

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

DEPUTY SECRETARY JOHN WHITEHEAD

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INTERVIEW

Q: Mr. Whitehead, you were born in Evanston, Illinois, and as you grew up there, how much was foreign affairs on your mind, and in your environment?

WHITEHEAD: Well I have to state directly that I was born in Evanston, Illinois, but at the age of one and a half my parents moved to New Jersey, so only when it is convenient

for me to describe myself as a middle westerner do I take advantage of my place of birth. But mostly I grew up in New Jersey. But I would say that my childhood background bears little evidence that I was going to spend a part of my career in dealing with the problems of the State Department. I did grow up in New Jersey. I would say in a normal family environment, it was in the depression. I was born in 1922, so by the time I was ten years old the country was embedded in the depression and, I know that my father was unemployed for two years during that period and the family really suffered from that depression. I had to become independent and make my own way in life at an earlier age than would be true of later generations and the memory of that depression, that period we lived through, affected my life. Skipping over lightly my high school days and my childhood, I went off in 1939 to Haverford College, a small college outside of Philadelphia, where I spent four very happy years. It also influenced my life considerably. Haverford was started by Quakers back a long time ago and the Quaker influence, respect for what we now call human rights and responsibility of people for each other and for listening to the views of others, is surely an influence that was very important to my life and influenced my attitudes later on when I was involved with the diplomatic world. I then served...

Q: Were your studies focused on international affairs?

WHITEHEAD: No. No, not really, I majored in economics, and I can't say, although certainly I learned something about the world's history and various things that had to do with international affairs, but there was no special interest on my part or concentration on international affairs during those years.

Q: And you came out of Haverford right into a world war.

WHITEHEAD: I did. When my class, which was the class of 1943 at Haverford, when we were well into our college courses, World War II was upon us. We all were concerned in the last year or two of our college education whether we would be able to get through without going into the service and a number of my classmates did go into the service before graduation, but the whole class accelerated our education. Studied all through the summer of 1942 and graduated in January 1943 instead of in June and then almost 100% of us went into some branch or other of the services. On to a period of about three years in which I was in the U.S. Navy. I found the program in which I entered as an ensign without any training and certainly without any knowledge of the navy or anything to do with the work there, and I was assigned to a ship, the USS Thomas Jefferson, an amphibious warfare ship whose responsibility was to unload small boats filled with troops and to make invasions with those small boats on enemy coast lines, and I spent two years of my three years of naval service in that activity and was involved with the invasions of Normandy and Southern France and then, when the ship went to the Pacific, the invasions of Iwo Jima and Okinawa. It was long periods of boredom interspersed with occasional moments of great activity during the invasions. The ship was a very active participant, and I had an assignment to land troops as a first wave of the Normandy invasion which is a memory I will not soon forget and I guess that was the first time that I

had ever been involved in any kind of international activity. The only time, the first time that I had in my life been outside the United States. There I was training in Scotland for about six months before the invasion and then making the invasion in June of 1944 across the Channel. So that period of about two years as a young officer on that ship was an important influence in my life. As I look back, it has always been an influence. The horrors of warfare were there for me to see. I felt that something had to be found that would prevent the same thing from happening again, and I think those two years out of my life represented an important part of molding myself for my various later careers.

At the end of my two years of sea duty, I was permitted to choose what shore duty I wanted. I didn't have enough points to be released from the navy so I had to serve a period of shore duty which turned out to be about a year of additional service. Because I had planned on being a college teacher and a college administrator when I graduated from Haverford, I chose to be an instructor at the navy supply course school teaching navy accounting and finance to young ensigns. I had gone through that course myself and it was located at the Harvard Business School which had been taken over by the navy during World War II, and so I became a young member of the faculty at the Harvard Business School and taught navy courses for a year. The poor young men, and they were all young men, not one woman ever in any of my classes, were there for six weeks to learn navy accounting and finance before they went out on their ships around the world, and they were subjected to six hours a day, five days a week for six weeks, of my being their only instructor teaching them this material. It certainly was good training in how to keep the attention of an audience for long periods of time and cram in a lot of dull material into young and open minds. It was an interesting period. While I was there, I was persuaded that I would not go back to Haverford to be the assistant director of admissions, a job which had been promised to me by the then director of admissions when I graduated and which I thought all during my sea duty I would take. I was persuaded that I would not be very happy with that kind of career and that I should go to the Harvard Business School as a student.

And that's what I decided to do, so in 1946 I completed my naval service, terminated myself from the faculty of the Harvard Business School and became a student at the Harvard Business School and went through a two year, Master of Business Administration course at Harvard. Another part of my life was very important for me in my career because now for the first time I was exposed to the skills of talented young men, still not a single woman in my class at Harvard Business School in 1946, the beginning of 1946, not because there was a prejudice against it, but because women didn't apply and business was not considered an appropriate school for women to go to. Times have changed considerably at that school and everywhere else since then. I graduated from Harvard Business School in November, 1947 and I took my first job at Goldman, Sachs and Company, the investment banking firm, and began a 37-year career as an active employee of Goldman, Sachs and Company. We were very small, that firm in those days, and it became much larger and more relatively important during those 37 years, and I'll skip quickly over that period.

Q: But you rose through the ranks to senior partner?

WHITEHEAD: I rose through the ranks.

Q: Cochairman?

WHITEHEAD: Yes, I started in 1947, became a partner in 1956. Rose up the ranks through the investment banking side of the business, became the senior partner and cochairman in 1976, and in 1984 I decided, having been chairman for about ten years, decided that it was time, I was 62, and decided it was time for me to retire as cochairman, and I became a limited partner.

Q: But now in those years, or maybe later you've been a part of many international organizations. The UN Association, Brookings, the Council on Foreign Relations, International Rescue Committee, did those attachments begin early on or develop over that period of forty years?

WHITEHEAD: Some of them did, yes. Of course in my professional capacity at Goldman Sachs; Goldman Sachs during those years, went from being a very much domestic investment banking firm to becoming a truly international investment banking firm, and I pushed that objective for Goldman Sachs, particularly during the years when I was a chairman feeling that investment banking firms of the future would have to be international and would have to operate in markets all over the world and could not survive successfully if they didn't. So during that period in a variety of ways Goldman Sachs became more and more an international firm. I became an international investment banker, that is I learned about what makes world finance tick and about trade and investment in other countries and did a lot of traveling internationally during that period and learned something about the economics of the world and how things fit together and how interdependent the world really was on the economies of other countries. So that was some background for my later State Department experience.

Q: And then it was, if I recall, in June '85 that Ken Damm returned to the private sector and Secretary Shultz selected you as his deputy. He writes in his book, he quotes Walter Wriston, that you were someone who walked in the snows and left no tracks. That must say something about the discretion that you need in both business and diplomacy.

WHITEHEAD: Well, I guess it was meant as a kind compliment and I take it that way, although I was never quite sure exactly what it meant. But let me tell you the sort of anecdotal story about how my State Department experience began. I had retired as the senior partner of Goldman Sachs but I continued to have an office there and I was embarked on writing a book on the social responsibilities of business, a subject that I had become interested in and felt that business had more responsibilities than just to pay dividends to its stock holders. I mean it was responsible to other constituencies such as their employees and their customers and their suppliers and the communities in which they operated and so on. I was writing a book with some anecdotal stories of how some

companies had displayed those responsibilities. I wrote the first chapter, and I even had a publisher that encouraged me to write other chapters.

But one afternoon, this is how it all started for me, one afternoon, in fact it was I guess what you'd call early evening, about six o'clock, I was working away in my office at Goldman Sachs I think on the book. I had known George slightly, it's the job of anyone who is chairman of Goldman Sachs to know the Secretary of Treasury which is the job that George had had before he became Secretary of State and I had known him in that capacity. I had met him originally back some years before that because he was a mutual friend and former colleague of the President of Haverford College, a man named Jack Coleman with whom I believe George had written a book on labor economics. So, I was pleased to have George Shultz calling and he said, I remember the conversation vividly, he said "This is George Shultz." I said "Hello George, nice to hear from you." And he said "Can you be in my office at 8 o'clock tomorrow morning?" And it quickly flashed through my mind that, if I was going to be in his office at 8 o'clock tomorrow morning, I had to leave that night and spend the night in Washington because I could not get there by the then-existing shuttle schedules. But hesitating not more than half a second, I said "Yes sir, I certainly can." I could sense he was about to say thank you and hang up because he was and is a man of few words and goes straight to the point and so I said, "But George, if you could tell me a little bit about what it's about, I could be better prepared for our meeting." He said "Well, it's not something I can talk about on the telephone." This was in the middle of the Cold War, and you'll remember that the year was early 1985, April of 1985, and I accepted that fact that there was some secrecy involved in this. And I said, "Well fine, I'll be there, I'll see you there." We hung up. I paused and thought to myself, now what could this possibly be. Why would he want to talk to me about some secret subject, and it came to me that it must be because either Argentina or Brazil were about to go bankrupt. Their financial condition at that moment was very weak and there was a lot of speculation about what their future might be and, as a retired investment banker, this might be the kind of subject that he would want some advice on, would want to know what happened when the country went bankrupt, it would have been a most unusual thing to have happen. So assuming that that was the subject, and believing that I had hit upon just the subject, I called up our Goldman Sachs library and found someone still there, a young woman for whom I'm still grateful, and said "I need some current economic information on Brazil and Argentina and I need it right away because I have to catch the shuttle to Washington" and, lo and behold, within 30 minutes she had two manila folders full of clippings and press releases and editorials, one folder on Brazil and one folder on Argentina. I called my wife and told her I would not be home for dinner, a message that she had received before, and this time not with any more enthusiasm than she had received it on other occasions, but I went off to Washington and checked into my hotel and all the time reading the information in my two manila folders so that I would be up-to-date the next morning with some words of wisdom about what was happening in Argentina and Brazil.

I woke up the next morning, woke up rather early, and did some more homework on the information in these files and went over to the State Department and went up to the top

floor and to George Shultz's office and walked into his office and we shook hands and he didn't sit down, he said "We're going over to see the President." I thought quickly to myself, oh my God, it must be both Argentina and Brazil are going to go bankrupt. I was carrying the two manila folders. One in each arm, we got into George's limo, followed by the car filled with secret service men that were guarding us. Rolled off a few blocks to the White House, right in the front door, up to the front door, walked into the President's Oval Office and there we were: President Reagan, George Shultz and John Whitehead. The three of us sat down, I shook hands with the President. I had also known the President only slightly because I had been active in running a big fund-raising event during his campaign. We sat down and had a few pleasantries, and President Reagan said to George "Have you told him yet?" and George said "No, I haven't". So, I thought, well, he meant had he told the President about what was happening in Argentina and Brazil. I was ready with my little speech, in my mind. Shultz said, "No, I haven't told him yet." President Reagan said, "Well John, we'd like you to become Deputy Secretary of State." Well, although I pride myself on being sensitive to the possibility of these kinds of things, this caught me completely by surprise and I didn't really know what to say. I said, "Mr. President, I'm not experienced in foreign policy matters and I hope you know that" and I said "I'd been an investment banker and I know a little bit about foreign business, but I don't know anything about foreign policy issues and so I'm completely surprised" and I went on to say that if his proposal had been to do something like this in the Treasury Department or in the World Bank, or at the Federal Reserve Board, that these were financial institutions, banks, and I knew something about how to run a bank, but in foreign policy, well, I was going on about this disclaimer, and the President interrupted me and said "Well John, there aren't any openings in those places" and that was very frank, that sort of ended that conversation. And I said, "Well, this does come as a surprise, I don't really feel qualified. I have to go off to Japan tomorrow night, where I'm scheduled to make some speeches and have a lot of appointments. On the way I'm going to Hong Kong for three days and then to Japan for a week and let me think about it and I'll be back to you and George in ten days, because I know you'd like to have an answer from me." The President said, "Well ten days, John, is an awful long time." He paused and I didn't say anything. I didn't think ten days was too long a time to make a decision like this. There was a pause, a silence, and he said, "Why don't you just go to Hong Kong for three days and then come back and tell us what you've decided. You'd have three days in Hong Kong to decide and skip Japan." Well, I did have all these appointments in Japan, but when the President speaks, you give his views some respect, so I said, "O.K. I'll cancel my trip to Japan and be back here in three days." As I remember, this day was a Tuesday, and so we made a date for me to be back on Friday.

I went off to Hong Kong, and I spent a day and a half in Hong Kong and then came back and didn't go to Japan. Canceled all my things in Japan. While I was in Hong Kong, I talked to a couple of Foreign Service Officers who were stationed there about what the diplomatic corps was like and what the Foreign Service was like, creating great confusion in their minds as to why I was asking. When I came back, I came back for my meeting with the President, I picked up George Shultz at the State Department and we drove the same way to the White House right into the Oval Office and this tells you something, I

think, about the President. On the way over I told George that I decided to accept if he still wanted me and he said, "Wonderful." As we walked into the Oval Office and sat down with the President, Shultz had not told the President that I had said yes. The President started off the meeting by saying, "Well its 3 o'clock. I had the meeting down from 3 to 3:15," but he said, "I told my secretary that if we're not out by 3:15 that she should cancel my 3:15 appointment and, as a matter of fact, I've told her she should cancel all my appointments right up to dinner and through dinner, and at 10 o'clock I go to bed and that's the appointment that I can't cancel." So he said, "We now have seven hours to persuade you to take this job, or as long as it takes." Well, I hate to think what might have happened if I'd said no, but I told him "Mr. President, I told George on the way over that I had decided to say yes and would be delighted and honored to have the job, and I'll do my very best to catch up on the things I don't know." The President said, "Well, that's wonderful news, we're so delighted to have you." And he looked at his watch and he said, "We still have 12 minutes, let's go for a walk." Well it was a beautiful day and the doors out to the Rose Garden were open and right behind him. We walked out into the Rose Garden and he put his arm around my shoulder, and he said how privileged he was that I would agree to join him, that I was doing the same thing that he had done when he got through being Governor of California, that some close friends told him that he ought to run for President, that he didn't really want to run when they first came to him with that idea, that he'd had a fine, full career in political life, that he didn't feel any responsibility for continued public service to his country. But then he finally decided that if they thought it was important to have him run, important for the country, that he would do so, that he'd never regretted it and he hoped I'd feel the same way, and we finished our walk in the Rose Garden and, if I hadn't already been a fan of President Reagan, I surely became a fan in those 12 minutes, and we sort of became closer friends while we took that walk, and I continued, all during my time, seeing him on hundreds of occasions and over many issues and some very tense periods to be a big enthusiast of President Reagan and to feel that he was truly a great President. So that was how I got the job.

Q: Secretary Shultz also comments that you brought very strong Republican credentials to the job. That was during the New York period, working in party fund-raising, supporting Republican causes?

WHITEHEAD: Yes, I'd been a Republican all my life and I guess I got active in Republican politics early in my career. I served for ten years as a town councilman of a little town in New Jersey where I lived: Essex Fells, New Jersey. A town of 600 families and 2,500 population, and I was the town councilman and, of course, chairman of the finance committee. But no member of the public ever attended a meeting of the town council, although they were all public meetings, not a single one. We passed ten budgets during that period, and no member of the populace ever showed up. One time, we did propose a motion to amend the law that involved dogs running at large and proposed to let dogs run at large in Essex Fells, and 400 people showed up to oppose that change; that's the only time the public ever showed, so that was my sole experience in elected politics. But I had been active, as everybody who is a leader in Wall Street becomes active. You do tend to become active and a target for candidates running for office, who

think that Wall Street is some kind of a treasure trove of funds available to them, so I had been involved in fund-raising for good Republicans and had been an active Republican and tried to be influential in Republican politics.

Q: So you started off the very turbulent four year period that saw the buildup to the collapse of the Soviet Union, the spy cases with the Soviet Union, the emergence of Eastern Europe, Irangate, the Middle East peace process, the Marcos affair, Noriega in Panama, Angola and so many other issues that we can perhaps come back to each and get your insights, but coming into that, what was the settling-in process, how was the transition from Goldman Sachs to managing this kind of different agenda each day?

WHITEHEAD: A good question and I'll answer it, but just before I answer your question there's one other little personal anecdote that appeals to me and was influential on my time there and I'd just like to recite to you in brief. This little town of Essex Fells, New Jersey where I'd lived for 30 years, commuting to New York everyday to my job at Goldman Sachs was a lovely little residential town. Very small and, of course, I knew all the people that lived in the town, having been there for so long. The town had no commercial establishment, no stores, no industry, the only thing that came close to that was a filling station, owned and run by a man named Ed Peeler who was friendly to everybody in town, and everybody in town went to Ed Peeler's filling station for the needs of their automobile. The announcement of my appointment as Deputy Secretary appeared in the paper on a Saturday morning. It being evidently a slow news day, it made the front page of *The New York Times* that Saturday morning with a picture, and I usually stop by Ed Peeler's filling station Saturday morning to get my car filled with gas, I usually drove into New York during that period, so I needed to have the car filled up with gas once a week. So I pulled up at Ed Peeler's station and he came out to the pump to clean my windshield and fill my tank. He said, "I see you're leaving Essex Fells." I said, "Yup." He said, "Gonna move to Washington?" I said, "Yup." He said, "Gonna work for the government?" I said, "Yup." And he said, "Too bad." He said, "If Goldman Sachs had had a better pension plan you wouldn't a had to." So every once in a while, when I got a little too full of my heavy responsibilities in the State Department, I thought of Ed Peeler's comment that I was just there because of Goldman Sachs' pension plan.

Q: What about settling in?

WHITEHEAD: I moved to Washington just a couple of days after the appointment, I had not been confirmed by the Senate and so I was not supposed to be making decisions, but I moved into my office right away and I began to get involved preparing myself for the hearings before the Senate. We set up a training program in which the experts in each of the regions of the world came to my office and gave me both a briefing book, which I read at night, and information on the region and on the issues with the countries in their region. This went on for a period of some weeks and I did study very hard and I tried to learn as quickly as I could the elements of our foreign policy and the regions and the places where problems existed and something about the personalities and I really studied hard and I was immediately impressed with the quality of the people that were training

me and I realized what a huge resource a relatively inexperienced deputy secretary had available to him to help him solve anything that might come up, if these were the people that I could call back again for help, and that brought my confidence that, maybe after all, with the help of these people I could do the job and I could do it effectively. And I began to realize that the job was not that different from my job at Goldman Sachs. Problems arose, there was always a time urgency, decisions had to be made as to what we're going to do about these problems. You tried to get into your office quickly the people in the Department that knew the most about this problem, listened to their views, found more than one person to brief you on this question, if that was possible, to lay out what the various options were as to what decisions should be made and what the United States might do in response to this, tried to think of who might be opposed to that course of action you were proposing, who might be your allies on the course of action you were proposing, - to check with them, particularly those that might oppose it, and tell them why you were going to do what you had decided to do, to see if you couldn't gain their support, - then to make the decision and to make sure that people were appointed and were clear about what the decision was and how they were to carry it out and where the responsibility lay for carrying it out. The decision-making process seemed to me to be, and turned out to be in my later months and years, very much the same as we would have handled the decision-making process in the private sector. So, during this period of training, I gained confidence that I was going to be able to be a good partner for Secretary Shultz and looked forward to embarking on the job.

My confirmation hearings, which I was partly preparing for, turned out to be something of an anticlimax. Just a little anecdotal story about that might be interesting. The process then was that when you appeared before the Senate Foreign Affairs Committee, you were introduced by a senator from the state that you had lived in. There was some confusion as to whether I came from New Jersey or New York, and I did know both senators from both states, so instead of there being one senator present at this prescribed hour for this hearing, there were four senators. Two senators from New Jersey Bradley and Lautenberg, and two senators from New York D'Amato and Moynihan. All four of them were there, somewhat surprised to see the others because each of them thought that they were to be the one to introduce me and each of them had very nice little complimentary speeches to give in introducing me to the Committee before the hearing. Well by the time they had each presented their little complimentary set of remarks, most of the hour set aside for my hearings had already passed by and I had a little prepared ten-minute speech about how I hoped to do the job which was the prescribed well. When the speech, my little speech, was over, the time really had expired and the Chairman who was then, the Senate being in the hands of the Democrats, Claiborne Pell, Senator Pell from Rhode Island, said, "I'm afraid our time is up, does anyone have any questions?" Nobody had any questions and the hearing was over and the Committee approved my appointment and it sort of became an amusing story, when it got around the State Department, that after all that preparation, I didn't get asked a single question. So then I was fully available to handle my job and it wasn't more than 48 hours before the President sent me off on a mission, my first international mission, and maybe I should mention what that was, because it was a well known incident in foreign affairs. I think you might remember the

Achille Lauro incident. This was a ship, a[n Italian] cruise ship, that had been attacked by terrorists while it was in the harbor in Alexandria, Egypt. One poor American, an ill man in a wheel chair, had been killed by the terrorists. There were 400 passengers, mostly Americans on board this cruise ship. It was a terrible incident because the President of Italy, President Craxi had arrested, but then later released on the grounds that they didn't have enough information to hold him, the terrorist who had planned and been responsible for executing this attack. President Reagan, on hearing about that incident had made a statement condemning President Craxi for having released this acknowledged terrorist.

Q: Mahmoud Abbas who killed Leon Klinghoffer.

WHITEHEAD: Exactly, you have it exactly right. One of the difficulties, however, was that the G7 Summit was to take place the following week and Italy was a new member of the G7, just having been admitted. President Craxi was due to come to the summit which was to be held in the United States that year, and President Reagan was the host. President Craxi, having heard this vitriolic attack from President Reagan about his awful action in releasing the terrorist leader, sent a message saying that, under those circumstances, he would not be able to come to the summit because his host had criticized him so severely. So, President Reagan told me that I should get over there as quickly as possible and see if I couldn't persuade President Craxi to come. So I embarked immediately, because there wasn't much time. The next morning, I was due at 11 o'clock to meet with Mr. Craxi and Foreign Minister Andreotti who was a member of many cabinets and more often that not was the foreign minister in one cabinet after another, as the Italian governments changed very rapidly during that period. Max Rabb, our American Ambassador to Rome, was with me and there were four of us. We arrived in the room and, when Craxi and Andreotti came in, I could tell the atmosphere was very stiff, it was very formal, there was no friendliness at all and we sat down, two of us on one side of the table and the other two on the other. I saw that Craxi had with him a yellow pad of notes and it was not just a page of notes. It was page after page of notes, in his own handwriting that he had evidently taken when he was briefed on this situation. I could tell that he was prepared to give me a long lecture and I decided that that was just what I should encourage him to do. He turned to me, as is appropriate protocol, I was the visitor and I was to say what I had to say, and so all I had to say was about one sentence which was that President Reagan had asked me to come and visit him and I hoped that he could give me his report on the situation and I said nothing more, no criticism, nothing substantive at all. He immediately launched into a one- hour-and-ten-minute recital of his view of what had happened which, in a nutshell was, yes, one American had died, but he made it very clear to me that he believed he deserved some credit for the 399 that lived and were not harmed or damaged anyway in this terrorist incident. And of course that was true, but I did not give any opinion as to who was right or wrong at this stage. What had happened had happened. The terrorist had escaped. It didn't seem to me to be doing much good to continue to insist what a reprehensible President of Italy we were confronting. During the hour and ten minutes, Max Rabb, our ambassador who was with me, a very effective ambassador but also quite feisty and intense, I could sense every once in a while that he would take a deep breath and be about to disagree with what President Craxi was

saying. I had my hand under the table, and I put it on his knee and I squeezed his knee to tell him, please don't interrupt President Craxi, and he continued to tell me for years that he still had a sore knee from my having constantly squeezed his knee to tell him not to interrupt. Finally, when Craxi got through with his hour and ten minute recital, I could see him taking a deep breath and sort of breathing a sigh of relief that he had finally got this all off his chest: How they viewed this incident and how he did not feel that he was responsible and how imprisoning a person without evidence was not legal under our laws or legal under their laws and that we should appreciate that. He held the man just as long as he felt legally he could hold him and no longer and that was their version of what had happened. Well, I said "Thank you very much, I have no statement to make, I will report all of this information back to the President and I will get there very shortly, and he hopes and I hope too that, having now given us your full version and we now understanding your point of view, the President hopes very much that he will see you at the G7 meeting in Williamsburg next week." And Craxi said immediately, "Well if you will relay this information to him, I'm sure he will understand and I'll be glad to come to Williamsburg." So I was delighted that I had had a successful mission, and I learned one very important thing that every diplomat should know which is that you learn more and accomplish more by listening than you do by talking. It's my first rule of good diplomacy to listen to the other fellow, very carefully and very thoroughly and hold back on the talking you do yourself and you'll be likely to accomplish a good deal more of your own objectives.

Q: Mission accomplished.

WHITEHEAD: Mission accomplished.

Q: Was it in that period that Max Rabb had had a series of death threats and that there were also press or public allegations of CIA ties to Craxi?

WHITEHEAD: I do remember the former and the threats the terrorists had placed on Max Rabb, but I don't remember any accusations of a CIA tie-up with President Craxi at that particular time. Just to add a little bit to this story, the State Department, having heard that I was going to Rome, thought of a couple of other things that I ought to do while I was in the region. And so, on the way back from my mission, I stopped off to see President Mubarak of Egypt, with whom we were having some arguments about whether or not the money that we had given Egypt in accordance with the Peace Agreement with Israel some years ago was a loan or a grant. We were calling it a loan, and he was calling it a grant, and there was an ongoing dialogue as to which it was. So I stopped to visit with him on this subject. I think we agreed to call it a 'soft loan'. It turned out, in the end, that it was a grant, but calling it a loan served its purpose for several years but it was never repaid. Nor did we ever insist on repaying it, but we continued to have very good relations with Egypt, a very important country, of course, in the Middle East.

Then my final stop was a stop in Tunisia to meet with Tunisia's President who was President Bourguiba. He had been the president of Tunisia, another important Arab country for about 25 years, as I remember, and maybe even longer, one of the oldest

presidents in office, and he was an elderly gentleman and one who loved America. He was a little suspicious, however, of the fact that Israel had bombed his country a couple of weeks before, claiming to be attacking terrorist bases in Tunisia, because Tunisia had, in fact, been training some well-known world terrorists, or at least the bases where they trained had been in Tunisia. President Bourguiba believed that any military action by Israel must have had the approval of the United States. I assured him that they did not have the approval of the United States and that the United States did not know that they were going to be making those attacks, that President Reagan wanted me to be sure to assure him that that was an absolutely honest statement. He was so admiring of the United States that he immediately accepted that explanation, as he should have, because it was truly the case, and proceeded to, in a very emotional way, recite to me how much he loved the United States. He was a short, little man and very emotional and held my two hands in his two hands while he was telling me how much he loved America and the tears were rolling down his face and the tears began to roll down my face as he continued with this emotional recital, and it was one of those memorable minutes when we found a leader of an important North African Arab country extolling in the most emotional way the glories of freedom and democracy and all the things that America stood for. But you could tell that he was a little elderly and not remembering every detail and, as I left this emotional scene, his parting words were, "Please give my best regards to President Eisenhower," the first President of the United States that he had known. So, with those three first ventures into the world of diplomacy, I came home and happily they all turned out all right. I was off to a good start.

Q: Excellent start. Well now in hindsight, the Irangate Affair looms over the period that you were in government with its progressive revelations, the McFarlane Mission, arms for hostages, the Bible, the cake, and then later the funding of the Contras, that seemed to threaten the authority of the Secretary, the Department, the President himself. You played a particularly strong role in that as the point man, defending Secretary Shultz before the House International Relations Committee, before Dante Fascell. That brought particular attention to your role at that time, if memory serves.

WHITEHEAD: Yes, that was an unforgettable experience. This was my first experience in testifying before Congress, which I did quite a lot as time went by, but this was my first experience. As I remember, it started with a morning meeting Shultz and Mike Armacost, the Under Secretary of State for Political Affairs who was the sort of third ranking officer in the State Department (we frequently met, just the three of us, to map out what each of us were going to do in a particular day and what the problems of the day might be, at least we had those meetings when Shultz was in Washington). We met that morning and Mike said, "Well the most important thing I have to do today is to -- George you're going to be away, you have to leave for South America at noon time -- I'm going to be testifying for you on the situation in Iran." This was before we had the phrase 'Iran Contra' on the situation in Iran. Mike then said, "I have some qualms about this, because as the press is playing this up, this is going to be a situation in which they point out possible differences between the White House and the State Department and what we in the State Department know and what we don't know about what the White House is doing." He said, "This

seems to me to be more of a political thing, and I'm a Foreign Service Officer, I can talk about our policies with Iran, but I'm not terribly good talking about differences between the White House and the State Department and maybe this ought to be done by a political appointee." Suddenly the eyes of both men turned to me, and I could feel them boring into me and there was dead silence in the room and Shultz really did have to go to Latin America and Mike really did have a pretty good point. To make a long story short, the duty fell to me, the giver of this testimony.

Q: And that gave you about three hours to prepare.

WHITEHEAD: It gave me, I think a little less than three hours to prepare the testimony. While they had prepared the testimony for Armacost, which was about ten pages -- it took about 15 or 20 minutes to read -- and I read it through and it was pretty good and it talked about how we were searching for moderate leaders in Iran and trying to avoid having to deal with the extremist leaders but hoped that there might be some moderate leaders in Iran that we could find that would permit us to have some kind of a continuing dialogue with Iran on the many issues that existed between the two countries and between Iran, one of the most important countries in the region, and other states; so it was a tense time. I changed the testimony a little bit, added to it a little bit, tried to make it a little more persuasive, and at 2 o'clock I got to the committee hearing room and found myself confronted with what looked like a hundred television cameras and two hundred microphones and a full contingent of the press from all over the world. It was obvious that I was going to be attacked by all hands at this hearing, mostly by the Democratic side because it was the Republican White House that was then sort of the target of the criticism. I was to be a witness that would give them the information they were looking for. Well I read my ten pages of speech, and then they began the question period and the question period lasted for more than two hours and lasted until something after 5 o'clock, so I was up there for three hours. My testimony did evidence differences between the knowledge that the White House had about what was happening in Iran and what we were doing and what the State Department knew. The questions in which you're under oath -- and of course I had to answer absolutely honestly -- brought out that, yes indeed, there were differences and the questioners tried to make the most of those differences and show that there was dissent and disagreement between the information and actions of the White House and the National Security Advisor, on the one hand, and the Secretary of State and the State Department, on the other hand. Pretty exhausted after the three hours of testimony, I went back to the State Department feeling fairly confident that I had done a pretty good job of defending the President, of pointing out the need to look for moderate leaders in countries like Iran, that some of the things they asked about including the cake and the candle and secret trips and so on, I simply had to deny that I had any knowledge of those; there wasn't more than once I denied it and I did have no knowledge. There was no further questioning, but I thought I had done a pretty good job.

But, there was one place in the testimony, thirty seconds out of three hours, in which the question was, "Do you think that, in any way, all these efforts with Iran have, in any way, moderated their conduct?" and whether they may now be a little less enthusiastic about

the terrorist actions that they had been involved with. Well, that question had been asked of President Reagan the day before at a news briefing. He had said that, yes, he thought, from all that he knew, that there may have been some moderation in the conduct of Iran. Then I was asked the same question, "Do you have any information which would lead you to believe that there had been any moderation....?" And the information that I had was that there had been no change at all, that up 'till then our efforts had not had any positive effect. And I made the statement, "I hate to disagree with my President, but" and I went on to say, "my information is that there has been no change in their conduct." Well that little way of phrasing that question, of course, was what led the evening news on television that night and made screaming headlines in all the newspapers because it was the first disclosure. I can see over there on the windowsill some clippings from those morning newspapers that I had framed. And it was the first time that there had been an indication of disagreement and distress between the information that the White House had and which it had not given to the State Department. So that was my baptism by fire from the media and it was not a pleasant one.

Then there is a little aftermath to that. I was very distressed at the way the news was playing. It did not seem to me to be an appropriate determination, because I had tried very hard to have it more balanced than it came out. This was the only sentence, from all of my testimony, that was quoted in the newspapers, but it was quoted very vividly. So I wrote a note to the President, handwritten, saying I was sorry at the way it was played, that, if he would look at the whole testimony, I think he would feel that I had done as best I could to have a balanced point of view, but that I was sorry if it in any way embarrassed him. So nothing happened, and the next day came and went, and all my friends in Washington were calling me up and sympathizing with this, and about 5 o'clock I got a call to come over to the White House to see the President. I said well, I've been in office five months now, it's been fun, and I'm probably on my way out. This was a real, momentary disaster, and I was prepared psychologically that this might be the very end. The President welcomed me into his office -- just the two of us were there -- he sat me down in the seat and he said, "I got your note, you did a terrific job, I'd been told by others what a fine job you did in your testimony. Now you understand what the media can do to you, they've done it to me, you're doing a great job, you already had some really successful things that you've done and I just want you to know I am fully supportive of you." I was much relieved and I smiled and I said, "Thank you very much." But then he said, "But then, John," he said, "you know," he said, "yesterday was a very tough day for me, I had to make two speeches and one was in Baltimore and the other was somewhere else, I had busy meetings all day, we had this issue here, this issue there, I got home last night at 7 o'clock, just in time to look at the evening news upstairs. I took off my jacket and put on my smoking jacket," and he said, "I took off my shoes and put on my slippers and I sat down before the television -- you know how it works with the television when you turn it on, the picture comes on while the sound comes before the picture, and you hear the sound before you see the picture," and I said "yes." He said, "the sound came on and somebody said 'I hate to disagree with my President, but,' and I said to myself, now who the hell could that be." And he said, "John your picture came up and I couldn't believe it, so that was my day, you had a tough day and I had a tough day." So, in a very sort of nice

way, he told me that I had given him quite a problem and that it sort of distressed him. It was very, very sort of typical of him, he was very kind about it, but he got the message across that it wasn't my best day in his eyes. And I had added to his burdens of the day by what had happened. It was one of those little incidents that many of us had with the President, where his character traits came out.

Q: Well now, Secretary Shultz gave you a very special brief on Eastern Europe to encourage the East Europeans forward in democracy. You led a designated Presidential mission to Eastern Europe, you successfully bluffed the Poles to get Lech Walesa down from Gdansk to Warsaw, you had a very frosty meeting with Jaruzelski, that was a theme throughout your years, the brief for Eastern Europe, wasn't it?

WHITEHEAD: Yes it was, and it was one of the more important problems that I had to deal with in my time there. Shultz said to me one day, "I'm the one that has to deal with this with Russia and with the Soviet Union. I know that, if I get to Eastern Europe at all on my various trips, that I'm only going to be able to do it incidental to trips back and forth to Moscow. So I'd like you to take on special responsibility for Eastern Europe. We have our ambassadors there, we have all kinds of things, but it needs some focus of the Deputy Secretary, so you're responsible for Eastern Europe and you keep me posted. I'm responsible for relations with the Soviet Union." This was the time when Gorbachev visits were taking place and Reagan visits and Reykjavik and all of these things. So, I took it on. Immediately, when it was announced that I had been given this special responsibility, a lot of the sort of anti-Soviet extremists in Congress, many of the conservative Republicans, including Senator Helms particularly, thought that it would be terrible for any official of the United States to go to any of these countries in Eastern Europe which were dominated by communist governments. Nobody had been, in more recent years of the Cold War, to any of these countries like Poland, Hungary, Czechoslovakia, Romania, Eastern Germany, Bulgaria the six countries that I was assigned to. That was considered to be a very big sort of concession to the communists to have an important American official even make a visit to these awful places. So I had a lot of opposition to being effective and I didn't see how, unless I was willing to visit these countries, it would have been much more difficult to invite their leaders to come to the United States. Unless I was permitted to at least meet and have some kind of dialogue with these countries, I didn't see how I could further an effort to have these countries break themselves away from their complete dependence on the Soviet Union and to have a little better relationships with the United States, that was my objective. So finally I persuaded the President that he ought to make my mission a Presidential mission, which then would carry the authority that brought to anything, and would also permit me to have the use of a government plane to fly back and forth among the capitals of these countries where there was no commercial airline service in those days from the United States to these countries. So, I set it up, did a lot of planning for this trip, because it had to be very carefully done.

To just concentrate on my first trip to Poland, which you referred to, there were three important elements of Poland: there was the government, communist dominated,

particularly communist, headed by a former general in the Polish army, General Jaruzelski. There was the Catholic Church. Ninety-five percent of Poles are Catholics and devout Catholics, and a man named Cardinal Glemp was the leading official of the Pope, the leading Cardinal of Poland -- there were three altogether, but he was the leading one. There was Lech Walesa, the inspirational antigovernment leader of the labor union named Solidarity that was a dissident force against them and opposing the government. Lech Walesa was in and out of jail and very much oppressed by the Communist government. Well, if the United States was going to go to Poland, we had to see not just the communist government, but we had to be sure that we would visit with all three of those important figures. I made arrangements to spend three full days with one of each of those days to be spent with each of those people.

When I arrived at the airport in Warsaw, I was met by the Deputy Foreign Minister of Poland, who was my counterpart, a man who later became the Prime Minister of Poland and who I got to know very well, but I was met by this man at the airport and he said, "There's one thing in your schedule, that unfortunately has to be changed and that is that Lech Walesa who was due to come to Warsaw to visit with you on Saturday, has used up all his vacation days from his shipyard job in Gdansk and therefore he cannot take time off from his job to come here to visit with you." I saw that as a very duplicitous move on the part of the government and I said, to the absolute horror of the Foreign Service Officer that was part of my party and was the country expert on Poland -- he paled when I said this -- "Well I'm sorry too, to hear this, but if on Saturday Walesa is not able to come to Warsaw, I'll go -- instead of visiting with General Jaruzelski -- I will go to Gdansk and visit with Lech Walesa." It was a courageous move and, if I had had more time to think about it, I might have chickened out on saying that, and people reminded me later about the danger of flying off from the airport on an unauthorized flight on the part of the U.S. Government to Gdansk and what might have happened to that airplane and all of these things, but, anyhow, I said that and the Deputy Foreign Minister acted very nervous after I had said that and said, well, he couldn't respond to what I had said, that he would have to consult with his superiors. Then we took off from the airport VIP lounge, where we had been having this conversation, we took off in our limos to the hotel in downtown Warsaw. By the time I got to the hotel, the Deputy Foreign Minister was already there -- I don't know how he made it faster than I did, but he was there, just inside the door -- and he said, "There's been a terrible mistake, Walesa will be here on Saturday, in fact he's already enroute to come here on Saturday, so that there can be no mistake again and your appointment with him is now confirmed." So, I learned that, if you confront the communists, they can back down; if they're out of line, they will back down.

I remembered that and used it from time to time in the future. It was an important moment. Walesa did come, we did meet with him. We had agreed with the Communist government that we would not have a press conference with Walesa. That was more than they could politically swallow, because it would have been featured everywhere, instead of the meeting with Jaruzelski, and we had agreed to that, but we insisted that we have a picture taken of the American diplomats shaking hands with Walesa on the steps of the residence of the American Ambassador. We did that and that picture appeared in every

paper around the world, because it was a very visible sign that America supported the freedom movement and those who opposed communism in Poland. It was a great event and we had a wonderful dinner and two-hour conversation with Walesa and others of his dissident group, one of whom is now the President of Poland. Walesa, of course, was the President of Poland, and those dissidents have, at one time or another, all come to hold high political office in Poland and the communists are still out of power. My meeting with Jaruzelski was very interesting and at that meeting, and at a number of subsequent meetings I had with Jaruzelski over the course of the next several years, I came to respect him. He pictured himself as someone who was not the head of the communist government, although he was that, but was someone who saved Poland from being absorbed by the Soviet Union, and he was very resentful of the criticism he was getting from the West for being communist. I came to respect him very much, he was a Polish patriot. He insisted and he told me -- I remember one bit of dialogue -- a year before Harvard College had awarded to Walesa or announced that they were going to award to Walesa an honorary doctorate at their graduation and it didn't take place because Walesa couldn't get out of prison in order to come and accept it and they gave it to him later. But, it got a lot of publicity in the newspapers and Jaruzelski said to me in one of these meetings, he said, "Some day the world will recognize who was the true patriot of Poland and maybe even your friend Walesa will not get his honorary degree at Harvard but maybe they will award it to me instead." He was very bitter, and anyone who insulted him for being unfaithful to Poland he took very seriously. I think the truth lies somewhere in that middle ground as far as Jaruzelski's role is concerned. Jaruzelski still lives in Warsaw; I saw him the last time I was in Poland; I try to see him every time I go, we have many memories.

My original meetings with him were extremely confrontational. He refused to discuss human rights. He said that we were interfering in their internal affairs. I refused to hold a meeting at all with him unless he would discuss human rights. We compromised by saying the discussion would mean that he could present his views on his subjects and I could present my views on my subjects and we wouldn't have a real discussion, but we would call that a discussion. So that satisfied him, and we did have many strong, very confrontational visits, and I moved him to some extent to let him feel that the United States would welcome a better relationship with Poland and that, if we could begin to take some little steps to that end that, it might be to both of our benefits and, indeed, that we began what we called a step-by-step process that improved relationships. The last two or three times I went to Warsaw while I was in office, he kept insisting that he wanted bigger steps, bigger steps, not little steps, bigger steps. And I joked by saying, "How about if you resign from the Warsaw Pact", the military pact that the communist countries had from the Soviet Union. He said, "That's too big", but he said, "Maybe we're moving in that direction."

There were all kinds of signs that the Eastern Europeans were beginning to realize that it was not to their interests to depend 100% economically and politically on the Soviet Union. The Soviet Union maybe was getting weaker, and it might be to their interest to build some bridges to the West and they began to do that. Years later, after I was out of

office, I was at a meeting with Gorbachev; he was talking about what it was that caused him to throw in the towel and to say, "We're never going to be able to prevail militarily or economically against the United States unless we change our system." We were talking about what caused him to reach that conclusion. He gave credit to the huge military buildup in the United States, that he felt they never could have the resources to match and, secondly, he said he came to realize that he never could count on Eastern Europe to stick with it very much longer, when it was obvious that they were on the losing side. So that pleased me that my efforts maybe -- I don't mean to claim any credit for it -- had sown some seeds that resulted in making Gorbachev and other communist leaders in Moscow feel that these Eastern European countries, that they had counted on completely to be completely dependent, were no longer as reliable allies as they had been in the past.

Q: Didn't your early missions to Eastern Europe also deepen the understanding here of the dimensions of what was going on in the Soviet Union and perhaps help to bring the President along in terms of his evolving trust in and relationship with Gorbachev?

WHITEHEAD: Yes, I think it did. I think it helped. I reported to the President the next day, after I got back, every single time I went to Eastern Europe and told him about what I saw to be encouraging reports of little bits of defection, of the complete reliance on the Soviets by every one of these communist leaders, and of greater willingness to do little things that you would take as signals of friendship and to which we would respond by some little signal of friendship ourselves and that those were getting bigger and better. He was very pleased at that and felt that these were constructive moves, and even Senator Helms, after he had swallowed hard I think, felt that we were moving in the right direction.

Q: You also, I think, played a role in keeping the relationship with the Soviet Union on track. There was the Clayton Lonetree crisis, and the various spy cases. I think you met Foreign Minister Shevardnadze when he came to Washington at the time of the Nick Daniloff episode when Nick of Newsweek was being held by the Russians.

WHITEHEAD: Yes, I did. It was one of my assignments to meet Shevardnadze at the airport -- some important administration figure was supposed to meet important foreign dignitaries of all stripes, but I was assigned to meet Shevardnadze on the half dozen or more trips that he made to the United States. My job was to see if I could get chatting with him about what he anticipated in the next few days during his visit and to alert him to some of the subjects that we would be raising with him during the visit, so he would be better prepared to know what was going to come up in the meetings that he would have with Secretary Shultz and the meetings he would have with the President and the Vice President at the White House. Often I was able to get him to chat, although he did not speak English at all and omnipresent during our visits in the back of the limo was the longstanding Soviet Ambassador to the United States, Dobrynin. I would notice that Shevardnadze would say a few words in Russian and then Dobrynin would say a lot more words in English, and I could tell that Dobrynin was embellishing the answers that Shevardnadze had wanted him to give me. In those first few times that Shevardnadze

came, I did not get much information about what was going to happen in the next few days, because Dobrynin was the buffer, with I not speaking any Russian and Shevardnadze not speaking any English. Then he became more relaxed and more friendly. Shevardnadze was a wonderful intermediary between the communists and the Americans and deserves a great deal of credit for the success of the negotiations that continued over several years.

I've always felt, though, that the person that really deserves the most credit of all was not any American, but Gorbachev himself for recognizing that the Soviet system was not working well, that it was not providing a better life for Soviet citizens and the outlook for continuing on the same path was very bleak, that it would get worse because they were having a higher and higher percentage of their resources in their military system and they were stretched to the point where they really couldn't go further, and that Gorbachev was the only important Soviet leader that first saw this. You remember the days of glasnost and change that was in the air. Without him, I think we might be still suffering under a Soviet Union enemy because other leaders around the same time, or potential leaders, would not have had the courage that he had to face up to it. I think its very unfair for the Soviet people to degrade him as they have done and to treat him very shabbily and not to declare him a real hero, because I think he was a hero to basically choose to end the Cold War.

One of the countries in Eastern Europe that I went to on each trip, along with the others, was Bulgaria. Now Bulgaria was felt to be, by most Americans, and still is a somewhat backward country, as compared with the other countries of Eastern Europe, a country where the level of education is somewhat lower than it is in the other countries, a country where reliance on and the dedication to being good allies of the Soviet Union is very strong. I found it a very interesting country. I remember the first time I went there and visited with the Soviet leader, his name was Todor Zhivkov, reputed to be a very rough individual who was a complete dictator, made every decision in the country, very ruthless. He had been in office for 37 years as the leader of Bulgaria, I think, at one time at least, the longest-standing leader in the world. He met reluctantly with me, and was not sure that he wanted an American to come. For a time, I did not plan to go, since if I could not meet with the leader, there was really no point in going. He was the only person to see in Bulgaria, there being no dissidents in Bulgaria at all -- dissidents met a cruel fate in Bulgaria. Well I did go there eventually and we had our meeting as scheduled. It took place in a great hall where there was a little tiny table in the middle of the hall. The four of us sat there, the American Ambassador and I on my side and Zhivkov and his foreign minister, who never said a word through the whole meeting, on the other side. The Ambassador and I both discovered that there were microphones under the table, where we could feel them with our hands. When you looked around the room, not only were there microphones under the table, but there were television cameras in the far corners of the room which we could see and we could see as we moved around the cameras were moving to follow us. So everything was televised and everything was recorded, a violation of protocol and the understood rules of our meetings, which were to be private meetings, but they were all filmed. He is a very aggressive, outspoken person who was

very angry that I wanted to talk about human rights. It was always the first subject on the agenda because there were people in prison for political activities and there was no freedom of speech.

There were no private newspapers; the only newspapers were government; the only television stations were government-owned. So we had very strong, again, confrontational meetings. But again, as time went on, they began to soften and he began to be very interested in the free enterprise system and how it worked. He couldn't believe that in an American corporation that there was a head of the corporation that earned ten times as much compensation, or more, than the workers in the factory because in his country everybody got paid the same. He was fascinated about public ownership, ownership by the public in companies that in America went public, and that lots of small Americans owned shares in the companies and he wondered out loud to me about why the ultimate of the communist system shouldn't be to have every person be a stockholder in the company they worked for and in other companies as well, the way it is in our system. He set up an experimental factory that made knockoffs of IBM computers, and supplied them to the other countries in the Soviet Bloc, because IBM was not allowed to export computers to the Soviet empire. He obtained copies of IBM programs and made these. He experimented with having the factory manager paid more than the other factory people. He recognized that it worked successfully, that it attracted somebody to that job that would not have been willing to take it had he not had additional compensation for taking it.

He took me to his family home and showed me the humble circumstances that he came from, and where he had lived. The family home was sort of decorated like Washington's home or Jefferson's home, but it was a very simple little cottage where he lived. We became friends and he had his strange characteristics. Just before the communist government of Bulgaria fell, I had my final meeting with him. This was now 1989, early 1989. He was worried that he might be overthrown, and that he might be arrested and tried and condemned to death, and it did work out that way, except for the death part. He was tried and he was sentenced to life imprisonment under a very loose kind of imprisonment, and he is now elderly and ill and lives with his granddaughter in Sofia, the capital of Bulgaria. He's sort of a pathetic figure. The last time I saw him after I left, he sent me a note saying that he hoped that, after I was out of office -- because he knew I wasn't going out of office -- that I would come and visit him again in Bulgaria and that he could take me hunting. His great hobby was hunting. Hunting was a pastime where he sat in a large armchair in the woods and beaters drove the wild boars past him, one after another, and every once in a while he would shoot one. That was the way he went hunting. He loved that activity and invited me to go on the hunt. I still have the letter. But after he was tried and sentenced to this semi-imprisonment, he wrote me a letter later saying very cryptically that, unfortunately -- and he was embarrassed to say so -- due to circumstances beyond his control he was going to have to withdraw his invitation to go on the hunt with him. As with all of these leaders, I came to appreciate them a little bit as the years went by.

Q: We agreed to start off today with Romania.

WHITEHEAD: Romania was one of the countries of Eastern Europe that was on my beat when I visited Eastern Europe once or twice a year. It was in many ways the one that was most alienated from the United States and prospectively had probably the least opportunity for improving relations with the United States. The reasons for this were entirely due to its dictator, Mr. Ceausescu who was a cruel and, I would say, evil dictator of the country who very shortly after I finished my tour of duty in Washington was tried and executed by his people along with his wife. They were an unusual couple. Ceausescu had been in office for many years in Romania and fancied himself a true world leader. Because of the fact that he occasionally had taken different views on world politics from that of the Soviet Union -- for example, his country having recognized Israel as others had not and other occasional differences in policies -- he felt that he was a true world leader. I won't detail each visit, but I will just detail some memories of some of the visits. He used to feel that he was very popular with his people, which was not at all the case. He terrorized his people with a cruel, very large, secret police force that invaded every part of the country.

He would always not assure me that I had an appointment, but then he would always come through with giving an appointment because I think he enjoyed talking with somebody from the United States, even if he was never very friendly. We always had a half-an-hour appointment, but the appointment never lasted less than three hours, as I remember, and I saw him on each of the five or six visits that I made during the period that I was in office. He would tell me that he was very popular with his people. He would say, "Whenever I go out on that balcony there, across the street from where we're meeting, to give a speech to the people that have assembled to hear me, they cheer and cheer wildly and I have to stand up and signal them to stop cheering and to be quiet and let me give the speech," never pointing out that they had all been paid to be there, paid to cheer loudly, under threat of military action if they didn't do so. He lived his life with disillusion: another example would be that he claimed that his economy was growing regularly at the rate of five percent. This was obviously simply not true; the economy was deteriorating and everything in the economy showed a steady decline. There was rampant hunger in the country, particularly during the winter. People weren't warm enough, they had no gasoline for their cars. There were scarcities everywhere. The economy was obviously in very bad shape, on the brink of collapse. But he foresaw that the economy was steadily growing and, because the only people he talked to were his own people, he basically believed those reports. They provided him with false statistics. For example, when they moved somebody out of a farm into a barracks-like house they would claim a very high value for the house and show that the standard of the living for that person had been increased substantially by being provided with this new, wonderful place to live. Through devices like that, he came to believe that the economy was in fact growing.

The worst little incident that I think I ever had with him was one, that occurred on the last of my visits to him, the last time I saw him before he was executed. I arrived in Bucharest on a Sunday and not being a day of work, I had a free afternoon. With the Ambassador, I

drove out to the country to visit what was called a modern rural community. In the name of improving the efficiency of agriculture and creating larger farms to cultivate more efficiently, he had begun a program of rural improvement in which all the farms and farmhouses that the peasants had lived in were being mercilessly destroyed by huge tractors and converted into farmland. The people who have lived, often for generations, in these small farms that they farmed themselves were forced to move to cement block buildings that had been provided for these farmers in a central location. We found that the road to the latest community that had been subjected to this awful oppression had a sign up saying 'No Admittance'. We were disappointed that we were not allowed past that road block with a barricade. It would have been possible to drive around the barricade, but I didn't quite have the courage to do that. The Ambassador and I were sitting in the backseat of the car, talking with each other as to what we should do, and whether or not we should go through the barricade, and we decided that we should not go through the barricade, that it might be a little dangerous, maybe even improper. At which point the Romanian driver of the car turned around and said, "there's another entrance". That was good news to us. He took us all the way around the town -- it was quite a long drive -- so that we could come in through the back way. There was no barricade at that back entrance to the town, so we entered the town and indeed we saw exactly what I had described. Mammoth tractors, bulldozers actually, had destroyed all of the homes in that little village. We saw poor Romanian women dressed in black pawing through the rubble of their former home, trying to save the possessions that had been where the home had been destroyed. Just nothing left standing. Little truck gardens around the homes still with vegetables that women were trying to dig up and salvage because they had not been completely destroyed, but the houses themselves had been destroyed. A tragic view to see of the worst kind of oppression from a ruthless dictator.

We then went several miles away to the new barracks that had been built to house these people. This was to be their new permanent home. These were cement block, four-story edifices, quite large, very primitive; unfortunately they had no bathrooms. You can imagine what the surroundings of that cement block building looked and smelled like from the occupants that had been living there for some time with no bathrooms in the building. There were also no kitchens. So people cooked on little primitive grills that they had set up in their quarters, in their bedroom or in their living room. If a couple was married and had no children, they were entitled to one room in this barracks. If they had one child, they also were entitled to one room. But if they had two children or more, they were entitled to two rooms and that was the home that was provided for them by the government. No furniture. They had to bring furniture, or find furniture, or make makeshift furniture. A terribly cruel way of living for these peasants that had been living in their country for many years.

The next day, having seen this, without the knowledge of Mr. Ceausescu that we had visited, I asked him -- this is during our visit the next day -- I asked him how was the rural improvement program going? He said, "I know you westerners were worried about that," but he said, "we terminated that last month." I paused and I said, "so no more of this destruction of homes is taking place?" and he said "no, we completely terminated it."

Well, I said "yesterday, because I had some free time I drove out to, and I mentioned the name of the village which we'd gone to, and I saw homes that had been just destroyed that very week. I said, "I don't believe that really is true that you have terminated it." This caused Ceausescu to lose his temper and to begin to abuse the foreign minister of the country, who was with us in our visit, as to why it was or how it was that we could have been allowed to visit this town, because we had caught him, obviously, in an outright lie when he said that it had been terminated. But we moved on to other subjects after a vicious sounding tirade against the foreign minister, who didn't last long in that office actually. For that and other reasons, he was fired.

I do remember just one more incident on this before we move on. This was one of my very first visits to Romania, I think it was my very first visit there. The place was very desolate. People were hungry, there was no gas in the filling stations. Long lines of cars were waiting in hopes that gasoline would come into each filling station, without there being any. I went out for a walk with a woman from the Embassy who spoke Romanian. Just to walk around the town and see what it was like to live in a place where most people were starving. It was in the midst of winter, very cold, lots of snow on the ground. We saw a long line of people in front of one of the stores. We came up to that line, and sort of got into the line, at the end of line. Saw the line was not moving, asked the last person in line, ahead of us, what they were waiting for. It was the line of a store that sold chickens. They said "last Saturday" -- this was on a Saturday -- "last Saturday, chickens came into this store and we're here, waiting in line, in hopes that chickens will come in again so that we can buy chickens this Saturday because we have had no meat during this past week." The people were waiting patiently. Very cold. Waiting in line. We walked on and we came back, maybe an hour or an hour-and-a-half later, and the line was still there, hadn't moved. We saw this same woman, still waiting in the same place in line and we talked to her again. We said "no chickens have come in?" "No," she said "nothing, but we're still going to wait," and then she said that her dilemma was that down the street there was a fish store where fish had come in. She said, "It would be possible for me to leave my place in line here at the chicken store and buy fish for my family" -- this was for their week's food - "but if I do, I lose my place in line for chickens. Some people have left the line to buy fish but my dilemma is I've decided I'm going to stay, because maybe there is a chance that I can buy chicken." So tragic. People were very stymied and just used to being beaten down.

That was my main memory of the poverty that existed in that country and of the oppression that was taking place and how bad it was. It didn't improve much as the years went by because Ceausescu was intent on building great institutions, like the best subway system in Europe and things of that sort, which were very costly, taxing the people at very high rates in order to accomplish those things and not allowing anything at all to flow through into the civilian economy. I remember one store, for example - - the same trip, the same winter - - the principal store in the principal market, the State-owned store had only apples. The only thing that existed in the store was a huge load of apples, very wormy and not really, by our standards, edible, but that was the only thing that existed in the store for all the people to buy. No other consumer products at all. So, Romania was a

sad place at the time. It went on as long as the regime existed. It was very slow to reform after the Cold War was over. They had another government which was still very strongly a communist government. But now more recently, here now all these years later -- nearly ten years later -- a reform government has really come to power, and for the first time, there is some promise in the economy and for the greater freedom of the people. I'm just reminded of one more thing. The first time I came I knew that security was very tight. I knew that we had to be very careful of what we said, because everything was bugged. The morning that I arrived, our security people had discovered that there was a television camera in the complicated lighting fixture over my bed in the bedroom that had been assigned to me at the hotel. I don't know what they expected to happen, and nothing did, but they removed the very sophisticated little device that lead to a television camera that was hidden in a drawer in the closet. Everytime we went out we were followed by guards, very obviously. They picked us up the minute we left the hotel and followed us wherever we went. So I think maybe that's a few of my memories of the kind of oppression that took place during the Cold War in one of these satellite countries.

Q: Well, turning back to Washington, if you will, the press in the years you were deputy made much of Secretary Shultz's differences with people like Weinberger, like Casey, like Jeane Kirkpatrick, like Poindexter, Ollie North, and so on. Perhaps they exaggerated that, but how did that impact on your role as a deputy and were you able to keep open back channels to these other agencies to keep open the flow of government?

WHITEHEAD: Yes, I tried to do my best. Some of those differences were exaggerated in the press. They love to find any differences in point of view and arguments between high government officials. Cap Weinberger and George Shultz had been colleagues at Bechtel where George was the President and Chief Executive Officer and Cap was in a subordinate position as General Counsel. When George arrived in Washington, I think that Cap felt that he -- having been there for several years in the Reagan administration as Secretary of Defense before George became Secretary of State -- had sort of seniority rights which I don't believe George ever accepted. So there was indeed tension between the two of them from time to time, fairly frequently, and there were honest disagreements between the two, also between George Shultz and the National Security Advisor and his staff in the White House. All of them had to do with a lack of communication and a lack of (sic) desire to keep things secret from the State Department. I tried to encourage better communications so that the National Security Advisor's office and the Secretary of Defense's Office would not be doing things that pertained to international affairs without keeping the State Department fully informed. The way I did that was to work with my counterparts at the Deputy Secretary of Defense, who at the time for the years that I was there was Will Taft, and with the Deputy National Security Advisor and we were able in the first place to accomplish a lot at our level that did not require things to go forward. I think Weinberger had complete confidence in Taft and George Shultz had complete confidence in me. They were both happy to see these things resolved without the need for sort of one more confrontation between the two of them which was likely to become public and to turn out to be more damaging than in fact it was. So we did, the three of us among us, did resolve a lot of matters privately without press attention that would have

come with these things if they had been at the Secretary's level. I think, always in the public interest, we solved lots of problems, lots of decisions at that level, always keeping our superiors informed but not requiring their personal intervention. In spite of that there were still a number of incidents where we had disagreements. There was a great suspicion on the part of the State Department and the Secretary of State that he was not being kept fully informed by these other agencies. I tried to do my best to improve communications so that he would know what was going on. When I heard of areas where there was likely to be a lack of information pertaining to us, I tried my best to get that information and supply it to the Secretary.

Q: There were some issues, one has the impression, where you had to overcome President Reagan's instincts and yet preserve the closeness of the relationship. One thinks of the Laxalt Mission, perhaps, the Philippines, and the distancing from Marcos, an old friend of the President's. How did that play out?

WHITEHEAD: Well, many times I found that White House staff people spoke for the President without really knowing his views. When we talked directly to the President we found that something we had disagreed with that was being done in the White House, he did not really know about and did not agree with and changed. So we had to first, when we heard of something that we didn't think was the right way to do things, we had to first find out if this was really the wish of the President, or were they just saying that they were speaking in the name of the President. The President was very fond of, and very good with foreign leaders, and he sort of liked Marcos and he felt that Marcos was a great loyal friend of the United States. He hated to see the efforts that were being made, with the cooperation of the State Department, to bring democracy to the Philippines and to support a democratic election and a new democratically elected leader, Cory Aquino. So he hated to see that happen and his old loyal friend Marcos, basically removed from office by this process. He remembered that Marcos had been very supportive of the United States having two extremely important military bases in the Philippines, which if taken away would have made our military forces have bases farther away from the reach of Asia, that tremendous continent. That would have handicapped our military forces, which in time happened and which we had to cope with seven years later. But at the height of the Cold War to be required to move back our bases was something. So there were arguments on both sides. Reagan tended to be on the go slow side when it came to support for the Marcos position with the State Department. So there was a real difference, I think, that existed between the views of the State Department and with George Shultz and the views of the President. But, in more cases than not, we had to be sure that the people on the White House staff did truly represent the views of the President and I sometimes was in the position of having to sort of challenge that. We sometimes did it by directly talking with the President and occasionally directly talking with Mrs. Reagan.

Q: Secretary Shultz, of course, logged a lot of miles traveling abroad. You in those times represented him in the Department in the interagency process. One has the impression the White House staff perhaps insisted on the principals only level in meetings, say in the

buildup to the Gulf of Sidra. These were some important meetings that the Deputy Secretaries didn't attend. That must have been a tough thing to cut through.

WHITEHEAD: I don't remember ever not being allowed to go to a meeting that I wanted to go to. I know that I did not go to every meeting. That wasn't possible. One of the reasons that Shultz and I worked very well together and were good partners was that he had enough confidence in me so that I could go to meetings that he didn't have to go to. So often, when he went to meetings, I really preferred not to go too. So long as he was there, I didn't have to. I don't remember ever not being included, but I'm sure there were some meetings; there were National Security Council meetings of which the Secretary of State is a member. When the Council met, I wasn't a member and wouldn't expect to go. But if he was away, I would have expected to go, as his alternate, as his Deputy. I don't remember any time when I was not able to go to a meeting that I wanted to go to. Speaking of the Secretary traveling, reminds me of a little incident, since these are off the record meetings, well I wouldn't mind telling, but I guess I don't know. When I had been there exactly a year, it had been a very happy, rewarding year for me and I went into George's office and I said, "George, today is the first anniversary of my being on the job here and I just came in to tell you how much I've enjoyed it, how much of a privilege it's been to work for you and I want you to know that I'm very, very happy that I said yes when you and the President twisted my arm to take the job." And he said, "well that's nice and you've done a very good job, John. It's been a pleasure to work with you too." Instead of letting it go at that, which I should have done, I said, "One more thing, George, as you know I'm Acting Secretary when you're out of Washington. I kept a little log, I'm very pleased that I've been able to be Acting Secretary more days than you have during the past year." Instead of laughing, which I hoped he would do, his face turned quite stern and there was a little pause. He said, "John, I think you better discontinue keeping those records." So I did, and I never mentioned it again to him.

Q: That's very funny.

WHITEHEAD: He didn't want it to appear in the press that he was in any way a slacker, which he certainly was not. He traveled very extensively though in the interest of our foreign policy.

Q: Well now, spending so much time in Washington, what were some of your conclusions about the Department? About how it works? About the role of the geographic bureaus versus the functional bureaus? The mesh of career foreign service, civil service, political appointees?

WHITEHEAD: Well those are a lot of questions. I became a great admirer of the professional staff of the State Department and Foreign Service Officers and used them all the time. Shultz did too. I agreed with him 100% that they were wonderfully capable, knowledgeable people, but they needed, like any other group of people needed, to be well led. They needed to know that we respected them, that we needed them. I found that I could accomplish a huge amount more if I used them, used them effectively, than I could

if I tried to operate without them as other Secretaries of State and Deputy Secretaries had done both before and since. Whenever I went on a trip, I was always sure to take the experts along with me so I that would have a backup of knowledge that I couldn't possibly have had myself and didn't know myself. Starting right in my early days in office, they began to set up a series of meetings with all of the Assistant Secretaries. I think there were over 20 of them, each responsible for a different subject or a different region of the world. I used them very effectively.

I must say that the practices and rules of the State Department are very old fashioned. I tried in some ways to improve those, to modernize those. While I had the authority to make some changes, from what I have seen since I've departed, almost ten years ago, things have reverted to pretty much the way they were before. Recruiting of young people to go into the Foreign Service was a ridiculous process of a series of steps that took 24 months from the time a young man or woman took the Foreign Service exam until the decision was made finally that this is a candidate who should be admitted to the Foreign Service. There was a long delay in grading the exam itself, further delays while interviews took place, further delay while records were checked, further delay while the FBI did its checkings, further delay while physical exams were given, while family situations were inspected and 24 months had passed, and by the time 24 months had passed most of these young people had either gone on to graduate school to take advanced degrees and were enmeshed in that program, maybe some of them had completed the program, people had taken jobs and were well along on some career and often an international career but outside of the Foreign Service and only the ones who had not done well with their first job were inclined to accept the very low pay that was being offered these successful winners of the Foreign Service exam. I tried to change that and we did make some constructive changes. But I understand it's back now, about pretty much where it was before. So a lot of effort and not much long term results. As I look back again, the system where a political appointee comes in, and spends four years discourages them from making administrative and organizational changes. If I did it again, I wouldn't try, because I found that it was time wasted, and I would spend my time on the substance of what was going on rather than trying to change the internal organization. What is required is a fewer number of political appointees, particularly in the State Department, and more responsibility given to permanent managers who have the talent to manage organizations and who are not chosen because of their foreign service ability. The administrators ought to be permanent. The policy makers should be political appointees.

Q: You had of course some very good people working right around you. One thinks of Marc Grossman, now Assistant Secretary for Europe, and Wes Egan in Jordan. They were your eyes and ears for much of the bureaucracy, presumably.

WHITEHEAD: Right, the Deputy Secretary is entitled to his own little staff, I think a total of about ten people including secretaries. I was very careful in picking that staff because I knew that the quality of that staff would be very important. Wes Egan was my first Chief of Staff when I was first there. He went on to be Ambassador in several

different countries and to higher glory. Marc Grossman, particularly, has had a dramatically successful career within the Foreign Service and is now an Assistant Secretary of State for Europe and prior to that was our Ambassador to Turkey, and still is -- I think he's about 40 -- very young to have those challenges of great responsibility. I was able to have one person on my staff, then a young person who had been at Goldman Sachs for a couple of years out of college. She sort of kept my contacts with private sector people which was very useful from time to time for the State Department for advice and information on some of our foreign policy problems, so she was responsible for that. Other people performed other specific functions.

Q: One of your roles was to preside over the so called "D" Committee, selecting ambassadors. How did you approach that, make sure the people who worked hard on the seventh floor were rewarded, but also that the people on the sixth floor and the bureaus were encouraged and brought along and that, as they say now, the Ambassadorial corps looked like America?

WHITEHEAD: As you know, about two thirds of the 180 or so ambassadors that we have in each country around the world are Foreign Service Officers and about one third are political appointees. It is very important that the quality of those people be kept very high, both the political appointees and the Foreign Service Officers. So that was my responsibility, to keep the quality high. That meant close contact with the State Department Personnel Office, who was responsible for the career paths of all the Foreign Service Officers to be sure that we were getting the very best people when we had the opportunity to make an internal appointment of a Foreign Service Officer to an embassy. So I would look at the Personnel records of several candidates for that job and help them decide which was the best person knowing the problems of that country and the problems with our relationship. Then on the political appointees which represented one third -- something more than 50 political appointees to ambassadorial posts -- I would try to overcome the temptation of an eager White House staff to appoint those who had been very helpful to the campaign, maybe large donors who did not have the different qualifications of being a good ambassador. I would also look very carefully at their resumes, their backgrounds and also do some checkings myself about the kind of people these were, because it would not have been in the interests of the country to have unqualified people out there in those embassy posts. Even embassy posts which seem like unimportant countries sometimes all of a sudden turn out to be in a crisis. My job was to have outstanding people in every one of those posts. We had a few interesting problems with people that turned out to be not so outstanding and had to be removed. It was usually up to me to perform the execution. Although the decisions on removing ambassadors were not in my pay grade, they were made at a higher level but then I was the person who had to carry out the job.

Q: You mentioned earlier the absence of women at the Harvard Business School. How did you find that in the Department? Were you pleased with the equal opportunity for women and for minorities?

WHITEHEAD: We had to work on it all the time. As far as women were concerned, women were then coming up to the higher ranks. We had very very few women ambassadors because there had been historically very few people coming into the Foreign Service who were women. The lower levels of the Foreign Service establishment had more women and now, ten years later, certainly balance has not yet been achieved, but there are a lot more women in higher office, a lot more women ambassadors than in the past.

As far as minorities were concerned, and particularly so far as African American people in the Foreign Service, there were also very few. There were some black ambassadors, but very few. Constant effort has been made to improve that, but I would say, from what my knowledge is now, not much better results than was true ten years ago. So it continues to be a serious problem for Black Americans to get into the Foreign Service and to achieve successful foreign service careers.

Q: Thinking about ethnic politics, one thinks perhaps of your job as an intersection point of foreign policy and domestic constituencies such as the Greek lobby, the Jewish American lobby, the AfroAmerican group, etc. To what extent was that a focal point in your daily life?

WHITEHEAD: Well, it's a reality that you have to deal with. Lobbying has sort of become a bad word and maybe deservedly so. But I saw it as a way in our democracy that groups of people are represented by some lobbying group that talk to administration officials and try to put forward their view. If you are in the position of responsibility, you ought to listen to these lobbies, not necessarily follow what they're urging you to do. But they have the right to be heard, because that's the way that group of Americans, the way their views are reflected. So you have to listen to them, but you have to balance them off against other points of view, including other points of view that aren't represented by the lobbyists maybe. You have to realize that there are different views. It's a complicated kind of job. You have to think in terms of what you believe is the public interest, but you also have to follow what the President believes because he's your Chief Executive Officer and your leader and the person that appointed you to office, and he expects you to have some discretion within the authority delegated to you but he expects you to follow the principles of his course. It's a complicated job, but that's what the job is. The idea is something that is part of the game.

Q: As you would start your day, you would get information from all kinds of sources. From the CIA, from DIA, from INR, from the New York Times. How did those stack up? Which were particularly useful or were they all important?

WHITEHEAD: The system that George Shultz used for the first hour of the day, from eight to nine every day, was a remarkable one and one which I always wish that I had used when I was running Goldman Sachs in an earlier era. He had four fifteen-minute meetings in that hour. Each with a different group of people in the Department. I won't go through what each of them were, but the first one was with of a small group of very

senior people, the top people in the Department. The second was with regional Assistant Secretaries and their Deputies. The third was with the other Assistant Secretaries, each of whom was responsible for a particular subject. Then the fourth group, an even wider group of top people, administrative people and so on. This was an opportunity for them to tell him what they thought he ought to know as the day began and for him to tell them what he wanted them to know as the day began. They were very tightly organized, only fifteen minutes long, and not much time, but he ran them very tightly and no time was wasted. They didn't run over and they always started right on the dotted time. After the first hour of the day, at 9 o'clock, 50 people had met with the Secretary of State and went back to their departments and often had little meetings of their own staff, their own department, and said this is what the Secretary wants us to concentrate on, this is what he is worried about. I told him this is what we're worried about, so our message from our department has been right to the top. It was a wonderful technique of management. It worked very well. It made the State Department, the morale at the State Department, much higher. I believe the communication that took place in that hour was very, very effective, letting people know what was going on and hearing from them as to what they thought should be going on.

Q: On the intelligence side, did you find the CIA output an important staple? Did INR, with much smaller resources, offer a perspective?

WHITEHEAD: I was very discouraged during the time that I was in office how little help I got from the CIA in knowing about what was going on in countries where we had interests and where there were problems. I never found the briefings very informative. I often found that the analyses were shallow, contained very little of what I would call hard information, and often were incorrect. I was really quite discouraged. George Shultz had the same impression. To try to overcome and to get better use out of the CIA, which certainly was in business to serve us, among other customers that they had who used their services -- certainly the State Department was one -- we established a weekly meeting between George and I and Bill Casey who was the Chairman and Bob Gates who was his deputy. It was a weekly luncheon, one week at Langley and the next week at the State Department building. Those went on for the whole four years. Although, after a year or so, Casey and Shultz dropped out and Gates and Whitehead and our next immediate officials also joined the group. But, even at those meetings, we never really felt that we were gaining a huge amount of benefit that would help us in the foreign policy decisions that we were involved with having to make. I ended up with not a very high opinion of the CIA. I don't think it had to do with personalities. I don't think, as the media often indicated, that Bill Casey was a sort of hard-line antiCommunist or was sort of cooking the books and making us feel more alarmed about what he was finding out. I thought that the organization itself somehow had deteriorated, so that the information that it was receiving and the system of gathering information was not very productive anymore. You probably could get the information out of reading *The New York Times* that we could get on what was really going on. There were several instances where I was embarrassed confronting a foreign country with negative information which the CIA developed and finding out that it was a misunderstanding, that those things hadn't actually happened, that

the man that had been spying in our war plant was not a civil servant, Hungarian as alleged, but had no relations with Hungary at all and was an American spy. Similar things caused us embarrassment from time to time and caused us to be skeptical about the agency. They have a 30 billion dollar budget. I kept thinking that they should have been producing better results.

Q: Did it make sense to have an in-house bureau, Intelligence and Research? Did they help you?

WHITEHEAD: They did. Their job was to help us gain more from what the CIA was producing and to be our vehicle for receiving information. But they had a very small staff. They weren't doing the original work; they were more utilizing the information available from other agencies and trying to get better information to the right people at the State Department. They were very useful. Mort Abramowitz was in that Assistant Secretary's job for most of the time that I was there, at least the last two years that I was there. He was very good and very capable. But the end result was still not very good.

Q: Were you frustrated sometimes to have NSA or other information that you couldn't act on for sources and methods but knew to be true?

WHITEHEAD: Well, NSA was supplying us with much better information than the CIA was in my opinion. We had enough of the raw data from that agency to know that what we were getting was accurate information and not sanitized versions. I shouldn't be too harsh on the CIA. It comes to mind a number of things which they supplied us with that were really remarkable accomplishments. Before we attacked Libya, as being a place that was training terrorists and using terrorists and hiding some terrorists, they produced a number of remarkable things that just made it absolutely clear to me and to anyone who saw this information that these allegations about Libya were indeed true and not just somebody saying so; examples of falsified passports, examples of bank accounts with terrorists receiving money and spending money, who they received it from and how they were spending it. They really had Libya nailed to the wall on what they were doing to be absolutely sure, totally, that a military raid was legitimate for us to do.

Q: It's often said that the State Department, vis-a-vis the Pentagon and other parts of the government, has little domestic constituency. Secretary Albright has embarked on a public diplomacy initiative. How did you and Secretary Shultz view that and consider your outreach to the press, to academia, to the outside-the-beltway-world in terms of strengthening constituency?

WHITEHEAD: Well we tried to develop a better outreach. I think that kind of PR work didn't particularly come naturally to either of us. Much of what we were doing needed to remain confidential, because diplomacy is much better conducted in private than it is in public. Diplomatic efforts are often damaged when they are prematurely disclosed. Nobody likes to read what they said at a meeting in the newspapers the next day. I think our tendency was to not be terribly enthusiastic about too much revelation of details of

what we were trying to do or what we were doing. Of course it was easier in the Cold War period which we were very much a part of. The last years of the Cold War were the years of our responsibility. The public was getting a lot of information about where the Cold War stood, but just because the media was very intense. There is now, ten years later, a public lethargy about diplomatic problems and a lack of public knowledge that didn't exist at that time. Madeleine and her colleagues today have a much more urgent need to make the public aware of these problems and to make them support our foreign policy effort and to show their Congressional representatives that these issues are important and must be financed or we turn into isolationists who don't care about foreign policy and who allow their foreign policy machinery to atrophy.

Q: Was there such a thing as a typical day for a Deputy Secretary of State and did that extend into all kinds of official social engagements, night after night? How was the average day?

WHITEHEAD: Well the average day was different from what the average public person might think. I think the public might think of the job of the Secretary of State as sitting back quietly and smoking a pipe and wondering about should our foreign policy be this or should our foreign policy be that. But, in fact, every day was very hectic and was filled with a series of meetings, often short, never long enough to really cover the subject, very sort of time-demanding. Evening events, while they might have been shrouded in sort of a social context, were never trivial. There was always somebody there that you wanted to talk to and tell them about something or receive some information or advice. They were really an extension of the business day. I rarely went to purely social events, evenings. Every evening was filled with something, there were very few evenings at home and a quiet day. The job was very demanding. The things that hit the headlines the next day would often be things that had just taken a very small fraction of the preceding day. They were only a small part of a very busy schedule. You had to be extremely careful that each thing that you did was carefully done and not given or received short treatment. There were a hundred little decisions made every day about things, no one of which took more time than others, but only maybe one or two of which turned out to be very big decisions, so you had to be able to focus your mind completely on the business at hand, because it was only going to be on your stage for a relatively short time and you had to be sure that you understood the problem and you didn't misunderstand what the question really was and that you made good decisions and kept them in some perspective.

Q: More intense than running Goldman Sachs?

WHITEHEAD: Much more. Much more. I mean, I thought that running Goldman Sachs was a tough job, and it was a tough job, but then, when I became Chairman of Goldman Sachs, I had been at Goldman Sachs for 27 years. I knew the issues, and I was particularly prepared for my ten years of being Chairman. But in the State Department, I hadn't been running the State Department or working in the State Department, so I was newer, but the job is one which requires a lot of reactive perspective. It was a very tough job. After four years, I felt that my reservoirs were pretty dry. A lot of things, which I had believed were

true before, didn't really require me to analyze things from the beginning. I sort of used up those reservoirs of basic beliefs that were my sort of guiding lights in the job. I came in with a well-analyzed belief that free trade was a good thing. So, when issues of free trade came up, I was an advocate of free trade. With these things I didn't really have to start over and ask "now why is free trade a good thing and who does it benefit and who does it harm?" and all of those things. That was part of the background that I already had, but those reservoirs of knowledge were sort of used up by the rigors of such a long time. It's tough to remain in a job like that.

Q: Physical fitness and just plain stamina are important in pacing yourself.

WHITEHEAD: I had a kayak that I kept down at a boathouse near the Watergate Apartments, where I lived. I tried every couple of days to find an hour that I could go to the boathouse and put my kayak in the water and paddle up the river and back. Because that was the only physical exercise that I really got. Whenever I traveled, I took my tennis racket and I was known as the Deputy Secretary that insisted that he have a tennis game every day sometime during the 24 hours.

Q: Well you have a busy day ahead. We've touched on a lot issues. There's some -- Angola, Southern Africa, Persian Gulf, reflagging, narcotics, Middle East Peace Process that we haven't touched on. Are there any things you'd like to get on this record on those or other issues?

WHITEHEAD: I think most of those areas that you've mentioned were not areas in which I was sort of uniquely involved. I think, maybe, I'd like to say something about the Libya problem. There are some lessons to be learned. I think that's an interesting little bit of information. First, about the military attack on Libya, then about the sanctions that we proposed on Libya. Five minutes each. The military attack on Libya was a question that had been in the press. The possibility of a military attack had been in the press a long time, as the possible military attack on Iraq is now in the press. Rumors circulated about it -- everybody knew that the administration was considering it. It all came to a head on a Sunday night. The President called a meeting at the White House at 8 o'clock at night. Secretary Shultz was out of the country, I think in Asia. So I had to attend on behalf of the State Department. All of the top people who were involved -- the Defense Department, the Joint Chiefs military representative, the Chief of Staff - were there. There were eight members of Congress there. The Republican and Democratic members of the key floor committees; the Policy Committee, and Armed Services Committees of both the House and Senate. Eight distinguished top leaders.

The meeting started, and this was where the decision was going to be made: do we go forward with a military attack? First, for about an hour, the Defense Department described the planned military attack which was to be made early the next morning, if the decision was made to proceed. All the details of the attack, what the targets would be, were all presented by the Chief of Staff and others. That took about an hour and there were questions about that, particularly questions from the Congressional people who were

there, showing some skepticism about this and that, worried about casualties from the airplanes that were going to be used, worried about civilian casualties in Libya because the bombs might miss their targets which had to do with training camps and other things that were reprehensible. Then I gave a report on the State Department, what information we had -- the CIA was there -- information we had about Libya. Then President Reagan, I think one of his finest hours, one of the times that I would see, took over and said he'd like to go around among the eight representatives of Congress, because, although the decision was his to make, he certainly wanted to hear the views of Congressional leaders before he made it. He went around and each of the people asked questions. They were all along the line of 'well the thing I worry about Mr. President is such and such what's going to happen if this happens'. He answered some of those questions and let others answer some of those questions. He went around the room and nobody showed enthusiastic support but nobody said 'well I wouldn't do this operation, Mr. President, because I think the risk outweighs the results'. Nobody said that. He said, "Well, thank you for your questions. I hope we've answered them. As you know, as we've made clear, because of the difficulty in refueling these planes and the fact that they are leaving from Britain and going to Libya, it's a long trip. They've already left, but there's plenty of time for me to order them to turn around and I'm willing to face that. Now I'd like to ask all eight of you 'is there anyone here who recommends that I terminate the operation?' I am prepared to listen to arguments to terminate." He said, "Just because the planes are in the air does not mean that we're irrevocably committed in any way, but they had to be in the air if we are going to make it tomorrow. I can't give you more notice than this because leaks would be devastating to the aircraft." There was dead silence in the room. Nobody spoke up. He let that silence just go on and on and on. Nobody spoke, nobody knew what to say, they were against it. Finally he said, "Well, I take it that your silence is significant and none of you feel that this would be against the interests of the United States so, therefore, we go forward." Then he said, "I'd like to ask you to all keep this absolutely confidential. We've arranged for you each to leave the White House from different entrances and at different times. One of our people will pick you up and show you how we'd like you to leave because the press knows that this meeting is taking place. We ask that none of you speak to the press." Everybody left out of different gates and different ways. A shame to say that two of the members, which I shall leave nameless, did speak to the press, right away. Not with any of the details, but with the fact that a military operation was going to go. They somehow couldn't just sit tight and not be the ones leaking this.

Anyhow, the operation took place. It was generally successful. I believe there was one plane that was shot down and two people killed in the whole operation. There were some bombs that did miss their targets. Qadhafi was certain that we must have known where he was that night, which we did not know, because a bomb landed near where his tent was pitched and knocked down the tent immediately. The depression from the bomb knocked down his tent pole and a baby that was in the tent, which he later announced was his son but which I don't believe had been his son, was killed. But Qadhafi was very impressed with the accuracy of the U.S. information about where he was and suspected that it must have come from a leak from his palace guard and fired most of his palace guard.

The next day, we imposed heavy sanctions on Libya, and the White House announced that I had been designated to go to Europe to persuade our allies that they should adopt the sanctions that we had adopted. There is no worse way to persuade an ally to do something than to announce that you are going to try to get them to do it under pressure from the United States. That's much harder politically to do, so it was a terrible mistake to make this announcement. But it had been made and our first response was from Mrs. Thatcher, which was to be the first stop on my trip. She said "Mr. Whitehead will be wasting his time coming here because I don't believe in sanctions. They never work." That was the British announcement. I took it upon myself to decide that better not be my first stop. So I chose to go to Canada first and saw Brian Mulroney. He agreed to go along with our sanctions. He was a close friend of the President, and made a phone call to him after my visit. He announced that night, late afternoon actually, that Canada would go along 100 percent with the sanctions. So then I decided, armed with that small victory, I would go.

I flew to London that night, arrived in the morning and checked into a hotel. Through the Embassy, we were trying to get an appointment for me with Mrs. Thatcher. Although she said I'd be wasting my time coming, I was there now and she was a bit on the spot, yet no invitation came. I sat in the hotel, hour after hour, constantly in touch with the embassy, asking 'can't we do something more? How can we get this appointment?' This would be embarrassing. I had a schedule that required me to leave Britain that night for Paris which was to be the next stop. So I couldn't very well change this whole schedule if I just didn't get the appointment. Along about 4 o'clock, the message came through from Number 10 Downing Street that Mrs. Thatcher was very sorry her schedule was too full for her to fit Mr. Whitehead in, but she would be delighted to have him come to tea at 5 o'clock, at 10 Downing Street, but this is not on her schedule. So I went to tea with Margaret Thatcher at 10 Downing Street. Mrs. Thatcher and I and her Chief of Staff, a man named Charles Powell, the three of us had tea. She explained to me why she didn't believe in sanctions and then she gave me examples of why she didn't think they worked. I did very little talking, as usually true of people who meet with Mrs. Thatcher. She has her views and she expresses them. I'm a tremendous admirer of hers, was then and still am. An hour came to the end and I felt that I shouldn't stay longer than an hour and it was approaching the end of the hour, very pleasant. I said, "well I must leave now, I don't want to impose on your time, I appreciate very much your willingness to meet with me even though it was not on your schedule, couldn't fit in your schedule and was just a social occasion. I'm disappointed, of course, that we can't do this and I'm sure President Reagan will be very disappointed too, that as old allies of the Cold War we cannot stay together on this particular thing." I said, "I won't continue to press this. You know the issues and you have make your decision." I said, "there is one little thing, maybe you can do, without violating your principles here. If you could ask British Petroleum" -- which then was 100 percent managed by the government -- "if you could ask them to just do their best to not buy Libyan oil when they're buying oil for the use of the British people, but to buy other oil which is readily available. We certainly would very much appreciate that gesture." Without describing the sanctions, I didn't use the word 'sanctions' I used the word 'favor'. Shortly thereafter it became evident that British Petroleum was not buying Libyan oil.

They had been big buyers of Libyan oil. The price of Libyan oil in the oil market, which had usually received about a dollar a barrel premium because of the high quality of the oil, is now selling at a discount of about a dollar or two dollars from the market price for other oil, and indeed sanctions began to have some effect. I went on to the other countries and had, I would say, mixed success. Not much success in France, not much success in Germany. Much more success than I expected in Italy, whose economy is closer to Libya than any other country in the world. They were very firm and did impose sanctions. So I came back with some successes from my European trip.

Q: The French had already been difficult, if memory serves, on the question of overflights for the planes. They made a very circuitous route.

WHITEHEAD: We had not, could not land the planes in France for refueling and we could not even fly planes over France, so we had to do a very circuitous route. Those fighters, as I remember, that did the bombing were refueled five times in the air which is really a remarkable thing. Fighters carry very little gasoline for a very fast and very short bombing run. Rarely had they been used to fly such a long distance in such a circuitous route to get to their targets. So that's Libya, that's the military operation that I was most involved in. It shows some interesting things about both President Reagan and Mrs. Thatcher.

Q: I would think a future Deputy Secretary would want to read this oral history as they prepare for this job. Have you any word for him or her as they think about whether to accept it, or what to do once they get it?

WHITEHEAD: Well, I talked a lot with Cliff Wharton when he first had the job, had several meetings with him. I have had several meetings with Strobe Talbott who was another successor. The Baker regime which immediately followed ours -- Jim, who was a good friend of mine -- was really interested and really sort of distancing himself from the accomplishments of an administration that he had served well in other jobs, as Secretary of the Treasury and Chief of Staff at the White House. But when Bush became President, he wanted to do it differently and didn't want to pick up too many people or friends, ways of doing things, and so on. The policies didn't change too much, the broad policies, but the people all changed, and the ways of doing things. Jim preferred to run the Department with a small group of very capable people without very much contact with the Foreign Service establishment. That modus operandi works well when there are only one or two or three problems to face. But if you have, as the State Department usually does, little problems everywhere -- every country you have some kind of problem with -- it doesn't work as well as our policy of more delegation, more involvement of more people in the actual decisions to be made. I think our system would be a better system, generally speaking. Jim's worked O.K., but he was spread awfully thin when there were a dozen problems going on at the same time.

Q: This concludes part two, the final part of the oral history interview with former Deputy Secretary John Whitehead.

End of interview