DATE RECEIVED: AUGUST 14, 1985

NAME OF CORRESPONDENT: MR. WALTER B. WRISTON

SUBJECT: INVITATION TO ATTEND A BLACK TIE DINNER PARTY
        AT THE BOHEMIAN CLUB IN SAN FRANCISCO ON
        NOV 25 85

ROUTE TO: ACT · DP .TE TYPE C COMPLETED
OFFICE/AGENCY (STAFF NAME)  ACT  DATE  TYPE  C  COMPLETED
MARY RAWLINS  ORG  85/08/14
KATHERINE C. SHEPHERD  RSI  85/08/14  C  85/08/14

COMMENTS: IV 851125 851125 CA SAN FRANCISCO

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.
November 15, 1985

Dear George:

I am delighted to add my good wishes to those of the members of the Bohemian Club as they honor you with a special birthday dinner. Congratulations!

This is a well-deserved tribute for your service to our Republic. As Secretary of State, you have loyally worked to achieve peace with justice.

Nancy joins me in wishing you a happy birthday!

Sincerely,

RONALD REAGAN

The Honorable George P. Shultz
Secretary of State
Washington, D.C.

SENT TO: 11/18

Mr. Walter B. Wriston
Citicorp Center
153 East 53rd Street
New York, New York 10043

RR:SRH:PN:AVH:reno-PM37
cc: K.Osborne/C.Korte/S.Herring/CF
cc: DOS

EVENT: November 25
11/18 George Shultz
Dear George:

I am delighted to join the members of the Bohemian Club in San Francisco as they honor you with a birthday dinner. Congratulations.

This is a well-deserved tribute for your service to our Republic, and to the goals that we share for mankind. As Secretary of State, you have been a source of strength to the administration and work to achieve vital, continuing mission to preserve international peace, while always keeping America strong and free. All our countrymen owe you a great debt of gratitude and I am happy to join the members of the Bohemian Club in saluting you.

Nancy and I send our best wishes to you. God bless you and Happy Birthday!

RR

The Honorable George P. Shultz
Secretary of State

Send to:

Mr. Walter B. Wriston
Citibank Center
153 East 53 Street
New York, New York 10043

RR:SRH:

cc:DOS

cc:K.Osborne/C.Korte/S.Herring/CF

November 25
October 29, 1985

Dear Mr. Wriston:

The President and Mrs. Reagan were pleased to receive your letter inviting them to the birthday dinner in honor of George Shultz on November 25 in San Francisco at the Bohemian Club.

Although they would like to see the old friends you mentioned, and celebrate with the Shultz family, the President and Mrs. Reagan will have just returned from the Geneva Conference on November 21, and the next several days are filled with official duties.

The President asked me to convey his very best wishes for a happy occasion with a warm salutation to all.

Sincerely,

FREDERICK J. RYAN, JR.
Director, Presidential Appointments and Scheduling

Mr. Walter B. Wriston
Citicorp Center
153 East 53 Street
New York, NY 10043

FJR/kc/blb
MEMORANDUM
THE WHITE HOUSE
WASHINGTON

TO: JAMES ROSEBUSH
FROM: FREDERICK J. RYAN, JR., DIRECTOR
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

SUBJ: REQUEST FOR SCHEDULING RECOMMENDATION

PLEASE PROVIDE YOUR RECOMMENDATION ON THE FOLLOWING SCHEDULING REQUEST UNDER CONSIDERATION:

EVENT: Attend black tie dinner party at the Bohemian Club in San Francisco

DATE: November 25, 1985

LOCATION: San Francisco, California

BACKGROUND: See attached

YOUR RECOMMENDATION:
Accept ___ Regret ___ Surrogate ___ Message ___ Other ___

Priority ___ Routine ___

IF RECOMMENDATION IS TO ACCEPT, PLEASE CITE REASONS:

RESPONSE DUE September 20, 1985 TO JEAN APPLEBY JACKSON
August 12, 1985

The President and Mrs. Ronald Reagan
The White House
Washington, D.C. 20500

Dear Mr. President and Mrs. Reagan:

To celebrate the 65th birthday of our mutual friend, George Shultz, Betty and Steve Bechtel, Kitty and Nick Brady, Jeannik and Ed Littlefield and Kathy and I will be hosting a black-tie dinner party on Monday, November 25, 1985.

The Bohemian Club in San Francisco will be the site for this festive occasion and we are hoping that you will be able to join us, George and O'Bie and their children and other close friends. It will be a special evening to honor a very special person and friend to us all.

You will be receiving an invitation with details shortly. In the meantime, we wanted to inform you of our plans as we would be very pleased, as we're sure George and O'Bie would be, if you could attend.

Very truly yours,
October 29, 1985

Dear Mr. Wriston:

The President and Mrs. Reagan were pleased to receive your letter inviting them to the birthday dinner in honor of George Shultz on November 25 in San Francisco at the Bohemian Club.

Although they would like to see the old friends you mentioned, and celebrate with the Shultz family, the President and Mrs. Reagan will have just returned from the Geneva Conference on November 21, and the next several days are filled with official duties.

The President asked me to convey his very best wishes for a happy occasion with a warm salutation to all.

Sincerely,

FREDERICK J. RYAN, JR.
Director, Presidential Appointments and Scheduling

Mr. Walter B. Wriston
Citicorp Center
153 East 52 Street
New York, NY 10043

FJR/kc/blb
Fred:

Laura called from Shultz' office at State.

Said an invitation had been extended to the President and Mrs. Reagan for a birthday dinner for Shultz in San Francisco on November 25. She wondered if any chance they would be in California on that date and might be able to attend.

I told her as the schedule looked now, they would not be, but I would pass this along.

Mary says the invitation has been received and passed along to you. Laura said it is being hosted by several people including Wriston, Brady and Bechtel. As I recall, Bechtel is the corporation he used to be with.

Can we just tell her it will have to be a regret? *Told Laura 10/30/85*

And when the invitation surfaces, send it along for possible message consideration?

HCD

CC: Ann Brock

---

NOTE FOR CLAUDIA KORTE

Claudia -

For follow-up as per Helen's note to Fred here.

Thanks.

Mary Rawlins
Force and Personality

Shultz and Weinberger present different views of military power

Secretary of State George Shultz and Secretary of Defense Caspar Weinberger have been working together for most of the past 18 months, but they have not always seen eye to eye. They have been working with the President's National Security Adviser Robert McFarlane, who is also a former Republican senator from Colorado, and with the President himself. Their differences have been institutional; the State Department's diplomats and the Pentagon's brass often view the world from different vantage points. The Pentagon's insistence on a voice in foreign affairs also is a perennial sore point, especially now that Shultz is campaigning to reassert State's traditional primacy in setting foreign policy. But Weinberger and Shultz also have deeply felt policy beliefs that put them in sharper than normal opposition.

There is little doubt that their differences have been aggravated by personal factors. Weinberger, who was outranked by Shultz both in the Nixon Administration and at Bechtel, is said to resent what he regards as Shultz's air of superiority. Weinberger has the advantage of an easy intimacy with Reagan, which began in California in the 1960s. He discussed with the President his speech about the conditions for the extensive use of military power. Shultz was not asked to comment and did not see the speech until Weinberger handed it to him one of their breakfasts only hours before it was delivered.

In a perverse way, the dispute may be helping to keep Shultz in office. He was widely expected to return to private life at the end of Reagan's term. But if he had resigned, his successor might have been none other than Weinberger. Shultz, says one Administration official, will "stay on that job till hell freezes over" rather than let that happen. — By George J. Church. Reported by Johanna McGeary and Bruce van Voorst/Washington

One way or another," Shultz commented last week on the airline hijacking in Tehran, "the law-abiding nations of the world will put an end to this barbarism." Weinberger, says an aide, "feels that discussion of counterterrorism should be limited" and any counterattacks decided "on a case-by-case basis," presumably only if the group responsible for a specific terrorist attack could be precisely identified.

Arms Control. Highly placed sources say that Weinberger told aides that Shultz was showing "undue haste" in scheduling a meeting with Soviet Foreign Minister Andrei Gromyko in January. "Absolutely untrue," says the Pentagon. Shultz's aides are drawing up a list of possible bargaining chips; the Pentagon is adamantly opposed to almost any concession.

The Secretaries of State and Defense side by side listening to a speech by President Reagan

Despite weekly breakfasts together, there are deep philosophical and personal differences.
A Man of Many Worlds

George Pratt Shultz

By JONATHAN FUEHRINGER
Special to The New York Times

WASHINGTON, June 25 — George Pratt Shultz, President Reagan's choice to succeed Alexander M. Haig Jr. as Secretary of State, is a labor economist whose service in government during the Nixon Administration led him into the international news business world, including significant involvement in the Middle East.

While there are some questions about how this experience will help shape policies on the Middle East, East-West relations and other questions, there seems no doubt that Mr. Shultz will operate well in the Administration. And there is also no doubt about his experience in government.

"I am very high on George Shultz," said Walter Heller, a liberal economist who was chairman of the Council of Economic Advisers in the Kennedy and Johnson Administrations.

"He is not one of those guys who wiggles and waggles in the wind," Mr.
Heller added. "He has got good balanced judgment. He is the kind of conservative I really go for."

And the economist Alan Greenspan, who was chairman of the Council of Economic Advisers in the Ford Administration, said: "He is an exceptionally good organizer and manager of ideas. He has the capability to understand ideas as they relate to government."

Mr. Greenspan added, "He does very well with the Europeans."

A Republican economic official described Mr. Shultz, who is 61 years old, as "a good soldier." But he also said that Mr. Shultz's experience around the world "will obviously color his policy options."

A key question will be what effect Mr. Shultz's views on the Middle East will have on Administration policy. He will join Defense Secretary Caspar W. Weinberger as a strong advocate of better relations with the moderate Arab countries.

Mr. Shultz, who was in London today, was a key backer of President Reagan during the 1980 campaign, a formulator of the President's economic policy and one of the final choices for Secretary of State then.

But after the election, Mr. Shultz did criticize Mr. Reagan's speech before the B'nai B' rith in September, in which he expressed strong support for Israel. "I have any differences with Reagan, it's about Middle Eastern policy based on reading the B'nai B'rith speech," he said in an interview at the time.

Mr. Shultz did not elaborate on his differences with the President. But it appears that many of his attitudes toward the Middle East may have been developed at the Bechtel Group, an international engineering and construction firm and one of the largest privately owned companies in the world. Mr. Shultz joined the company, of which he is now president, after resigning as Treasury Secretary in May 1974. Mr. Weinberger also worked for Bechtel before becoming Defense Secretary.

In 1981, about 12 percent of Bechtel's major projects, which include airports, nuclear reactors, pipelines and hydroelectric plants, were in the Middle East, according to a company spokesman. Fifty percent of the concern's major projects are outside the United States.

There may also be some questions about Mr. Shultz's views on the President's embargo on the use of American technology to build the Soviet natural gas pipeline to Europe. But a former associate, Carole Forgey, suggested today that while Mr. Shultz might have opposed that decision, he was the kind of person who would now sit down to carry it out as well as he could.

Mr. Shultz also brings to his

fourth Cabinet-level job crucial experience in working in crisis situations. During the 1980 Administration he was Labor Secretary, director of the Office of Management and Budget, and Treasury Secretary.

He became President's Nixon's top economic policy organizer and spokesman and a key figure in keeping the Government running as the Watergate scandal engulfed the Presidency.

He was involved in the devaluation of the dollar in the 1970's and in carrying out the later phases of Mr. Nixon's wage and price controls in mid-1973, although he adamantly opposed them.

One measure of how he works is that although he opposed the controls and tried to resign, he decided that he should run the program and went to a meeting at Camp David with the President with his proposals already outlined.

Big Deficits Opposed

Mr. Shultz's influence is likely to go beyond the State Department. He could easily assist the Administration on its economic policy and could at times become a challenger to Treasury Secretary Donald T. Regan in a policy dispute.

He has already had a hand in economic policy as chairman of the President's Economic Policy Advisory Board and has indicated some criticism of large budget deficits.

Before he joined the Nixon Administration as Secretary of Labor in 1979, Mr. Shultz was a professor and then dean at the Graduate School of Business at the University of Chicago. He was also chief staff economist for the Council of Economic Advisers in 1963.

He graduated from Princeton University with a bachelor's degree in economics in 1942 and served with the Marines in the Pacific, where he met his future wife, the former Helena M. O'Brien, who was also in the service.

They have five children.

Mr. Shultz received his doctorate in economics from the Massachusetts Institute of Technology in 1949 and taught there until going to Chicago in 1957.

In leaving Bechtel, Mr. Shultz stands to become a millionaire when he sells back the stock he received during his seven years there. Company policy forces executives to sell the stock back when they leave; the company makes many of its top executives millionaires this way.

"I know " well, " said Senator Charles McC. Mathias Jr., Republican of Maryland and a member of the Senate's Foreign Relations Committee, which will vote on Mr. Shultz's nomination.

"No question about his ability. No question about his qualification."

But, Mr. Mathias added, "I'm not aware of his state of readiness at one of the most dangerous moments in U.S. history."

June 26, 1982

William Stephens, 75, Former Steel Executive

Special to The New York Times

PITTSBURGH, June 14 - William J. Stephens, the former chairman of the Jones & Laughlin Steel Corporation, died Sunday at his home in Hilton Head, S.C. He was 75 years old.

Mr. Stephens joined the company as executive vice president in 1962, was named president in 1965 and chairman in 1969. He retired in 1971. Mr. Stephens, who began his career at age 15 as a messenger boy in the New York City office of Bethlehem Steel, rose to assistant vice president of sales and a director of Bethlehem before shifting to Jones & Laughlin.

He was a member of the National Production Authority during the Korean War. He was a member of the board of Ling-Temco-Vought, now the

LTV Corporation, of which the steel company is a subsidiary.

In 1965 Judge Edward Weinfeld of the Federal District Court in New York fined Mr. Stephens $25,000 on charges of a price-rigging conspiracy on carbon sheet steel while he was an executive of Bethlehem Steel. Mr. Stephens had pleaded no contest.

Judge Weinfeld said that Mr. Stephens and James P. Barton, at the time an executive of United States Steel, who also was fined, both had exemplary records that merited the consideration.

At the conclusion of the trial, Charles M. Beggelly, then chairman of the board of Jones & Laughlin, said that Mr. Stephens's service had been exemplary and that his contribution to the successful and proper conduct of company affairs had not been questioned.

Mr. Stephens is survived by his wife, Elizabeth Ann; two sons, William K. and Peter J.; a daughter, Ann S. Brittain, and one grandson.

June 15, 1982
I start with the terrible human tragedy now taking place in Lebanon. Violence on a large scale has come once again to a region whose strategic importance inevitably guarantees that any local conflict will receive global attention—with all the dangers for world peace that implies.

In late 1974 I visited Beirut, at the time a beautiful and thriving city, even then marked by the presence of Palestinian refugees. But since then Lebanon has been racked by destruction, enduring the presence of the armed and assertive Palestine Liberation Organization and other forces.

Coherent life and government are impossible under those conditions and inevitably Lebanon became a state in disrepair. The Lebanese deserve a chance to govern themselves, free from the presence of the armed forces of any other country or group. The authority of the Government of Lebanon must extend to all its territory.

The agony of Lebanon is on the minds and in the hearts of us all. But in a larger sense Lebanon is but the latest chapter in a history of accumulated grief stretching back through decades of conflict. We are talking here about a part of the globe that has had little genuine peace for generations. A region with thousands of victims—Arab, Israeli, and other families torn apart as a consequence of war and terror. What is going on now in Lebanon must mark the end

George P. Shultz was sworn in on July 16, 1982, as the 60th U.S. Secretary of State. He was nominated by President Reagan on July 1 and confirmed by the Senate on July 15.

Mr. Shultz graduated from Princeton University in 1942, receiving a B.A. degree in economics. That year he joined the U.S. Marine Corps and served until 1945. In 1949 Mr. Shultz earned a Ph.D. degree in industrial economics from the Massachusetts Institute of Technology. He taught at M.I.T. from 1948 to 1957, taking a year's leave of absence in 1955 to serve as a senior staff economist on the President's Council of Economic Advisers during the Administration of President Eisenhower.

In 1957 Mr. Shultz was appointed Professor of Industrial Relations at the University of Chicago Graduate School of Business. He was named Dean of the Graduate School of Business in 1962. From 1968 to 1969 Mr. Shultz was a Fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford.

Mr. Shultz served in the Administration of President Nixon as Secretary of Labor for 18 months, from 1969 to June 1970, at which time he was appointed the Director to the Office of Management and Budget. He became Secretary of the Treasury in May 1972, serving until 1974. During that period Mr. Shultz served also as Chairman of the Council on Economic Policy. As Chairman of the East-West Trade Policy Committee, Mr. Shultz traveled to Moscow in 1972 and negotiated a series of trade protocols with the Soviet Union. He also represented the United States at the Tokyo meeting of the General Agreement on Tariffs and Trade (GATT).

In 1974 Mr. Shultz joined the Bechtel Corporation. Until his appointment as Secretary of State, Mr. Shultz was President and a director of Bechtel Group, Inc. During this period he also served part-time on the faculty of Stanford University.

Prior to his appointment, Mr. Shultz was Chairman of President Reagan's Economic Policy Advisory Board. At President Reagan's request, Mr. Shultz met with leaders in Europe, Japan, and Canada in May 1982 to assist in preparations for the Versailles economic summit.


Mr. Shultz was born in New York City on December 13, 1920, and spent his childhood in Englewood, New Jersey. He is married to the former Helen M. O'Brien of Nashua, New Hampshire. They have five children.

University, has the gift of perfect pitch. I asked him if he ever found uses for his talent outside the world of music.

"See that old clunker I drive," he said, nodding toward his car. "The speedometer is broken, so I gauge my speed by a humming sound in the rear of the car. If the hum is E-flat, I'm going about 25 miles an hour. If it goes up to G, I'm doing 40. And I know I'll never get a ticket if I don't go over B-flat."

—Contributed by Gary C. Lawrence

**AT THE MIDWESTERN COLLEGE I attended, the theater was also used as a lecture hall. The front of the stage could be lowered to serve as an orchestra pit. One evening, students attached a timing device to the lowering mechanism and set it to activate halfway through the next day's history lecture.**

The following morning, right on schedule, the stage began to sink beneath the hapless professor. His parting words as he disappeared were:

"This is probably the first time a professor has gone down in history."

—Contributed by Randall Byerick

"Quad dogs" have the run of Duke University and are regularly seen around campus—attending classes and riding the buses. When my mother and father came for Parents' Weekend, they boarded a campus bus to go to the stadium for a football game. A few seconds later, a quad dog also boarded and settled down on one of the seats.

At the next stop sign the dog got up, sauntered to the door and wagged his tail expectantly. The driver opened the door, and off the dog trotted. A student told my astounded parents, "Duke allows only the most intelligent dogs on its campus."

—Contributed by Louise C. McLeod

**THE MEALS SERVED in the dining hall of my university are no exception to the rule that college food takes getting used to. After one particularly tasteless lunch, complaints were abundant. "They could make a TV show about this food," a student commented. As fellow diners looked at him skeptically, he added, "That's Inedible!"

—Contributed by Mary DiGiacomo

**IN AN INTRODUCTORY philosophy course at the University of Mississippi, the professor took almost a full class period to present a carefully constructed argument for the existence of God. At the final summing up, we were all silent, and the professor was quite pleased with his work. Addressing a student, he asked, "Miss Green, have I proved to you that there is a God?"

"You didn't have to prove it to me," was her prompt reply. "I knew it all the time."

—Contributed by J. C. Rees

Have you an anecdote for "Campus Comedy"? See page 5.

**Our 60th Secretary of State styles himself a Presidential agent rather than an innovative policymaker. Nevertheless, good-soldier Shultz has made his weight felt around the world.**

**George Shultz:**

Diplomacy's Quiet Man

**By Rowland Evans and Robert Novak**

AFTER THE SOVIETS shot down Korean Air Lines Flight 007 on September 1, debate raged within the highest circles of the United States government. On one side were Defense Secretary Caspar Weinberger and other hard-liners counseling a strong U.S. response. On the other was Secretary of State George P. Shultz, who favored an unprecedented dressing down of the Kremlin but no use of the big stick. President Reagan sided with Shultz. Meeting Soviet Foreign Minister Andrei Gromyko in Madrid just seven days after Flight 007 was sent crashing into the Sea of Japan, the usually quiet-spoken Shultz read him the riot act. He demanded that the Soviet Union accept full public blame for the tragedy that took 269 lives, 62 of them American. When the session ended two hours later, a visibly angered Shultz told reporters that Gromyko's response was "totally unacceptable" and "even more unsatisfactory" than his public
effort to put the onus of the catastrophe on the United States.

Shultz's first major confrontation with the Soviets on a personal level genuinely shocked him, but there were compensations. Politically, the President came off as prudent and cautious, destroying the Genghis Khan image that had shadowed him; internationally, world attention was kept riveted on Soviet treachery, and the Western alliance presented a united front, which it had not done on the issue of anti-Kremlin sanctions in the wake of the Polish crackdown.

Reagan himself was terribly frustrated but went all the way with Shultz, evidence that the 63-year-old former Budget Director, Labor Secretary and Treasury Secretary is firmly in control of the nation's foreign-policy establishment; 18 months after taking office.

As 6th Secretary of State, the down-to-earth Shultz resembles none of his recent predecessors. He lacks the strategic overview of Dean Acheson, the ideological intensity of John Foster Dulles, and the will to dominate of Henry Kissinger. Yet he has not slipped into virtual figurehead status, as did Dean Rusk and William Rogers, content to let the White House direct policy.

In contrast to his immediate predecessor, the combative, out-for-himself Alexander Haig, Shultz is a team player: "I believe very deeply that the President is the guy who got elected and the person the Constitution says should direct the foreign policy of the nation. I'm the President's agent." Nonetheless, while Shultz works to carry out the President's policy, he also on occasion works to shape and change it.

Delayed Summons. Shultz had hoped to be named to the premier Cabinet post after the 1980 election. But he was then president of the Bechtel Group Inc., one of the world's largest engineering and construction firms, and when Reagan appointed Shultz's subordinate at Bechtel, Caspar Weinberger, as Secretary of Defense, Shultz knew he would be counted out. Eighteen months later, however, Shultz received the hoped-for call when Haig was fired shortly after Israel's June 6, 1982, invasion of Lebanon.

Haig's successor is a man of uncommon integrity. During the Nixon Administration, the Internal Revenue Service was ordered to harass those on the White House enemies list. Shultz, then Secretary of the Treasury, countermanded the order. A few months later, an IRS computer kicked out Nixon's tax return for audit. When the IRS asked Shultz what to do, he never hesitated: "Go audit the President's return."

A conventional Republican, not a conservative ideologue, Shultz usually goes out of his way to avoid saying anything provocative. He entered the Reagan Cabinet enjoying unusual respect and at once displayed a commanding presence. At one early top-secret meeting in the White House, he started to outline confidential plans for the conduct of U.S.-Soviet relations. Looking around the table, his blue eyes staring with unblinking steadiness out of the square face that dominates a sturdy, stocky body, he said, "Gentlemen, this is very privileged information, and it must be held absolutely confidential." He noticed a National Security Council staffer taking notes and told him, "I don't know you yet, but you will stop taking those notes." The staffer, one of the Administration's top analysts, stopped writing.

At his first Cabinet meeting—previous sessions of which had frequently been tense because of Haig's complaints that anonymous White House aids were sabotaging him—Shultz set a more relaxed tone. Noting that on a file given to him his name was misspelled "Shultz," he joked, "Somebody's out to get me!"

More typical than his wit, however, has been his strict adherence to principle. When the White House ordered the use of lie detectors to stop national-security leaks to the press, Shultz was repelled. "It's an invasion of privacy," he contended, and although the Administration's battle against leaks went on, there was no polygraph testing at the State Department.

Less than a year after becoming the President's chief diplomat, however, Shultz had been cut down to more human dimension. The Washington Post's Michael Getler wrote last April: "U.S. foreign policy seems as stymied as ever, and there is a growing body of thought that Shultz may not be forceful enough."

Aborted Peace Plan. The predominant reason for the criticism was Shultz's handling of the crisis that contributed to Haig's departure: Israel's 1982 invasion of Lebanon. In trying to soften its adverse impact on the United States in the Middle East and, beyond that, to resolve the underlying Arab-Israeli crisis, Shultz struck headlong into the Middle East thickets. After briefings by Henry Kissinger and other experts, Shultz was ready by late August to make his move: a hard-hitting plan for bringing peace to the Holy Land by giving much of the West Bank back to the Palestinians who had always lived there.

Even more startling than the plan itself was that the speech announcing it was delivered by Ronald Reagan. The speech was an overdue tonic for U.S. foreign policy and gratifying for America's friends, but within Washington political circles doubts were immediately raised as to whether Shultz, not Reagan, should have given it and thereby borne any burden of failure.

Before the echo of Reagan's voice died away, Israel declared the Rea-
gan peace plan stillborn and rushed into new West Bank settlements. Within days of the withdrawal of the U.S. Marines patrolling West Beirut, Israel went in, a move followed by the massacres at the Palestinian refugee camps.

Shultz resisted when then National Security Adviser William P. Clark pressed for U.S. sanctions against Israel. There were no sanctions, proving that when Shultz dug in his heels he could pull Reagan with him. By early 1983, with Israel still ensconced in Lebanon, Senators who had praised Reagan after his speech wondered why there was no follow-up. Clark lamented privately what he saw as Shultz’s fear of antagonizing Israel.

Clark pushed quietly for the Secretary to involve himself personally in the stalemate over Israel’s troop withdrawal. Shultz reluctantly made his first trip to the Middle East in late April and obtained an agreement for Israeli withdrawal, but only with simultaneous departure of Syrian troops and remnants of the Palestine Liberation Organization.

For months, Shultz had been saying with confidence that the first withdrawal of Israeli troops from Lebanon would come by Christmas. Then he was saying that at least an agreement to go would be signed by Christmas. He predicted that the Syrians would negotiate their own withdrawal with the help of Ambassador-at-Large Philip Habib. “The Syrians like him,” Shultz said in early May. “They respect him.” Only days later Syria declared Habib persona non grata for alleged pro-Israel bias. The Syrian deadlock partly resulted from Shultz’s tactical decision not to approach Damascus until he had an agreement with Israel.

“Let the Tough Issues Cook.” Shultz has had other setbacks as well. Although he felt that the State Department’s five regional bureaus—Europe, Middle East, Far East, Africa, and Latin America—should have maximum autonomy, he was overruled by Clark and the White House, which instructed the State Department to place in each bureau a non-Foreign Service officer at the level of deputy assistant secretary of state. Today only one bureau is headed by a career Foreign Service officer, an invasion of outsiders unmatched in history.

In January Shultz had to accept Clark’s decision to sack Eugene V. Rostow as arms-control chief for undercutting Reagan’s hard-negotiating positions. By mid-year, as the crisis in Central America threatened the President with its political ramifications, Shultz was drawn into far-reaching agreements that did not originate with him: the appointment of Henry Kissinger as chairman of the President’s Commission on Central America, and the replacement of Thomas Enders, assistant secretary of state for inter-American affairs, and Deane Hinton, U.S. ambassador to El Salvador.

Shultz, however, has had his successes to go along with his domination of policy following the Korean airliner disaster. Most notably, during his first months in office, he persuaded the President to defuse the crisis between the United States and its NATO allies over the Soviet gas pipeline from Siberia to Western Europe. This crisis had culminated in U.S. sanctions against European companies involved in pipeline construction. “Shultz handles diplomacy like he used to handle labor disputes when he was an arbitrator—that is, let the tough issues cook,” one high State Department official said. “That could never work in the Middle East, but it worked perfectly on the pipeline and sanctions issue.”

In an interview for this article, Shultz denied that his handling of the pipeline matter reflected any basic philosophical difference with the President. Reagan, he said, “never wanted to use the sanctions against our allies, but against our adversary.”

In fact, there was a wide gap between Reagan and Shultz. The President did not want to wound friends in Europe with his pipeline sanctions, but if they got in the way, so be it. Shultz put a higher value on NATO allies and had long been on record against what he called “light-switch diplomacy”—turning sanctions on and off to attain diplomatic goals. Unlike the Middle East crisis, this issue pitted the pragmatist against a basic tenet of Reagan ideology. Shultz persuaded Reagan to retreat, arguing that Western unity was more important than what Shultz called the marginal problem for the Soviets if pipeline sanctions continued.

For Shultz, ending the pipeline sanctions was a bureaucratic victory of no mean proportion. Against him were arrayed Clark, Weinberger, Jeane Kirkpatrick—Permanent U.S. Representative to the United Nations—the CIA’s William Casey and most of the second-tier Republican conservatives who are installed in national-security positions throughout the Administration.

Listening Post. Few Secretaries of State—or anyone else in Washington—have worked harder than Shultz. He rises at 5 a.m. at his modest but comfortable home in Bethesda, Md., and is at the State Department by 7:30 to read the overnight cables and receive his early-morning intelligence briefings. Putting in 12- to 14-hour days, with at least half a day on Saturday, Shultz trades his baronial formal office in Foggy Bottom for an unmarked cubbyhole, where he sits in a straight-back chair to pore over official reports and confer with aides.

Reviewing Shultz’s crash study of the Middle East, one career specialist recalls: “He read reams of reports, asked for special studies and briefings. Mostly, he listened. He’s the best listener I’ve encountered in government. Then he put together a small, trusted team and...”
went to work formulating options. Like most good listeners, Shultz does not waste words. It is sometimes necessary to strain to hear what he is saying. Despite their infrequency, however, his soft-spoken words are given great weight—as they were in the Oval Office after the destruction of Flight 007. “Shultz wanted to keep the focus on Soviet perfidy,” a high U.S. official who had urged harsher reaction told us. “In retrospect, I must agree we would have sacrificed substantial propaganda advantages had we attempted more than the Western alliance would accept.”

Appropriately Enough

When a well-known journalist was elected to the world-famous Adventurers' Club, he didn't know the amount of the dues, so he sent in a signed blank check. The Adventurers promptly elected him Adventurer of the Year.

—Elizabeth Clarkson Zwart in Des Moines Tribune

A Hollywood bakery labels some of its wares “Starring Rolls,” “Supporting Rolls” and “Cameo Rolls.”

—L. M. Boyd

As organist at a crematorium, I was asked to play Bach’s “Sheep May Safely Graze” at a ceremony. I discovered later that the deceased had been an importer of New Zealand lamb.

—George Hill in a letter to Time, London

Stop Fighting—And Start Loving Again

If you and your spouse keep arguing in circles about the same things, take heart. There are ways to break the vicious cycle—and make you both feel like winners

Condensed from McCall's

Norma Peterson

The argument may start over something as simple as whether to buy an antique lamp. Soon your spouse accuses you of always being indecisive, and you point out that your partner is a hopeless spendthrift. The exchange ends abruptly when you stalk out of the room. Both of you feel resentful and misunderstood, and both wonder: Why do we keep getting into the same arguments over and over again?

Many couples get caught in circles of conflict they hate but can't seem to escape. Now, researchers who study the ways married people communicate are shedding new light on these patterns. They find three common threads:

1. The first is the need to save face. "There is an image of yourself at stake that you feel you must defend;"


Fred:

Laura called from Shultz' office at State.

Said an invitation had been extended to the President and Mrs. Reagan for a birthday dinner for Shultz in San Francisco on November 25. She wondered if any chance they would be in California on that date and might be able to attend.

I told her as the schedule looked now, they would not be, but I would pass this along.

Mary says the invitation has been received and passed along to you. Laura said it is being hosted by several people including Wriston, Brady and Bechtel. As I recall, Bechtel is the corporation he used to be with.

Can we just tell her it will have to be a regret?

And when the invitation surfaces, send it along for possible message consideration?

HCD

CC: Ann Brock
MICHIGAN  
SOUTHFIELD  

WASSER, LAWRENCE, MR.  

NOV 23 -- NOV 23, 85  
INVITATION TO ATTEND THE MICHIGAN ASSOCIATION  
OF POLYGRAPH EXAMINERS' BREAKFAST SEMINAR ON  
NOV 23 85, SOUTHFIELD, MICHIGAN

NORTH CAROLINA  
????  

HUGHES, ADREN, BISHOP  

NOV 23 -- NOV 23, 85  
INVITATION TO ADDRESS THE CHURCH OF JESUS  
CHRIST OF LATTER-DAY SAINTS OPEN HOUSE WITH  
A THEME OF "THE FAMILY" ON NOV 23 85

CALIFORNIA  
EL CAJON  

MURPHY, EDWARD R., JR., MR.  

NOV 24 -- NOV 24, 85  
INVITATION TO PARTICIPATE IN THE 39TH ANNUAL  
MOTHER GOOSE PARADE ON NOV 24 85 IN EL CAJON,  
CALIFORNIA

CALIFORNIA  
SAN FRANCISCO  

WRISTON, WALTER B., MR.  

NOV 25 -- NOV 25, 85  
INVITATION TO ATTEND A BLACK TIE DINNER PARTY  
AT THE BOHEMIAN CLUB IN SAN FRANCISCO ON  
NOV 25 85

MISSOURI  
JEFFERSON CITY  

BAILEY, WENDELL, THE HONORABLE  

NOV 27 -- NOV 27, 85  
INVITATION TO ADDRESS JEFFERSON CITY HIGH  
SCHOOL THANKSGIVING ASSEMBLY NOV 27 85 IN  
JEFFERSON CITY, MISSOURI