wanted to ask. I don't recall whether we covered it in the earlier interview. Regarding the 1967 [Arab-Israeli] War--I recently interviewed Walter Smith. He was doing what you were doing. And I asked, "Well, what about the Ambassador?" He said, "Well, the Ambassador got terribly..."

VELIOTES: I think that this was the 1973 [Arab-Israeli] War...

Q: Or was this the 1973 war, with Ambassador Keating? And he [Walter Smith] said, "Well, basically, Nick [Veliotes] was sitting on top of the Ambassador. The Ambassador was making noises about volunteering for the Israeli Army." And so he [Veliotes] was trying to keep the Ambassador from getting into trouble. Keating was rather old at that time.

VELIOTES: Well, we can tell funny stories. But don't forget that Kenneth Keating was in public life for over 40 years, with never a blemish against his name. When Teddy Kennedy defeated him for the Senate...

Q: Bobby Kennedy.

VELIOTES: Bobby Kennedy. He [Keating] turned around and pulled in the largest number of votes ever cast in New York for any candidate in the election to the New York Supreme Court. So this was a man of real substance. It got to be rather silly. Look, [Ambassador Keating] had a bad heart--I understand that...

Q: And he was certainly getting on in years.

VELIOTES: And when the [1973] war started, like everything else, it happened at night. Also, I was quite a bit younger and more vigorous. What I said to him was, "Let's make a deal. I didn't say, 'Because you're an old man and have a bad heart.' I said, "Look, Ambassador, there's a lot of activity that requires a lot of running around. A lot of it is uncertain. Why don't you let me handle a lot of this stuff during the day. And then, after dinner, I'll come out with the appropriate Embassy officers, who will brief you, give you some proposed telegrams, and then we'll get guidance [from you] for the next day." I think we both knew what we were doing. I was saying, "Look, I'm a professional. You're not. Why don't you sort of just sit tight for a while." And he was saying, "OK." We had an unwritten, never expressed understanding. I could run the Embassy, and by and large...I mean, I always talked to him. I always checked with him. So whatever I signed and whatever he signed was policy. He knew what he was doing and why. I would never surface in the American or Israeli media--that was to be reserved for former Senator, now Ambassador Kenneth Keating. That was a small price to pay, and I liked and admired him. We tend to forget that it was Ken Keating was the guy who was responsible for the extra [U-2] flight that discovered them [the Soviet missiles in Cuba]. There are a lot of fine things about Ken Keating. Now, yes, he was chafing under anonymity, under Foreign Service anonymity, at a time when the place was crawling with reporters and why wasn't he on New York TV? Why wasn't he on the front page of the [New York] Times above the fold? Well, because that's not what you do, particularly if you work for Henry Kissinger or Richard Nixon. He just wanted his friends to know that he was being busy. He wanted his ego to be gratified. So Billy Foresman, who was our Defense Attaché, Walter Smith, and I--and John Hirsch, people like that, we worked 18 hours a day. What happened, however, was that when the Foreign Minister said that he wanted to meet with the Ambassador and me, three days into the war, Kenneth Keating was well briefed, and he and I went to see the Foreign Minister, which is the time that we were told officially that [the Israelis] had stopped the Syrians in the North and were now looking to the South, and they wanted a resupply. We got into it and...Yes, there were some stresses there.

Q: OK. Well, you retired in...

VELIOTES: The real stresses came with our kids. If I have a regret, looking back on it, in places like Laos and Israel during wartime, I think it took a real toll on my own children.

Q: Tell us, did you feel...

VELIOTES: If I were to do it all over again, I think that I would have sacrificed everything to have the children put into a school, a good, private school, with a boarding unit. So when I left, when they were in high school, they would have been there with their peers in a good environment. We opted to keep them with us, and I just don't think that that was the right idea. But everyone has to work this out for himself.

Q: Well, when you retired in 1986, were you ready to retire?

VELIOTES: Yes. I retired because I had 32 fabulous years and I was utterly worn out. And don't forget that I'd been working on the Middle East, intensively, for 13 years--you could say for 15 years. I was in senior, high level, operating positions. And I really had burned out. It was time for me to do something else. I can't tell anyone else when it's time to retire. But I think we should all understand that it has to happen. And if at all possible, do it on your terms. I remember that when I retired, when Bernard Kalb announced at the State Department press briefing that I was retiring, AP [correspondent] Barry Schweid wrote a crazy article which was picked up all over the world, replayed over BBC and Radio Monte Carlo and in the Israeli and Egyptian press--all over--you name it. And it had two parts to it. The first part said that I was retiring because [Secretary of State] George Shultz and I had become estranged and that this was after we had had a shouting match, and he'd decided to fire me. And the second part of the article said that I was retiring because I'd been too tough on the Egyptians. The first part said that one reason that George Shultz and I had had this shouting match was that Shultz was too hard on the Arabs. The second part was that the Egyptians wanted my recall because I was too hard on the Arabs. The fact of the matter was that when I went to see Mubarak and told him that I was leaving, he was genuinely surprised and wanted to make sure that it was nothing that Egypt had done or that he had done. He asked if there was anything he could do to make amends, if I would stay. I said, "No, it's not that at all. It's just been 32 years, Mr. President. I have a good opportunity, and I think it's time to take advantage of it."

When asked about alleged "shouting", the Department spokesman (Bernie Kalb) said Shultz would shout for Nick to stay in Cairo. I appreciated that.

The hardest thing for people I know, particularly for Foreign Service people, because we are blessed--we have a great career. When you're in it, you mostly see the frustrations and the problems. But when you're out of it and you deal with other issues, as I'm doing and have been doing for the last seven years, you understand how blessed you were. For two reasons: one, the kinds of issues you were dealing with--these were important issues of national interest. Secondly, the kinds of people that you deal with, both American and foreign--it's awfully hard to duplicate that. No one ever does, I'm convinced.

Q: For sure they don't.

VELIOTES: And because of that we have a hard time seeing ourselves doing anything else. That's too bad. I think that every Foreign Service Officer should come in with a qualification, whatever it may be, an MBA, a law degree, a Ph.D.--something, such as teaching credentials, a butcher's union card, whatever--that could lead into a second career. I think that if you keep that as a goal, say, OK, you usually come in at 26 or 27, after 25 years, keep in mind that you can do something and you really should and you ultimately want to do something else. I think that it'll make your own career that much more meaningful, because we are always under pressure. The one thing that we have in the Foreign Service that is invaluable to the national interest is our integrity. Once we start losing that--and it's one of the things that has bothered me most among senior officers--it's almost as if nothing is enough. I mean, at some point, you've got to stop

thinking of your next assignment. As far as I'm concerned, it's when you become an ambassador or an assistant secretary. If you're trying to worry about your next assignment when you're in that kind of position...But I'm afraid that unless you inculcate this kind of attitude earlier in your career, it's too late, when you are a senior officer.

Q: Well, OK, and I thank you very much.

VELIOTES: Thank you.

End of interview