Knott: We heard about a dinner that you hosted at your home in 1978, I believe it was, where you met with the Reagans. If you could talk to us either about that dinner or any of the other early contacts you had with Ronald Reagan, we’d like to start there.

Shultz: My first interaction with him was not direct, but it was during the [Richard] Nixon administration. When I was Secretary of Labor, I worked mainly with Pat Moynihan. We produced something with the President that he put forward called the Family Assistance Plan. It was an effort to change the welfare system and it was pretty well done. We saw the problems of marginal tax rates and all those things that you’re worried about. I suggested something that turned out to be something of a breakthrough. Moynihan called it the “Shultz disregard,” that you disregard a certain clump of income and then you start applying grades. Anyway, it made it work out. We presented this program.

It was a surprise, I think, to a lot of people. Initially it had the support of Milton Friedman, who was a close friend of mine at the University of Chicago. He changed his mind later because instead of this plan being the plan, people started adding all kinds of things on it and changed the whole meaning of it. By that time I agreed with that criticism. But at any rate, Governor Reagan, whom I didn’t know, took a strong position against it.

It was a little startling because he was a Republican. A Nixon Republican makes this proposal and all of a sudden the Governor of California comes and his point of view was that what this should be about is work, and not rearranging the structure of the way payments flowed. We thought we had covered that base. At any rate, he made a strong dent. It was interesting to me because here’s this man from California and he comes and he has a reasoned, analytical approach to this problem, seemed to understand it. While I was disappointed, I was impressed. So that was the first time I had any interaction with him.

Knott: I see.

Shultz: President Nixon was always conscious of the Governor of California. Cap [Caspar] Weinberger, who worked for me—when I was Director of the Budget, he was the deputy—had been Ronald Reagan’s budget director in California. So he was sort of the Nixon administration liaison to Governor Reagan. Probably Cap could tell you a lot of stuff about that, I’m sure you’ll
interview him. So that was the first thing. The impression was a thoughtful, hard-headed guy who did his homework and came with a point of view that was a little different from ours, but nevertheless one you had to respect.

When I came back from the Nixon—I was Secretary of Labor, then Director of the Budget, then Secretary of the Treasury and then I came back here—Governor Reagan got in touch with me and invited me to Sacramento for a lunch. So, of course, I went. He knew the different jobs I’d had. I guess I hadn’t met him, but we had this long lunch. I’m not certain but I think Ed Meese was the only other person present. It turned out to be a grilling of me by him on how the federal government worked and particularly how the budget worked. He really seemed to understand budgets and he wanted to know how you put the budget together, what role did a Cabinet officer play, what kind of a process did you go through, and what were some of the tricks of the trade of getting it done and so on.

I remember coming away from that feeling, Well, this man obviously wants to be President, but he clearly wants to be President because he wants to do the job. Otherwise he wouldn’t be interested in all this stuff, because this is down in the dirt. I later learned that he liked the economic stuff and he liked budgets. It was quite a contrast; President Nixon basically didn’t like the budget process. He was more focused on foreign affairs and so on. The budget was something you had to do. But with Ronald Reagan it was something he liked and he could see how central it was. So those were my exposures.

You mentioned a dinner. There was a dinner party at my house. I think it is mentioned in my book, I’m not sure. It happened around a Hoover event as I remember, and Milton Friedman was there and Alan Greenspan and Bill Simon and Marty Anderson, people like that, Mike Boskin. So it was a good guest list, smart, knowledgeable people. Then we had a knockdown, drag-out evening. It was really fun. He was put on the spot and people asked him questions and argued with him, and there are some pretty good arguers in that group. He enjoyed himself. He argued with everybody and more than held his own. Everybody went away saying, “Quite a guy.”

Young: What were the topics being argued about?

Shultz: Mostly economic things.

Young: This was in ’78, I believe, you mentioned in your book.

Shultz: Yes.

Young: And how did it come to be held at your house? Did you organize it or—

Shultz: I don’t remember exactly. My guess is that there was a Hoover meeting of some kind so I thought that would be an interesting thing to do. He asked me, I forget just when, it was two or three years after I was Secretary of State and we were sitting around somewhere, with nothing in particular, and he recalled that evening. He said, “I remember that evening at your house. I remember that you asked a lot of questions. You were the provocateur, so to speak, but you
didn’t say very much. You were listening a lot, and I always wondered what you came away with.” [chuckling] He noticed that.

**Knott:** Could you tell us about the role that you played in the 1980 campaign? What role if any you played in that campaign?

**Shultz:** I have to reach back in my memory. I know that I worked mainly on economic things. I was chairman of an economic advisory group that included a lot of the people who were at the dinner. You can get that list rather than my trying to recall it.

**Knott:** Sure.

**Shultz:** And it floated around in terms of who was present at what. But I worked on the campaign, mainly through Marty Anderson and Dick Allen, and with President Reagan. I think I was on *Meet the Press* once. They wanted somebody who was sympathetic to Reagan on *Meet the Press*, who they knew. I went and I talked to him about that. He didn’t try to tell me what to say, we just talked. I raised issues and problems. I wanted to check his thinking, my impression of him. So then I had that session on *Meet the Press* and it was a pretty successful session in the sense that I could give good answers to questions. At least I thought so, and a lot of people thought so, to my recollection. So that was part of the campaign. And I went around some. I think I traveled with him once or twice.

**Young:** You mentioned your first indirect contact with Reagan or his thinking, on the welfare issue with Pat Moynihan. I’m gathering that the discussion at your house in ’78 gave you more information about his thinking on economics, if that was the topic, the economic policy, but perhaps I’m reading too much into that. But by the time you were on the campaign in a policy advisory role, or in economics, did you feel you knew where Ronald Reagan was coming from? That you knew his thinking pretty well in the sphere of economics, whatever that includes?

**Shultz:** Yes, I think I got to know how he thought. Of course I made a big effort when I was in office to have private time with him and talk about issues, prospective issues, so that I could feel comfortable that I knew the way he was thinking about different subjects and therefore could represent him. I always took the position—people would say, “Well, what about your foreign policy?” And I would say, “I don’t have one. President Reagan has one; my job is to help him formulate it and to help him carry it out. But it’s not my policy; it’s his policy. That’s what he got elected to do.”

So that means that if you’re working for a President, one of your obligations is to try to understand his thinking as best you can. To be ready to argue and so on, to help him think things through, but in the end you have to respect the fact that he’s the one who got elected, not you. A lot of people don’t have that point of view, but they get in trouble in the end when they don’t.

Put it this way, what do you get out of these meetings and the contacts? Of course, you get out of it a sense of where he stands on different subjects, some very clear and some sort of a general way of thinking about things. But you also are always figuring out the man and how he approaches things. It always came through to me that he approached things from the standpoint
of the substance. Here is this problem. How do you think it through? What’s the right answer from the standpoint of the country as I, Ronald Reagan, think of the best interests of the country? In a sense, he was non-political in a lot of his thinking. Not that he wasn’t a gifted politician, but that’s not the way he went about a subject of any importance.

Selverstone: I was just wondering if you could say a few words about speculation surrounding the selection of Secretary of State in the beginning of the administration. Your name had been floated. What are your recollections about that time?

Shultz: I got a phone call from him around Thanksgiving time, or I don’t know exactly when. I was busy working with my little advisory group to make a set of recommendations to him. And we actually did, we had a meeting in Los Angeles with the President-elect and most of the people came. We presented the report, which I had drawn up and cleared around. This is what we proposed, it did a lot of the things we proposed. And a lot of the same people wound up on an economic policy advisory board that I chaired and that I think was quite helpful to him, particularly early in his time in office. Now I lost the thread of your question.

Selverstone: The question is about the possibility that you might be nominated as Secretary.

Shultz: Yes, so he called me around Thanksgiving time and basically said, “I know you’ve served in the government before and you’ve done your time. I’ve seen your house and I see you have a nice life out in California, and life is good.” I said, “Life is terrific. All I want out of you, Mr. President, is a good job. I don’t want a job, I want you to do a good job.” And he said he’d love to have me in his Cabinet, but he didn’t offer me any job. Marty Anderson or somebody, or [Michael] Deaver, I guess, told me that they were all miffed because he was supposed to ask me to be Secretary of State and he never got around to it. That’s what they said. I don’t know whether that’s true or not.

Selverstone: Had he asked, would you have accepted at that point?

Shultz: That’s speculative. I don’t know what I would have done, maybe I would have. It’s hard. You don’t say no to a President if he asks you to do a job like Secretary of State, if you have confidence in the person, if you think this is the right person.

Knott: But you continued to play this role as chairman of the economic policy coordinating committee. You mentioned during the early years you thought it was very helpful to the President. Could you just give us some sense of the role that this committee played and the kind of advice that you were giving the President?

Young: I should interject—

Knott: Sure.

Young: This is a subject we’ve also talked about with Marty Anderson—we interviewed Marty about a year ago and actually we talked with Annelise [Anderson] yesterday—so that we’ve come to understand what I think wasn’t too clear to us at the beginning, not only in terms of the
substance of the advice that was given, but in terms of the way it was given. The whole concept of this board of people that would bring in talent and knowledgeable people from the outside was very important to understanding the Reagan economic policy. So that’s why we’re asking—

Shultz: Marty can talk better than I can about its impact within the administration because I wasn’t there. I would come, we would organize an agenda, we’d have our meeting with the President, then we’d go away. Then what the ins and outs of it were, the people who were there, Marty would have a better insight. I believe it’s true that the people—the Secretary of the Treasury, the Director of the Budget, the people who were there—didn’t particularly want an outside advisory board because it was kind of encroaching on their turf. So it was only Marty’s persistence and the President’s desire that brought it into being.

When we had our meetings—and the pattern was that we’d start at whatever it was, 9 o’clock or something, and we would sit around in the Roosevelt Room—the administration people would be present but not part of the discussion; that was the deal. Our deal also was that anybody who comes is free to say to the press whatever they think about whatever they want. But what you’re not free to do is say, “I told the President this or that,” or somebody else said something or other. Let people speak for themselves. That seemed to work fine. We didn’t have any problems.

My interpretation of what happened was the people who were on my advisory committee were all people who worked with him in the campaign in one way or another. They were people who were not looking for a job, they weren’t looking for anything in particular. They were interested in helping him frame policy. They were basically philosophically people he was comfortable with. So he listened to it for that reason. To a certain extent—and it’s always true—an administration is formed, Cabinet is formed, people start working on policies. Something that is here, and clean cut, starts to get eroded because of the realities of politics and this and that and the other.

Our group would come back in and say, “Well, Mr. President, you were right in the first place, get back here.” He liked that, but his staff didn’t. So I think it was more of that kind of thing. But it was also very candid. I remember he had, I forget what they were called, voluntary quotas or something like that, of Japanese automobiles. He was a genuine free trader, philosophically and practically. I remember the nominating convention was in Detroit, and the autoworkers and the automobile companies came in to see him and he rebuffed—he stiff-armed them, right there in Detroit. But he went for these voluntary quotas.

I remember Bill Simon just peeled the bark off him. He said, “Mr. President, how can you do such a thing? Totally out of character, it’s wrong [growls].” There was no equivocation. He didn’t particularly like it, but he didn’t object either. I think he felt a little, I got talked into that, damn it. But it was good because it keeps you on the straight and narrow and he liked it.

Knott: So during the summer of 1982, you receive another phone call from the President—and you do discuss this in your book and elsewhere—but could you just recount the circumstances leading to your selection to replace Alexander Haig as Secretary of State?
Shultz: I don’t know what kind of processes there were within the administration. I can only speak from my standpoint. But of course I had been at all these associations for the President that we talked about, and back in the Nixon administration I had been Secretary of the Treasury and then was a private citizen. I was here at Bechtel making a living. I got a call from Henry [Kissinger], who was Secretary of State, or maybe Larry Eagleburger. Anyway, basically they said Helmut Schmidt and [Valéry] Giscard d’Estaing and I guess [Harold] Wilson, but those two in particular, had suggested that there be a meeting of heads of state to talk about their views on economic issues. And we were a little suspicious of what they had in mind. Both of those people had been Finance Minister when I was Secretary of the Treasury, I knew them well. We had formed a little group that had worked on monetary issues.

So they said, “Would you go and explore this, find out what’s on their minds?” So I did. I went to Bonn, I had a long meeting with Helmut. He was a great friend of mine. Then I went to London; the Prime Minister invited me out to Chequers and we had a discussion there. Then I went to France and I’m having lunch in the Elysée palace with Giscard d’Estaing and his phone rings. It’s Helmut Schmidt, who says, “Why don’t you and I and Shultz get together for dinner tonight and I’ll come to some place in France?” So we had a dinner that night. By this time I thought, There are real problems to talk about and these people think it’s a good idea for the main players to talk about each other’s thinking. They’re not trying to mousetrap you, they’re not trying—and I thought, It’s a good idea. It’s just exactly the sort of thing that worked well when I was in the Treasury with the same people.

So I went to an apartment of a friend of mine in Paris because the French will tap phones, we all know. But they wouldn’t have known about that one. I called in and I said, “I have this dinner coming up tonight; here’s what I’ve done, these are my views. I think it’s a good thing, but you let me know what you want, because I can turn it off tonight or I can turn it on. It’s up to you. I’ll sit here at this number, an apartment house, and I’ll wait until you call me back.” And about an hour or so later they called me back and said, “Let’s go, good idea.”

So we had our dinner and then the next day it got going, and that’s how what’s now called the G7 got started. Somebody in the Reagan administration must have known that.

Young: Excuse me for a moment, who did you call when you said, “I can turn it on or turn it off?”

Shultz: Probably to whoever I reached. Maybe it was Larry Eagleburger; he was Henry’s chief person. I then got a call from, maybe it was Al Haig, saying, “Would you do something similar?” We’ve had one summit; the President didn’t think it was very good, and we’re getting ready for one, I think it was to be in Versailles. “Would you come in, talk to us, talk to the President, and then make a trip around to the various heads of government and say, ‘Here’s what President Reagan has on his mind. What do you have on your mind?’” Sort of a little preparatory, kind of aside from what the Sherpas [personal representatives] were doing. Because President Reagan was a little disenchanted with the Sherpa process. So I did that. And I made a report to him in the Cabinet room on my trip.
I remember my final statement was, “Mr. President, as far as I can see, all these people are reaching around and they’re looking for a leader. And you’re elected.” So I had that interaction on the foreign affairs side and I had these contacts. But I was in London on a Bechtel trip and we were having a meeting with some of our friends and clients. I was speaking at it, and somebody handed me a note that said, “George Clark from the White House wants to speak to you.” I looked at it and said, “I don’t know any George Clark in the White House.” So I brushed it off and went on. Then there was a break, and they came and they said, “He called again. It’s Judge [William] Clark, the President’s National Security Advisor, who would like to speak with you.” So I called and he said, “The President would like to speak to you and he’d like to do it on a secure phone. Would you be able to go over to the embassy building where we have arranged? They’ll greet you and take you to a place with a secure phone and you could talk to the President.” I said, “Of course.”

So I went over. I can’t remember all the ins and outs but basically he said, “Al Haig has resigned as Secretary of State and I’d like you to become Secretary of State.” I said, “Al Haig has resigned, that’s a fact? That’s not something that you’re thinking of doing?” Because I’m not going to get into that position. He said, “No, he has resigned. I’ve accepted his resignation. It hasn’t been announced, but it’s a fact.” Then he went on and said, “And it’s very important to not have a gap.” I said, “Are you asking me to accept this job over the phone?” And he said, “Well, yes, it’s not a good idea to have an open time. It’s better to say, ‘He’s resigned and here’s my nominee for his replacement.’” So I said yes.

He said, “We’re going to announce this at one o’clock this afternoon,” which is six o’clock in London or something, “so don’t say anything about it until then. Then it will be announced.” I had an appointment with a wonderful man who was head of RTZ, and the mining company executives. They were Bechtel clients, but mining company executives are often especially interesting, because mining is a global business. You go where the ore body is, and it’s all kinds of unlikely places. Then there’s a global market for the product so the people at the top of that industry think in ways that—I particularly admired this guy so we went ahead with that appointment.

I thought to myself, Well, what can I get out of this? I know I’m going to have problems with South Africa, and he knows a lot about that subject because he’s got mining interests there. So the meeting turned into my asking him a lot about that subject. I saw him later and he said, “It was the most peculiar visit from a Bechtel person to a client that I’ve ever experienced. I couldn’t understand what was going on until I read the papers the next day.” But I went there.

Then we had a dinner with Andrew Knight, who was then editor of The Economist magazine; he was a friend of mine. It was just a little family dinner. So we went over to that. Andrew said, “What’s new?” I said, “I’ll tell you at 6 o’clock,” or something, or 7 o’clock. Whatever it was. His phone rang about a half an hour after 7 o’clock. He came back and he said, “That was my reporter, the Economist reporter in Washington, breathlessly telling me that you had been named Secretary of State.” And I said, “Well, what did you do, tell him you were having dinner with me?” He said, “No, I didn’t want to one-up him that badly.” But what all the thinking was in Washington, I don’t know. You can get that from other people.
Young: You didn’t talk with the President directly about the terms of the appointment at that point?

Shultz: Well, there are no terms. You’re Secretary of State.

Young: You didn’t have a conversation with him, it was through Judge Clark.

Shultz: No, no, Judge Clark asked me to go over to the embassy where there was a secure phone. Then it was the President who called me on the secure phone and that was the conversation I had directly with the President.

Young: Yes, yes. That wasn’t clear in what you had said, fine.

Selverstone: You walked into a very difficult situation immediately with the Israelis and the incursion into Lebanon. You speak about that at length in your book. Is there anything in particular that you’d like to emphasize about your dealings with the Israelis, in trying to extricate them from Lebanon at that time?

Shultz: I think I describe it all very extensively in my book so I don’t really have anything to add to that.

Young: Also the awkwardness with Haig being around, before your confirmation. You also treated that in your book as well.

Shultz: Well, he stayed. I had known Al Haig, of course, going back to the Nixon administration, we were friends. So there were no strains in that relationship, in that transition. But I was obviously—before you are confirmed, if you have any brains you don’t do anything or say anything. You prepare yourself. You become as knowledgeable as you can about what’s going on and you get ready for the confirmation process.

Knott: And again, we’re covering some territory that is in your memoir, but there may be instances here where you might be able to add some material. Could you talk to us just in general terms about your priorities as incoming Secretary of State? What did you consider to be your most important tasks ahead of you?

Shultz: As you pointed out, the scene was dominated by the problems in Lebanon and Beirut. I remember, I took a trip to Canada early on. The reporters on the plane—they went because they always went—and you have your usual press conference on the plane. I remember them saying, “Why are we here? Why are you going to Canada?” And I remember saying to them, “Who do you think our largest trading partner is?” “Japan.” “Who’s the next largest?” “Germany.” I said, “You are so wrong. Canada is twice either one of those. It’s by far our largest trading partner. Our relationships with Canada, and for that matter in our neighborhood, are the place where we start. I’m trying to make that point. That’s why we’re going to Canada.” There are all these problems and you’ve got to cope with them, but also you’ve got to think about what you’re trying to do.
It always seemed to me—and I knew from my discussions it was Ronald Reagan’s view—that foreign policy starts with your neighborhood. If your neighborhood is healthy, it’s going to be much better. If your neighborhood is unhealthy, you’re going to have all sorts of problems. So my first two trips out of the country were to Canada and Mexico, for that reason. President Reagan absolutely agreed with that approach.

But your priorities, obviously, you have the major powers. You have the Soviet Union and the Cold War and our relationships with our allies and with Japan and China. I was something of a Far East buff. From my days in the Treasury, I had my first trip out that way other than being in the Marines in World War II. Having fought over those islands, I had to think they were important. So I had a little orientation in that direction. But the pipeline dispute, the pipeline that the Europeans wanted to build and did build, was sort of a tactical thing you had to deal with.

One of the things I tried to do, and I think successfully, with the President, was to put it into the strategic context that 1983 was going to be the year of the missile. This was a year when we were either going to have an agreement or we were going to deploy missiles, and that was going to be very hard to do in Europe. We needed to get this pipeline dispute settled in a sensible way. I remember arguing with them that the sanctions that we have are a wasting asset. The longer they go, the less they mean. So now is the time to get what we can out of it, and we got a pretty good deal—that I worked out over Cap’s objections as I remember, but with the President’s support. The President understood how economics worked. He had a good sense of that.

**Selverstone:** With relation to the pipeline, was it your sense that people were not thinking along the lines of grand strategy?

**Shultz:** They were thinking grand strategy in terms of—and I think rightly—that here we are with this Cold War. Do you think it’s a great idea for Europe to become dependent on gas coming from the Soviet Union? No. I completely agreed with the objections to it. But the Europeans were doing it and the sanctions were not stopping them. Even had Margaret Thatcher mad. So how do we work it through and get the toughest thing we can? Out of it we got a reasonable commitment to the restrictions on goods that would flow to the Soviet Union. I forget the thing that monitored that.

**Selverstone:** The COCOM [Coordinating Committee on Multilateral Export Controls].

**Shultz:** Yes, COCOM. That was strengthened quite a lot. So that gave us something to work with. Anyway, I’m answering your question about what was on my mind by telling you things that I did. So the neighborhood was on my mind. Obviously the Soviet Union was on my mind. You had to think about Japan and China, Southeast Asia. I mean, the thing that always impressed me and impresses me today is that unlike most other countries, the United States has to have a global outlook. You can’t just focus on this or that. Most countries don’t have to do that. They aren’t significant enough around the world. So they focus on particular things, understandably. Usually their neighborhood. Everybody understands that point.

But in the U.S. you have to have a global outlook and be sensitive to the connections that are there. And they’re there.
Young: I’d like to ask a general question about that and give you an impression. Early on in your book you spoke about the “fire hose of information,” constantly inundating you, the fact that it’s very hard to recapture in your book what was going on simultaneously, or at the same time, so you’re almost juggling a number of different tactical problems or operational problems simultaneously. And they’re not small ones, either. The Middle East, the pipeline, everything is going on at once.

I found it remarkable in your book that you could present the tactical issue in terms of a strategic or global perspective. I wonder where you got that talent to be able to do that, because I think it’s a fairly rare one. And I think, secondly, how this resonated with what Reagan needed and what Reagan thought. I think it may have been more difficult for him to see the pipeline in terms of the broader perspective than it was for you, as Secretary of State.

Shultz: He saw it in a broad perspective and everybody did in terms of the perspective of the Cold War and the undesirability of this, and I agreed with that totally. But there was also the fact that the Europeans were building it and the sanctions didn’t prevent them from doing it. So you had to work with what you had. I don’t know, when you’re organizing a book—I remember struggling with how to organize it, because as you say, everything is going on simultaneously. And you have a choice. You can write a book that’s organized according to time, this month, the next month and so on. It would be very difficult to write and it would be even more difficult to read and make any sense out of it.

So what you do, or at least what I wound up doing, was to be topical, sequentially. Take up the Middle East, then take up the Soviet Union and so on, and then do that several times so that it is sort of contemporaneous but you organize it into these areas to make it comprehensible to read. But at the same time, occasionally put in things that say to the reader, “Now this is not what life is like. What life is like is in the morning you’re doing this, this in the afternoon, and this at night, and so on,” and you’ve got that scramble always in your mind.

I don’t know to what degree I have any special knack of looking at broader pictures. To a degree I think training as an economist teaches you that you make a change at a point in time A, and nothing significant happens for another eight or nine months as a result of this policy input—unless you make the mistake of falling for something like wage and price controls, then it happens instantly, but it’s usually not a very good idea. The whole conceptual apparatus of economics is one that has lags in it.

In an earlier book I wrote, I had a phrase, “An economist’s lag is a politician’s nightmare.” Because a politician says, “Here’s this problem,” and you say, “The answer to that problem is to change these policies and about six to eight months from now you’ll begin to see some effects.” So there’s a lag, the economist’s lag. And the politician says, “I don’t want a lag like that, I want it today.” [chuckling]

Knott: You had mentioned earlier 1983 being the year that you were probably going to have to go ahead and install these Pershing IIs, I believe they were, and other intermediate-range missiles in Europe. Could you talk a little bit about dealing with the intense opposition, at least on the
street in Europe—you had a very strong nuclear freeze movement, both in the United States and in Western Europe. Could you talk about your efforts to ensure that this installation occurred with a minimum of disruption in terms of the ties between the United States and Western Europe?

Shultz: Well, that was the job of diplomacy. You have to present a sense of assurance that other things are not happening, the deployment is going to go forward. This wasn’t a U.S. decision, this was a NATO [North Atlantic Treaty Organization] decision. Actually it was made before Reagan took office. So we were implementing something that the allies had all agreed on and we were making it work. Now, what does making it work take? It means that you have to make it clear to people that there’s a genuine, real effort going on to create a diplomatic solution, so called. That is, an agreement that they’re going to do this and we’re going to do that, and we go forward on an agreed basis.

In order for people to get that impression it has to really be so. Because people see through sham things right away. So we had a major arms control negotiation going on and in the INF [Intermediate-Range Nuclear Forces] negotiations the U.S. position was the so-called “zero option.” You take out of deployment all your SS-20s, and we won’t deploy any intermediate-range missiles. Then there were all sorts of proposals made in between. Well, okay, you take out some, we’ll deploy some, and so on. The same with the strategic arms area. So you’re working these things and you’re wanting people to see that this is a real negotiation. The Soviets, I think, were a little betwixt and between because they couldn’t refuse to negotiate, but at least it became clear enough to me that there was no way they were going to agree to any deployments, particularly of Pershing missiles in Germany, no way.

So in a sense that gave us a tactical—as a bargainer, once you know where your opponent is, that enables you to make offers that you know it’s not likely that they can respond to, but which are nevertheless going to be actually very forthcoming offers. And there were some dramatic things along the way. I believe that the way President Reagan handled the Korean airliner shoot down was classical in the way it should be done. I wrote about this in my book. The contrast between [Jimmy] Carter’s reaction to Afghanistan and Reagan’s reaction to the Korean airliner was a dramatic difference. Carter was surprised and cut off all relations with the Soviet Union. Reagan said, “What do you expect of an evil empire? Nevertheless, we should continue our arms negotiations.” From the standpoint of the European perception of the genuineness of the U.S. desire to negotiate, that made a big impact.

But at any rate, it was a very dramatic period. The President did a lot; I did a lot. [François] Mitterrand came through, Helmut Kohl in the end. It was in many ways his finest hour. So finally we did get the deployment. The Soviets initially produced a lot of war talk and tried to scare people. But even as early as the January following the deployments—I think the deployments were in November or December—we had a coordinated approach. I had some meeting in Stockholm or somewhere like that with the President. He made a speech saying certain things and I made my speech, and others, sort of a coordinated signal to the Soviets that we’re ready to resume. They eventually came around.
Knott: They had just touched back upon the KAL 007 [Korean Airlines] incident, your initial reaction was not to make this a U.S.-Soviet dispute but to globalize it. Was that Reagan’s initial reaction as well?

Shultz: His initial reaction was outrage, as mine was, anybody’s was. Reagan was in California; I have a family farm in the Berkshires. I was there and I had been invited to give an address at the 350th anniversary at Harvard. They were having a celebration, and they asked me to give the address. So I drove over from my farm to Harvard and that was the day I learned of this event. I was planning to go back to my farm for some more vacation, and, of course, I abandoned that and went to Washington after the Harvard address.

When I got to Washington I found this intercepted tape that we had. It’s a pretty chilling tape. It seemed to me that was a critical thing to get out. With the President’s support I managed to get the intelligence people to release it. It was hard because they didn’t want to release it. So as I remember, I had a press conference and I said, “We’re not speculating about how this plane got shot down. Here is the tape of the fighter pilot talking to the ground control. ‘It’s a 747 with a very distinctive profile, can’t miss it.’” Those were pretty brutal times.

Knott: Sure.

Shultz: But we were very strong in condemning that. I had one of the wildest meetings with [Andrei] Gromyko that I think anybody ever had. Afterwards the interpreter told me, “I’ve been interpreting in these meetings for 20 years; I never had one like that.” But we kept our arms negotiations going.

Knott: Is it accurate to say—and this has always been a question that I’ve wrestled with—in later years it was reported that Ronald Reagan had a strategy of spending the Soviets into the ground. That he believed that we could beat them in an arms race, that they lacked the resources to keep up with the West, to keep up with the United States. Is that accurate? Did he, early on when you knew him, when you first became Secretary of State, was this a President who had a strategy of spending the Soviets into the ground and believed that we could prevail?

Shultz: I’ve heard a lot of people say that, but I never really bought that. That is, we felt that they couldn’t keep up with us, but the idea of building up our military capability was not to outspend them but to provide ourselves with adequate defenses. That was the justification for it. And the justification for the Strategic Defense Initiative was to learn how to defend ourselves against ballistic missiles. It had an impact on the Soviet Union, and I was always very skeptical of the Soviet economy and so was Reagan. The reports we got from CIA [Central Intelligence Agency] were all, “The economy is strong.” But that turned out to be wrong.

There was a different aspect, and I think Bud McFarlane more than anybody had this view on the Strategic Defense Initiative. You’ll talk to him so you’ll find out what he thought, but my impression is that he felt it was a good thing because, first of all, if we could learn how to defend ourselves, that’s a good thing. But beyond that, we had not been able to develop a basing mode for the MX missile, and so our bargaining structure was weakened by that. Putting the SDI into
the mix in a sense strengthened the overall structure of our bargaining position. I think Bud was right about that. It worked that way.

There was also the notion of, what would the Soviets fear? Well, they probably figured that we knew more than we actually did about what to do with the strategic defense. But also, underneath it, they had to be concerned that if you get American science working on defense issues in an effective way again, it’s awesome. You don’t know what they’re going to come up with. So they might be afraid of that.

Selverstone: Had you seen SDI as a bargaining chip from the outset in the ways that McFarlane did, or did you come to see it that way at some point? Or President Reagan?

Shultz: It was a wonderful bargaining tool, but we never used it in a way that undermined at all our ability to carry out the research. So the basic kernel of SDI was never bargained with. But what we did was use things like an agreement not to deploy for a certain number of years, which I remember arguing with the President, that’s like giving them the sleeves from your vest. There’s nothing we’re going to deploy in seven years anyway. So if we agree we won’t deploy for seven years, if we can get something for that, terrific. That’s not compromising our program, but it is using it. And it was very effective.

Knott: During your tenure as Secretary of State, there were a number of National Security Advisors to the President. There was a fairly frequent turnover. I was wondering if you might comment on why that happened. Perhaps it wasn’t in your view out of the ordinary, but was there a problem in that position? What was your relationship with the various National Security Advisors to President Reagan?

Shultz: I had a hard time with them until Colin Powell. Then with Colin everything worked sort of by the book, was good.

Knott: Prior to Colin Powell they were—

Shultz: Bill Clark—I like to work on a totally open basis with the President and his team. And they did a lot of things that I should have known about, without my knowing about it. In part because, I felt, they knew that I would argue, and they didn’t want the argument. So I objected to that. I forget what it was, but I wound up saying to the President that I should have private meetings with him regularly, and he agreed. I think I was the only Cabinet officer who did that, but fairly early on we established that.

What I would do is I would carefully remember everything. Then as soon as I got through with the President, I would go down the hall to the National Security Advisor’s office and give them a complete fill in. And I said to the President, “This is what I’m doing. Why don’t we have the National Security Advisor sit in our meetings and you can tell him he’s not to say anything. He’s not part of the conversation, but he’s there, so I don’t have to go spend all that time briefing him.” And the President at first said, “No, I’d rather just the two of us meet.” Then he relented.
But the Iran-Contra business was in a way a tragic illustration of why a correct process is desirable. And why, at least in my opinion, operational activity by a National Security Advisor or other people in the White House is not a desirable thing. These are staff people. Colin Powell expressed it to me. He said, “I’m a member of your staff. The National Security Council consists of the President, the Vice President, the Secretary of State, and the Secretary of Defense. Four people. The Director of the CIA is an adjunct,” or something. “And I’m the head of the staff of the Council. Obviously, the President’s my chief client. But I’m your staff, so to speak.” He thought of it that way. Everything that was going on we knew, we shared.

When he became National Security Advisor, I suggested—and Frank Carlucci, who had been Secretary of Defense, agreed—every morning we’d meet in Colin’s office. With no agenda, no staff, no nothing, and we wouldn’t debrief. So the troops would get the idea that the bosses were getting along, so they’d better get along. I mean, it worked well, it was good. But the Iran-Contra business was worked by the NSC staff with the CIA, and people got little glimpses into it. Cap Weinberger and I both opposed it, but in a sense it was a major activity carried on off-line. I’m enough of a managerial-type person to say, “Your line organization should be the people who carry the ball operationally, because they’re the people who are nominated by the President, confirmed by the Senate, are subject to being called to testify before the Senate and the House, to be the spokespeople.” So that’s the right line. The other people are important and very capable and everything, but they’re staff.

Selverstone: Yes.

Shultz: So they help the President form ideas and so on, but as soon as you deviate from that you get in trouble. Not always, but you tend to.

Selverstone: Your sense of why this process kind of ran amok had to do with the personalities of those folks who were in charge of the NSC or some of the people who were closer to the President? The National Security Advisors themselves? Where did the breakdown come in terms of reining those folks in?

Shultz: I can only speculate about it. I think on that particular thing, it got started with the Israelis going to Bud McFarlane. They didn’t come to me; they went to him. The President, it just drove him crazy that there were these hostages in Lebanon, Americans being tortured, and he couldn’t do anything about it and he’s their President. You would like to feel that if you’re an American and that’s happening to you, you’d like to feel your President cares about it and is trying to do something about it. He cared about it a lot.

So that gave them a tool. Here’s this Iranian dream, which I thought was a cock-eyed dream at the time. Maybe it’s more now, but it certainly wasn’t then. “And by the way, Mr. President, we’ll get our hostages out.” Well, then we have to do this secretly, nobody can know. And then they did all kinds of things that they shouldn’t have done.

Knott: The press reports at the time said that the President was deeply moved by any contacts he would have with the families of the hostages.
Shultz: Yes, he was.

Knott: So these kinds of personal appeals really registered with him.

Shultz: So subsequently the families were kept more at a distance for just that reason. It’s hard. Managing terrorism and these kinds of things is hard. I remember when Gerald Seib was taken hostage in Iran, the leaders of the Wall Street Journal came in to see me, what to do. And I said, “Well, I’ll tell you what I would advise you to do, but you probably won’t do it, particularly since you’re a newspaper.” They said, “What’s that?” I said, “The game here is to minimize the gains they get from what they’re doing and maximize the cost. That’s the balance you’re playing with. And the more you publicize how terrible it is that Gerry Seib is being held there, the bigger the gain you’re giving them. They say, big prize.

“If you can keep your mouth shut—I mean, you have to register your views, but do it carefully. We are working this issue and we can work it through the Swiss to their embassy in Tehran or their intersection. We’re talking about this and we’re trying to get it across to the Iranians that this is going to cost them a lot. If you can keep the benefits that they see down, maybe we’ll get somewhere.” And they did. The Wall Street Journal people took my advice. And we got Gerry Seib out in about two or three weeks. It was an interesting little lesson. But I think that the underlying impulse from the President had less to do with any grand vision of Iran, which was the way it was sold, than it had to do with the effort to get the hostages out.

Knott: You were an early and very forceful advocate for responding to acts of terrorism. I believe there were some differences between yourself and Secretary Weinberger over this issue. Could you recount for us, if I have that accurate, your position and Secretary Weinberger’s position in terms of responding to terrorist attacks?

Shultz: I thought terrorism was a form of warfare, different from the kind that was always planned on. You had to respond and you had to do more than respond, more than defend yourself. You had to be able to take preemptive action and use your military forces in doing it. That was in 1984. I made a speech to that effect, which if you put it into today’s context is where we are, but that was very controversial then. Cap had a different view. I have in my book a couple of chapters on terrorism and I think I laid out what I think there.

Knott: Would you be willing to talk a little more about your relationship with the Secretary of Defense and the reports at the time—and they persist to this day—that the two of you were often at loggerheads? Has that been overstated or is that an accurate assessment of your relationship with him?

Shultz: We were friends and have been for a long time. He was my deputy when I was Director of the Budget. Then he came out here and he was general counsel when I was president of Bechtel. So both of those times he sort of reported to me.

Knott: Um-hum.
Shultz: Then, when we were both in office together, of course, he was not reporting to me. He was running the Defense Department, which is quite a task. I always supported the defense budget, wholeheartedly. People don’t remember all the things we agreed on. But we disagreed about the Soviet Union. That was the principal thing. And about how we should be ready to use force. The Grenada operation was much more a State Department-driven thing with the President, with a reluctant Defense Department, although I give the military credit. Once the President gives them an order, then they do it, and they do it well. But there was that pulling and hawing.

Cap and I agreed with each other on the Iran-Contra business, though. We had some strong disagreements but. . . .

Young: Was it—?

Shultz: Cap as a personality, he makes up his mind and that’s it. Very hard to argue with him. I remember going over to him once, I said, “Cap, once you make up your mind, there’s no shaking you. So when we see these things coming, I’d like to come and talk to you before you make up your mind. We’ll have more of a chance for some give and take.”

Frank Carlucci as a National Security Advisor was a very honorable person, but what Frank wants to do is run things. He was an ambassador running his embassy and he was running this and that. The idea of a National Security Advisor who didn’t run anything was hard for him. He kept trying to run things, and I kept after him about that. So we had a lot of tension. But when Cap resigned as Secretary of Defense, I was a strong supporter of Frank to be Secretary of Defense, because that’s what he wants to do, so let him. There’s plenty of things to run over at the Defense Department. That’ll keep him occupied.

And Colin, who runs things too, as an Army general—still, in the services I think people get trained about roles. They understand when you’re a general in charge and when you’re advising and so on. It’s part of their training to see if you’re in this role, you do this, if you’re in that role, you do that. So it came much easier to him.

Knott: Go ahead, Jim, you had—

Young: Just reflecting on the same subject—and you’re quite articulate about this in your book—the difficulties of getting teamwork in a number of issues involving diplomacy during at least Reagan’s first term and continuing into the second. It seems to me that there was a fundamental difference behind all the lack of appropriate procedures or correct procedures for consultation. And that was just a fundamental difference, it appears to me, a fundamental difference of ideas about how you deal basically with the Soviet Union.

Shultz: Cap and I had differences about that, but that all was handled right. That is, the NSC process worked that properly. We argued and the President decided things. I remember when I went to Geneva to negotiate with Gromyko, it was a big breakthrough and a big thing. My instructions were very carefully looked over and Cap had a gimlet eye on them, and we argued
with the President about it. Well, here’s this and here’s that and so on, and it all got reflected in very carefully done instructions. So that’s a healthy process.

That’s very different from the Iran-Contra process, where the process didn’t work. It wasn’t present. Actually I’ve read everybody saying Colin Powell and Don Rumsfeld are arguing with each other. I said, “Well, you ought to be thankful. If you saw an administration dealing with issues of great moment and nobody ever argued with anybody, you ought to be alarmed.” Because there are different things to be thought of and they’ve got to be represented. You want a process like that and you want it in such a way that it winds up with the President and he decides. Once he decides, then that’s what they do. But as for differences of opinion, no problem.

I had an insight into this early on and I’ve described this in my book, so I won’t go through it in detail, but I went to China early in 1983. It was a successful trip and a highly publicized trip. When we got home, I think on a Friday or something, it was snowing in Washington. It snowed all night and the forecast was continued snowing. So our phone rang and Nancy Reagan invited my wife and me over to dinner. They couldn’t get to Camp David; they were stuck in the White House. So we went over, and I tell about this in my book, I could see that both the President and Nancy were very interested in these countries. The President was anxious to engage with them, ready to do it. And I had a lot of confidence in his ability to do that, but I don’t think his staff had as much confidence as I did.

Anyway, I arranged for him to meet with [Anatoly] Dobrynin at that dinner; it’s all described in my book. But there was a reluctance on many people’s part to engage because they felt we would always get the worst of it. But Reagan felt, “I want to engage because I’ll get the best of it.” He had confidence in himself and in the positions that he was taking, that I would take on his behalf. Maybe it’s partly because we both had done a lot of bargaining and knocked around. Of course, I don’t know that anybody else in the administration had had any contact with the Soviets during the Nixon administration, but as Secretary of the Treasury, I had had quite a few bargaining sessions with them, and I’d been to Moscow a few times and had a little more of a feeling for them than other people did. And I could remember Helmut Schmidt early on saying to me—because all contacts had been stopped by Carter after Afghanistan—he said, “It’s a very dangerous situation. There’s no human contact, that’s bad.”

To engage with somebody doesn’t mean you agree with them. It means you have a chance to say what you think and listen to them.

**Young:** That is actually what I—I didn’t put it well—what I was referring to, the willingness to engage and the fundamental confidence in the necessity for diplomacy and the people who did not agree with that, whoever they might be. That was the difference I was talking about; they did not have the confidence.

**Shultz:** There are some people who want to have strength and use the strength and not have any diplomacy connected with it. My idea always was, strength and diplomacy go together. If you don’t have any strength, your diplomacy is in the ashcan. You’ve got nothing to take to the table. And at the same time if you don’t have any diplomatic process going on, it erodes your strength.
A good diplomatic process helps your strength. So our key words were: realism, strength, diplomacy.

Young: That was where your private meetings, I’m sure, with Reagan, were absolutely essential, to overcome the blocking or at least deal effectively with the blocking of efforts—

Shultz: I never—in my private meetings, I was always careful. I didn’t try to get any decisions from him sort of on the side, because I always felt there is a process there. You have to respect the process. I regarded my private meetings as my opportunity to see how the President thought about these subjects. At our meetings he had some things to say, but usually it was mostly the agenda that I came with, and I had things to talk over with him. By and large, what I tried to do is say, “I see that [Ferdinand] Marcos is becoming a real problem in the Philippines and his policies are leading him down the drain. And I know you like Marcos, Mr. President, but here’s where he’s going. He’s getting himself in trouble.” So we worked out all kinds of efforts to save him from himself.

But then when we came down to it, I had all this year-long of talk with the President about it, so he was totally—he didn’t like the fact that Marcos got forced out, forced himself out, but he understood it. It was because of that kind of a talk, not an effort by me to bypass the processes and get him to decide something privately with me and then have it announced in the NSC, because I think that people resent that and in the end it backfires. You may think you’ve got something, but in the end they respect you more if you don’t use it that way.

Young: I didn’t mean to bypass, but it was very important, because it seems to me that what the President could get from you was showing how we might deal with this problem through a reasonable engagement process, or a bargaining process, which the President would be very unlikely to get, it seems to me, from people who didn’t believe in engagement in the first place.

Shultz: Right.

Young: So I meant it was a crucial thing for the President in that sense, not in the sense of bypassing or doing the end run.

Shultz: I think you’re right.

Young: Yes, yes.

Shultz: And in my book I have a little section on understanding Ronald Reagan and this exact point is made.

Knott: You mentioned that there were some people who seemed to have a kind of lack of faith in President Reagan’s ability, for instance, dealing with the Soviet Union. Would you be willing to speculate: why did they feel this way? Where did this come from?

Shultz: I think it came from seeing what these people regarded as bad deals made when capable people dealt with the Soviets. They felt that we were bound to get the worst of it. So they thought
the ABM [Anti-Ballistic Missile] treaty was an example. They didn’t like the SALT [Strategic Arms Limitation] treaties; they didn’t like Helsinki. There wasn’t a treaty, in the view of one line of thinking, that was satisfactory. We always got rolled, in their view.

My own opinion is obviously different. Helsinki turned out to be a great advantage for us. We used that very effectively. The INF treaty turned out very well for us, and so on. Some things work, some things don’t. But you’ve got to be able to walk away from the table. If you aren’t ready to walk away from the table, you shouldn’t be there. I had an instance of this when I was in Moscow to establish the date for the Washington summit. [Eduard] Shevardnadze had been in Washington and it was all set. The purpose of my trip was to set a date for the summit and that was what the Soviets said. I knew the President was very anxious to have that summit meeting in Washington.

So I went into my final meetings with [Mikhail] Gorbachev and I go on, and all of a sudden he says, “Well, we have the INF treaty wrapped up but that’s not enough to justify a summit. We have to have an agreement on strategic arms and we have to have an agreement on this and that.” In other words, he wanted to get some concessions out of us, feeling that we wanted that summit. I more or less said, “Well, I think the INF treaty is very important and it’s not likely we’ll get anywhere on these other things. And the INF treaty is important enough so if you don’t want to come to a meeting in Washington with the President, why don’t we just have our ambassadors in Geneva sign it and put it into effect?” So we just walked away, got up from the table and left.

I remember going back immediately to the secure phone and I reported to President Reagan. I said, “Mr. President, I know you wanted to set a date for the summit but here’s what happened. I thought we were better off just leaving the table with what I said. But I’m here for another day; I can turn it around if you want.” He said, “No, I agree with you. Sorry they’ve taken that tack, but that’s the right way to go about it as a bargainer.” And the press was astonished, “Shultz’s mission fails.” But within a week Shevardnadze was in Washington setting the date for the summit on our terms. Reagan understood that. He was a bargainer. He would have gotten up from the table the same as me. A lot of times people would have said, “Gee, the President wants that and we want this, so what can we give you?” That’s how you get into trouble with these things.

I’m not saying people did that before. I think actually we were fairly hardheaded, but that’s what people expected.

Knott: Were there some people in the White House staff or in the NSC that had a certain lack of faith in President Reagan’s ability to handle direct dealings with the Soviet leader? Was that part of what was going on at times as well? In other words, a lack of confidence?

Young: Apparently they underestimated Reagan, was that part of it?

Knott: Right, right.

Shultz: Well, it may be, as I was saying. I think they didn’t feel there was anybody who could do it, but I think they underestimated Reagan’s capability. He was very good at this kind of thing. I
mean he was a pro, really good. We had a dramatic session in the first summit meeting with
Gorbachev on the second day. It’s written up in my book, but Gorbachev out of the clear blue
sky started this attack on SDI. When he got through, Reagan just gave a deep, well thought-out,
but very emotional … [gap in tape]
… Gorbachev to speak. He finally said, “Well, Mr. President, I don’t agree with you, but I can
see that you really mean it.” And I just thought, Well, Reagan just nailed down one of our planks.
He knows we mean it. That’s good.

Selverstone: I wonder if I can ask you something that I didn’t see in your book. It’s an incident
that takes place in 1983, among all the other incidents that took place in that tumultuous year,
this nuclear release exercise, Able Archer, that takes place in the fall of ’83. That some people
have talked about as being one of the precipitating events leading President Reagan to desire
closer contact with the Soviet Union and perhaps pushes him towards the speech in January ’84
where he talked about Jim and Sally and Ivan and whatever, Olga, I forget what the exact is. Don
Oberdorfer addresses this in his book The Turn, and says that essentially what happened is that it
was a ramped-up version of an exercise that had taken place earlier, but that the Soviets had seen
it as perhaps being the real thing, or a lead-up to some kind of armed confrontation between the
United States and the Soviet Union. Do you recall anything about that?

Shultz: I don’t. But there was a lot of war in the wind and it was mostly stimulated by the
Soviets, as they were scaring the Europeans.

Selverstone: Right.

Shultz: There was an issue of Time magazine—you might get a hold of it—towards the end of
1983, in there somewhere, and the whole theme of the magazine was war. They bought it. But
we didn’t buy it; Reagan didn’t buy it. He didn’t think that the deployments brought us closer to
the war. He thought, as I did, exactly the opposite. If we had failed in the deployments we would
have been closer to war.

I had a little session with Gorbachev once after he was out of office. He visited me at Stanford.
We sat in the backyard and I said to him, “When you entered office, and when I entered, the
Cold War was about as cold as it got, and when we left office it was over. So what do you think
was the turning point?” And he didn’t hesitate one second. He said, “Reykjavik.” I said, “Why
do you say that?” He said, “For the first time, the real leaders got together and really talked about
the important subjects.” Then he said, “What do you think was the turning point?” I said, “I think
the turning point was when we deployed Pershing missiles in Germany and you had to face up to
the fact that the alliance had cohesion and strength.” He didn’t agree with that.

[lunch break]

Knott: I’d like to turn to Jim. I know you have a few questions you’d like to ask.
**Young:** Maybe in this hour left in the afternoon, we can cover some broader subjects rather than some detailed ones. One of them has to do with what served President Reagan best, and what did he like to have in terms of information and advice when he was dealing with his issues, the issues that were important to him? We know there were all these intelligence briefings, there were your meetings with him. But I think it would be helpful for the historical record to get a picture of how the President himself, what kind of information he sought and needed. What kind of advice served his interests best and that he responded to best.

**Shultz:** I remember once saying, as we were getting ready for the Williamsburg summit, that the way to get him engaged and interested would be not to have people sit around and brief him about different things, but say, “Let’s sit around the table and you be Mitterrand and you be Margaret Thatcher and you be somebody and I’ll be somebody.” And we’ll engage him and we’ll raise questions and he’ll have to start thinking of himself, *I’m Ronald Reagan, I’m President of the United States, and here are these people and I’m talking with them. And what is it that I want to get across?* Once you get him into an operational frame of mind, then he starts paying attention to things in a more aggressive way. That worked out for him once.

Once, when we were presenting to him a Mideast peace plan early on when I was there, we went up to Camp David. I said, “Rather than brief him, why don’t we—you act like you’re King Hussein. How’s King Hussein going to react to this? And you act like you’re Menachem Begin. Express these points of view like you’re the person and let him feel that.” And he kind of liked that. But I think the key for him was to put himself in the posture of what he’s going to have to do. Here’s an example.

When Gromyko came to meet with President Reagan in 1984, I guess it was, in September or so, that was a gigantic event. It was the first time Gromyko had come to Washington since Jimmy Carter shut him out. After all of the war talk at the end of 1983 and early ’84, and this had worked its way through and he’s coming, it was a big deal. So I remember going over to the White House on the Friday, there was a weekend and I forget when Gromyko came, Tuesday or Wednesday or something. I went over to the President on Friday and I said, “Mr. President, here’s your homework. You’re going up to Camp David.” We had a well-done briefing book on all of the issues, and I said, “You can look up things you’re interested in here and then there are a set of talking points for your consideration, how you might do it.”

He thanked me and off he went. Monday morning I got a telephone call from the President. He said, “I’ve been looking at your material and I’ve got something I’d like to show you. Why don’t you come over here?” So I went over to the White House. He said, “I’ve gone through your material; it’s very helpful. I looked at your briefing points, talking points, and they’re good. But I decided I’d write my own and here they are.” He didn’t say, “I’d like your opinion on them,” or anything. He just said, “Here they are, this is what I’ve decided.”

Well, I looked at them, and he had obviously used the talking points. He had read the material, he saw the talking points, but he had internalized them and he worked them through. He wrote them out in his own handwriting, how he wanted to go about it. So that was self-preparation. But you could see that he became really intense as he started thinking about himself. *Here I am, I’ve*
been waiting for this, and Gromyko is here and what am I going to say to him? What are my points? And if you can help him get prepared that way, I think that’s—

**Young:** But on the Gromyko talk you didn’t have, “I’m Reagan, you’re Gromyko.”

**Shultz:** No, I didn’t do that, I gave him the briefing book.

**Young:** That was another way of engaging him.

**Shultz:** That’s another way. But he engaged himself. That is, he saw that I’m going to be talking with this man and it’s really important, and what is it that I want to get across? And he thought and he looked at things, but he wanted to get it into his own mind, in his own way and he wrote out these talking points.

Of course, we have seen, and I’m sure you have seen, all these things that Kiron Skinner and Marty Anderson and Annelise have been doing. I knew that he was a very good drafter of things and that he wrote, but I had no idea how much he wrote. But it’s obvious, when you look at these essays that he wrote, that he liked to think things through, work them through his mind, and write them down. In fact, if you look at the *Reagan, In His Own Hand* book, let alone all these subsequent things that they’re finding, you can see the whole kind of conceptual understructure of the Reagan administration right there. It wasn’t something that somebody had to tell him about, he had thought it through for himself.

**Young:** Were you aware of this study, self-study, self-education?

**Shultz:** Well, I figured out what the way to work with him was, but I had no idea of the volume of writing that he did. But he clearly had deep convictions. He knew what he thought and he knew why he thought what he thought.

**Young:** In the Gromyko situation, what was imminent was that he was going to be, as you put it, “in the room,” sitting down with somebody.

**Shultz:** Here’s Gromyko, here’s me, and we’re going to talk.

**Young:** That’s what he was thinking. He was preparing his remarks for that. What about situations in which there wasn’t any meeting imminent in which he would play a personal role? But what was going on, the issue on the table, or the problems on the table, were a very important bearing on getting what he wanted done. Some of my colleagues stereotype Presidents, the way they get information and use it. FDR [Franklin Delano Roosevelt] is always said to have wanted competing advice and not to let the left hand know what the right hand was doing, whether that’s a parody or the model of reality, I don’t know. Others prefer highly digested information and limited series of options, like to have the conflicts sorted out before they’re asked to decide, wherever possible. I don’t know how useful these are, but where would you put Reagan in this scheme of how Reagan made up his mind and used information for his purposes, outside of these situations of writing his own script, so to speak, for these meetings?
Shultz: Well, he was not a devious person. He didn’t try to have a plan to play this person off that person, and so on. It just wasn’t his nature. He was more straightforward. Most of the issues that would come he had thought about them quite a bit before they got there, much more than people appreciated, I think. He read a lot. He took work back. I don’t know whether you’re interviewing Nancy or not.

Young: We would like to.

Shultz: Anyway, if you do, I think it would be interesting to have her tell you what his pattern was when he got back to the residence area. Because my impression from her is, he had a desk in the bedroom and he wrote a lot. And like lots of people, the best way to get something into your head or to reason through something is to try to write it out. If you can’t write it out clearly, it’s not clear. So it’s a way of getting to the essence of whatever it is you’re thinking about. Apparently he did a great deal of that. He sat and he wrote things. So it was a form of study. He took work back and he read.

Young: I’ve always got this impression that Reagan was somebody who studied to be President and studied to act as President. The studying part of Reagan was totally missed—

Shultz: People have missed the fact that he wrote and thought and knew a lot. Marty has the idea, going way back—I’m sure he’s told you—he sort of concluded early on that it wasn’t such a great idea to be the kid in the class who knew all the answers. That he would hang back and it was better to be underestimated. You’d get further that way. Of course, when he came to Washington he was vastly underestimated, just went right by everybody.

Young: Right. You mentioned Nancy Reagan a moment ago. A lot of things were said about Nancy Reagan’s role in the Reagan White House. One of the viewpoints that has not gotten widely—hasn’t made the newspapers, but is very seriously considered by students of the presidency, and that is that a President needs someone who is singularly dedicated to their interests. They do not ordinarily have that within their administration, because everybody has some responsibilities. And Nancy fulfilled that role for Reagan. That was an essential role for a President, to have somebody watching or looking out for their interests. Is that a fair assessment of Nancy’s role in the affairs of the White House?

Shultz: She certainly was looking out after his interests, but she was thinking more broadly. She had interests in topics that she pursued. But she has always been looking after his interests and does today. He had people in his administration who didn’t have a big personal agenda. If you look at the current administration, I think one of the reasons why people kind of like Colin Powell and Don Rumsfeld is that they’re not trying to prove anything; they’re trying to do the job well. So nobody is saying, “He’s doing this because he wants to be President,” or he wants to be this or he wants to be that. They don’t have any other agenda than trying to do a decent job of what they’re doing. He liked people who had that view. Not all did, but he liked them.

Knott: I was wondering if you might share with us any recollections you may have of particular world leaders that President Reagan was perhaps particularly fond of, other than Margaret Thatcher.
Young: Well, include Margaret Thatcher.

Knott: And also the assessments of Ronald Reagan by other world leaders, their take on President Reagan.

Shultz: I’d say the ones that he had most to do with were, of course, Margaret Thatcher, Gorbachev, Helmut Kohl. Mitterand was in a different category. [Yasuhiro] Nakasone in Japan was a big favorite. He liked Deng Xiaoping; he liked Lee Kuan Yew. He could have a curious reaction to people. There was a guy who was President of Mozambique, whose name was Samora Machel; he died in a plane crash. He was on the President’s schedule. It happened by our African bureau, and before he came, all of a sudden the hard-right press got very upset because he had lots of flirtations with the communists. We had the attitude that this is somebody we could wean away, and we thought we knew what we were doing and that was why. I remember, when he read all this, basically he said to me, “What have you got me into here, anyway?”

Anyway, the day comes, and in comes this guy, absolutely coal black fellow. And they started, and it turns out he has a terrific sense of humor. He starts telling Reagan anti-Soviet jokes, of things that he observed when he was in Moscow. And they laugh, and Reagan tells jokes and the two of them hit it off. Of course, it was exactly what we hoped, but to a certain extent when he was going to have a major meeting with a new head of government, he was a little frustrating to the people that wrote talking points and briefing papers and so on. Because his idea was what this meeting is about is me getting to know that person and figuring out what kind of a person this is. Is this a person who will stand up to his word if the going gets tough or will he run for cover? What am I dealing with?

That was his idea of what was his purpose. Whereas the staff people are saying, “We want to emphasize this point, this point, this point, and this point.” And he did that but that was not the main purpose. And, of course, that stood him in good stead when he got to the likes of Gorbachev and Nakasone and others that he dealt with because they’re people that are of the same mind.

Young: Did he ask for a lot of information about the person that he was—biographical, life history?

Shultz: He was interested in that; yes, he was interested in that. But he relied heavily on his own instincts when he met somebody. So when we had the first meeting with Gorbachev, the first thing that happened was he took him into a room in that mansion in Geneva that we had rented. It was a small room with a fire going in the fireplace, and the two of them sat down and it was supposed to be for ten minutes. I remember, I forget the name of the—there’s always somebody in the White House entourage whose job it is to break up meetings when they go too long, keep the schedule. I know they were in there for half an hour or so and he came around to me and he said, “Should I go break it up?” I said, “Are you out of your mind? This is what it’s about. The longer they talk, the better it is.” I think they talked for a long time, three-quarters of an hour or more. But that was the idea. He talked about a lot of substantive things but he wasn’t trying to
make points on those substantive things. He was trying to figure out what kind of a person Gorbachev is.

Young: And establish, I presume, some personal rapport with the guy.

Shultz: Some personal rapport.

Knott: I’m wondering if you would comment on the so-called Reagan doctrine.

Young: Could I interrupt a minute?

Knott: Sure.

Young: Did you ever get any feedback from other foreign leaders about how they came away from their first meeting, or a meeting with Reagan? What they saw in him? I’m trying to get at the other side of the equation.

Shultz: I don’t know, I never really did. Well, you get little hints from the Soviets about Gorbachev’s attitude. I would love to see the reporting cables of the ambassadors after these meetings. Maybe you can get those; it would be interesting to see.

Knott: The so-called Reagan doctrine that has been associated at least in some ways with the efforts of the CIA, especially under Director [William] Casey, to sort of roll back Soviet client regimes in Angola and Central America and, of course, Afghanistan. These kinds of covert operations that the CIA was conducting, were you comfortable with these? Did this make your job more difficult, or were they part of a larger scheme of diplomacy through strength?

Shultz: There was nothing covert about the Reagan doctrine. It was an articulated view that we were in favor of freedom, that people living under the communist yoke we felt would want to get out from under it. To the extent that there were people willing to stand up and fight, we were ready to help them. How you help them, there are always lots of varieties.

I know in the case of Solidarnosc [Polish Solidarity] you had to tell him, “Now be careful, because we are not going to start World War III. So don’t push the edge of the envelope too far, but push.” The other different approach I mentioned, Mozambique, it was a very complex thing. There was our support for [Jonas] Savimbi in Angola. Of course, the Contra effort. The CIA was involved in some, not in others. But there’s nothing covert about it; it was a very open statement. You know the [Leonid] Brezhnev doctrine was, “What’s ours is ours, what’s yours is up for grabs,” was the way we paraphrased it. And people sort of accepted that until Reagan came along. He said, “No, what’s yours is not yours.” Some other country, we contest that. And sometimes we can do it effectively and sometimes not very effectively, but that’s our view.

I made a speech on the Reagan doctrine out here in San Francisco, which you could dig up. I don’t remember what the title of it was, but it was to the Commonwealth Club. It was a speech the President liked a lot and felt—but it was all open. Here’s what we’re about. So I was very comfortable with that.
Knott: You were very comfortable with it?

Shultz: I wasn’t comfortable with some of the things the CIA did, but I was comfortable with the Reagan doctrine.

Knott: Did you have a good relationship with Director Casey of the CIA?

Shultz: Yes, he was a long-time friend. He was head of the SEC [Securities and Exchange Commission] when I was Secretary of the Treasury. Then he became Undersecretary of State. He and Henry didn’t get along very well, so he kind of got under my wing. He was the Economic Undersecretary or whatever, so we were pretty good friends.

I felt after a while that he had too much of an agenda. I’ve always felt it’s a mistake for the CIA to have an agenda. They’re supposed to produce intelligence. If they have an agenda, the intelligence can get slanted or you can worry that it might be slanted. So I felt that he was developing an agenda, and he did and it hurt. I was mad at him at the end—I won’t say mad at him, but we—and, of course, he was very hard to understand after a while. I was almost afraid to have him come for a lunch or something, because he’d say things and I wouldn’t understand what he was saying and maybe he’d think I agreed with him. People said he was the one guy in Washington who didn’t need a secure phone to scramble.

Selverstone: Had you expressed these misgivings to President Reagan, your concern about Casey running his own—?

Shultz: I questioned the intelligence, particularly on Iran, very directly. I had the habit, I got so when they had these periodic appraisals, National Intelligence Estimates, say on the Soviet Union, which were compromises. People got together, they have different views and they discuss it, and they wind up writing something that everybody agrees on. I didn’t think they were very interesting or informative. So I would say to Casey or Bob Gates, “Why don’t you come over here and bring three or four of your bright analysts with you and we could spend an hour and I’d like to have a talk.” Then you find out the analysts have all kinds of different opinions and that’s much more useful, much more interesting.

Selverstone: I was interested in your relationship with Vice President [George H. W.] Bush. It seemed that there were a few times, I gathered from your memoirs, that he would grab you and say, “Look out for this over here, some people might be sniping.” Or, “Watch out for something over here.” Could you talk about your relationship with the Vice President?

Shultz: We had a good friendly relationship. If we had something we wanted him to do, to make a trip somewhere, he was very effective. He was always ready to consider that. If he for some reason wanted to go somewhere, he would always come and say, “I’m thinking about this and what do you think about it?” In other words, he was not cutting across my bow. I had an encounter with him, sort of, on the Iran-Contra, which is in my book. I think I saved his political life, but it made him mad. Or at least I think it did.
Young: I didn’t get that sentence because there was a squeak of the chair, his political life made him. . . ? What was your statement?

Shultz: I had come back from a meeting in Vienna, I believe, just as the Iran-Contra story was breaking. I had sent in a cable, having watched what happened to Nixon, to [John] Poindexter, saying, “The best thing you can do is put out all the information that there is. Fully, promptly whether it looks good or not, just get it out. No cover-ups, that’s the way to handle these things.” And the result was about two weeks or so of a battle royal between me and all the people in the White House who had a different idea. Anyway, I had hardly gotten back and I happened to see on the television the Vice President getting off a plane and asked about arms sales to Iran. He said, “That’s ridiculous, there were no arms sales to Iran.” And my friend Nick Brady called me for some reason and I said, “Nick, you better—” and he was a great friend, close friend of George’s—I said, “Nick, you better get hold of your guy and tell him to stop saying things like that.”

About half an hour later my phone rings and my wife and I are invited over to dinner at the Bushes’, which we weren’t able to go to. But we said, “Well, we’ll come over and have a drink with you.” We sat, Barbara and my wife, and I said, “I saw you make this statement on television and you know and I know that it’s not true. We did sell arms to Iran. And if you make statements like that in public, you’ve been around this town and I have, it’s all going to come out. And you will have lied to the American people, so stop. Don’t do it. You’re trying to play the loyal lieutenant but that isn’t going to help in the long run.”

We had a wild argument because he felt that there was a very important opening to Iran, and we should be supporting it and you had to have some secrecy and so on. I said, “I think that’s nonsense. I don’t think there is any much chance at all. You’re kidding yourself. But leave that argument aside, this has broken. It’s all going to come out, and you don’t want to be saying things that are not true.” We parted and I think he was very unhappy with me, but I noticed that Barbara sat there and she didn’t say a word, but she got it. And he stopped, he didn’t say anything more. So I figure that if he had kept talking that way in public, he would have ruined himself. But people don’t like to be called to account like that. But I have a good relationship and we’re friends, and I’ve supported Barbara and their son.

Knott: On a somewhat different note, how much thinking was done, or was there time to think about what the post-Cold War world would look like? Or were events moving so fast that you didn’t have the time or President Reagan didn’t have the time to sort of step back and think about what would happen next?

Shultz: Well, the Cold War was all over but the shouting by the time we left office, but there was still an end game. I think President Bush played that end game very skillfully, did a good job with that. But beyond the general notions that we wanted an open and democratic world, I don’t think there was a lot of thought given to that. But the basic precepts I’m sure would have been the things that we would have guided ourselves by.

Actually, I think that periodically there is a deep rethinking. It happened after World War II, it was done brilliantly, stood us in good stead. But the ideas and the institutional arrangements, at
least their purposes as of the end of World War II, are no longer valid. So we have been, I think, through the latter half of the first Bush administration and the [William Jefferson] Clinton administration, there hasn’t been any addressing of this subject. But what the current President [George W.] Bush has in his most recent national security strategy statement is an effort to start in reconstructing how the world works. But we didn’t really do much beyond the important general underlying values that we would put forward.

Selverstone: Had there been no term limits on President Reagan—obviously it’s pure speculation—but it would be interesting to hear how you respond. Were the two of you able to continue, how you might have done things, playing it pretty much right down the line as the Bush team did, or how Reagan might have responded to the fall of the Wall and various events throughout 1990. Might he have pushed for the reunification of Germany in the ways that Bush did? Any sense of how he might have handled things?

Shultz: When Bush took over he said—and I think [Brent] Scowcroft had a lot to do with this. You remember, Scowcroft, Nixon, and Kissinger all wrote in Time magazine opposing the INF treaty and heavily critical of me and Reagan in the way we approached the Soviet Union. They were deeply wrong, deeply wrong. But at any rate, Scowcroft becoming the National Security Advisor must have persuaded Bush and his team that they better take another look at all this. So they had a pause and it lasted for close to a year while they tried to think over what they would do. I think they lost some valuable time in doing that, particularly in the area of the START [Strategic Arms Reduction] treaty, and maybe we could have gotten arms further down more quickly.

Probably Reagan would have made more out of the fall of the Berlin Wall. Bush had a strategy, which was the less crowing he does, the better it will go. I also think he couldn’t imagine that the Soviet Union could fall apart. In his Kiev speech, which people have labeled “chicken Kiev,” he was sort of on the other side. I think Reagan would not have been like that.

Knott: You’ve referred, and others have referred as well, to a kind of lack of discipline in the Reagan White House, to the extent—particularly with the NSC—that there was at one point this sort of run-away operation and so forth. I’m wondering if you might comment. To what extent did this bother you? To what extent did you attempt to bring it to President Reagan’s attention? And how much of a liability was this for the Reagan administration? Could it have accomplished even more had there been a greater sense of discipline?

Shultz: I think we would have done better in the Central America arena because I think they wound up overstepping, and they set back what we could have accomplished. Maybe in some other things we could have done better. But it all worked out. I resigned several times. I told the President, “Look, you’ve got a mess on your hands and I’ll get out of the way if that’s going to help you. But you’ve got to decide.”

Young: Well, did he?

Shultz: Sort of. But he was not liking to bang heads together, particularly. Clark went, McFarlane went, Poindexter went. Carlucci went. He acted, but it took a while.
Young: But I sense it wasn’t President Reagan’s nature to bang heads and crack the whip, that was just not his management style? It was not his way, as frustrating as it may have been to others. Is that a correct—?

Shultz: Well, I think that’s probably right, yes.

Knott: Is there something that you think Ronald Reagan was particularly best at? What was his strong suit in your view, his strongest suit?

Shultz: His strongest suit was in knowing what he believed and why he believed it and standing there.

Knott: And his weakest suit would be the personnel matters?

Shultz: The thing that got him in trouble was his intense concern about Americans being held hostage abroad and his desire to do something about it. You have to be happy that a President feels that way, but it turned out it got him into trouble because he didn’t get a handle on it. He could let the wish be the father to the thought on some occasions.

You were asking about reactions of other leaders. One of the most interesting episodes in that regard was Bitburg. Bitburg was a cemetery in Germany that he agreed to go to. I won’t recount it all; you probably know all about it. I devoted a whole chapter in my book to it, so I won’t go through all of that. The thing with other leaders was, they could see here was President Reagan. He was going to Bitburg because he had promised Kohl, his friend—who had come through and deployed Pershing missiles and so on—that he would go. And Kohl said, “If you don’t come, it will be devastating for my government.”

But it was obviously very costly to Reagan, the politics were all wrong. So he was doing something that he knew, and everybody knew, was tough politics. But he was doing it because he had made a commitment and he was carrying out the commitment. A number of other leaders have said to me, “I would never have done that, but I was so impressed with Ronald Reagan. You just know that if he makes a commitment, he’s good for it.” So that in a way, that’s a big point, big point.

Knott: Is there one particular accomplishment that you are particularly proud of during your tenure as Secretary of State?

Young: You don’t have to limit it to one.

Knott: It can be more than one.

Shultz: The things that you think of in response to a question like that are personal things, human things. Of course, we worked, President Reagan worked hard, I worked hard on the problems of the dissidents in the Soviet Union who weren’t allowed to emigrate. We finally did have a huge breakthrough on that and that was very satisfying. It puts a human face on it with one person named Ida Nudel, who was there in the Soviet Union. I’d met with her sister.
Whenever I went to Moscow I would try to see her. You didn’t have really much hope that you could get them out, you know, no levers, nothing. I remember my phone ringing in the State Department office and on the other end is this voice, “This is Ida Nudel. I’m home; I’m in Jerusalem.” It was a big moment. I can get tears in my eyes today thinking about it. It was such trauma connected with that.

But there are lots of important things that took place that I was proud to be part of. Our whole Far East—people focus on the Soviet Union, that was very important—but the Far East picture was very good. When we left office, the world was in good shape.

Young: Of course, it was just an extraordinary time in history. You know, if you are to ask somebody who is integrally a part of that time, like George Shultz, what are you most proud of, I can understand a little bit of a difficult answer. But I hope your book is read by a lot of people of future generations because the persistence and the sort of the vindication or proof of the effectiveness of engagement and diplomacy is a major lesson it seems to me coming out of the earlier Cold War. And the alternatives to what you call “light switch diplomacy,” everything goes on or off. I would think that that would—as a Secretary of State and as a citizen—I would think that that would be a very important—

Shultz: Did you read that article I wrote, “Light Switch Diplomacy”? 

Young: Yes, yes, I did.

Shultz: That was before I was Secretary of State, a critic of the Carter—that they thought these things could be turned on and off like a light switch and you can’t do it that way.

Young: I asked you earlier, you said you thought like an economist. But was that the whole of it?

Shultz: I don’t know [chuckling].

Young: I mean, your thinking was about process related to a goal, to a series of goals. Maybe that’s economics, but I just think it’s good politics.

Shultz: I had a process that I have used that always was useful to me. It came from my time at the Center for Advanced Studies. There’s this place on the Stanford campus, it’s not part of Stanford, it’s separate but it’s located there. Fifty scholars a year get invited there; you don’t have anything to do other than what you want to do. So I go there and I’m on leave as dean at the University of Chicago and I’m involved in a lot of things including Nixon’s campaign. I go and the director shows me my study, which is a little room about the size of that now, maybe a little bigger than that, and it had a view of the bay and a table and a chair. I looked around and I said, “Where’s the telephone?” He said, “There’s no telephone.”

I thought, Well, it’s not a very rich outfit. I said, “I’ll be glad to pay for installing a telephone.” He said, “If you get a call, buzzer. You go down the hall, you can take the call.” I said, “What if I want to make an outgoing call?” He said, “Bring some quarters, there’s a pay phone down there
you can use.” He laughed. He was a great guy. He laughed, he said, “Try it, you’ll like it.” So I
didn’t have any alternative and I tried it. After a couple of weeks I realized that for the first time
since I was a graduate student, I’m working entirely from the inside out. I’m doing, I’m spending
my time on what it is that I decided I wanted to do, rather than what somebody on a telephone
call causes me to do.

I tried to learn a lesson from that and to take time when I was alert, in prime time—not the end of
the day when you’re tired—but to take a half an hour, three-quarters of an hour, and cut off the
telephone. I’d say, “If the President calls, obviously I’ll take the call, or if my wife calls, but
other than that, no calls.” I’d make a pact with myself not to look at anything in my in-box. I go
sit down with a yellow pad at a table and I sort of say, “Well, what am I doing here anyway?
What am I trying to achieve and what are the problems? What can I call somebody else up and
get them doing, rather than them calling me up and dominating my time?” And I found that a
very useful thing to do. It’s hard to make yourself do it, because you’re busy and it’s hard to
break away that time, but I found it a very useful thing to do.

Selverstone: Jim had mentioned the importance of engagement as one of the lasting legacies of
your time as Secretary of State. Were there other things that you might want to point to future
generations, or that you would want future generations to look at as particularly instructive in the
conduct of diplomacy at this particular time that might have relevance on out?

Shultz: I think you can’t want the job too much. Being Secretary of State is a great privilege and
an opportunity and you can make a difference, so it’s a great thing. But if you want the job too
much, you wind up maybe not speaking up forcefully enough to the President, or doing things
that you wouldn’t otherwise do. I remember Gorbachev once said, “If you continue this way, I’m
going to get after the President and get you fired.” I said, “Help yourself, I’ve got tenure at the
University of Chicago.” [laughing]

Young: So, as you were saying earlier, you have to be prepared to walk away from the table.

Shultz: Absolutely.

Young: But it helps to have a tenured post somewhere when you do that.

Shultz: Right. You can’t be walking away all the time. You basically serve at those levels in the
administration when you feel you’re on the same wavelength as the President, so you don’t have
any deep philosophical divides. If you do, you’re better off not serving.

Young: One of the features or characteristics or assessments of Ronald Reagan hasn’t figured
large in your book—for good reason I think, because most of your work involved Reagan in a
public communication role. But one of the things that’s often said about Reagan is that he was
the great communicator, his extraordinary effectiveness in dealing with the public. You have
spoken to his styles and effectiveness and ways of thinking and dealing and preparing for
meetings, dealing one-on-one with people. Did that aspect of Reagan’s talents have great
bearing, significant bearing on your issues and the conduct of diplomacy?
Shultz: Oh, sure—

Young: He did give some notable speeches in Moscow and elsewhere.

Shultz: He really knew how to get points across, yes. The great communicator. I think it’s important, but it’s not understood right. He couldn’t communicate just anything. He communicated because he had ideas and he had convictions and that came through. I think the thing that upset him almost as much as anything in the Iran-Contra was that he saw that the American people didn’t believe him. He always felt that if I’m doing something that’s right, I can go out and I can convince them. So therefore I’ll do what’s right no matter what people tell me the politics are, because I can turn that around. He found in that that he couldn’t because basically the story he was telling was not the right story.

But he was very good at that. I recounted in the foreword to, I think, *Reagan, In His Own Hand*, an incident I had with him that you probably read, in editing one of my talks, showing me how to change it. Had a fascinating time at a little luncheon when he instructed Margaret Thatcher on how to use a TelePrompTer. I think she was getting ready to address a joint session and she was going to use a TelePrompTer, which she hadn’t used before. I guess in Britain they’re shaped like this, whereas here they’re shaped like that. He explained to her why our way was better and she should shift. Then he said, “Now you want to be sure that the numbers of the pages are on the TelePrompTer and you turn the page, no one even notices you’re turning the page, but you always want your text in front of you because you never can know when something will go wrong with the TelePrompTer and then you want to be able to pick right up. I actually saw that happen to him in Strasbourg, and he picked it up almost as though nothing had happened.

Then he said, “Be sure to have a few good quotation marks in your speech and when you come to one of those, pick the piece of paper up so people see it and you read it and then you put it down. That makes the rest of it look less read. And don’t feel you have to read everything, you know what you’re saying, and don’t be like this, and then like this and like this. Speak yourself and the text is there, but you don’t have to read it exactly the way it’s there. You say it.” He went through a whole bunch of little things, only by way of saying that he thought about it a lot, how do you do this. And I think that’s one of the benefits of being an actor. That’s what you’re doing, there’s a role here and how am I going to make this role seem legitimate and valid?

People have the idea if it’s an actor, it’s phony. It isn’t. But it’s one thing that you have to do in public life, or for that matter—I mean, what is a professor in a classroom? A good teacher is somebody who really thinks about how I’m going to get across this material. So that’s a good thing. Okay?

Young: The hour is up.

Selverstone: Real quick, did we miss anything?

Shultz: We could talk here endlessly about different things. It’s fun to reminisce about them; I haven’t done it in a long time.
Knott: Well, thank you very much.

Shultz: I think your project sounds very worthwhile.

Knott: Thank you.

Young: It moves slowly but well. It’s really a very interesting time to get the oral testimony of people in the Reagan Presidency. I think Marty and Annelise’s work, the fact that that is going on and In His Own Hand and then we hear the oral testimony, it’s a wonderful convergence that we’re finding between the two. And, of course, every time a President goes out of office, he trails a reputation or a conventional wisdom that developed while he was in office. Then the revisions occur, and Reagan has been through at least two, I think, revisions. Now still more is coming out, so it’s a very good time to do this.

Shultz: Excellent.