Interview with Edward M. Rowell

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

AMBASSADOR EDWARD M. ROWELL

Interviewed by: Charles Stuart Kennedy

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Q: Today is September 19, 1995. This is an interview with Ambassador Edward M. Rowell. It is being done on behalf of the Association for Diplomatic Studies, and I am Charles Stuart Kennedy.

Ed, the best way to start is at the beginning. Can you tell me when and where you were born, as well as something about your family?

ROWELL: I was born in Oakland, California, on October 13, 1931. My father was a Ph. D. candidate at the time at the University of California in Berkeley. He had been born in San Francisco, California. My grandfather had been born in San Francisco. My great grandfather had arrived in San Francisco in 1857, as a missionary.

Q: Good God! There weren't many of them there.

ROWELL: That's right. So I come from a missionary family.

Q: What was your father's field of study?

ROWELL: Labor economics. In fact, he was on the staff of someone who dealt with the west coast longshoremen's strike in the mid 1930s —1935 or 1936.

Q: Harry Bridges and company.

ROWELL: Right. One of my father's first real jobs was with the US Department of Agriculture in the Farm Security Administration. He traveled often to the migratory labor camps, and as a child I remember spending endless days at the railroad station watching the trains come and go. Trains fascinated me. One time my father took me to a couple of the migratory labor camps that John Steinbeck wrote about in The Grapes of Wrath. So when I got older and read Steinbeck, there was something in it that struck me directly.

Q. Well, he was in a field that was extremely important, particularly during your formative or very early years in the Depression of the 1930's. You saw the "Arkies" people from Arkansas who had migrated to California and the "Okies" similar people from Oklahoma who had migrated to California coming in.

ROWELL: I remember my father telling me about people dying in public libraries — dying of starvation. I also remember the first time I saw a paper dollar. I must have been about six years old, and my father had brought it home as a curiosity to show to the family. Till then, all dollars in my experience were silver. We assumed some "foreigner" from the eastern United States had brought it to California..

Q: California was the last state to accept...

ROWELL: California and Nevada. This paper dollar was quite an item. We displayed it at the house for several weeks. [Laughter] Anyway, I guess that I must have been about eight or nine years old when my father took a job in Washington, DC. We were there for one year and went back to California. We lived in California another year, then returned to Washington for about two and one-half years.

Q: World War II had started.

ROWELL: The war started while we were in Washington. We went back to Berkeley, California again in 1942 at Thanksgiving time in November. In 1944 my father's name came up in the draft. He turned out to have an enlarged heart and was rejected for military service. The State Department immediately offered him a position, which he took, as one of the first three Labor Attach#s the US ever had. So my family and I all went off to Brazil. I attended the American School in Rio De Janeiro from roughly June or July, 1944, till November, 1947, when I went back to California and lived with my grandmother. She lived in what was then a small, rural town east of Berkeley named Lafayette. Today Lafayette is a San Francisco suburb.

At the time I was there, the really big thing was for a kid was to be either on a football team or in an auto shop and to wear the “uniform” — blue jeans and T-shirts. Nobody had any money, and nobody cared. Life was golden. I finished at the rural high school. I competed for a regional scholarship from Yale University and got it. I should say that I graduated from high school a half year early in order to be able to go with my parents to Denmark on State Department travel orders. I was in Denmark from January, 1949, till the end of August, 1949, when I went to New Haven, Connecticut, to start college at Yale.

Q: What attracted you toward Yale?

ROWELL: My father had always said, “The sky's the limit.” He said that I should think about going to some university other than the University of California at Berkeley, which was my home. My father said, “Why don't you try Harvard?” When we were living in Brazil in the mid 1940's, I had a piano teacher, a Brazilian, who had taken his music degree at Yale. A friend of his, one of his teachers at Yale, visited him. He came around and visited us and persuaded me that I should apply to Yale, rather than to Harvard. So I did.

Q: When you were in Denmark, this was still during the post-war period, wasn't it?

ROWELL: It was the early post-war period. We had ration stamps for everything. You couldn't eat in a restaurant without handing over ration stamps. I went with my father when he made a field trip to Norway because he was the Regional Labor Officer for Scandinavia, or at least for Denmark and Norway. That was an interesting trip.

What impressed me as much as anything in Norway was the ice cream on a stick, except that the ice cream was made from whale oil. My God, was that awful! [Laughter] Even the Danes had decent margarine, as well as some butter. Norway was still suffering deeply from the results of World War II.

However, even in Denmark we had to be resupplied via the US military supply service. We could get meat once a month. We had a kind of half refrigerator, which wouldn't hold a month's supply of meat. We rigged a platform outside the window of our apartment on the shady side of the building and put the meat on it. We prayed that the meat would keep for a month that far north of the equator. However, we learned that in the second half of the month, it was a prudent idea to use it only in highly spiced stews!

Q: You were essentially living off the fat of the land, compared to the Danes at that time.

ROWELL: We were living without any real concern. The Danes weren't living badly, but they worried a little more about it than we did. For example, I went to stay with a Danish family on their farm in Jutland. At the farm we had eggs, ham and cereals. We had very decent meals. All of the Danes in Jutland were having decent meals. It wasn't because this was a wealthy family. It was just that when you were living in a farming area, you ate all right.

Q: Well, had you caught the Foreign Service “bug” from watching your father, or not?

ROWELL: A little bit. I took a degree in international relations at Yale, graduating in 1953. As all university seniors do, I began to be concerned over what would happen “when I left the womb.”

Q: Let's talk a bit about Yale. In the international relations field were your courses pitched in any particular way? Was there a Yale international outlook or something like that?

ROWELL: I took international relations because I couldn't decide in what field to major. I couldn't choose between economics, sociology, political science, and history. However, I could take international relations, which was in the Political Science Department, and spread myself over all of those four disciplines. That's how I wound up in international relations.

Q: I remember that I graduated from Williams College in 1950. I had been a history major. However, with the development of the United Nations, I was wondering whether that had any particular interest for you at that time?

ROWELL: No, I don't think so. In fact, if there was any sort of a push at all that I can recall in the Political Science Department, it was to try to be more scientific, if I can put it that way. For example, the best grade I ever got was on a paper based on the following approach: “The British have just divested themselves of their colonies. The British have a Socialist government. One could argue that the ideological underpinnings of this government were directly related to the divestiture of their colonies. But let's take a look at what really happened.” In the end, I concluded that the British HAD to let go of their colonies. They didn't have any choice. Every time they came to a decision point, they behaved as British, rather than as Socialists — both when they decided to let go of a given territory and when they decided to hang on.

So I set up a hypothesis. I devised a test for the hypothesis. Then I went out and collected the data to see what I would come up with. That was the thrust. It didn't make any

difference whether one was studying UN affairs, the League of Nations, NATO [North Atlantic Treaty Organization] (which was being formed at the time), or the Economic Cooperation Administration and the Marshall Plan. They were all good things. They weren't being challenged, particularly. However, if you wanted to do a paper on them, it had to be an analytical study.

Q: You graduated from Yale in 1953. The Korean War was just about over, I guess, at that time.

ROWELL: Yes, although even though we signed a truce in Korea in the summer of 1953, we kept taking losses for at least three years after that. If you were assigned anywhere near the DMZ, that is, the Demilitarized Zone, you were on constant alert. There were continual probes and infiltrations — minor firefights at the squad level, and that sort of thing. People were still being shot, so you didn't want to go to Korea if you didn't have to. I was drafted. In true military fashion, about 200 of us were inducted into the Army the day before Thanksgiving, . Of the 200, I was one of four who did not go to Korea. So I was lucky.

Q: So where did you go?

ROWELL: I went to Germany. Again, there is no substitute for luck.

Q: What were you doing in Germany?

ROWELL: Let me tell you about luck. When I was finishing the first half of my infantry basic training at Ft. Ord, California, I and all the other recruits were marched to the Personnel Center. One of the non-commissioned officers in the Personnel Center was a person with whom I had shared rides back and forth to Yale, between Berkeley, California, and New Haven, Connecticut, for three years. He said, “I can only assign you to your second half of basic training but I'm going to assign you to 'dumb-bell antiaircraft' at Ft.

Bliss, Texas, because nobody's going to use those antiaircraft weapons again. That means that you'll have all kinds of options."

So I went off to Texas. In Texas they got around to asking whether any of us knew a foreign language. Although I was probably strongest in Portuguese, I also offered Russian, which I'd studied in college, and French, which I'd studied in high school. I passed the Russian and French tests, but not the Portuguese. So the Army said, "You're not good enough to be an interpreter, but you're probably more use to us in a unit in Europe than you would be in Korea, especially given your weak (myopic) eyes." So I went to Europe.

Q: Where were you stationed?

ROWELL: I was stationed in Stuttgart in the Ordnance Battalion that supported the Seventh Army. This was the maintenance and supply and not the ammunition side of things. We kept the vehicles going. Our geographic area of responsibility ran from the Czech border with the Federal Republic of Germany to France. I became the operations non-commissioned officer for the battalion. It was a very interesting job, and I had a lot of fun. I was invited several times to go to OCS [Officer Candidate School]. I said, "No, I want to be a Foreign Service Officer. I'll do my military duty but when I'm done, I'm going to go into the Foreign Service."

Q: I take it that from the time you were at Yale, you had made your decision to enter the Foreign Service?

ROWELL: Well, I interviewed with a number of private firms, but my interest was all focused on overseas business. By that time I knew that I wanted to go overseas. I was thinking in terms of being an expatriate employee of American industry. They all wanted me to start out as a salesman. I said, "I did some sales work when I was earning money in college. I did not enjoy it particularly and wasn't sure that I wanted to be a salesman."

Of course, I had experienced the “how-to-live-abroad” side of the Foreign Service. I hadn't quite understood yet that we all had to be salesmen for the US

I took the Foreign Service written exam in 1953, shortly before I was drafted into the Army. I passed it and then I was drafted. The State Department told me that all I had to do to remain eligible to enter the Foreign Service was to re-take the foreign language exam, which I promptly failed again. However, that was enough to keep my candidacy alive.

After two years in the Army I was discharged around Thanksgiving of 1955. At the time my parents were assigned to the State Department in Washington. I went to be with them and then went to the State Department and told them, “All right, I'm out of the Army. How do I take the oral exam?” They said, “Well, you can take it on December 12 1955.” So I took the oral exam and passed it.

Q: What was the Foreign Service oral examination like at that time?

ROWELL: It was a two-hour exam given by a panel of three people. I had had some preparation for the oral exam. When I graduated from Yale, I had a fellowship as a graduate teaching assistant at Berkeley, California. I thought that I would work for an advanced degree in Political Science. I knew that I was going to take the Foreign Service exam, because my interviews with private business companies had left me feeling very uncertain and uneasy.

The head librarian at the Berkeley campus of the University of California was nationally known as a mother hen to FSO candidates. I had been told that when I left Yale. I knew that I was going to be attending Berkeley. I walked into her office in June, 1953, and said, “I'm going to take the Foreign Service written exam in September. How will I prepare for it?” She gave me a list of readings and said, “Sit down and read these things. I'll give you a study carrel in the library. If you do your homework, you shouldn't have any problem.” And I didn't. That was for the written exam. The oral exam was sort of a follow on to that. So I was psychologically ready to take that, even though I took it two years later. I knew that,

given my background, having lived in Brazil and having served overseas in the Army, one of the things that the oral examination panel would focus on was whether I understood the United States. They would be comfortable with my ability to live overseas. So I prepared myself that way. All I did was read periodicals — I read the previous six months of the Week in Review supplement of The New York Times during the three week period I had to get ready. I also read the weekly news magazines.

I was the second person to be examined by the oral board that morning. In the waiting room there was a copy of US News and World Report, so I read that. During the oral exam the most taxing question they asked me was, “Suppose you're a brand new Third Secretary in the Political Section of the Swedish Embassy here. President Eisenhower has just come out of his ileitis operation. What would you say? What would you report about what's going on in this country?” So I gave them a report just as I had read it in US News and World Report. It turned out to have been a good report. [Laughter]

Q: Were you married at this time?

ROWELL: No.

Q: So you came into the Foreign Service in April, 1956. Can you describe the Foreign Service class that you came in with at that time—their outlook and all of that?

ROWELL: There were 15 of us in the class, three of them women. What was our outlook? We were all imbued with a sense of adventure, a desire to serve people and our country, and a belief we were embarking on permanent careers. We all looked upon the Foreign Service as a United States service. There were the military services, the Public Health Service, the Civil Service, and the Foreign Service. We had joined the Foreign Service. We all looked forward to going abroad, savoring adventure, and helping America. We were all ambitious. We didn't kid ourselves. We figured that, statistically, not more than two or three of us, at the most, might ever have a chance to be a chief of mission. At the same

time each and every one of us was confident that we could be one of those two or three people. We wanted to give it a fling.

I guess that one or two of us in the class were trying the Foreign Service on for size. They weren't at all sure that they were going to stay. But I would say that at least 80 percent of us thought that we had found a lifetime career. So there we were.

Q: How well do you feel that the course at the Foreign Service Institute—FSI prepared you for the State Department? What impressions were you getting of the State Department during this training period?

ROWELL: The most important thing that I got out of the A-100 course at the FSI was that we had just joined the Foreign Service of the United States of America. We had not joined the Foreign Service of the Department of State or of USIA [United States Information Agency] or of any other agency. Nor even, necessarily, the Foreign Service of the executive branch of the United States Government. We were members of THE Foreign Service. Our job was to serve abroad, to serve all Americans and all American agencies and institutions with the best we could give — all of them equally.

Did this basic training prepare me to deal with the Department of State? Probably not. That wasn't part of the agenda, really. The agenda focused on things like consular law and consular procedures. There was a little bit about the structure of an Embassy. I didn't need that. Simply by observing my father's experiences when I was a teenager, I'd learned enough to have some sense of how Embassies were structured, who was in charge, what the Sections were, and what kinds of work they did. For example, when we lived in Brazil, my mother had had to return to the US to take care of my ailing grandfather. She had taken my younger brother with her, so there were just my father and myself at home. He had field trips to take. It was summer vacation time, and he took me to the interior of Brazil, visiting Brazil's first steel mill, visiting labor housing, driving through the country, surviving on feijoada (fay-zho-ah'-dah), a bean dish that's always steaming hot

and, therefore, always safe to eat, no matter where you are in Brazil. We were traveling with the British labor attach#, and he and my father would discuss their observations and their import during the long dusty hours of back-road driving. So I had some sense of what foreign service and embassies were all about.

I don't remember too much else about the A-100 course, except for one instructor. She had just come from a consular assignment at Kobe, Japan. At the end of a rather dry hour on regulations governing shipping and seamen, she said, “And, when handling seamen, never let more than one at a time into your office and always have a baseball bat under the desk.” [Laughter] She was colorful. I remember a lecture by U. Alexis Johnson [former Ambassador to Japan and later Deputy Under Secretary of State for Political Affairs], who said, “This is a disciplined Service. You've signed on to go where you're sent. We are a Service.” Then I discovered, not too much later, that he had gotten where he had gone because he asked for specific jobs and manipulated the system to do it. So I said to myself, “All right, there is Service discipline, but this also is a Service which has certain 'buttons' to push.”

Q: Were you picking up on any of the rankings in the Foreign Service — the different types of work and where you should go, or had you pretty well determined what you wanted to do?

ROWELL: No, although it became clearer to me during the A-100 course than it had been previously that where one should or would go all depended on circumstances. But we had little-to-no influence over our first assignments. Still, the Political Officers were riding First Class, the Economic Officers were riding Business Class, and everybody else was in Economy Class. That was clear to me.

Q: Well, I suppose that they still had the “April Fool” sheet, as we used to call it, or assignment preference report.

ROWELL: Right.

Q: You filled it out on April 1, hence the name, April Fool report. What were you asking for?

ROWELL: First of all, I asked to be assigned to Washington. I wasn't married but I wanted to be married. Even if I hadn't had that personal motivation on the family side, I knew that it was important to understand the Department of State in Washington. I figured that I wasn't going to learn the Department of State at the FSI. I was going to learn it by having a Washington assignment. So I asked for a Washington assignment, just to become known in the Department and to understand it and how it worked.

If that hadn't been enough, then there was another quaint vestige of other eras. Two other members of my class and I were summoned by the Class Chairman.

Q: Was that Jan Nadelman at the time, or not?

ROWELL: That name sounds familiar. It may have been Jan, but I think it was Max Krebs. In any case we were called into one of the Personnel Offices. At the time they were in a low, one-story, temporary building on 23rd Street where “New State” now stands. The Class Chairman said that he had called us in because all three of us would be assigned to Washington on a first tour. All three of us were bachelors. The Department thought that it would be a rather good idea to give us two years in Washington so that, maybe, we could be married before we went overseas. [Laughter] That was to avoid potentially awkward liaisons with non-Americans once we were overseas. All three of us took this very seriously. It turned out that one of us stuck a finger in the Department's eye, anyhow, by marrying a secretary from the Swedish Embassy. However, I was married before I left Washington. Shortly before he went overseas on his first assignment abroad, the other one of the three of us bit the bullet and married his secretary in the Department. But we all went out properly encumbered, and the three of us are still married to the same ladies.

Q: It does capture the spirit of an era. I went through the same thing. I went through the A-100 course just a year earlier, in July, 1955. At that time did you pick up any reverberations of security problems within the State Department? Senator Joseph McCarthy died about that time...

ROWELL: But he was finished. The McCarthy era was over. We had had a terrible experience with the treatment of John Stewart Service several years before. Yes, nerves were still jangling, but there was a general recognition that it was something that had gone much too far. The Foreign Service had gone through a period of witch hunting, and it was a horrible experience. There was a feeling that our political system could allow this to happen again, and you might never know when. But what you learned was to be very careful. That didn't mean being careful about your political judgments so much as careful about how much you revealed about yourself, your associations, and your friendships.

I could say something else about the McCarthy era. When I was at Yale, one day I bumped into a man who had lived around the corner from us when I was about nine years old in Washington. His name was Jack Marsalka. He and his wife were of Czech origin. He said, “Gee, what are you doing here?” How he recognized me, I don't know. Maybe I still looked enough the way that I had looked as a child. He was living in New Haven, Connecticut. He invited me out to his house. I wrote to my father about this. At the time my father was either the number two or number three officer at our Legation in Budapest — I don't remember which. I think that he was the DCM [Deputy Chief of Mission]. He wrote me right back and said, “Look, Jack was associated with a number of 'communist front' organizations during the depression and during World War II. Things are very 'tight' in Washington. If you are even remotely thinking of ever joining the Foreign Service, don't have anything to do with Jack.”

Q: That was a sobering experience.

ROWELL: That happened to me when I was in college. So I had had a certain lesson in college. By the time I got to Washington I didn't really need another lesson.

Q: What was your first job when you were assigned to the State Department?

ROWELL: In the A-100 course everyone was on tenterhooks. One of our lecturers was from the Office of the Assistant Secretary for Administration. (At that time it was called the Assistant Secretary/Controller.) Our lecturer was running something called the “Manpower Utilization Staff.” It tried to measure how to get the best out of the human resources at hand. He said that he was looking for a junior officer to be a go-fer — a staff assistant. He asked whether anybody in our class was interested. I went up to him at the end of the hour and said that I was interested. I followed up, and he said that he would talk to somebody in Personnel. Well, I thought that he would never really talk to somebody in Personnel, but he did. Anyhow, connections weren't made, and the next thing I knew, they were reading out our next assignments. Half of us, including me, were slated for the old biographic files—in other words, total boredom.

Q: How awful!

ROWELL: So I raised my hand and said, “Well, I've already volunteered for another job and the man said that I could have it.” I said, “I don't know how my name is on this list but I don't think that it's supposed to be there.” They told me, “You're not supposed to go out getting yourselves jobs.” I said, “Well, he invited us to volunteer if we were interested, it was in the open class, and I responded.” They rolled their eyes and said, “Well, we suppose that a new recruit doesn't know that he's not supposed to respond to open invitations to apply for a job.” I wound up working for the Manpower Utilization Staff.

That job lasted about a year. In effect, we did input/output, efficiency inspections of various offices in the Department, which was what I had looked forward to. This gave me a chance to see how things worked, who talked with whom, and who didn't talk with whom.

Generally, how things were connected or weren't connected. That office closed after about a year, and I wound up in the budget office. I knew absolutely nothing about budgets but I learned a little bit about the budgeting process. This gave me lots of extra time. I learned Portuguese on my own and managed to pass the oral exam with a grade of 3-3 [speaking ability 3—useful; reading ability 3—useful], before going to my first overseas assignment and without taking any Portuguese course at the FSI. That was the minimum level one had to have in order to qualify for a first promotion.

Q: When you worked on the Manpower Utilization Staff, what struck you about it? Were you struck by anything that remained in your memory bank thereafter, about how things operated or didn't operate?

ROWELL: Not really. It was a big bureaucracy. I learned some valuable things. I learned to think in terms of defining missions and objectives. I attempted to define them concretely enough so that the results could be measurable. I learned to think in terms of output, rather than input, and of measurable outputs, rather than activities. For example, representation as such is an activity. The output is a relationship with a person whose knowledge or authority we value and who will respond to that relationship. But it is the relationship that counts. The dinner doesn't count. It's whether that person is then accessible in a way in which that person wasn't accessible before, and whether this is a person to whom it is worth having access, that is, positioned and willing to do things we want. That counts. You judge whether that person is worth having access to in terms of what American interests require us to get done. It was that kind of thought process.

Q: Were you pointed toward Brazil? Was this at your request?

ROWELL: No. I tried to be assigned to Mozambique. I tried desperately to go to Mozambique. Since the language I had passed was Portuguese, I figured that I would be assigned to a Portuguese speaking post. I knew that Mozambique was exotic. I had lived in Brazil and thought that I knew something about that country. However, I wanted to have

a totally different experience. I had joined the Foreign Service for adventure. However, the Personnel people said that I was assigned to Brazil. So I went to Brazil.

Q: When did you go to Brazil and where were you assigned?

ROWELL: I went to the Consulate in Recife.

Q: You were there from...

ROWELL: January, 1958, to July, 1959.

Q: What were you doing there?

ROWELL: I was a Vice Consul and general factotum. I would add one thing. I had married in August, 1957, and had asked for a hardship post. I figured that my wife would find that her adjustment to her first Foreign Service assignment was miserable, no matter where she went. That was knowledge that I had gleaned as a teenager, when I had gone with my father to our first foreign post in Brazil. I just knew that my wife's initial adjustment was going to be hard. I could be assigned to Paris, and she would be miserable. I thought that if she would go through her initial misery at a hardship post, the next assignment would be to a nicer place than the first post and she would know how to enjoy all the advantages of the new post.

It took me a year and a half to persuade her to marry me. She said that I was all right, but she wasn't too sure about the Foreign Service. She was a legal secretary and was making about 20% more money than I was as a junior officer. So we were going to give up that income. She had been born and raised in Washington. All of her friends lived here, and she liked the city. She had all kinds of contacts in social and business terms. Everything was going for her. She liked her job, her work was challenging, and I was going to take her away.

So I had done a lot of persuading, but I had done it in the usual, Foreign Service style. I attempted to undersell the Foreign Service. I told her that there were going to be miserable times and that learning a foreign language was hard. She had never learned a foreign language. I told her that there would be feelings of isolation, that there would be no conveniences, there would be no frozen orange juice, and all of that. Boy, was I right!

I knew that it was going to be hard. I didn't realize how hard until we were in Recife. For example, there were only 14,000 telephone instruments and 6,000 phone lines in a city of a million people. (Of the million, only 500,000 were in the money economy.) Private residences didn't have telephones, although I think that the Consul had a telephone in his house. That was it. The rest of the entire American community, except for the manager of the phone company, had no private telephones. So the thing was to find a house somewhere near another American — ideally, within walking distance, because we only had one car.

I want to give you some feel for our life there. We found a small two-bedroom house in a good neighborhood near the ocean. The ocean was important because there was no air conditioning and we depended on trade winds to keep the heat and humidity bearable. The house was made of cement and cinder block. When it rained you could get a small electric shock if you touched a wall because the wires were inadequately sheathed and the moisture penetrated everything. The water supply failed daily. I had to spend a week's salary to buy a pump and small tank which I set up in the backyard so I could pump water through a hose to the tank on the roof. I had to refill the roof tank at least once every three days. During spring tides our street and yard would flood and crabs would run through the flower bed. My wife often had to wash her hair in the back yard because the water pressure was too low to put water in the house. We kept water-filled buckets in the bathrooms to flush the toilets. Cows walking by our fence would eat the flowers, and donkeys would get in the yard and leave their droppings on the front porch. That happened once just before people arrived for a dinner we were giving. Across the street was a tidal

swamp where people lived in mud and wattle huts. When we would set out garbage, they raided the garbage can. My wife's cookbooks didn't work because there weren't any prepared foods in the market — no frozen foods, no baby foods, no mayonnaise, no standard qualities of goods. How do you judge the working power of brown yeast that you cut from a barrel-sized cake? We and the other Americans in the community built a combination church/elementary school. It was made of poles and a thatched roof, no walls. We had lots of barbecues and the beer was good.

My wife has recorded her own oral history, so I won't recount her experiences here, except for one. That one illustrates how awfully tough an adjustment a first overseas living experience can be. The day we disembarked in Recife from a twelve-passenger freighter (we were several years before jet travel and universal air connections to everywhere), we moved into my predecessor's house. His family had already returned to the US some weeks before. He put us in his house partly because there were other American families within walking distance and he knew my wife couldn't yet speak Portuguese. After lunch he and I went to the consulate, a twenty-minute drive from the neighborhood. Incidentally, there were no paved streets in the neighborhood. None of the neighbors yet knew my wife was in the house. A maid who spoke no English was there. (Everyone had to have a maid to boil and filter drinking water, pick the stones and dirt out of the food bought at the market, and protect the house from thieves.) Lonely, my wife decided to take a nap. Suddenly an awful screeching and shouting outside woke her up. She looked through the shutters and saw what appeared to be Indians waving tomahawks and long knives and beating drums. She was scared to death, had no idea what they wanted or were saying, couldn't find or understand the maid and, of course, couldn't telephone because there wasn't any telephone. She locked herself in her room and cried. When my predecessor and I arrived home she told us and we started to laugh. We knew the crowd at the gate was a dance company collecting donations for costumes so it could compete in Carnaval Brazilian Mardi Gras contests. But I immediately felt guilty for smiling. I still do. She had no way of knowing what was going on. She didn't panic. She did the best she could. And

she didn't give up on me, the Foreign Service or herself. She learned Portuguese, became a community leader, founded a YWCA [Young Women's Christian Association] chapter, extended our circle of friends with Brazilians whom I never would have known otherwise. It was tough. She did it with her own grit.

Q: Let's first talk about the post in Recife, and then we'll talk about the political and economic situation in Recife, as you saw it. First, what was the post like?

ROWELL: We had a Branch Public Affairs Officer named Rod Horton. We had one officer from another agency who had the title of Vice Consul. He had an assistant. We had one State Department Vice Consul — me. We had a Consul, who was also a State Department officer. He had been integrated into the State Department from the Immigration and Naturalization Service and had previously served at the Consulate General in Naples, Italy.

There was a US Air Force detachment at Recife. It was called a “Weather Detachment.” In fact, their function was to monitor a whole range of things that were important. I won't go further than that, but that is what they did. They were not concerned with things related to Brazil, but rather with the Cold War stand off.

Based in Recife were also four ships run by Pan American Airways. They operated under contract with the Department of Defense. Their job was to track missiles that we were testing. The Atlantic Missile Range with which they were concerned went down the Atlantic Ocean, around the Cape of Good Hope, and into the Indian Ocean. Every time we got ready to test missiles, these four ships would go out into positions along the Atlantic Missile Flyway. They would go out for about a week or 10 days. Then they would come back in and wait — maybe for two or three weeks. They would be waiting on the beach until the next fly. Then they would go out again. There were technical crew members on the ships. They were listed as passengers, but they were the guys who ran all of the monitoring equipment.

Then there were the seamen on the ships. These were ordinary merchant marine seamen. Those guys could get into more trouble! A merchant mariner is fine when he's on a ship at sea, but when he's in port, with nothing to do, then he starts to look for things to do. That's when the Vice Consul begins to enjoy life.

Q: Were there any particular cases that come to mind?

ROWELL: Oh, yes. One of the things that would happen, over and over again, is that a seaman would appear at my office in the Consulate with a woman by his side. He would say, “Mr. Vice Consul, I would like to get a visa for this lady.” I would reply, “What kind of visa are you looking for?” He would say, “Well, she wants to go and live in the United States.” I would say, “She needs an immigrant visa.” I would ask a couple of questions and then would say, “I'm sorry, but this lady isn't eligible for an immigrant visa.” There were provisions in the law that made prostitutes ineligible for immigrant visas. The seaman would turn to the lady and say, “I'm sorry, honey, but I tried!” [Laughter] Then he would walk out. He had done his thing.

One of the ships would be going out of town, and a seaman would get involved in a brawl. I had an arrangement with the Chief of Police that had really been set up by my predecessor. These seamen would be arrested, but the police had a cell that was a little bit cleaner, drier, and more pleasant than the others. The seamen would be put in that cell. The police would give me a phone call so that I would know that they had one of our seamen in jail. If the seaman was close to the end of his tour on the ship, he'd stay in jail until the next Pan American resupply flight. Those flights came in three times a week. The seaman would be delivered by the police directly to planeside. There were no formal charges and no problems. The wayward seamen were put on a plane and sent home to Jacksonville, Florida.

About once a year the ships had to change crews. I would go out to the ship. Then, as the representative of the US Coast Guard, I would sign off the old crew and sign on a

new crew. A table would be set up in the officers' wardroom on these ships. The captain, the purser, and I would be there. Technically, under the law, I was the guy paying off the seamen. We're talking about 19th century sailing-ship laws.

Q: This was when seamen were a protected species.

ROWELL: That's right. In the 19th century you knew that they were illiterate. You knew that shipping companies and captains took advantage of them and so on. These were the laws which we were still operating under.

So I would go out to the ship, climb up the Jacob's ladder, and go on board. I had the consular seals in a little bag. Usually, I would hire a man as an oarsman with some kind of dinghy. I would be rowed around the harbor. It wasn't a powerboat operation. I would climb up. The Captain would greet me. We would go into the wardroom. The Ship's Articles would be there. About one in five seamen signing off the ship would register a complaint. The amount of money to be paid was there. I would count out the amount of money. He would sign it under protest. He would say, “They didn't treat me right,” or, “They docked my pay for this, and it's not fair, not right.” I would say, “Fine, you can talk to the seamen's union. They'll represent you. All you have to do is sign your name and write the words, 'under protest' afterwards, and I'll pay you.” So that usually did it. I would stamp the papers with the Consulate seal, a big impression seal, and away we would go. Then the replacements would come aboard, and I would watch them sign on, one by one. I would put the Consulate seal on the papers, and that was it.

The other thing is that, under the laws at that time, whenever a merchant ship of US registry was in the harbor for more than 24 hours, it had to deposit the ship's articles and charter with the local Consul. They had to bring these papers in. The Pan American ships, of course, would be in port for three weeks at a time. We had a big safe, just for holding ship's articles.

Q: What was your impression of the newly-minted Consul, the former Immigration and Naturalization Service officer? They really came from a separate selection process.

ROWELL: You know, prestige required that I do the visas, because that was something that the most senior officer wouldn't touch. But he really knew visas and immigration law. Prestige said that he would take care of citizenship matters, so he took care of American passports and so on. He was a wonderful person, a real gentleman from the Old South. His wife was also from the Old South — a lovely person, Eleanor Whitaker. I couldn't have asked for a finer mentor in terms of consular operations.

I became the de facto economic and political reporting officer, because the Consul felt out of his water in those fields. He had the contacts, he had the conversations, and I was green. Boy, was I green! So I wasn't that good a political or economic reporting officer. However, I did the economic and business reporting. When it came to visas, if I ever had a question or if there ever was any doubt, I'd go into his office, and he'd give me an answer, just like that! It was always the right answer, so I learned a lot about consular operations from him. It made a big difference to me.

Q: Can you describe how Recife was in those days? In the first place, I have trouble placing it. Is it on the bulge of Brazil facing East?

ROWELL: Yes, it's right on Brazil's eastern-most point on the Atlantic Ocean.

Q: This is where we had a major air base for the air ferry service during World War II, wasn't it?

ROWELL: That's right. It was the takeoff point for aircraft being ferried to Africa. They would take off from Recife or from Natal, which was about 80 or 100 miles farther north. The planes would try to land for refueling at one of the South Atlantic islands — I think that it was Ascension Island — and then make the jump to Africa. Typically in those flights they would have one experienced navigator in the lead plane, and everybody had to stay

in visual contact with him. If they missed him, they were so green at navigation that they would get lost, go down, and disappear in the South Atlantic Ocean.

There was a hospital in Recife that we used. It was the Brazilian Air Force hospital which had been built by the US Army Air Corps during the war. That's where our first son was born. It had no windows. It had screening and wooden shutters that you could put down over the screens when the rains came. It had a thatched roof. They whitewashed it with DDT [insecticide] impregnated lime once every three months. It had cement floors that were scrubbed with some kind of antiseptic — Clorox or whatever it was — every day. It was far and away the healthiest hospital in town. However, the doctors there were all either military personnel or reserve military, and they would periodically become politically active. Then they would be confined to quarters. The one obstetrician there was more politically active than most of the doctors. When we got close to delivery time, we weren't sure what we were going to have in the way of medical attention. [Laughter]

Q: It made you an astute, political reporter at this point.

ROWELL: It motivated me.

Q: What was the political situation in Brazil at the time, and how did it reflect itself in Recife?

ROWELL: There were always rumors of possible coups. There was a populist President, Juscelino Kubitschek, who actually survived to serve his full four-year term. If there weren't rumblings about coups against the government, then there were rumblings about coups against senior generals. So there was always a certain amount of turmoil.

More to the point, northeastern Brazil, the area called the “dry interior,” or the “sert#o” in Portuguese, had always been an area where minor military “captains” ran the place. The local military officer was a kind of king. The man who was the elected governor of the state, Pernambuco, probably ran some kind of political organization that had a whole

bunch of thugs backing it up. In Macei#, capital of the State of Alagoas which was in our consular district, the authorities surrounded the State Legislature with sandbags to protect the pedestrians on the sidewalk from the gunfire that often took place during debate and voting. The sandbags were not to protect the Legislature. They were there to protect the citizens passing by. You could see people going into that Legislature with huge bulges underneath their clothes. Once some of them went in wearing raincoats, on a perfectly sunny day, because they were carrying automatic weapons under the raincoats. You weren't supposed to be showing those in public.

You did not challenge anyone who was an important personage, because they had total impunity. For example, one day there was an altercation between a bus driver and a kid belonging to an important family. The kid turned his car in front of the bus, got out, and killed the bus driver. No charges were ever made against him. The kid was identified, and there were lots of witnesses, but there were no charges, because he was a member of a very good family. An American teacher at the local missionary school was shot and killed by a student because the teacher said that the student had failed. This involved something like 9th grade algebra. No charges were ever brought. The student belonged to too important a family.

Q: What did this mean in terms of visas? Did this ever intrude in your work?

ROWELL: No, because the kinds of persons who would not be eligible for a visa didn't come from those “very good” families. If anybody from that kind of family asked for a business or tourist visa, you gave it to them, because there was every reason to think that they would return to their homes and none of them had ever been convicted of a crime involving “moral turpitude” — another basis for exclusion. In any case, none of the persons involved in any of the notorious events I just mentioned ever came to me for a visa.

Q: We're obviously talking about the height of the Cold War. Was there any concern about communism and Soviet infiltration?

ROWELL: Yes, and the communists were quite strong in the sugar workers' union. The old sugar plantations still had people who were, in effect, tied to the land. They were latter day serfs. But they had unions, and the communists tried to organize them. In fact, a fair number of communists were elected to the State Legislature. They kept trying to push what we would call a “Leftist agenda.” They really didn't represent a threat to Brazil, because that part of Brazil simply didn't have that much weight in the capital at Rio de Janeiro. That area had some nostalgic power.

Brazil had always consisted of baronies. Remember, it was a monarchy until 1889. These different states had been carved out by various Portuguese nobles. Their descendants were still running these states in a kind of feudalistic style.

There is another aspect of Recife—a professional aspect—which was important. We had a number of AID [Agency for International Development] people there. Periodically, I would travel with them. Occasionally, the Agricultural Attach# would come up from Rio de Janeiro, and I would travel with him in the interior of the country. He taught me a whole lot about agricultural economics. He taught me how to do agricultural reporting. He introduced me to people whom I was later able to consult to fill out my reporting. I got a lot of help from the Agricultural Attach# in learning how to be a decent Economic Officer. I enjoyed the AID officers and I appreciated them as dedicated people.

I also went through my first bit of insanity in Recife. That was the night when one of our Brazilian neighbors came to our house. She said that I had to help her. Her adolescent son had gotten his father's .45 caliber pistol and was busy trying to shoot at a US Air Force Sergeant who lived across the street from them, right around the corner from our house. I went out in the middle of the street and got between them. However, we were good friends of the Brazilian family, as well as of the Sergeant and his family. The kid didn't want to shoot me. So he stopped pointing the pistol at the Sergeant. I persuaded the boy that his honor had been suitably defended and that the honorable and grownup thing to do would

be to return to his house and give the gun back to his father. His father was at home but didn't know what to do.

I also said that the Air Force Sergeant was going to leave the street first. Then I turned around and told the Sergeant to go into his house. He didn't want to leave the street. He saw it as “retreating under fire.” I directed him as his superior officer. He saluted, because he had been given an order. He could return to his house with some dignity. It was only some time later that I broke out into a cold sweat when I realized the risks I had been taking.

Q: Did you feel the hand of Ellis Briggs at all? He was our Ambassador to Brazil during part of the time that you were there.

ROWELL: He came up to Recife and visited a couple of times. He went through the pro forma process of asking, “How are things in the Northeast” when we met at an introductory party. He was asking my opinion, and I made the mistake of starting to give it. I saw his eyes instantly glaze and realized that he was just kind of going through the motions.

Q: You had the feeling that Recife was “far from the Czar...”

ROWELL: “Far from the Czar.” There were really no particular problems there. I learned a couple of other things. I learned that Washington is mesmerized by the press and pays a lot more attention to the press than it does to what Foreign Service posts are saying. There had been some rumblings about a military coup that was taking place in Recife. Somehow a Time magazine stringer had written an exotic report which had been published in Washington. I'd written a report on the event but I hadn't gotten it off right away, because what really happened was that a tank had parked in front of the State Legislature for demonstration purposes. It didn't mean a whole lot. It was all part of a personality clash between the State Governor, the head of the State Legislature, and the State Militia. A holiday had been declared, and the entire city had gone to the beach,

where people were playing soccer and having a very good time. So this was not exactly a big deal. It couldn't shake the national government in Rio de Janeiro.

So nothing was going to change. I wrote a report, but you have to remember that when we sent a telegram, it went by Western Union. If we encoded it, we used a One-Time Pad [cipher system]. Nobody in his right mind in the Consulate wrote a classified telegram if it could possibly be avoided.

We received a zinger from the State Department in Washington, asking what was happening. The whole country was supposedly in collapse because the Consulate in Recife hadn't been reporting on this coup. I sent back a reply and said that there wasn't any coup. Time magazine appeared on our newsstand about that time, and I finally realized that Time had front-paged this thing. This was loony, and I told the Department that. However, I learned from that experience that one had to anticipate what was going to appear in Time magazine.

I learned another, far more telling lesson there. I went to the beach one day on business, talked to some fishermen, and asked how they were living. I asked how many days a week they fished. They fished three days a week. I asked, “Why don't you fish four or five days? You'd make more money. Could you sell your fish?” They replied, “Oh, yes.” I asked, “Could you sell them at as good or the same price?” They said, “Yes.” So I said, “Well, you could almost double your income. Why don't you do it?” They said, “Look, you see those grass shacks over there? That's where we live. We have electricity. We have one water outlet in the entire area but we don't have running water. We have outhouses outdoor toilets. No sewage. We don't own the land. We're squatters. The money we make by fishing in three days is enough to live there and to enjoy the life that we have. To buy our own land — because we're not going to build a solid house if we don't own the land — would take far more than twice our income. It would take up to 10 times the income we have. We don't know how to make that much. Given those circumstances, we can pay

cash to buy what we need with three days' work. The other three days' work wouldn't give us any improvement in our quality of life."

This was an illiterate fisherman who went out to fish on a balsa raft. This was risky, because the main Atlantic steamship lane went through there. Every once in a while at night a steamship would run through a raft, because the rafters fished at night. This guy was an economically rational and smart. He might not have been able to read and write, but he sure knew how to think and how to do the numbers. I have since never forgotten that ordinary people can be very smart and they are almost universally economically rational. If they're not behaving the way our models predict, it's because our models are screwed up, not because those people don't know what they're doing.

Q: You moved to another Consulate didn't you? You were at the Consulate in Recife until 1959. Were there any other incidents that happened in Recife?

ROWELL: No, I would say that I've given you all of the formative incidents that happened there. The only other thing was that Clare Boothe Luce was scheduled to become Ambassador to Brazil. She had a monumental conflict with Senator Wayne Morse [Republican, Oregon] who was on the Foreign Relations Committee, the committee that has to consent to all ambassadorial appointments. I was scheduled to become her staff aide. She was confirmed by the Senate and then resigned, as if to say, "All right, I beat you, Wayne Morse." And I was left without a job, because there was no new Ambassador coming.

We had already packed our belongings and moved out of our house in order to go to the Embassy in Rio de Janeiro. Then we received a cable saying, "Sorry, transfer canceled." I had to go back to the landlord to ask if we could move back into the house. We had to go to the packing company and ask them if they could deliver our household effects, and we set up our household again. We had said all of the farewells and had gone through all of that. So we took a two-week vacation at the only vacation place in the area, a

tuberculosis sanitarium in Garanhuns, a town around 3,000 feet high and about 100 miles west southwest of Recife. The principal food at the sanitarium consisted of boiled plantains a type of banana that had to be cooked. But at least it meant a break from the tropical humidity. Then, four months later, we were transferred to Curitiba.

Q: Where was Curitiba?

ROWELL: In southern Brazil in the State of Paran#. I went there as Principal Officer (the officer in charge of a Foreign Service post).

Q: You were there from 1959 to 1962?

ROWELL: Until November, 1961. It was a totally different climate, in the temperate zone. It's in the coffee zone, close to Sao Paulo. Curitiba presented a whole new set of experiences. I finally finished polishing up my Portuguese by osmosis. I was at the point where I felt comfortable giving a 20-minute, impromptu speech any day of the week. I could talk with anybody.

Southern Brazil was going through a kind of “gold rush.” The gold was coffee. Ordinary people would go out to the jungle at the west end of the State of Parana and get a contract to clear the jungle. Typically, the land would be owned by a doctor or dentist in Sao Paulo or Curitiba, who had bought it from the government. He would hire an illiterate person who would go out, clear the land, and support himself and his family by engaging in subsistence farming. He grew the subsistence crops between the rows of coffee bushes which he planted. It takes four years before the first crop of coffee beans can be harvested. That's a half crop. Then, in the fifth year, the bushes produce a full crop. The man working the land had to work until the first, full crop was harvested. He received all of the cash from the first, two crops—the half crop and the full crop. He supported himself with subsistence farming. With the cash from the first two crops he had enough money to buy his own coffee lands. He buys the land and goes through the same process again, except that this time everything was his. For people born with nothing, people who had no

education, it was an incredible opportunity to become, as they saw it, “rich land owners.” These people were riding on top of trucks heading out to the western part of the state. They were going out there by the thousands, with their wives and sometimes infants.

These were the class of people who, in northeastern Brazil, were serfs on sugar plantations. The same communist leader who had won a substantial number of seats for his party in Recife came to the State of Paran#. I tracked him as he went around the state. I remember going out to a red dirt town in the western part of the state. There was a big sign. There were 40 people who went out to listen to him. Ten minutes later, there was one dog there, scratching his fleas, and the American Consul from Curitiba. That was it. These people didn't have time for that kind of nonsense. They were all going to get rich.

There was high risk. They could get caught by bad weather, a freeze that would destroy the coffee bushes. On average, Paran# has at least one such freeze every ten years. Bad odds since it took ten years to get through two land-clearing, coffee-planting cycles — the first for the original doctor or dentist landowner; the second for the worker. However, enough workers — just enough of them — could make it. It was like the gold rush in California. Not many people got rich, but a lot of people managed to survive. Just enough of them got rich that you couldn't stop the gold fever. It was exactly the same phenomenon. There is nothing in this world like living through a gold rush. It's exciting.

Q: What caused this at that particular time?

ROWELL: A big boom in coffee prices. Brazil was expanding its output. In those days, if you grew coffee, you could sell the coffee at a profitable price. It was guaranteed by the Brazilian Coffee Institute. Coffee was as certain a cash crop then as “coca” for cocaine is today in the Andes.

Q: What was your job?

ROWELL: I was the Principal Officer, the officer in charge, at the Consulate in Curitiba.

Q: What does that mean? How big was the post?

ROWELL: When I went there, the staff consisted of myself and one American Foreign Service Staff person, whom I was able to have commissioned as a Vice Consul, plus three Foreign Service Nationals [Brazilian employees]. The focus was on consular work. The Mormon Church set up one of its two Brazilian headquarters there, and we had about 130 Mormon missionaries operating out of Curitiba. We spent a huge amount of time, registering them and making sure that they didn't get into trouble. If they got into trouble, we helped them out with the authorities.

I also reported on political and economic events — the economic growth of the territory. I cut my teeth on my first important political report which I called, “A Political Primer on Paran#.” I described the whole political structure and dynamics of the state. We were in the run-up to a major national election. President Kubitschek was finishing his term, and the constitution didn't allow him to succeed himself. J#nio Quadros won the election.

As President, Quadros traveled around the country. He was trying to bring the presidency to people all over the country so they would feel less alienated from the central government. It was a tactic he had used previously when he was governor of S#o Paulo state. When he came to my consular district, I went out to see how he was doing. During his first three or four months in office he remained very popular. I could see that when I went to Florian#polis, State of Santa Catarina, during one of his visits in early 1961. But four months later when he came to Vila Velha, a town near Curitiba, he was doing miserably. He was greeted by a couple of mayors, a military band, elements of the consular corps and the state government, and maybe forty farm workers who had been rounded up and brought to the dirt airport in army trucks. The band played and there were a couple of speeches. But the onlookers never applauded — the only time in all my years in Brazil that ordinary citizens refused to applaud the President. Quadros didn't seem to notice. He was almost glassy-eyed, out of touch. He was perceived to have lost control of the government. While economic problems were mounting, he was traveling around like

medieval royalty instead steering the country toward solutions for its problems. He had lost all of his support in the rural areas and even among the small- town conservatives who had been the original backbone of his candidacy.

Quadros didn't see this. Neither did the press and broadcast media in Rio de Janeiro, which the US Embassy was monitoring, report it. They were putting a rosy gloss on his travels. But I saw the political disaster and reported it to the Embassy in Rio de Janeiro and to Washington.

The most dramatic event during my two and a half years in Curitiba started one Wednesday evening in September (I believe it was September) 1961. I came home from the Consulate. My wife said to me, “You know, something is up. I was at tea today with the general's wife. After the tea Mrs. So-and-so took me aside and said, 'Le, I'm not supposed to say anything, and you're not supposed to know, but you are a young mother and you have a baby to take care of. Lay in some extra supplies. This weekend you may not be able to leave your house. Just make sure that you can take care of your family for about a week.'” For weeks there had been rumors that Brazilian conservatives and the military were plotting to oust Quadros. When my wife told me of the advice she had received from a general's wife, I knew immediately that the military had decided to act. I immediately got a report off to the Embassy and to the Department of State in Washington. On the Friday night of that week there was a coup d'#tat. The part of Brazil where I was located — the southernmost three states — opposed the coup makers in the rest of the country. The coup took place at that time because the Vice President, who was a Leftist and was believed to have too many friends who were communists, was out of the country, on a trip to mainland China. The Army thought that they could arrange things so that he wouldn't return to take office.

Q: His name was...

ROWELL: Jo#o Goulart.

Q: He played quite a prominent role...

ROWELL: He did. So there was a standoff, because the southern three states, in fact, the southernmost state, Rio Grande do Sul, was Goulart's primary, political base. The southern three states were all part of the same military zone. The other two states in the zone were Santa Catarina and Paran#. The people in those states opposed the coup. I in Curitiba and our Consul in Porto Alegre [Rio Grande do Sul] were the only two American consuls in the part of Brazil that opposed the coup.

As it happened, my wife was almost seven months pregnant. I was already a year overdue for transfer. It was getting close to the point where she would have to fly to the US or have our second baby in Brazil, as the airlines wouldn't let her fly once she entered her eighth month of pregnancy. Because we were scheduled to transfer from Brazil very shortly, we decided to try to get her home to the US. I had to drive her from Curitiba to Sao Paulo, which was on the other side of the lines the south from the coup makers in the rest of Brazil. I had to get a laissez passer from the Army Command in the south and a similar laissez passer from the military authorities in the north. I drove over the road to Sao Paulo which, they warned, might be mined. There was a dirt road between the two areas. It was all right going north. I took my wife and our eldest child through the lines, was interrogated when I got to the other side, and went to the Consulate General in Sao Paulo and reported in. She then flew out to Rio, where they put her on the plane to the US. They had to get a court order in Rio to allow her to take our eldest son because, under Brazilian law at the time, if you didn't have a written permit from the father, no male child could be taken out of the country.

She received precious little help from the Embassy. A Foreign Service National employee of the Embassy helped to move her from the hotel to the airport. She was seven months pregnant, she had a two and one-half year old child running around, she had the suitcases, and she had this document [the court order] which she was told not to lose. She was told that it would be better to lose her passport than the court order, because if

she lost this, she couldn't take our son with her. There was nobody to help her move her bags around the airport. Nothing. She had to take care of herself. That was an experience that made us think for a long time and about a lot of things. Not about quitting the Foreign Service, but how you manage your life in the Foreign Service.

Anyhow, I drove back then to Curitiba and we waited things out. Eventually, Jo#o Goulart came back to the country and was inaugurated President. My replacement arrived, and I went back to Washington.

Q: Did you have any particular feel about the Embassy as the Principal Officer at the Consulate in Curitiba, or did you still have the feeling of being far away?

ROWELL: The Embassy seemed a little less remote from Curitiba than it had from Recife. I had a lot more contact with the DCM [Deputy Chief of Mission]. At the time the Consul General in the Embassy was the Supervisory Consul General. He oversaw all of the Consulates around the country. We had seven or eight Consulates in Brazil at that time. We had an annual Principal Officers' Conference. So we were quite a group when we got together. The Embassy was sure that it was supervising all of us, except maybe the Consulate General in Sao Paulo, where the Consul General typically had as high a rank in terms of pay grade as the DCM in Rio de Janeiro.

We — all the principal officers — took seriously the authority that gave us the right to communicate directly with the State Department in Washington. If you used good sense, that never caused any heartburn at the Embassy. If you didn't use good sense, they found a way to chastise you. However, for the most part, this arrangement worked well, and the Embassy was helpful. We were a small Consulate. We didn't have the time to go through all the folderol of endless, administrative reports. The Embassy took care of that. They let us do our work and picked up a lot of the administrative burden.

Q: At the local level was there much interest in where the United States stood on coups, Brazilian policy, or things like that? Was the United States just an abstraction which really didn't affect them? I'm talking about the people in authority coming to you and so forth.

ROWELL: There was a lot of interest in Cuba, US-Cuban relations, and the problems that we were having with Cuba.

Q: This was just at the beginning of the Castro regime?

ROWELL: This was at the time of the Bay of Pigs disaster in January, 1961. People paid a lot of attention to that, but we were still basking in the glow of the World War II experience. During World War II the Germans, the Nazis, had been very influential in Argentina, which had its Peronist populist government, a government that felt a certain kinship with the Fascists in Italy. Brazil and Argentina had traditionally been rivals. The US went a long way to make sure that Brazil stayed on our side during World War II. Brazil had a division of troops in Italy. A lot of personal alliances were formed between the United States armed forces and Brazilian armed forces at that time. All of us benefited from that and, since the military were always terribly important in Brazil, that kind of aura of good feeling spread widely in Brazil. Basically, the US was regarded as a major ally. Brazil was regarded by the Brazilians as a big country which had done its share in World War II and merited respect as an ally. As long as we played that right, we couldn't do anything wrong.

Q: When this coup d'#tat developed, you were in a state where the military was opposed to the military in other states. Did anybody come to you and ask how the United States felt about this, or were you just finding out what was going on?

ROWELL: It was more a matter of my finding out what was going on. It was their problem and, from my point of view, I made it plain that it was their problem. They agreed. They knew they had to resolve it for themselves somehow. The Embassy wasn't trying to tell me to get the people in southern Brazil to give up, hand over their swords, or whatever

it was. I was just expected to report on what was going on. Reporting was difficult, because all communications with the other part of Brazil were cut off. I communicated with the Embassy via ITT Telegram to the US and Washington, using my One-Time Pad. Washington would then relay my reporting to the Embassy in Rio, because I couldn't communicate directly with Rio, either by telephone or by telegram. That meant a lot of work with the One-Time Pads. I never wanted to use one again.

Q: You were there during the early period of the Kennedy administration. Did you feel any of the excitement, the impact of the Alliance for Progress and so forth?

ROWELL: There was enormous enthusiasm for Kennedy. You're taking me into my next assignment.

Q: But, while you were in Brazil, were you noticing any of that?

ROWELL: The Alliance for Progress was announced at Punta del Este, Uruguay in August, 1961. I left Curitiba in October, 1961, after a coup d'#tat which took place at the beginning of September, 1961. So people in Curitiba hadn't had time to focus on the Alliance for Progress.

Q: Did you notice any reflection about President Kennedy, Jacqueline Kennedy, and so forth?

ROWELL: People loved the Kennedy's. They thought that they were wonderful. They really did. Some of the talk was about whether there was “another Roosevelt” in the United States, because they liked Franklin D. Roosevelt and the Good Neighbor Policy. However, you cannot overstate the importance of their positive feelings toward the US following World War II. And that carried over.

Q: Was Vernon Walters at the Embassy at the time that you were there?

ROWELL: Not at that time. I first met Vernon Walters when he was a Major in the Army. He accompanied an American group which came back with the victorious Brazilian division from Italy in 1945 right after the end of World War II. He came out to the American School in Rio and talked to us. I was in the ninth grade and I met him. He didn't remember me from then. He didn't go back to Brazil as Military Attach# until some time after I had left Brazil.

Q: Is there anything else that we should touch on before we move on to your going back to the State Department?

ROWELL: I don't think so.

Q: What did your wife think about your assignment to Brazil? This was your first post and obviously a difficult one.

ROWELL: And it was non-stop. You see, we did not have home leave between our assignments to Recife and Curitiba. We arrived in Brazil in January, 1958. My wife left in September, 1961. I left in October, 1961. There had been no home leave, and that had been a surprise. My wife was terribly homesick by that time. We had tentatively been assigned to Sweden. I was to be in the Political Section in Stockholm. However, at the beginning of 1961 the United States broke relations with Cuba. The Personnel system had to place a number of people coming out of Havana. So the Stockholm assignment went to someone from Havana. They couldn't figure out what to do with me because they were placing people from Havana. Eventually, I was succeeded in Curitiba by a consular officer who had been in Havana.

In the end I was reassigned to Washington. I was made a staff assistant to the Principal Deputy Assistant Secretary of State in the Bureau of American Republics Affairs (ARA), the part of the Department of State responsible for our relations with Latin America. I reported for duty on a Friday morning as soon as I arrived from Brazil. I was told that

I would have to defer my home leave another two or three months because we were getting ready for a major inter-American conference in February 1962. The conference was supposed to follow up on the August 1961 Punta del Este conference and flesh out the Alliance for Progress. But we also intended to direct it against Fidel Castro. I was told that the Staff Assistant was an indispensable person. They couldn't possibly survive if I had even two days' leave. They did allow me a long weekend. I was to report for duty on Monday to work for Wym DeRenne Coerr, who was the Principal Deputy Assistant Secretary for American Republics Affairs. Monday morning The Washington Post announced a major earthquake in ARA. All the DAS's [Deputy Assistant Secretaries] or Wym Coerr, at least, had been booted out. Ed Martin was the Assistant Secretary for ARA, and the new Principal Deputy Assistant Secretary was Richard Goodwin, one time speechwriter for President Kennedy. He came right straight out of the White House.

Q: And a real, sort of character.

ROWELL: A real character. So I walked into the ARA front office, not having a clue as to what a Staff Assistant does to meet the new Principal Deputy Assistant Secretary who also didn't have a clue as to what a Principal Deputy Assistant Secretary does, but who was suspicious of the career Foreign Service and the State Department in general. He felt that he had been put in that very sensitive position to make sure that the Alliance for Progress went right, that the State Department didn't screw up, and to make sure that the White House was well informed about everything that was going on.

So [DAS] Goodwin said to me, “What's your job?” I said, “I'm your Staff Assistant. What am I supposed to do?” He looked at me, and I looked at him, and he said, “Why don't you tell me how the Alliance for Progress is supposed to work?” Now, I knew that he had written the Alliance for Progress speech for President Kennedy, so I repeated back to him whatever had come to us in the Wireless File about this. I said, “This is the Alliance for Progress, as I understand it.” He said, “Mmm. Well, I've got a couple of things for you to do.” He was setting up some dinners at the White House. Soon I found myself sitting in a

phone booth at the Mayflower Hotel, trying to get through to Pablo Casals in London, via the White House switchboard and a few other places, to get the “right sort of atmosphere” going for Jackie [Jacqueline Kennedy]. This was apparently a job which Goodwin had brought with him from the White House.

In the meantime, I was supposed to give him some kind of document on the meaning of the Alliance for Progress. I said to myself, “You know, I think that this guy may be a wonderful speechwriter, but he doesn't know what he was saying.” However, it was a cinch that I, coming out of Curitiba, Brazil, didn't know what he should have been saying, either. [Laughter] I started looking around to find somebody who might have an idea about what we should say about the Alliance for Progress at the coming Inter-American Conference. Meanwhile, my relationship with Goodwin was definitively rocky. He really didn't know what to do with me, and I didn't know what to do with myself.

Q: From what I had heard, he wasn't well received in the State Department.

ROWELL: There was a precipitating event. He decided to bring to the United States someone whose name I don't remember now. I don't even remember the country of origin of this person. I half remember, but I'd rather not say it. This was somebody who was either a guerrilla or a communist, or suspected of being both. Goodwin decided that it would be a good idea to have a face to face conversation with that person somewhere in the US, to make a personal judgment about that person which he could relate directly to President Kennedy. He began to set up this meeting clandestinely. He was doing this without telling anyone in the State Department.

Q: Including you, I guess.

ROWELL: Well, except that I knew. I overheard him, and he let me know. He really didn't try to hide it from me that much. He admonished me not to tell anybody in the State Department. That gave me a serious problem of conscience and judgment. I believed profoundly that to conduct a clandestine operation, involving a notorious personage,

without vetting it with some of the people who had been dealing with that problem or with that personage, was crazy. A well run establishment doesn't do that. I knew that all kinds of things could go wrong, including for the President. On the other hand, I knew I should be loyal to my boss and be worthy of his trust — that is, keep the confidences that he passed on to me.

In the end I ignored Goodwin's admonition and talked with the office director for that part of ARA. The office director then took me to Ed Martin, the Assistant Secretary for ARA, and I told him what was going on. They dealt with it, and the next day I discovered that I no longer had a job with Goodwin and I was no longer a staff assistant. [Laughter] I was called in by the ARA Bureau Executive Director, told that in three months I would become the Desk Officer for Honduras — the least of the desks — and that in the meantime I was attached to Bill Bowdler [Deputy Assistant Secretary for ARA] to prepare for the anti-Fidel Castro part of the pending Inter-American Conference.

I still wouldn't have done anything different. It was a crazy way to run a railroad, and I knew that. In the event, I came out all right.

Q: What happened to Goodwin?

ROWELL: He later went somewhere else, and I don't remember where. However, he remained in that job a good long while, until the Kennedy assassination, I believe. Eventually, Goodwin's relationships in ARA settled down. Ed Martin, the Assistant Secretary of State for ARA, was a very savvy guy. He had been a Washington operator since the late 1930's. He had been a part of the Roosevelt Brain Trust. He came to Washington as one of its junior members. He knew how to manage things and he knew how to get the confidence of people in the White House — the confidence that he needed. When he had that, as he did during the Cuba Missile Crisis, he was the guy in the White House, not Richard Goodwin.

Q: In fact, I recall that in one of my interviews somebody said, regarding the Cuban Missile Crisis, that Goodwin was in Mexico and sent a message to the Department, asking, "Should I come back?" The answer was, "Why don't you stay there and take care of what you are doing?"

ROWELL: Ed Martin had established his authority and, in terms of my own career progress, I had a very good relationship with Martin.

Q: We're still talking about this early period of your Washington assignment after Brazil. You were the new boy on the block. You had come back to ARA, the front office of the Bureau. Although you were busy, you probably had lunch with your fellow officers and all of that. Did you get any feeling how the Foreign Service establishment, and particularly that section of it dealing with ARA, thought about the Kennedy administration?

ROWELL: In ARA everything was up. President Kennedy had made the Alliance for Progress one of the central elements of his foreign policy. This meant that there would be resources to support it. It meant that there would be prestigious assignments. ARA was a very good place to be. You could go out to any country in the Western Hemisphere, have practically any job, and it would be noticed. Somebody would be able to write an efficiency report on you that said, "This man (or woman) went off to Brazil (or Argentina or Bolivia), carrying out the President's Number One foreign policy priority, the Alliance for Progress." Everybody understood that that was the first priority. If you were in a "third world" (1960s terminology) area, ARA was a good one to be in during that time. So morale in ARA was high.

ARA was also where we did our first experiment with amalgamating AID [Agency for International Development] and State. This process went through a couple of stages. The first stage was the most complete. We later called it the "belly to belly". We were literally, totally amalgamated, so that the Office of Central American Affairs, where I was, had as its first Director a State Department officer and an AID officer as its Deputy Director. Every

desk was a merged desk. Where AID and State officers had been in separate offices, we were now in combined offices. The desks were adjacent. In one case the AID officer was the principal Desk Officer, and the State officer was his assistant. In others, it was the reverse. My efficiency report was written by an AID officer and reviewed by a State Department officer. I wrote the efficiency report on the AID officer who was my deputy. It was reviewed by the AID Deputy Director of the office.

When it came time to argue the AID budget before all the arcane elements of the AID establishment, I did it. When it came time to prepare for hearings on the Hill [before Congress], if there was something about the area that I was responsible for, I had to be on the Hill. Now, the AID officer might also be there. When I went on vacation, the AID officer was the State Department Desk Officer and had to write the briefing memoranda for the Assistant Secretary and for the Secretary of State. It was total integration. I can tell you that I learned how AID works, I learned a lot about the budget process, I learned a lot about the appropriations and other congressional processes. All of this proved invaluable to me, time and time again. It reinforced that very first A-100 lesson we had, that we are the Foreign Service of the United States, and not just of some agency.

Q: Did the AID people come out of a different culture? Was this apparent? Did you see a difference? I'm talking about your level at the time.

ROWELL: At my level? Yes, the developmental culture is different from that of the classic political officer culture. The classic political officer is interested in understanding political dynamics and power relationships, in having access to power brokers. The development officer is classically interested in alleviating human ills on a permanent basis. That's what drives development officers. Since I came from a missionary family, I felt a lot of kinship with development officers. Alleviating human ills is one of the motivations that pulled me into the Foreign Service.

I mentioned a couple of those motivations. It is worth repeating them now. I entered the Foreign Service for adventure, to serve my country, and to serve and help people. In other words, some of the missionary mentality is still in me. There was a fourth reason, which I should have mentioned a long time ago. The Foreign Service was one of the few professions that I knew where a spouse could be a full partner. That was the bait that finally persuaded my wife to go through the agony of Recife, because she could be my partner, as she certainly was when she came home and told me in Curitiba that there was going to be a coup d'#tat that weekend. She knew exactly what she was hearing and knew what to do with it.

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Q: This is Tape 2, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: So ARA was a totally integrated, AID-State operation. I enjoyed dealing with development problems, as I say, because I still have some missionary in me. I understood political analysis and policy problems. It was a fantastic educational experience. I can tell you this. It helped me to think like a manager. You define objectives and set goals very concretely. Then you design implementing actions, and you rate people on the results of their work, not just on the amount of effort they put out.

Q: How new was this integration of AID and State when you arrived on the Honduran desk?

ROWELL: It was implemented while I was on the desk. Not too long after I left the Honduran desk in August, 1964, the combined AID-State offices were separated in an organizational sense. Physically they were no longer completely integrated, but they remained in adjacent offices. The AID There no longer was a hierarchical relationship between them. I was there when there was a hierarchical relationship between the individuals of the separate agencies.

Q: Well, you were new to this arrangement, but it fit your personality. However, at a different level, people who had been used to doing things one way may have found it difficult to get used to.

ROWELL: Among those of us doing the work, the desk officers, the office directors and deputy office directors, there wasn't that much grumbling. Yes, there was an initial shock. However, after about six or seven months everybody settled down and did their jobs. One of the things that drives the Foreign Service is that we like our work and become totally absorbed in it.

Q: We wouldn't have an Oral History Program if we didn't enjoy our work.

ROWELL: That's right. As soon as people settled down, began to do their work, saw that they could produce real results, and appreciated each other as good, qualified, and well-motivated persons, they were all for this new arrangement. There were a lot more civil servants doing professional jobs on the AID side than there had been on the State side. It didn't make any difference. We just worked together.

Where it caused anguish was in the Office of the Executive Director of ARA, which was responsible for managing the money and keeping track of the property and furnishings and whom they belonged to. Running the efficiency report process also was complicated. And, to some extent, at the Assistant Secretary level there was some friction. The AID Assistant Administrator for ARA theoretically reported to the corresponding Assistant Secretary of State. In fact, he really had to report to the AID Administrator because it was the only integrated operation between the two agencies. Nowhere else in the world did this system apply. That's where the stress lines lay, not farther down the line.

Q: You were Honduran Desk Officer from 1962 to 1964.

ROWELL: Right.

Q: As you saw it, what were American interests in Honduras during this period?

ROWELL: We hoped that, somehow or other, a democratic structure could be made to work. Honduras had a long history of coups d'#tat. We wanted to prevent the communists from taking over the proletariat or setting up organized labor. Principal US investment interests were with the United Fruit and Standard Fruit Companies, plus some minor mining and fishing companies. Most important was to prevent the communists from getting a foothold in Central America which would allow them to threaten the US.

What kind of a threat could that be? Well, since Cuba had gone communist and since there had been Soviet missiles deployed in Cuba, which were aimed at the United States, anything was possible. The difference between Cuba and Central America is that Central America has a land bridge to the US That could mean more opportunities for infiltration and many more opportunities, from a base in Central America, to send more indigenous people into Mexico and destabilize Mexico. And we have a 2,000-mile long frontier with Mexico.

The programs to deal with these concerns involved a major labor program which United Fruit and Standard Fruit barely choked down. Our Labor Attach# in Tegucigalpa was working with the AFL/CIO [American Federation of Labor/Congress of Industrial Organizations] to organize a democratic labor structure and preempt communist efforts to take over labor.

Q: Who was that?

ROWELL: I don't remember the name. He was working with the American Institute for Free Labor Development [AIFLD], which had a representative in Honduras. We were encouraging the unionization of the banana workers.

Q: Oh, boy!

ROWELL: We had identified some leaders among the banana workers who were not communists but who wanted to take good care of the banana workers. We were supporting them and helping them to organize. We were successful. In effect, we immunized the banana workers against the communists. The free labor movement leaders took over. They set up a labor structure which did not simply rely on the government and on government pressure. They got help from AIFLD in negotiations with the banana companies. It cost the banana companies a little bit of money. There were a couple of strikes—none of them very long. In the end the fruit companies wound up with a labor structure that was far more reliable and trustworthy than they had in most of the rest of Central America.

Q: When you arrived on the Honduran desk, what was the word in the corridors about the United Fruit and Standard Fruit Companies?

ROWELL: The corridor gossip was that these companies ran feudal fiefdoms. The banana workers were regarded as plantation workers. They were working on land owned by the banana companies. The banana plantations were enormous. The workers bought their supplies from the company store, their housing was company provided, with rents set by the company, and they were permanently indentured workers. Their housing was a little bit better than for a subsistence farmer up in the hills. There was a little more medical treatment, there was a little more electricity and running water, but the living certainly wasn't grand.

When I first became involved in Central America, the banana companies were, of course, trying to keep their costs down. They were trying to treat their workers decently by local standards, which weren't very high. By American standards they looked awful, but by local standards it didn't look that bad. For the most part their middle and upper management wanted to be humane. For example, they built some new worker housing with a loan which they got partly from the Alliance for Progress program. The housing was designed by American architects and was inappropriate for that tropical area. Houses had ground and

second floors. The workers didn't like these houses and thought that the company was treating them badly. The problem was that nobody had checked into the local culture of these people, who were used to slinging hammocks underneath grass huts built on stilts. That's where they got a breeze which cooled the air enough to sleep at night. That's where they kept the pig, the chickens, and the calf.

So the next time around we said, “Let's talk with these people about how they want to live before we build the housing.” We did so, and the next set of housing went over very well. All of this wasn't because the fruit company was badly intentioned. It was that they got off on the wrong foot, using architects who didn't know the conditions that they were designing the houses for.

Q: What things were you involved in, as desk officer?

ROWELL: I was involved in the preparation of the usual briefing papers. There was a coup d'#tat in Honduras while I was on the desk. We withdrew our Ambassador. In fact, the Ambassador was still away when President Kennedy was assassinated in November, 1963. Ed Martin was still Assistant Secretary for ARA. I remember having to go to him and say, “The time has come for us to recognize this Honduran government. If we don't recognize it, then some military people may get in and cause us all kinds of problems.” This was the day of President Kennedy's funeral [November 25, 1963]. I did a pro-con for and against paper with all of the reasons why to recognize the Honduran government and all of the reasons why not to do so. I concluded that there was no way to guarantee that this would work out. I did my best to present both pro's and con's. I think that it was that list which won me Ed Martin's respect more than anything else. The reason that I was in a meeting with Ed is that I gave the list to the office director. He thought it was a good list and made sure that I went with him to see Ed Martin, so that Ed would understand who had prepared the list.

Ed said, “No, that's going to have to wait.” And we survived. He wasn't about to try to get to the Secretary of State Dean Rusk or the President Lyndon Johnson on this issue on that day.

So I dealt with the coup and the memoranda which needed to be prepared, indicating the various stages of the coup. I dealt with the constant tensions between the banana companies and the Honduran Government, as well as between the banana companies and the US Government over the labor development program. I dealt with the labor development program, the AFL/CIO, and the American Institute for Free Labor Development. I backed up our posts. I worked with the AID desk officer to prepare all of the program documents going to OMB [Office of Management and Budget] on budget issues. I prepared the testimony for the appropriations and authorization hearings. I also backstopped the desk officers for Guatemala, El Salvador, Nicaragua, Costa Rica, and Panama. In that part of the world at that time there was almost always a political drama or a natural disaster — volcano, flood or hurricane — going on somewhere.

When anybody was sick or out of the office, we were really spread thin. There was one time when I was covering five countries at once. I can tell you, it was crazy — total madness. It was during the preparations for the AID budget hearings. Besides the coup in Honduras, a volcano went off in Costa Rica, and there was an earthquake in Guatemala.

I want to go back to the coup for a moment and talk about our Embassy's performance. As was generally the case in Latin America, we had plenty of early warning that something was brewing. Warning came from the CIA station, from our Military Attach# and our military assistance group, and from some of the people who talked regularly with the Foreign Service officers at the Embassy. I don't recall the formal pretext, but conservative land-owning elements in the country feared that the moderate democratic forces then running the country — the Liberal Party — would let too many ordinary folk into the national political equation. The landowners, mostly associated with the National Party, had plenty of friends and relatives in the military. There had been many instructions from

Washington to the Embassy to warn the conservatives and the military against a coup. The coup came anyway. In the aftermath our Ambassador, Charles Burrows, who was withdrawn immediately after the coup, discovered that both the CIA station chief and the Military Attach# had separately hinted to their respective Honduran contacts that they didn't have to pay attention to what the Ambassador or the State Department were saying; in the end the United States would accept a coup as a fait accompli and conduct business as usual with the new authorities. The CIA reassigned the station chief to the United States and I don't know what became of him. The Military Attach# was sent to a small Reserve Officer Training Corps program in Idaho and forced into retirement after about two years. Ambassador Burrows also retired not too much later. I think one reason why Ed Martin held back so long on recognizing the new government — we waited several months — was that he was delivering a message both to the other agencies in Washington an to would-be coup plotters throughout the hemisphere: what the US Ambassador says is what counts. Don't be misled by what some other officer in a US Embassy says if that officer is saying something different from announced US policy.

Q: One of the things that is almost an article of faith in the academic world and elsewhere is that American economic interests, and certainly in Central America, in this case, bananas, drive our foreign policy. Here you were, right in the belly of the beast and you seem to be saying that the main issue was keeping the communists out of the area, more than anything else.

ROWELL: In effect, that consideration took precedence over the interests of the banana companies. That's correct. But the interests of the banana companies came next. Yes. That was typical of the Cold War. If you had a conflict between a national economic interest and a national security interest, the security interest took precedence. In the event we had to arrange things so that the security interest didn't damage the banana companies — and, in fact, it didn't. The banana companies ran into far fewer labor problems with the union which the AFL/CIO was able to establish in Honduras than they ran into with their

unions in Nicaragua and Costa Rica. They had serious strikes in Nicaragua and Costa Rica. They never had them in Honduras.

Q: What was your impression of the AFL/CIO representation that you dealt with? I would think that they would look on you with suspicion, as with the United Fruit Company. Did you find that?

ROWELL: No, because AID was financing the labor program. The AFL/CIO people knew that I had to argue in favor of that financing and so had to support it. I was simply a government official responsible for getting the money that allowed them to run at Uncle Sam's expense a program that they dearly wanted to undertake. I also had a very good relationship with the Washington representative of the United Fruit Company, Jasper Baker, because I was also responsible for helping United Fruit when it had problems with the Honduran government. Frankly, the fact that we had a good relationship with the union and that the union had a lot of members who voted in the elections helped us a lot with the government, too.

Q: What was the government situation during this period?

ROWELL: Well, as I said, there was a coup d'#tat. A military officer was in charge of the government, but the government was essentially civilian, not military. The officer was from the National (conservative) Party. Basically, the Honduran government just sort of muddled through. They wanted to live their lives in reasonable comfort without too much excitement.

Q: I take it that in Honduras, rather than a few families running things, it was more a matter of leaders who came up through the military taking over. Is that fair to say?

ROWELL: Well, no. There were a few influential families which also provided the officers for the military. It was a very small group of families that ran things. They had done so for years and years. Even those in the opposition were from this elite group of families.

Q: Was there any tie with Cuba? I mean, a Cuba connection which was of concern to you.

ROWELL: There were reports, from time to time, of Cuban agents coming ashore in Honduras, trying to help the Communist Party of Honduras and trying to infiltrate the labor movement and get a communist opposition started within the labor movement. However, basically there wasn't much to it. The Honduran communists were not terribly effective. We would watch them, but they made mistakes. Frankly, Cuba wasn't making that much of an effort in Honduras.

Q: What about Mexico? Did Mexico play much of a role that you were watching?

ROWELL: No. Mexico pays a lot more attention to Guatemala and, to a lesser extent, to El Salvador. Most of the time it really paid very little attention to the other Central American countries.

The history of Central America is a history of abandonment. It was abandoned by the Spanish crown after the Napoleonic wars. The Central American countries got an independence that they didn't ask for. They tried to stay together as a Central American Union. They couldn't do it. Distance just made it too easy for local self-appointed Army colonels to take over. It has always been a distressed area. It had a hard time living on its own, and nobody wanted to help it live. It's doing a lot better now, but it...

Q: Why don't we stop at this point? Is there anything else that we should talk about regarding your time as Honduran desk officer? Were there any other personalities that you dealt with worth mentioning?

ROWELL: I guess not.

Q: Was there any US Congressman who were “Mr. Honduras?” We had people who were “Mr. Dominican Republic.” You get these peculiar circumstances when people become...

ROWELL: Honduras in Spanish means “the depths.” [Laughter] Nobody in particular went out there.

Q: So there were no great Congressional visits?

ROWELL: No.

Q: I was talking to someone who had been US Ambassador to Costa Rica a little bit later. He said that the biggest state visit that they had was when a Lieutenant Governor of Mississippi had to land there and wasn't quite sure where he was.

ROWELL: Occasionally, other things happened. There was the issue of the bay islands, which belonged to Honduras and were off the North coast of the country in the Caribbean Sea. This was a favorite watering place for snowbirds from Minnesota, including major corporate executives. They would come down in their corporate jets and visit the bay islands. Every so often one of these jets would bump into one of the mountains in Honduras, and we would have a nasty, consular problem.

One other issue was resolved while I was minding Honduran affairs. In the nineteenth century the United States claimed a pair of small islands in the Caribbean north of Honduras — the Swan Islands. They were uninhabited when we claimed them. They had deep piles of guano, bird droppings used for fertilizer. Some people set themselves up on the island to dig out the guano and sell it. Honduras also claimed the islands on grounds that they had originally been discovered by Spain and that Honduras had inherited them when it and the rest of Central America had become independent early in the nineteenth century. In the twentieth century the US had put up a lighthouse, and we had a radio navigation and communications center there. By the time I arrived at the Honduran desk we had acknowledged that Honduras had a right to the islands. We still were running communication and weather facilities there, but technology had made them unnecessary and obsolete. The continued US use of the islands was one of those issues that anyone

could exploit to detonate anti-US activity on the mainland. A plan to hand full responsibility back to Honduras was well advanced by the time I left the desk. A transfer ceremony was held before the end of the decade.

Q: All right, then I'd like to put on the end of the tape that we'll pick up in 1964, when you went to Stanford University to take Latin American studies.

ROWELL: Right. One other thing about my time on the Honduras desk. While President Kennedy was still in office, he participated in a major Inter-American conference in Costa Rica. I went to San Jos#, Costa Rica, as part of the advance party and stayed for the whole event. It was my first experience in dealing with matters where a President is going to be involved. I discovered all of the crazy nonsense that goes on. Every detail is frantically scrubbed from policy to hot water bottles. If one person minding minor details at one event is good, three are much better. The military call it redundancy. It's intended to make sure nothing remotely distracting could intrude on the President if, heaven forbid, something (traveler's tummy?) should happen to one of the bit players minding a minor piece of logistics or whatever. Everybody is prepared to answer every question and do anything at any moment. There is frantic running around triple checking. And then you have endless hours, staying up late, watching a telephone that never rings, hoping some duty issue or another will emerge to break the fatigue and boredom. It is a very, very expensive way to do things. It needs a lot of improvement. However, San Jos# was useful for me, in the sense that I understood the anxiety that tends to permeate all of the President's aides, including the highest ranking ones. And their anxiety gets transferred further down to the lowest ranking people around.

Q: What was your impression of the White House staff?

ROWELL: The White House staff was imbued with its own importance. That seems to be natural with White House staffs. It certainly was true of the Kennedy White House staff. It was “Camelot,” and they all knew that they were “knights of the Round Table.” Most

of them thought that they were Sir Lancelot himself. So that when you dealt with them, every one of them had a personality. But each one of them knew also that the boss was President Kennedy and that the alternate boss was Attorney General Bobby Kennedy. That was it.

In fact, going back earlier, there was a coup in Honduras which I referred to before and which may have related in part to the Kennedy visit to Costa Rica, although I don't remember at this point. I started receiving phone calls from Ralph Dungan, asking for information which basically would enable him to second guess Ed Martin, the Assistant Secretary of State.

Q: Who was Dungan?

ROWELL: Dungan headed the National Security Council staff. If he didn't head it, he was the ARA person on the National Security Council staff. He was a man whom President Kennedy knew personally and with whom Kennedy talked personally. I would get these calls. Dungan would call me at 8:00 PM, 7:00 AM, or whenever it was. I would answer his questions, but I got to the point where I was taking written notes and then transcribing them and taking them up to Ed Martin so that he wouldn't be blind sided or have Dungan end run him. Ralph was very good at handling the information. I never got into trouble with him. He continued to call me. For me he was always “Mr. Dungan.”

In a way this situation paralleled my initial experience with Richard Goodwin. This is a kind of situation which repeats itself forever in the State Department. The lesson is that a disciplined service and a disciplined structure, which is responsible for managing the operation over the long haul, has to retain its internal integrity.

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Q: Today is November 9, 1995. This is a continuation of an interview with Ambassador Ed Rowell. Ed, we're in Washington in the 1960's. You were talking about Ralph Dungan...

ROWELL: We left off after talking about my contacts with Ralph Dungan. I was the Officer in Charge of Honduran Affairs. I was the back up officer for several of the other, Central American countries. I worked side by side with an AID officer who had similar responsibilities for the same geographic territory.

I left Washington in the summer of 1964 for a year of graduate study at Stanford University in Palo Alto, California, where I specialized in Latin American area studies.

Q: Let's talk a little about that. You were at Stanford in 1964-1965. What did you think of Stanford and their approach to Latin America. Here you were, an experienced Foreign Service Officer. Did you feel that their approach to Latin America was a bit theoretical?

ROWELL: The FSI [Foreign Service Institute] had a string of universities to which it sent persons who were going into Latin American area studies. Stanford University was one, the University of Wisconsin was another, the University of Texas another, and the University of Florida at Gainesville was still another. I think FSI also may have used at least one university in the northeastern US. I chose Stanford because it was close to where I grew up in California. In the Foreign Service you don't get to stay at home very often. So that's where I went.

My mentor at Stanford at the time was Professor John J. Johnson, who had specialized in the military and their role in Latin American history. Under the rules at the Graduate School at Stanford you had to take a minimum of 10 credit hours per quarter. Johnson actively sought the presence of Foreign Service officers to provide leavening for his other graduate students. So he would give the Foreign Service people attending Stanford 10 credit hours in directed reading seminars. Then we were free to take any other courses that we wanted.

Typically, I took the two Johnson courses. We would have to give reports on at least two or three books a week. There were three Foreign Service officers in a seminar of about

ten people. By the time we Foreign Service types got into the rhythm and got caught up with what had been happening since we'd graduated from university a decade earlier, we moved to reporting on five books a week. We had to do a thumbnail report on each one, which Johnson then turned around and used in his own writings for the publication of the American Academy of Historiography.

The other courses I took were in subjects such as Economic Problems of Latin America, Development Economics, one in sociology and one in social-psychology.

Q: At that point was the Alliance for Progress still attracting the attention of the intellectual community?

ROWELL: I don't recall that it was. Stanford, at least, was still very much focused on power brokers. This meant the military or people who had amassed substantial fortunes. However, the Alliance for Progress was still going.

Q: Were you State Department people at Stanford getting questions about our supporting all of these dictators and that type of thing, or did that come later on?

ROWELL: I think that that was a later phenomenon. There had been the problem of the government of President Arbenz in Guatemala in the mid 1950's — that was before I entered the Foreign Service. At that point in the 1960's when I was at Stanford, Somoza was still in power in Nicaragua, and he had been there for a long time. Stroessner was in power in Paraguay, and he had also been there for a long time. Costa Rica was doing reasonably well. Argentina was in one of its good phases. The Brazilian military had sort of steered that country astray in terms of democracy and all of that. But it wasn't proving to be a great problem. There was no terrible wave of repression in Brazil, as I recall. However, I hadn't been in Brazil since 1961 and I wasn't talking regularly with anyone who was there. What attracted our attention was the situation in the Dominican Republic, when we landed some Marines ashore from an assault carrier to put down an anti-democratic aberration. Another issue was Vietnam, because it was in April, 1965, that President

Johnson announced that we were going into Vietnam on a large scale. But we were not yet there in large scale, and the large-scale demonstrations, violence and loss of faith in government that characterized the late 1960s and 1970s had not yet emerged.

Q: Did Cuba attract much attention?

ROWELL: No, nothing special. The Bay of Pigs incident of 1961 was long since gone from public attention. Cuba was Cuba.

Q: So you finished at Stanford in...

ROWELL: June, 1965. I was assigned to the Embassy in Buenos Aires, Argentina. I had no workable Spanish. So I was assigned to the FSI for four or five weeks, the maximum amount of time I could be given that would allow me to get to Buenos Aires to be useful from the point of view of the Political Counselor and the DCM [Deputy Chief of Mission].

I arrived at the Foreign Service Institute. I said, “I already speak Portuguese and you have already tested me in that. Now I need to speak Spanish.” They started to give me, in knee jerk fashion, their usual four-to-six month course. I said, “No, I don't have time to waste on that.” They said, “Well, you'll have to take that course, because otherwise you won't learn Spanish properly.” So I said, “Test me.” The first thing that they wanted me to do was to sit at home and listen to endless tapes on how to pronounce Spanish. I said, “I think that I can pronounce Spanish. Give me a tape and have me read something. I may not understand what it says, but I think that I can pronounce it.” And I could. They said, “Well, all right, we'll get rid of those tapes.” It interested them that I didn't mispronounce Spanish the way a Brazilian would. That's what they were afraid of — not my American accent but my Brazilian accent.

They finally turned loose a linguist who listened to me and listened to my Portuguese. Then he said, “All right.” And they created a special program for me. I went out and bought some books at one of the university bookstores, probably at George Washington

University. I brought them in. They gave me a special class, which involved one linguist, one language instructor, and one student left over from the previous Spanish language course who still didn't have an onward assignment. That person could act as a foil. In five weeks I was at the 3 - 3 level [speaking level 3 - useful; reading level 3 - useful], because they paid attention to converting my Portuguese, rather than just teaching me Spanish from scratch. That was the genesis of the present language instruction which converts Spanish to Portuguese or Portuguese to Spanish. That is the six-week program that they have.

Q: You sparked their interest.

ROWELL: That was it, and I got it simply by telling them that I would not accept just what they wanted to hand me. They had a responsibility to me and the Foreign Service and they had to show me that they were trying to meet it.

Q: You were in Argentina from when to when.

ROWELL: We were there from the end of July or early August, 1965, to August 1, 1968.

Q: What was the situation in Argentina when you arrived?

ROWELL: It had a democratic government. President Ilia had assumed office, succeeding President Frondizi some three or four years before. The country had some economic problems, the government was running some serious deficits, and the labor unions were getting restive. A year after I arrived, there was a coup d'#tat. The coup was so widely anticipated and so little opposed by the public that it was an extraordinarily peaceful event.

The usual group of military armored cars arrived in front of the office of the Presidency, the Casa Rosada. A senior general walked in in full uniform and told the President that he was out of a job. The colonel commanding the Presidential Guard, the San Martin Guard, which has always been extremely loyal to Argentina's Presidents, entered the President's

office and said, “Mr. President, we're prepared to defend you.” President Ilia turned to him and said, “There's no point in wasting anybody's blood. Colonel, have your forces withdraw from around here. I'm sure that General So-and-So will make sure that I'm personally safe. Isn't that so, General?” The coup leaders gave the President and his wife some time to collect their personal possessions, their clothing, and so forth. They then escorted Ilia to his personal home in a Buenos Aires suburb called “Olivos” [Olive Trees].

They posted a guard at his house to protect him from the press and the curious. He was not restricted in any way in any of his movements. There were lots of gawkers in front of his house. The international press arrived and wanted to know what was going on. I recall that we were being badgered by Washington and by The New York Times which said that President Ilia was “locked up” and was “virtually a prisoner,” and “what are you doing about it?” “How did this happen, and tell us all the dirt.”

The truth was that President Ilia and his administration had become enormously unpopular. In the style of things at that point in the 20th century the military would normally produce an interim President, which is what they did. There were great hopes that Ongan#a would somehow have a more disciplined administration and that the government finances would be better handled. In fact, it didn't work that way. After a couple of years, Ongan#a was out.

Q: Let's back up a bit. What was your position when you arrived in Buenos Aires?

ROWELL: I've forgotten whether I was a First or Second Secretary in the Embassy. I was in the Political Section, which consisted of the Political Counselor, a deputy Chief of Section, two other Political Officers, including myself, and a Labor Attach#. As the most recently arrived, more junior officer in the Political Section, I handled a lot of the cats and dogs [miscellaneous issues] —terrorists, fringe religious groups, and that sort of thing. I tried to follow them. And, of course, I handled the WEEKA. [The WEEKA] was a weekly report in which you said what had been going on in brief form.

The Political Counselor, Pete Rabenold, was a real task master. He said, “All right, we have to turn these things [i. e., the WEEKA's] out, but they will never exceed two pages.” During my time in Buenos Aires it was more than two pages long only once, when Pete was away on vacation, and I let it run two lines over two pages. I was hung out to dry for two weeks when he returned. He said, “I said it, and I meant it.” I learned a little more about Foreign Service discipline, and about concise, well focused reporting. It was the kind of learning experience I should have had in Brazil, but never got because I was only in small consulates.

Q: Who was the Ambassador?

ROWELL: Ed Martin.

Q: He was “Mr. ARA,” in a way. You arrived there a year before the coup d'#tat. When you got there, what were you saying in the Embassy about the Argentine government, and what were you hearing from the people who had been there and were reporting on it?

ROWELL: Oh, the other junior officer, Elkin Taylor, had come into the Foreign Service with a journalism background. He was covering the Argentine Congress and the main line political parties. He knew everybody. He knew all of the political commentators. He spent a lot of time down at Congress, and he had a pretty good lock on what was happening. The Labor Attach#, Jim Shea, also was very, very good and knew virtually everyone in the labor movement.

Q: Labor was very important there in Buenos Aires.

ROWELL: The Peron movement was based on its organized labor foundation.

Q: And how was Peronism seen at that time? Was it seen...

ROWELL: People hated it. Peron had been kicked out of the Presidency in 1955. It had been a bloody event, and they didn't want the Peronistas to get back into power. That was one of the problems. Labor was getting restive, and the government didn't really know what to do about it. Some of the Peronista leaders looked as if they were getting awfully big. The Argentine military were scared to death that, somehow or other, the Peronistas could come back in. That's why they staged the coup. Anyhow, the Political Section was well plugged into what was happening. The coup came along, and was no surprise.

Q: Was there any problem for the Embassy to have any connections with the Peronistas? Sometimes, we get in a position where you can't talk to So-and-So or something like that.

ROWELL: I don't recall any restrictions on our ability to do our job. We weren't harassed or pushed in any way. This may have happened later, after I left, during a sort of civil war (the “dirty war”) which took place over a period of several years in the 1970s. But not while I was there.

Q: I assume that in the Political Section, as you watched this democratically elected government getting weaker and weaker and more and more unpopular, you thought that it was very obvious that the military would probably do something at some point. Were our military attach#s keeping tabs on things or were they able to do much about that?

ROWELL: Let me put it this way. Yes, our military attach#s were doing a good job. Could they have changed history? No. You can know what's going on without being able to do anything about it. That was essentially the situation.

In fact, at least one or two months before the coup, Ambassador Martin warned the Argentines that the United States would react very badly to a coup because we were (and are) committed to democratic constitutional processes. He also instructed our Defense Attach#s and our Military Assistance Advisory Group (MAAG) in detail on what to say and what not to say in order to try to discourage a coup and, at the very least, give any plotters

no reason to hope for US “understanding.” Our military followed Martin's instructions with absolute loyalty and discipline. In that sense, discipline and behavior of different US agency elements at the Embassy in Buenos Aires were far superior to those I observed in Honduras in 1963 while I was desk officer.

There was another problem, however, which flowed from that coup, because coups were unpopular in the United States, even though the one in Buenos Aires was relatively soft and popular down there. The coup had no anti-Semitic overtones, for example. That was one of our permanent concerns, because there was a large Jewish population in Buenos Aires which was extremely well-connected with our own, New York Jewish community.

What happened was that there arose in Washington a feeling that “we have to retaliate.” But how can you punish them for having a coup? Well, who carried out the coup? The military. So some people said, “We know, we will 'fix' military aid. There won't be any.” This attitude was reinforced by attitudes in the US Congress. So we began to receive messages that, in effect, delayed the delivery of some promised equipment—some tanks and aircraft. Then we were informed that, perhaps, we should just tear up the contract. The difficulty with that policy was that, within the Argentine armed forces, there were competing attitudes. There was the traditional leadership which had gone through World War II with at least an open and relatively warm attitude toward the Fascists of Italy and the Nazis of Germany. There was a post-war officer generation that, because there was no other foreign power active on the ground with Argentina's military, had become relatively close to United States representatives. Attitudes of the post-war generation often clashed with those of the World War II generation. By cutting off military aid, we cut the legs from under the pro-American faction.

We did one more thing. We prejudiced the context in which we would later go to the Argentine Government and ask them not to buy a heavy water moderated nuclear reactor for their nuclear research station at Bariloche. They bought a heavy water reactor from the Canadians. The heavy water reactor gave them the ability to produce some of their own,

highly enriched, nuclear material. This was ostensibly for research, but, once the system is set up and it works long enough, you'll get enough nuclear material for an explosive device.

I personally remain convinced that we should have admonished them or attempted to place some additional strings on the next flow of military equipment, but we shouldn't have cut it off altogether. Then, maybe, we would have had a constituency within the Argentine military which would have said, “Look, we are really never going to have an atomic war in South America. We don't need atomic weapons. Let's go for the 'light water' reactor. We can do our research with it.” However, the Argentine military people who might have helped us on that score were destroyed by the cutoff of military aid. They were destroyed in the sense of losing their influence. They remained in the Army, of course.

There was no other good, alternative non-communist source of equipment at the time, except France — and, eventually, they bought French Mirage aircraft when we refused to sell them more A-4 attack aircraft.

Q: You were a relatively junior officer in the Political Section at the Embassy in Buenos Aires at this time. This was happening. From your vantage point, what was the Political Section or the Ambassador trying to do? Did we go along with this cut-off of military aid? Or was there a fight about it?

ROWELL: The political section argued for the position I just advocated, and the Ambassador sent our paper to the Department of State in Washington. I'm not sure how much Ambassador Ed Martin really believed it, but he sent it to Washington because, at least, it was a rationale that had some reasonable basis in the situation as we knew it. When Washington said, “No way,” the Embassy, the Ambassador, did not fight Washington very hard. I personally am convinced that Ambassador Ed Martin thought that our political analysis might have been right, but his personal convictions, his utter

opposition to coups, his total support for democracy and for minorities just outweighed the downstream risk on the military side.

Q: So the coup took place. What would a Political Officer do during a coup—just to give an idea to people who read this interview?

ROWELL: The first thing you do is to make sure that all American citizens are safe. The second thing is to test to see if there is any violence, so that you know where to keep people away from.

Q: How do you test for this?

ROWELL: You telephone around the city to see where military units are stationed and what they're doing and how ordinary people on the street are behaving. Is there a curfew? You use your warden network.

The next thing that you do is to put out some feelers, so that you can talk informally with the new the new authorities, but without doing anything that would imply formal recognition by the United States Government. Technically the new authorities may not yet be a government. How do you do all that? You use a very low-level person in the Embassy who talks with a very low-level person who somehow is going to have to respond to the new authorities but is not part of that group. You don't exchange any written communications with the new government. While all of these steps are being taken, you communicate hourly, or more often, with Washington (and with neighboring US Embassies and the US military theater commander for the region, to make sure that all responsible US authorities have some feel for the situation.

In those days we regarded every recognition of a new government as a kind of blessing, and we let the public know that it was a kind of blessing. That stretched out the period of awkward communications excessively. Thank goodness, we've gotten away from that over the years because too many governments change in unconstitutional fashion,

and you have to speak with the new authorities if only to protect Americans. One of the ways you talk with a government, when it's necessary to protect Americans, is to do it through your consular officers, rather than through your diplomatic officers. In any case, it took the Department a while to decide whether formally to recognize the new Argentine government.

When we do decide to recognize, normally we do it by acknowledging a communication from the new government. Typically the first thing that happens when there has been a coup, is that the newly installed authorities tell the newly installed Foreign Minister to send a note to all resident diplomatic representatives, telling them who is in charge. [Laughter] Then, at some stage, you respond to that note. By responding you acknowledge that the authors of the note are, indeed, in charge. The substance of the note may not be very significant. The text of our note may state simply that we have received the Foreign Minister's note number so-and-so and not much else. The fact that we have responded in a formal way is what constitutes recognition. This is not a kind of blessing. It is merely recognition that the new authorities are in charge.

Q: In your particular beat, where would you go, and what type of people did you talk to?

ROWELL: My beat at the time consisted of fringe parties, terrorists, and other bad actors, none of them remotely related to what was happening. So I was mostly inside the Embassy writing reports based on what other people were phoning in regarding the political situation. One of my functions was to work closely with the Labor Attach#, because he would come in with all kinds of information. But he would have a terrible time writing it up. I would help him to put it into something that would be read in Washington.

The Political Officer who had all of the connections with the Argentine Congress and other political groups was outside. He would phone in to the Embassy as necessary. The Labor Attach# was outside and phoning in. The officer who was concerned with the more mainstream religious groups — the Jewish community and some of the Protestant groups

— was also out of the office. I was in the office, taking phone calls and writing reports on what they told me.

Q: I think that Argentina's probably different from some of the other Latin American countries. In some places, and not only Latin America, Embassy officers tend to get trapped in the ruling elite. You know, the wealthy and the top 20 families in the country or something like that. Was this at all a problem in Argentina?

ROWELL: No, I don't think so. We obviously dealt with the power brokers, including those who wielded economic, military, and political power. This particular Argentine coup was a classic, Latin American coup. It involved changing chairs among power brokers. It wasn't a revolution. It was a coup. There's a huge difference. We were never out of touch, either with the people in office or the ones likely to enter office. We were able to function without any difficulty.

When a revolution may be coming, the opposition is clandestine, and it may be dangerous to see them in some ways. Then you can be caught off base, particularly if the Embassy is short-handed. However, we weren't short-handed, and it wasn't that kind of situation.

Q: How did we view the problems of the democratically-elected Argentine government? Were they just not able to deliver goods and services or the equivalent thereof?

ROWELL: You know, the situation started to go downhill almost immediately after my arrival in August, 1965. I remember tracking the decline in popularity of the elected government. I remember the growing concern on the part of the Argentine military that, somehow or other, the labor movement would get out of control, and the Peronistas the supporters of former dictator Juan Peron might be restored to power. Eventually, that did happen in the 1970's, but not then. However, I just don't remember that period in that much detail to be able to say precisely what the government was doing, or not doing.

Q: Obviously, the government wasn't very ept.

ROWELL: It wasn't handling that problem at all well, no. You know, there were problems with foreign exchange. There were “meatless” days.

Q: Meatless days in Argentina?

ROWELL: That's right. You should laugh. “Meatless” meant beefless, except in many restaurants. Meatless did not really mean meatless. You could go into a restaurant and have pork, goat, chicken, hare, venison — you name it. You could have virtually anything except beef. In some restaurants dedicated to the tourist trade, you could get beef anyhow. However, the days without beef were a major aggravation for the Argentine people.

Q: Of course. You have the “pampas” [prairies] out there. What happened? Did the cattle go away and move to Brazil?

ROWELL: No, the problem was that the foreign exchange rates were controlled. In a sense the price of beef to the outside world was a little too high to interest foreign buyers, whereas the price of beef within Argentina was artificially low. The Argentines were eating all of their beef, instead of exporting it. Beef had been one of the two mainstays of their foreign exchange earnings. They were running short of foreign exchange. This meant that they couldn't import industrial goods that they had to have for the economy. So the government imposed beefless days in an effort to get meat packers to lower prices to foreign buyers in order to get rid of excess supplies. At least that was the theory.

Q: You were in Argentina about three years?

ROWELL: We were there for three years, 1965-1968. We were there during the 1967 Arab-Israel War. Argentina sat in the UN Security Council at the time. That was the Six Day War, so it was over reasonably fast. When it broke out, the UN Security Council went

into permanent session, and so did the governments of every one of the Security Council members.

Buenos Aires is about two hours ahead of New York. Toward the end of the afternoon [New York time] — 7:00 or 8:00 PM Buenos Aires time — our UN Mission (USUN) would start pumping out messages. The Department of State would then instruct USUN and our Embassies in all the countries on the Security Council, saying, “Yes. Do this, do that. It looks reasonable. You may confirm it.” We would start to receive those State Department messages around 8:00 or 9:00 PM. Well, the Argentines have a strong, Spanish heritage, so their Foreign Ministry would typically work until 7:30 or 8:00 PM, sometimes later. So I would find myself trotting over to the Foreign Ministry with the latest message on what we thought the UN Security Council should do next. The Political Director of the Argentine Foreign Ministry, roughly the equivalent of our Under Secretary for Political Affairs, would say, “Right.” Then he would go to the Foreign Minister or the Deputy Foreign Minister. They, in turn, might well consult the President of Argentina and the Argentine military. So about 11:30 PM or midnight I would finally get a phone call and be invited back to the Foreign Ministry to get the Argentine answer to what I had presented earlier. Then I would go back to our Embassy and put the Argentine reply on the wire to USUN [US Mission to the United Nations] and the Department of State. I would get home around 2:30 or 3:00 AM and then be back in the office at 8:00 AM. I had a one-hour commute from home to the Embassy. So I was certainly glad when that was over.

But there also was real exhilaration at being involved in important action and a significant event. You remember things like that.

Q: Well, your adrenalin starts pumping.

ROWELL: You can run on exhilaration and nervous energy for a surprisingly long time, but after a while the body catches up. This process of exhausting nightly communications

lasted a week plus a wind down of another three or four days. Then we began to live more normal hours. I could tolerate that, but not if it had gone on for more than a month.

Q: What was Argentina's attitude toward this crisis?

ROWELL: Their attitude largely paralleled ours. They wanted the war to stop. They were not particularly pro-Arab or pro-Israeli. They certainly weren't hostile to Israel. For the most part their votes and ours were about the same.

From an Argentine point of view the only significant element in a Middle East war was what it might do to international oil prices. Argentina depended heavily on imported energy supplies. That was their number one, national concern. So anything that the UN could do to end the war or reduce the risk to a continued flow of oil had their support. That and human rights were their concerns.

Q: You were in Argentina when the military government was in power. What was your impression of how they were operating?

ROWELL: Let me mention a couple of other things that were important to me during my tour in Buenos Aires. First of all, it was the first time that I had served in an Embassy. It was a fairly large Embassy in a very sophisticated, 20th century, European style city. I learned how an Embassy works, how a Political Section is really supposed to work, and how you divide up the work. What's important, what's less important. How to write. All of these things. I was serving and talking on a daily basis with senior officers in our Embassy who could mentor me. When I had been in Brazil, first as Vice Consul in Recife, and then as Consul in Curitiba, these were relatively isolated posts. The senior officers who were responsible for me were in Rio de Janeiro. They would visit me perhaps once every six months. There would be an annual, consular officers' conference that I would attend. Occasionally, they would suggest to me a subject that they would like to hear about or a

gentle critique of one or another of my reports. But there was no daily guidance on how to do my job.

My wife and I had served in two consular posts, and I think that we did reasonably well. However, we had been learning by trial and error. It was awfully nice to be in the Embassy in Buenos Aires and realize that you didn't have to learn how to do your job by trial and error. I was grateful for that experience. We were glad, too, to have the chance to live in a large, sophisticated city after the small towns [Recife and Curitiba] that we had been in. Service in Buenos Aires gave us a different perspective on what the Foreign Service might offer to us. We certainly exploited everything that Buenos Aires had to offer.

There was another aspect that astonished me. Despite my year of Latin American area studies at Stanford University, somehow all of the wars in Latin America — the civil wars, the coups, and so on — seemed remote. They belonged to the previous century or maybe to the depression era of the 1930's. After World War II it was inconceivable to me that a couple of Latin American countries could fight each other. The last such struggle had been between Peru and Ecuador, and we and the Brazilians and some other countries had managed to end that in 1942. I was stunned to realize that the unresolved Chilean-Argentine disputes over their land frontier and in the Beagle Channel near the extreme southern tip of South America could produce violence. In fact, there were at least two clashes between Chile and Argentina while I was there. That lesson was valuable because later, when I encountered a war between El Salvador and Honduras, and much later on, within the past 15 years, when I saw shooting between Peru and Ecuador again, I was able to anticipate more accurately both what would trigger conflict and when it would happen.

Q: One of the hardest things is to get into the psyche of the people with whom you're dealing and understand how seriously they take some things.

ROWELL: I would like to add that many years later there was the Falklands/Malvinas war [1982]. I knew from my experience in Buenos Aires how much the British hold on the Falklands irritated the Argentines. Because Argentina had had several coups since World War II, I knew that it was always possible that some extremist would get his hands on a lever and launch an attack on the Falklands. I'm afraid that my British colleagues didn't understand that that was possible. The British always stonewalled the Argentines on the Falklands, primarily because they didn't know how to handle the Scottish constituencies in Westminster who demanded that the British Government keep some 1,800 people there, raising their sheep in the South Atlantic.

After the 1982 war, when they added up the bill, the British realized that it would have been a lot cheaper to have given every Falkland Islander — man, woman, and child — something more than $100,000 each, for them to use as they wished — to resettle wherever they wanted, or to stay in the Falklands if they were willing to live under the Argentine flag. And that's just the money side of the cost to Britain. It takes no account of the lives lost. And, although the British do not acknowledge it, the balance of legal argument over which country — Argentina or the United Kingdom — has the stronger claim to the Falklands/Malvinas is unclear. So any assertion that “principle” gave the British no alternative to military action is on thin ice, especially in view of their long-standing refusal to arbitrate, adjudicate or negotiate a settlement.

Q: We were going through a vast, social change in the United States at this time, particularly as far as racial relations are concerned. Argentina essentially had gotten rid of its Indian population and didn't seem to have the same problem and understanding. Was this something you got involved in—trying to explain to the Argentines what we were doing, or was there any interest at all?

ROWELL: There was really very little interest. So an American city burns and downtown Washington, DC has problems. Or Los Angeles has its problems and there were riots and fires in New Jersey and elsewhere. That would appear in the Argentine newspapers.

People would frown and cluck over it — much the way Americans cluck over violence in Nagorno Kabakh. It may be exciting, but we're not really involved in it. People don't really spend a lot of emotional energy on it. Well, the Argentines didn't spend a lot of emotional energy on our problems, either.

Q: Also, the United States did not have the same connotation for the Argentines that we would have for the Mexicans or some other countries. I mean, the idea of "The Colossus of the North." The United States was far away, and it was just a benign country.

ROWELL: Well, the Argentines had long perceived the United States as a rival for prestige and hemispheric leadership. Most Americans don't understand that in 1900, if you look at all of the indicators of relative development, Argentina was at least as developed a country as was the United States. Measured in per capita steel production, energy output, miles of railroad and paved road per square mile of territory, the extent of the public education system and levels of literacy, in all of those indicators Argentina was equal to or better than the United States.

Then, after World War I and really starting with the depression of the 1930's everything came apart in Argentina. Juan Domingo Peron arrived in a key position in 1942 and really showed labor how to organize and how to be a political force. He rode that force to the top. His political movement had a sort of fascistic, populist and ant-market-economy ethic. It ruined the country. There is no other way to say it. The Argentines really threw away the whole thing. In 1947 they paid Great Britain $600 million in gold for the British-owned railroads of Argentina. These railroads had been run into the ground, not maintained, and were so rickety that they were virtually worthless. That was a terrible error. It was good for Britain and may have saved Britain, economically, because Britain was really on its uppers in 1947, following World War II. So I think that the United States was glad that Britain got that $600 million infusion. That was a lot of money in those days. But it made a mess of Argentina.

Q: It was done for reasons of national prestige.

ROWELL: Done partly for quasi-ideological reasons. One of the fascist and socialistic theses was that the government should own the means of communications and transportation. Until 1947 the railroads of Argentina were largely privately owned by British firms.

I mentioned earlier that Argentina's principal foreign exchange earners were beef and wheat. Beef had traditionally been exported to Britain and to continental Europe, but Britain was one of the single most important markets and the traditional source of most of Argentina's industrial goods.They couldn't afford to alienate Britain. You have to remember that the only sources of industrial goods after World War II were the United States and Britain. The rest of the world was still largely destroyed.

Q: It had been flattened by World War II.

ROWELL: So if you had an economy that was at the outer extremities of its depreciable life, in terms of its physical assets, and you desperately needed spare parts and replacement machinery, then the only place that you could get these things was the US or Britain. If Argentina had simply nationalized the British-owned railroads without paying for them, you could expect a severe reaction from the United States, whose private investors owned lots of things in Argentina, and certainly from Britain. So we and Britain had considerable leverage with our industrial economies. The Argentines then concluded that if they were going to take over the railroads, they would have to buy them. And they did.

Q: And, of course, we're talking about 1947. From 1939 really until 1947 virtually all productive activity in Britain and the United States was directed toward war.

Were there any other events and incidents during this time that you were in Argentina?

ROWELL: Yes. There was a really funny event. After I had been in Argentina for a year, I assumed responsibility for covering political events in some of the northern and western Argentine provinces. So I started off on my first provincial trip to call on governors, business leaders and others just to take the pulse of people outside of Buenos Aires. The views of the provinces throughout Argentina's history had always differed sharply from the views of people in Buenos Aires.

On the Argentine railroads you could get a ticket for a berth, but you normally didn't take a whole compartment. When I went to take this trip, the only unoccupied berth on the train, on this relatively long trip, was in a compartment of four berths. So I climbed into the railroad car.

The other berths were occupied by traveling salesmen. We talked. They learned who I was, and I knew who they were. About 10:00 PM they started a card game. I was tired, but they were talking and smoking. They were beginning to run low on wine but still enjoying the card game. Well, I happened to have a couple of bottles of wine in my bag, so I took out a bottle and gave it to them. They invited me to sit at the table. I said that I didn't want to play cards. They said, “That's all right. Just sit and talk with us.” So we talked. As the train rolled along the track to C#rdoba in the middle of the night, they would look out the window and say, “Oh, this is Fulgencio,” or Diego, or whatever it was. They would give the names of these stations and the “estancias,” or large ranches, and then the towns. They said, “You know, this ranch owner has this and this, and he's married to so-and-so, but his wife is having an affair with” somebody else. They knew this important person and that important person, and the mayor in this town had done this and that, and they've gone broke, so we don't stop and sell machinery there this year.”

By the time I got off the train in Cordoba at 9:30 AM the next day I was cross-eyed, because I hadn't been to bed and hadn't slept. And I knew everything that was going on in the territory between Buenos Aires and Cordoba. I really didn't have to call on a soul. Well, I did call on the senior provincial officials — the governor, the mayors of the big cities, and

so on. However, ever since then I have respected the role of the traveling salesman. Years later, when I was in Bolivia, that warm spot in my heart for traveling salesmen paid off in a big way for AID [Agency for International Development].

Q: You left Buenos Aires in 1968...

ROWELL: On a direct transfer to Honduras as Political Officer in the Embassy in Tegucigalpa. The Embassy had a Political Officer, a junior officer-trainee, and a Labor Attach#. Bob White was pulled out of Tegucigalpa to head up the Latin American Division of the Peace Corps. Because I had been Honduras desk officer, I was presumed to know everything that was going on and to need no start- up time, and the Embassy needed somebody right away. So you can see still today the figurative furrows of my fingernails scraped across the Andes Mountains as the Department dragged me back to Honduras, after I had lived the sybaritic life of Buenos Aires. My tour in Argentina had been cut short by a year.

Honduras was a very different experience.

Q: You were in Honduras from when to when?

ROWELL: From August, 1968, to July, 1970. Honduras was underdeveloped. Many of the streets were unpaved. There was a latent hostility toward “gringos” and “yanquis” that I had never sensed, either in Argentina or in Brazil. It was palpable. Honduras was still a place where American freebooters roamed. One or two of them were on the government payroll. The others were there on their own hook.

What's a freebooter? An adventurer out after self-made fortune. There was a man named Frank Turner living on the north, or Caribbean, coast of Honduras. In 1968 he was 76 years old. He had fled to Honduras in the 1920's. He always wore a gun. He was known as the fastest gun in Honduras and allegedly once had been the fastest gun in Texas. Warrants for his arrest had been outstanding in Honduras for over 30 years. He was finally

arrested, in an outhouse, literally caught with his pants down in 1968. They put him in jail, and our Consul went down to help him. At age 76 he couldn't stand living in a pestilential jail. He died six weeks later.

I'll give you another example. An American had migrated to the northeast cost of Honduras to set himself up in the frozen shrimp business. He planned to export to the US. He had the freezing and packaging equipment, but no boats. Instead he had expected to buy shrimp from local trawlers. That wasn't working. Not enough shrimp were coming in. So he bought some sophisticated radio equipment that let him track the whereabouts of the Jacksonville, Florida shrimpers that trawled that part of the Caribbean. And he made a deal with an Army lieutenant in Trujillo. The American would tell the lieutenant when the Jacksonville boats were trawling in Honduran waters. The lieutenant would seize the trawlers. And he and the American would split the profits from the shrimp seized from the Jacksonville boats. It worked. The lieutenant commandeered an old rust bucket, put about 18 soldiers with rifles around its railings, and steamed to the entry of an area surrounded by coral islets that at low tide were just barely above water (and therefore constituted Honduran territory). He caught the trawlers maintaining gear. Several got away, but several more were brought into Trujillo where some of the crewmen had to stay in a local bordello because the jail wasn't big enough and the lieutenant didn't want to risk leaving them on the boats. Our consul was very busy freeing the boats from the government and the crews from the bordello. We in Tegucigalpa were busy answering phone calls from frantic family members in Florida. And the American freezer operator — in many ways a classic freebooter — managed to keep his business going.

As you can see, Honduras was very colorful. We arrived in Tegucigalpa and initially stayed in the Lincoln Hotel. I went down to the O. Henry Bar and reread his story, “Cabbages and Kings.” Every word is true.

I think that I described earlier how we supported the labor unions there. That really saved much of the banana companies' interests. This project was still going on, and we still had to watch it in 1968.

We had Peace Corps Volunteers living in different parts of the country. One of my jobs was to prepare the volunteers to deal effectively with the political environment in remote rural areas. I told them they might well find a figure in some remote valley called “Colonel.” They should understand that that man had absolute life and death authority in that valley. It might not have been constitutional authority, but it was authority in a very pragmatic and real way. Moreover, communications with Tegucigalpa were weak, slow and erratic. The volunteers had to understand that if they made changes, they had to do them in a way that would not risk their own lives or their Honduran project partners after their departure.

Briefing the volunteers was challenging because we were already working up toward the Kent State event in Ohio in 1970.

Q: You're talking about a protest against our Vietnam policies.

ROWELL: Against the war in Vietnam. These Peace Corps Volunteers were fresh from US universities. They didn't trust anybody in a position of authority. They intend to trust me, the First Secretary in the Political Section of the American Embassy.

The Peace Corps Director in the country — still a very good friend of mine — devised a way to get over these mental blocks. His job, of course, was to enable his Peace Corps Volunteers to do a good job, to get home safely, and to leave behind some kind of enduring legacy. To do that, they had to understand the environment they were swimming in. Their understanding had to start with what the Embassy had to tell them.

The volunteers would arrive in Honduras, they would have two weeks of briefings, and I would give my spiel. They would be recalled from where they were living and working at the end of 90 days. I would again talk with them and tell them what I saw as going on in

the country. I would ask them, “What part of what I told you before was valid and what part wasn't valid, because I don't want to tell people things that aren't true.” They would say, “Well, at first we were skeptical about what you were telling us. However, we decided that we would be 'cautious' just in case you were right.” Then they said, “We think that you may be right.” At the end of another 180 days they'd come back for another conference and would say, “We know you were right.” [Laughter] Then they wouldn't return to the capital until it was time to leave the country.

Q: We're talking about a particular, generational attitude in the United States, where the watchword was, “Don't trust anybody over 30.” This was coming out of the best universities in the United States. And the best and brightest were coming out of these universities.

ROWELL: And I was already 37.

Q: Oh, my God! So it was a real problem. It was not just brain washing, but it was sort of how to protect yourself. There were these youngsters coming out of universities, and we had that responsibility. It sounds as if you handled this well. What was your impression of the Peace Corps and the efforts they were making?

ROWELL: They were trying very hard to help people living in isolated, rural areas to find a way to have a slightly better life. Maybe to be more productive on their farms and with the chickens that they were raising or to cooperate more effectively on community projects such as building little water retention dams to protect themselves from the summer drought. Maybe to build community social centers to which some sewing machines could be given, so that when they had to make clothes, they had a sewing machine available that would work, where those who knew how to sew better could teach the others. The community center could then be a place where the children could start to learn to read. These were very simple kinds of things. In a couple of the better off valleys the Peace Corps Volunteers started cooperatives, so that ordinary farmers, living up on the sides of

the hills, could obtain seed or fertilizer at a lower price than they had been paying at the main feed store, which was probably owned by the colonel.

Q: You know, this type of thing can be breaking rice bowls.

ROWELL: That's an oriental term.

Q: Local rice bowls. At the same time you've got to deal with and live with the colonel and all of that. How did this work out? Was it left to them to....

ROWELL: It was really left to the Peace Corps Volunteers to deal with it. We in the Embassy didn't have anybody out in those valleys. All that we said was, “Look, whatever you do, try to arrange it so that the local Hondurans with whom you have worked most closely are somehow or other 'insulated' from the negative aspects. That is, 'negative' for the valley hierarchy in terms of what you're doing, so that they have a chance to survive your departure.” There were a couple of instances in which these Hondurans didn't survive. They just disappeared after the Peace Corps Volunteer had gone. The local hierarchy never interfered while the American Peace Corps Volunteer was there.

In other valleys, particularly where the population was a little bit larger, so that there was a body of people who provided mutual protection, in a political sense, these things caught on and did some good. I used to go out and visit the Peace Corps Volunteers from time to time. That could be quite exciting. AID had a lease agreement for a couple of small, twin engine airplanes. When an AID officer was traveling, very often the Peace Corps Director and I would hitch a ride, because it was often the only way that we could get to some of the remote villages. The landing strip would be on a little, narrow shelf on the face of a cliff. Honduras is a very mountainous country, with peaks running around 10,000 feet. You would be flying in valleys with sheer walls on either side. Then there would be a landing strip half way up one wall — full of rabbit holes or something like that. The plane would come in, bounce a bit, and then come to a halt. You get out with your teeth still chattering,

you do your business, and wish that there were some way other than the airplane to get out of the mountains. Then you would screw up your courage, climb back in, and pray.

One day we were flying between walls of rock. We went around a dog leg in the valley, and there was a solid wall of fog in front of us and above us. The pilot stood the airplane on its wingtip, flew as close as he could to one wall, did a 180 degree turn, barely missing the other wall, and we got back to Tegucigalpa. I was scared.

Q: What was the political situation in Honduras in the 1968-1970 period?

ROWELL: The military had always been an important force. There was a small oligarchy which was really running the country. There was a traditional party in power, the National Party [Partido Nacional de Honduras — PNH]. There was an opposition party — I think that they were called the Colorados [Reds], or perhaps Liberales. I'm not sure which. The leader of the opposition party had spent many years in exile. He was called Ramon Villeda Morales. His nickname was “El Pajarito,” The Little Bird. Periodically, you would hear that the Little Bird had flown in from Texas, or something like that. The principal leader of the opposition party was Carlos Roberto Reina, who today is President of Honduras. I met with him often at his home and in his office.There were elections, but the National Party managed to stay in charge. In any case, the opposition party could complain, and did so from time to time. They were allowed to pass some of their laws, but they remained in the opposition. The communists were sometimes noisy, but not terribly effective.

We had an AID project to try to develop Honduran forestry. Honduras had hundreds of thousands of hectares of virgin pine forest of very good quality. The wood was literally going to waste. The trees were aging and, because of their age, becoming weak and prone to infection from fungus and other parasites. The forests needed to be logged. To do that in an effective way, and this was one of the really big potential investments in Honduras, a paper industry needed to be established which would produce cardboard and even good quality printing paper and that sort of thing. But that would be a big investment,

and so a paper company would have had to have certain guarantees regarding the source of lumber and construction of a certain road infrastructure. That meant providing a center where people would collect in communities that didn't yet exist. And that, in turn, meant establishing new centers of political power which the existing oligarchy really didn't want, because they had a good handle on what they had and they didn't need new urban centers springing up around the country that could challenge them. So somehow the necessary laws to permit the development would never pass. It was amazing how many times, at the last minute, the communist bench would rise and harangue the Congress. There would be a demonstration in favor of the communist view that you couldn't give away the national patrimony. And the hands of the governing party would be tied. [Laughter]

Q: So the communists weren't part of the problem.

ROWELL: It's interesting to see how well they were used. No American would believe that the communists could be used, but they were used.

Q: Who was our Ambassador while you were there?

ROWELL: When I arrived, it was John Jova, who later was the Ambassador to the Organization of American States [OAS] and to Mexico. After he retired, he headed Meridian House in Washington. Hew Ryan followed John Jova. Hewson A. Ryan was a USIA [United States Information Agency] officer. When he left Honduras and retired, he went up to the Fletcher School of Law and Diplomacy at Tufts University, where he taught for a number of years.

Q: Yes, he was interviewed in this Oral History early on. How did John Jova operate?

ROWELL: John Jova was well plugged in to the Honduran hierarchy. He knew how to go horseback riding with people who enjoyed horseback riding. He would go out with them on

hunts. He was very comfortable in their social milieu. So he always had lots of information about what was going on.

As the Political Officer, I tended to more time covering the opposition because Ambassador Jova was so well plugged in with the establishment. That was a reasonable division of responsibility. The Labor Attach# handled the labor unions and the banana companies. The junior Political Officer was basically learning the trade. He skimmed the publications, perhaps followed the Congress when it was in open session, and that sort of thing.

Q: What were American interests in Honduras during this period?

ROWELL: Our primary interest was to prevent the communists from taking over anything, whether it was labor or getting a serious leg up in Congress. Another interest was to protect American investments, which meant primarily the fruit companies, but it also included some gold and other minerals producing companies. Another interest was to encourage a market-centered economic development process in Central America. AID had a Regional Development Office, based in Guatemala. Encouraging development meant trying to promote the Central American Common Market. This never really worked very well because the countries concerned weren't willing to sacrifice elements of their own development in a given sector so that sector could become large enough to compete on a world scale.

Development also involved things like education and health programs. Malaria has always been a problem in Central America. Another major interest was to keep the area peaceful.

Q: Were we concerned about Cuba?

ROWELL: Yes, because Cuba was supporting the Communist Party of Honduras. As I said before, our top priority was to keep the communists from getting a leg up. We watched the Cubans and we watched the communists. We tried to help the Hondurans

to interdict communications between Cuba and the Honduran communists. I don't think that they were interdicted very effectively. However, the Honduran communists were not a terribly well organized party, and no number of visitors from Cuba could make them change.

Q: This is Tape 3, Side A, of the interview with Ambassador Ed Rowell. I asked this same question when we were discussing your time in Argentina. I would think that it would be easier for the Embassy in Honduras to be absorbed by the ruling elite. They are important. It's not necessarily because they have a lot of money, but they also are the movers and shakers. Sometimes you can get too cozy with them. Was this a problem or did you see it as such at the time?

ROWELL: No, I don't think that that was a problem in Honduras. We had a very open relationship with the governing authorities, but our relationship with the opposition party and my personal relationship with Carlos Roberto Reina, were very close. Moreover, my predecessor, Bob White, had done outstanding work with the opposition. When I arrived, I didn't have to create these relationships. They were sitting there, waiting for me to walk into them, and I kept them going. Again, we weren't shackled in our dealings with anybody. None of us in the Embassy was harassed, nothing happened, there were no warnings—nothing like that. There really weren't any problems in that regard.

The major event of my stay there in Honduras was the war between Honduras and El Salvador. This was the so-called soccer war.

Q: Would you explain what the soccer war was?

ROWELL: There had always been frictions between El Salvador and Honduras, stemming in part from the constant movement into Honduran territory, which was largely unoccupied, of economic refugees from El Salvador. El Salvador was over-populated, and its lands

were controlled by an oligarchy that dedicated them to the coffee industry. But there were other jealousies and frictions.

When this war started, a soccer series was going on between Honduras and El Salvador. The middle game of the series was played in El Salvador. Rumors had circulated that somehow the Salvadoran team had been harassed when they visited Honduras. When the Honduran soccer fans went to El Salvador, people along the side of the highway in El Salvador fired shotguns and rifles through the busses carrying the soccer visitors. Then there was a big riot at the stadium in El Salvador. Somehow, the Hondurans got back home. When word of the violence in El Salvador spread, there was a riot in Honduras. A lot of Salvadorans lived in Honduras, many of them shopowners. Their shops were ransacked, and they were frightened and scared. The next thing we knew, the Salvadoran government had launched a war against Honduras “to protect its citizens in Honduras.” To this day I don't know what or who really triggered all of that violence.

I had lived in Argentina and understood that simmering border issues can produce war, so I wasn't completely surprised by the violence. However, it was the kind of thing that I would not have predicted. You can never predict when a mob is going to form and get out of control. You really can't. Since we have so many events like soccer matches, where people collect in numbers large enough to create a critical mass, you can be caught by surprise. That happened.

I had been scheduled for home leave. I needed the leave. I'd had dysentery, my mother was sick in a hospital, and there were a lot of family problems. The riots started on a Monday, and we reported them. By the end of the week things had quieted down, and it looked as if things might be all right. The DCM, who at the time was Charg# d'Affaires, gave me permission to go ahead and start my home leave. Ambassador Jova was leaving at the end of that week. I got to Washington, but 24 hours later I was summoned to the State Department and told to go back to Honduras, as the situation was getting testier. So my family was left stranded in the US, and I was back in Honduras. We had rented our

house to an American businessman for the two months of home leave. He didn't have any other place to go, so he told me to find some other place to live. He let me come in and get some clothes out of a closet. The PAO [Public Affairs Officer] let me share his house.

Then, for four weeks the situation got worse and worse. At the end of the fourth week a Salvadoran DC-3 (C-47) aircraft, with a hole literally cut in its belly, flew over the Honduran airport in Tegucigalpa and attempted to bomb it. Each of the six 100-pound bombs missed the airport, but one of them hit the dining room in the home of one of our senior AID employees. The next day, when the Salvadorans tried a second bombing, .50 caliber machine gun bullets hit the American School. There was more, collateral damage at the home of an American Government employee. Then panicky reports started coming in. The Hondurans called us in and asked for US Marines to protect them from the invading Salvadorans. They had a report from the colonel in charge of their Western Battalion, which was the front where the invasion had taken place, saying that he had lost 700 troops. A long time later we discovered that he had never had 700 troops. He had some, none of them militarily trained, but not 700. He had been pocketing the money the Honduran Government had been sending him to pay for their salaries, rations and quarters.

Q: So it was a handy way to make up the balance.

ROWELL: So the Honduran Army was sitting there with machetes and old rifles, facing the Salvadorans, who were coming in with Belgian made automatic weapons. The Salvadorans also had armored vehicles in the form of jeeps with one-quarter inch steel plates welded onto them. So there was an armored assault across the Honduran frontier which was “defended” by troops with machetes and hunting rifles.

The Salvadoran Army at the time was not terribly well disciplined. The automatic weapons were a disaster in the hands of undisciplined or untrained soldiers. They exhausted their ammunition in the first 15 minutes of the war. They simply put their weapons on

full automatic when they crossed the Honduran border and fired at anything they saw, and there wasn't much there. The invasion slowed immediately because the Salvadoran soldiers were on their own — with machete against machete. That's a different sort of conflict.

The air war was more interesting. The Honduran Air Force had long been the best in Central America in terms of aircraft maintenance. They were flying F4U Corsairs, US built carrier airplanes from World War II. They were superbly well maintained. The Hondurans had their own shops where they made their own spare parts. The Salvadorans were flying P-51 Mustangs and some F4U's. The Honduran Air Force lost one airplane due to fuel exhaustion. It ran out of gas before coming back. The Salvadoran Air Force had several planes shot down. After the first two days the Salvadoran Air Force did not attack Honduras again. The Hondurans put the Exxon oil refinery at Acajutla, El Salvador, out of business for 18 months.

Forty-eight hours before the war started I sensed that if it was going to happen, it would come that weekend. Don't ask me how I knew it. It was just something in my bones. I could see the arguments going back and forth in the traffic between our Embassy and the Embassy in San Salvador. The OAS [Organization of American States] was already trying to mediate, but I could see that that wasn't working fast enough. Our military attach#s on both sides of the frontier did outstanding work. By the time Friday of that week came, I said to myself, “There's going to be a war.”

Against this background I went to the Peace Corps Director and said, “You'd better pull all of the Peace Corps Volunteers out of the frontier region.” So he and one of my colleagues from the CIA [Central Intelligence Agency] went out to the frontier area in jeeps Friday afternoon and night and all day Saturday and most of Sunday and told all of the Peace Corps Volunteers to get out of the frontier area. Some of the Volunteers didn't want to get out. They felt that they could take care of themselves. They said that the people were friendly because they didn't understand anything about war. However, most of them

came back to Tegucigalpa, the national capital, and we didn't lose any volunteers. The few who stubbornly remained in the frontier region were thoroughly scared. All of them eventually got out and came to Tegucigalpa. There was a lot of shooting in that frontier area, including recoilless rifles, which make a lot of noise. We did get the word to all of them before the shooting started Sunday evening.

Q: During this time, when the war was going on, what were you doing? What was the Embassy doing? As you said, you have the safety of Americans in mind.

ROWELL: Yes, and the safety of Americans became a big problem. The Hondurans insisted that the US send in reinforcements to protect them. We refused. We refused to give them ammunition or military supplies to help their side. They were furious at us. We helped to protect some innocent Salvadoran civilians who risked death at the hands of vigilantes. There was a curfew and a blackout. It was a very effective blackout, because they simply turned off the electricity supply to the city. All lights went out. Vigilante groups roaming the streets of Tegucigalpa. If they spotted a candle through a window, they would threaten to chop down the door to put out the candle. They were afraid of more air raids, and said that no light must show.

Every night we would have some Americans calling, saying that the vigilantes were threatening to chop down the doors. You have to understand that we had become horribly unpopular. I remember one night when an American woman out at the edge of Tegucigalpa called. She was alone with her children. The vigilantes were literally chopping at the door. I went out to her house. You couldn't show a light on a vehicle. It was the new moon, and there was no moonlight. Tegucigalpa is a mountainous city. We were driving on mountainous roads in starlight. So what should have been a 10-minute ride took 40 minutes, and I had to pass through four vigilante checkpoints on the way. I reached this woman's house. The vigilantes were sitting outside the house. I don't remember what I told them, but they stopped threatening her. We had two or three calls like that every single night.

Then we had the Salvadorans who had taken refuge in the basements of churches. We helped the Catholic priests to escort them to safe haven in the basement of a central collecting point. We were driving in diplomatic vehicles, again by starlight. Embassy officers took turns doing that.

One of the decision problems we had was, “Do the women officers do this?” Well, Betty Friedan writings had appeared in print, but Women's Lib hadn't completed its cycle in the mid-1970's. The military officers were doing a lot of this escort duty, because there were a lot more of them than of us civilians, at that point. They said, “No, women shouldn't do this. We'll do it.” I looked at these guys. They had wives and children at home. I said, “You know, an officer is an officer. You accept a commission and you undertake the responsibilities and risks of the commission.” The women Foreign Service officers were anxious to do it, to prove that they could do their job. I said that they would do it. I drew up the rotation schedules for night escort duty on that basis. Nobody was hurt. The day that you decide that an officer is an officer you have defined the person's roles and responsibilities — the commission, not the gender of its bearer, settles the question. And then you send them out in harm's way. That was a key turning point in my own thinking about women's roles in professional services.

Q: Were you involved at all in Embassy to Honduran Government connections, trying to get everybody to cool it?

ROWELL: Oh, yes, day after day. The OAS came in and brought in a whole bunch of OAS peacekeepers and boundary watchers. It took about two weeks to arrange for a cease-fire, and then another week to get OAS peacekeepers in place, along the frontier. Once they did that, then a long negotiation took place, mostly at OAS headquarters in Washington. Things were still tense, and the Embassy still operated 24 hours a day for a long time. However, the shooting was over, and it was clear that it wasn't going to start again.

Q: What about United Fruit Company employees and offices during this whole period?

ROWELL: No problem. The fruit company area, the banana growing zone, is up along the Caribbean coast of Honduras. This invasion came at the western end of the country and away from the coast, as well as along the southwestern frontier with El Salvador. This was a long distance from the banana plantation area. So this was not an issue.

I asked for permission to go back and have some of my home leave, since my mother was in the hospital with a heart problem. The Charg# d'Affaires reluctantly let me go. Finally, I picked up my family in Washington and brought them back to Honduras. We were able to move back into our house.

From that time on life in Honduras was really very unpleasant. It had been difficult enough during our first year there. The American School had a minority of American students. The American students were harassed by the Honduran students. Their notebooks would be taken, ink would be poured on them, or they would be jostled in the corridors. We had to escort our children around the city for the remainder of our stay in Honduras. There was a stand across the street from our house, where chewing gum, bubble gum, and candy was sold — the kinds of things that kids buy. Our children were used to going there. My wife had to escort them across the street and back. If they played in our yard, we had to have somebody physically in the yard watching them.

One day my wife was driving downtown. In the rear view mirror she noticed a car with a couple of young men in it. She thought, “I've seen them somewhere. They're probably following me.” So she took a zig zag route through downtown. The car stayed right on her tail, the whole way. She wheeled our car into the gateway leading to a long driveway going into the Italian Embassy. She left the car in the gateway and then ran to the front door of the Embassy. She rang the bell, pushed her way in, and took refuge there. The car that had been following her parked behind her car, stayed there for about 10 minutes, and then drove off. So it was clear that they were following her. I don't think that they meant to harm her. I think that they meant to frighten her. If they had meant to hurt her, they probably

would have done so. However, it was a worrisome kind of event. That kind of thing went on and on.

Q: How did you find dealing with the Honduran Government?

ROWELL: Most business went on as it had gone on before. They resented our failure to support them. On the other hand, they didn't lose any territory. They still felt that they had to deal with us and so they did.

Q: Sometimes when there is a war of any nature, the Embassies take on the coloration of their country. Did you find...?

ROWELL: I would like to think that what the Embassy in San Salvador did and what we in the Embassy in Tegucigalpa was proper, but I'll leave it to the historians to examine the record. I think that we took on the coloration of Honduras far less than the Embassy in San Salvador took on the coloration of El Salvador, though not entirely.

Q: Was our Ambassador at that time in Honduras Ryan or Jova?

ROWELL: We were between Ambassadors and had a Charg# d'Affaires, Jean Wilkowski. The Ambassador in San Salvador was Bill Bowdler.

Q: Bill Bowdler was later Assistant Secretary for ARA.

ROWELL: That's right. Assistant Secretary for American Republics Affairs. The same Bill Bowdler for whom I worked when I was moved out of Richard Goodwin's Staff Assistant job in 1961.

Q: At this time did you get any feel for the new regime of President Richard Nixon and National Security Adviser Henry Kissinger or were you happily suffering from benign neglect? This was early in the Nixon administration.

ROWELL: That's right. The United States was not terribly interested in Latin America at the time — and even less interested in Central America. The soccer war surprised everybody in Washington. When you have war in your backyard, you pay attention. However, as soon as that was taken care of, people really re-directed their attention to the Soviet front, NATO, the Middle East peace problems, and above all, China and Vietnam.

Q: And Vietnam.

ROWELL: And Vietnam. That absorbed them. One of the good things about working on Latin America is that, for the most part, the senior members of the Foreign Service could conduct policy, because the most senior people in Washington didn't want to spend any time on Latin America.

Q: I take it that you left there with a certain feeling of, "Thank God, that's over."

ROWELL: I felt a lot of relief. We had some good friends there. I have great respect and affection for Carlos Roberto Reina and for many members of the National Party, also. The Honduran military had done a creditable job and was reasonably well behaved in terms of our democratic litmus test. As I say, I had had dysentery. There wasn't much of a cultural life. The security situation became very difficult. I was glad to move on.

Q: Let's stop at this point. I want to put this on the tape, so we'll know where to pick it up. Where did you go from Honduras?

ROWELL: I went to Stanford University. I had applied for senior training. I was offered a couple of the War Colleges. However, they said that there was a program for a Sloan Executive Fellowship in graduate business administration, either at MIT [Massachusetts Institute of Technology] or Stanford. I said, "I've served in the United States Army. I think that I know enough about military and politico-military issues. I really want to know

something about American business. I want to know something about our economic interests, because they are important."

Q: All right, we'll pick this up at that point and we'll talk about what you learned there at Stanford as a Sloan Fellow, because I think that one of the things that often is neglected is, "What are American business interests?" This is particularly true in the era we're talking about, which is essentially that of the Cold War. Often, when I ask people, "What were American economic interests in X country," I get a blank look.

ROWELL: You've heard me talk about the banana companies in Central America. In Argentina we had American investments in automobile manufacturing and assembling and a lot of American business in sales of industrial goods, including ball bearings and so forth.

Q: So we'll pick this up again when you went to Stanford in 1970.

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Q: Today is December 4, 1995. Ed, you were going to Stanford. You were there for the academic year of 1970-1971?

ROWELL: That's right. My family and I had not been very happy in Honduras, so I pushed hard to get an assignment to senior training, or I guess that they called it, "Preparation for senior training." It's sort of the War College phase of a Foreign Service career.

The Department of State offered me a choice. I could have gone to any one of the several War Colleges. Or, they said, I could be a Sloan Executive Fellow, either at MIT or at Stanford. I figured, since I had served in the Army, that I didn't need any more military experience to help me interface with the military as a Foreign Service Officer. On the other hand I believed that the Foreign Service, and particularly those of us who were in the Political Cone in the Foreign Service and were not on the economic side of things, needed to interface much more strongly with American business. Then there was always the odd

chance that one would not stay in the Foreign Service as long as I did. I thought that going to a business school would be a lot more effective ticket than having gone to a military war college.

I chose Stanford because I grew up in California. I had done my undergraduate studies in New England [at Yale]. I'm not particularly fond of New England winters. [Laughter] I enjoy a certain amount of warm air and flowers. So I went to Stanford. For me it was a great year. There was one other Foreign Service Officer in the class, but everyone else was out of the private sector. Everybody else in the class had had anywhere from 10 to 18 years of real world business experience.

I brought out of that experience two or three things. First of all, I learned how to explain to business people what the Foreign Service does and what diplomacy means. The definition is marketing and sales. The notion is that we have a message, a project, a treaty, or a proposal to sell and to persuade others to buy. You do this by doing exactly the same thing that a businessperson does. You discover the needs and desires of your customers, you explain what you want to accomplish that fits their desires. Sometimes you have to create desires. That is also a part of marketing. In fact, in terms of the way you approach people and the devices you use, marketing/sales and diplomacy are remarkably parallel.

The second thing that came from that year at Stanford was a notion of how one might apply management by objectives to the Foreign Service, especially to the work of political officers. It's easy enough to define objectives when there are numerical measures for what is useful, for example the number of visas a consular officer might issue in a day. In the case of visas you have a physical output that people want and need and that you can count — literally, a stamp on a piece of paper. It is much more difficult to set meaningful objectives when your physical output consists of written reports that contain information that may be intriguing, but not necessarily useful — useful in the sense that the information advances American interests in some valuable way.

Third, I did a project with two other Sloan Fellows in the course on something which now seems terribly obvious, but which I wasn't able to put across in Washington when I returned. We outlined an all-digital files system that would repose in Washington or some other data base center in the US, and which all of our Embassies and Consulates access electronically. The Embassies and Consulates could literally reduce their files to a few newspaper clippings, personal notes, and working papers. Everything else would be in the central file. People would have their own computers. They could call up a desired record at their desk from the central file.

The system included a special search capability using key word devices. That would allow officers to go into, say, the political reporting records of some post and say, “All right, show me the banking and family relationships of the leaders of X or Y Party.” Or, “show me the family and political relationships of the persons interested in this shipping firm, that aviation company,” or whatever it might be. In other words, a truly relational data base in which you could correlate social, economic, business, and political factors. In effect, this would be the first file structure that would create a permanent, institutional memory.

Up until now — and even today — we have relied on the overlap of people, Americans and Foreign Service Nationals, to provide institutional memory at overseas posts. Institutional memory allows an officer to understand the significance — or relative insignificance to the US — of whatever is happening locally. It allows one to say what is really happening, or who's related to whom. At international negotiations or organizations institutional memory includes little ways of doing things, personality quirks of other participants, and non-substantive events or precedents that may not be in the record but which affect the ways other participants may work with us or against us. Some institutional memory relates to the cycle of the annual calendar, the latest tit for tat in the local pecking order, or whatever it may be. More often than not, none of these things are in a post's records, or if they are, the current officers at a post don't know it or don't have time to study the records and absorb everything in them. In my experience most officers going to a given post never take

the time to read all of their predecessors' files. If they're lucky, they have a predecessor who has written a brief memo, no longer than 10 pages, outlining all of the most critical elements that they need to know. Otherwise they go out and learn all the local lore for themselves — reinventing the wheel all over again. Probably not more than 10 to 20% of the departing officers ever get around to preparing such memos. And I think that I'm being generous with those numbers. The system that the other Sloan Fellows and I designed would more than substitute for that 10-page memo. It would provide a forward-looking analytical machine.

Q: Wasn't this, in a way, sort of pie in the sky? We're talking about 1970. I remember getting involved in trying to set up the easiest type of database, a consular database. This was in 1976 or 1978. You know how these computer programs change. This is almost two computer generations later. It was obviously beyond the capacity of what we could hook up at that point.

ROWELL: The answer is that it was half pie in the sky, which didn't bother me in the least, because I knew that within 10 years it would not be pie in the sky. I also knew enough about government inertia, if you will, to know that it would take a campaign over several years to get anything going. My objective was to plant the idea, get people to say, “That's a nice idea.” If you get them that far, then the next step is to show them how it can be made to happen. If it takes them two to three years to say, “Well, that would be nice,” and then another couple of years to say, “Look, it could happen,” gradually, they'll begin to think about it. We're getting closer and closer to that now.

The essence of the file search system which I had in mind consisted of key words. It was only three years later that we introduced the TAGS system for heading our cables, our telegrams. That's a key word system. That was done for the convenience of the communicators, archivers and message distributors. However, it doesn't make any difference. Once we had created the TAGS system and bludgeoned the Foreign Service Officer corps into making it work, so that more and more people were comfortable with

it and using it, we could add key words as we needed them and enhance the software if necessary. The kind of thing that I was advocating could have been done by the early 1980s. It certainly could happen today. Although it would require a significant up-front capital investment, within a short period it would reduce the number of people we need to get our work done well.

Q: You might explain what the TAG system was.

ROWELL: I no longer remember what the TAGS acronym represents, but it involves a set of key words that you put at the beginning of a cable that tells the communicator, who distributes the cables, and the electronic file what the subject matter is.

Q: There was a great deal of resistance to the TAG system. Some people were getting very annoyed because they had to look through a rather short list. Everybody got used to it after a while, but...

ROWELL: The point is, that sort of structure is now so common that our grade school children are learning it. All of our junior and mid-level officers accept and use it routinely. It's partly a generational shift that was inevitable, and that was easy enough to anticipate. I knew what the pace of development was, both in terms of software and hardware, and the ability to have memories that could handle all of this information. It was all something that clearly would come.

Q: You were there at Stanford in 1970-1971. This was not a happy time because of the Vietnam War. As a State Department representative, were you dragged in on Vietnam debates and that sort of thing?

ROWELL: No. The Vietnam issue was very sensitive. I was frankly appalled at the way some faculty members, even at an institution such as Stanford, engaged in loose grading and indiscipline in the academic and intellectual sense, in order to save students. This country has paid a terrible price for that academic laxity. We're still living through

generations of people, some of whom either received insufficient education or who learned to break and distort rules to serve current notions of “correctness.”. This undermined the honesty of the academic process. I must say that I saw this happening at most of the universities across the country. I saw it happen at my own alma mater, Yale. So it wasn't unique to Stanford, it wasn't unique to private institutions. It was common.

Q: I think, as you say, that we're suffering because, for one thing, the people who were graduating from university at that time are now department heads at universities. I think that you notice this. There is a lack of integrity.

ROWELL: Integrity is suddenly defined in different ways. There are lots of residual problems, and we won't recover from them for another generation.

Q: Were you able to sell the business people that you were dealing with on diplomacy as something which was necessary and understandable?

ROWELL: None of them doubted it. There wasn't a problem there at all. A fifth of the Sloan Fellows that year came from other countries, so everyone was conscious of the international dimensions of modern economies and businesses. They were curious about diplomacy and diplomats. And, of course, I disabused them of the stereotypes which they carried in their minds. They were as open toward me as I was toward them. In fact, we still correspond.

Q: Then, in the summer of 1971 you...

ROWELL: Came back to Washington. I was first assigned to something dealing with budgets. That lasted about three weeks. Then I was assigned to the Office of the Inspector General. Quite frankly, another one of my motivations in going to the Business School at Stanford was to break out of ARA. I had concluded that I would probably have to go to some functional bureau in the Department and, from that point, establish a relationship

with a geographic bureau outside of ARA. I did that. The Office of the Inspector General was as good a place as any to start the process, and it was interesting.

I was in charge of compliance, evaluation of the inspection system itself and a bunch of minor miscellany in the central office. Although I participated in inspections once or twice a year, I wasn't permanently assigned to an inspection team. I rewrote the Manual for Inspections. I introduced the concept that when you inspect an overseas post, you must also inspect the corresponding offices of the State Department and all the other agencies in Washington that backstop or use that post.

Q: That was a quite new idea.

ROWELL: I introduced it, yes. I was able to persuade Tom McElhiney, the Inspector General, that the posts at the overseas end of the cable line were behaving on the basis of what they were receiving in cables — not just cables from the State Department but from a variety of agencies. If they got the information they needed and acted on it, fine. However, if information was being withheld or if Washington was communicating one thing to a foreign Embassy in Washington but the word wasn't being passed to our Embassy in time, you couldn't hold the post responsible for its omissions. Or even for some errors, because the errors were being committed in Washington. It made obvious sense. We had all known it for a long time, except that it had never been made part of the inspection process. So that was when we started that process.

I also introduced the concept of a prepared set of issues that an inspection team had to take to the field. As a result, the inspection team's preparation phase in Washington became substantially longer. In effect, on the basis of their Washington interviews, they had to prepare a kind of draft agenda to pursue. That didn't mean that they considered only the elements on their agenda. However, that had to be a principal focus. When they went to the field, they either validated their conclusions or modified them and arrived at

some other conclusions. That was helpful because it meant that their writing task was less onerous, more focused and more relevant to major US goals.

It enabled a kind of peer review to take place in Washington beforehand, saying, “Look, all right, so somebody doesn't like the way they're managing their local hours. However, in fact, the work seems to be getting done, the accountability is all right. People are not being paid for work they are not doing or vice versa. Local hours, per se, are not an important issue.” There always is a range of issues. The objective was to focus only on the truly significant ones — significant in terms of policy impact, budget, or whatever. But not the nit-picking issues. We went a long, long way to get rid of nit-picking items. I think that this concept was reasonably successful. Even today, I would say that the inspection process is 60-75% what we designed in the early 1970's.

Q: At this point you had been around for a while. When we came into the Foreign Service, the inspection was a terribly important thing, when you were overseas. The inspection had a lot of power. You took it very seriously, and it often was the place where bad relationships developed, particularly if you were a junior officer, but even in the different ranks, between rating and rated officer. These were straightened out because the inspectors were considered to have a fresh eye in considering problems.

The inspections have changed in importance. You were in the Office of the Inspector General from 1971 to 1974. Where would you put the value of the inspections at that point?

ROWELL: The first value of inspections was, and probably still is, in the preparation stage at the post. In other words, even today, people want to do well in an inspection. They don't want to flub it. They DO pay attention. Normally when a scheduled inspection takes place, even today — and certainly at the time we are speaking of — the post is informed that an inspection is coming and instructed to get ready for it. Here is what you have to do to get ready for the inspection. People do it. The idea is that by the time the inspectors get there,

all significant deficiencies should be erased, because people have gotten themselves ready for the inspection. That is the single, most important step. At least that was our philosophy then, and for the most part I think that it's still true. We saw the primary purpose of inspection to be improving post and individual performance, not gigging individuals. Of course, is someone was misbehaving (which is very different from simple inefficiency or underperformance), we wanted to catch it and stop it instantly.

As for the kinds of things that inspectors really look for, it is a juicy tidbit—some Chief of Mission had done something improper, or something else was going wrong. The kind of thing that is supposed to shake the foundations. In the first place, those things are relatively rare. Secondly, as in the case of financial audits at banks, you don't find them unless somebody tells tales. Arthur Anderson, an auditing firm, will tell you that when they audit a company, the chances are overwhelming that the audit will show that the firm is absolutely straight and honest and that everything is OKAY. Unless somebody anonymously slips them a piece of paper which says, “Look into the XYZ account for October of last year.” Then they find the problem. But normally auditors don't find things like that. The same thing is true of inspections.

What else can I say about the value of inspections? When I was in the Office of the Inspector General, and I think that it's been true since, the Inspector General had a private channel to the Secretary of State which he could use when something really nasty came back about an Embassy Chief of Mission. Anything like that would be politically very sensitive, and required extreme privacy. You should remember that you are dealing with the President's personal representative [i. e., the Ambassador].

Such a matter wouldn't appear in the Inspection Report. I saw several instances of this at posts where there had been a serious problem. Some people were totally put out with the Office of the Inspector General, because they didn't read about what they regarded as the post's most serious problem in the inspection report. The answer is that the tidbit was too hot to publicize. It had gone to the Secretary of State, normally in an Eyes Only

memo from the Inspector General. The Secretary of State had to decide what he was going to do about that. If you're dealing with a non-career Ambassador, the chances are overwhelming that the Secretary of State isn't going to do anything about the matter. The political reasons that put that person in the post in the first place are probably going to override, in the judgment of the Secretary of State and the White House, the cost of leaving the person there until the end of a normal three-year tour. So we had almost no cases where non-career Ambassadors were removed from office. It is unfortunate, but that's the way political life is in the United States.

Q: In the case of career appointees, would action be taken or would it be more likely to happen? For example, in case of alcohol, sexual relationships, or what have you?

ROWELL: Career appointees generally were moved if there was a serious problem. If you're talking about levels below the Chief of Mission, we still have the inspectors' efficiency reports. Those reports had an effect on the work of the Promotion Boards. If you had a bad report from the inspectors, it probably would hurt an individual for quite some time. An exceptionally good report could enhance chances of promotion. Such a report might be one which cited some concrete and measurable accomplishments, things that a Selection Board could refer to and say, “This is what makes this person different from the 'other 10,' who are also 'great.'” Otherwise, the inspectors efficiency reports move with the flow of all of the other efficiency reports. However, inspectors efficiency reports DID affect careers.

Q: Within the following decade a new Inspector General came into office from outside the Department. This change was mandated by Congress. Part of the rationale was that Foreign Service inspections were a little bit too old boyish and too clubbish. It was felt that we needed someone from outside the Foreign Service. Did you have the feeling that this attitude was justified or not?

ROWELL: To tell you the truth, although there was some difference in tone — that is, the wording — of the reports, I never noticed that much difference in the substantive content of inspectors' reports — nor in the style of inspections. What really changed, when they reorganized the Office of the Inspector General, was the way they consolidated and strengthened property and money auditing and the investigation of wrongdoing. The latter generally involved special, rather than scheduled, inspections and was a DS [Diplomatic Security] or Security Officer's function. Inspections had always consisted of what I would describe as management audits, plus some element of accountability auditing. That is, making sure that all the property was where it was supposed to be and that the money was properly accounted for.

I've never forgotten my first inspection, when I was a Vice Consul. We were in Recife at the time. It was very hard to get dairy products, such as eggs. The entire American community trusted me to handle eggs. A man brought in eggs every two weeks. I had a little pot of cash in my office safe to pay him. People gave me money for the eggs, and I took the money out of this pot to pay for the eggs. Then I took the eggs out to the neighborhood where most of us lived. Remember that in Recife there were no private telephones. I would just deliver eggs to our neighbors, and then they would give me some money. Well, the inspectors came along and found this little box of pin money in the office safe and raised hell. They said that this was totally prohibited, illegal, and I don't know what. I probably needed to be shriven again. Anyhow, I learned a lesson about making sure that nothing personal or private could come within contaminating distance of anything official. That was a helpful lesson. In the totality of things, this was a very minor issue, but it taught me something that I needed to know at an early age, when the lesson was relatively painless, both for me and the Foreign Service. Anyhow, we had auditors who looked for things like that.

We've gone through cycles over the years in which the administrative audits would become the most time consuming and manpower intensive of the inspection activities.

I think that occurred partly because of the enormous incrustation of law and regulation surrounding the accountability for property and cash. The other reason it is that such things easy to count. You find in all professions and businesses that those things that one can measure relatively accurately and easily, are measured and counted frequently, simply because it can be done. Those things that are difficult to figure out, hard to measure and account for, often are not tested at all, because we don't know how to do it well.

That leads me to the final element in the Inspection Corps which, in a way, was intellectually the most exhilarating. This was the search for a way to judge what it is that a Political Section should be doing and what it shouldn't waste its time on. That is, when is a political report worthwhile and valuable and when is it not? If you can judge that, then you can focus the work of the Political Officers. You can probably get along with fewer of them. Frankly, at the end of the year you can produce a report that shows how each Political Officer made a difference. I really didn't understand what I was doing, at first. Eventually, the Inspector General saw where I was headed because of the way I was wrestling with the problem. He forced me to go on inspections to test the notion.

What's important to understand is that engaging in activity is not necessarily the same as attaining US goals or advancing US interests. Attending a certain number of meetings at the Foreign Ministry, making sure that you stay in touch with 25 or 50 people who are good contacts, making sure you produce at least one political report a day during an entire work year — those are activities. They sound like outputs. A report is a product. But is it relevant? Does it contribute to those elements of our national interest, our policy, our operations which are really important to us?

In terms of deciding which political reports were necessary I had a kind of schema for looking at a country's political structure and saying, “Well, we need them or we don't need them.” If you were in Nigeria, how much time did you need to spend on each of the major ethnic tribes? How much relationship did you need to have with the tribes to track those

things that they might do which might make any difference to us? I tested this theory in Monrovia, Liberia. I tested it in Paris. The answer is that it can be done, but it takes a lot of work. I have to admit that much of the thinking that I went through on that — and we put some of it into the Inspector's Manual — did not become an institutionalized part of the Inspector General's process, except in a more general way.

I certainly put this process to good use when I became a DCM and later when I was a Chief of Mission. It made a big difference, because I think that I ran Missions on a management-by-objectives basis that included the Political Section in a very concrete way.

Q: You're looking at this and you're a Political Officer. This is something that you have been doing, and power is always an important thing in a country or a bureau. Where did you feel that the Inspector General—by the way, who was he?

ROWELL: Tom McElhiney.

Q: Tom McElhiney. How did the Office of the Inspector General fit at that particular time, within the Department?

ROWELL: The Office of the Inspector General? He reported to the Under Secretary for Management. He had direct access to the Secretary of State and the Deputy Secretary on sensitive issues. It was a good job, equivalent to being an Assistant Secretary of State. It was typically one of the stepping stones to a good Mission. In McElhiney's case, he got a Mission which he wanted in East Africa. But he developed some physical problem which didn't allow him to go to the field and take it up. As consolation he received strong Department of State backing for a UN position that was a plum and which we typically pushed to have given to an American. It was one he wanted. So that was good. The same was true of his successor, Jim Sutherland, who had been the Director of the Office of Central European Affairs in the Bureau of European Affairs. He was Inspector General for a couple of years and then wound up doing something at the UN in New York. I've forgotten what it was. Again, it was something that he wanted. It provided a good transition

to retirement. He retired to a job that paid extremely well, that was interesting, and that created a new array of social relationships.

Q: But within the Department, did you feel that if an emergent problem came up, through the inspection process, the Inspector General could go to whoever was necessary to do something about settling it?

ROWELL: The Office of the Inspector General has never settled problems but only elucidates them. So if something nasty pops up at a post overseas, the first thing that anybody did then, and it's still true, would be to go to the Inspector General's office and say, “Here's a nasty problem.” Immediately, he would dispatch a team to investigate it. At that time, although they weren't doing annual reports to Congress, they were doing them for the Secretary of State. Nevertheless, in his annual reports the Inspector General did try to draw general conclusions from everything that had come out of the inspection reports. For example, if some pattern of problems was emerging. To the extent that there were patterns, he would attempt to prod the State Department to institute actions that would address the problems which had come up. However, again, that's a matter of elucidation more than action. Sometimes, the Inspector General would make helpful suggestions for approaching these problems. Almost never were these suggestions the only possible way to address a problem. Almost always some alternative suggestions emerged, and almost always there was some kind of synthesis between the two. However, the Inspector General made people aware of the problems and where there were weak spots.

Q: You left the Office of the Inspector General in 1974. What did you do then?

ROWELL: I went to the Bureau of European Affairs.

Q: From when to when?

ROWELL: Well, originally, I was to move to that bureau in the summer of 1974. Jim Sutherland, who had been been in European Affairs, became a sponsor for me and

managed to get me the right kind of hearing, so I was accepted in the bureau. In that sense my strategy for escaping from Latin American Affairs had succeeded. Sutherland had said that I should go to the Office of Central European Affairs. I told him that that would be fascinating, but I spoke Spanish and Portuguese and no German. I doubted very much that any senior manager for European Affairs would want me for anything but the Office of Iberian Affairs. Conceivably, they might consider that I could take a quick course in French or Italian, but I knew that that was about where it was going to have to be for me to have any chance at all. Sutherland fought that problem for about three months and came back and told me I was right. I would be assigned to the Office of Iberian Affairs. That assignment was delayed for about four months because we were negotiating the renewal of base arrangements that we had with Spain.

I was to go to Iberian Affairs as the Deputy Office Director. The then-Deputy Director, my immediate predecessor in the position, was the Bureau of European Affairs' point person on the base negotiating team. The negotiation was headed by Bob McCloskey who at the time was our Assistant Secretary for Congressional Relations. So it was an outside negotiating team, not a Bureau of European Affairs negotiating team. McCloskey didn't want the person on whom he had been relying for the European and Spanish affairs perspective to be removed from his team. In the end the negotiations began to drag on much longer than anybody had expected. The person I was succeeding left the Bureau, so I moved in.

I arrived in the Office of Iberian Affairs at the beginning of November 1974. We were just receiving back from Portugal a team that had gone to try to figure out why our Embassy in Lisbon had been completely surprised by the April 25, 1974, revolution in Portugal; what was the state of play in Portugal as of November; and what directions should be recommended for US policy toward that NATO ally.

Portugal was clearly a place where we were probably going to have to provide some economic and developmental assistance. Spain was a place where our base agreements

included larger and larger amounts of non-military cooperation. I discovered during my first two weeks in Iberian Affairs that I was the only person assigned to the Bureau of European Affairs who understood anything at all about AID [Agency for International Development] and about development assistance, including the Congressional aspects of how to manage it and the OMB [Office of Management and Budget] and other White House aspects of how to manage it. This was one more payoff from my earlier experience in ARA [Bureau of American Republics Affairs] when it was merged with AID.

Q: It does show the differences between the bureaus. Let's take Portugal first.

ROWELL: Let me put the icing on this cake. Two weeks after I arrived in the Bureau of European Affairs, the principal Deputy Assistant Secretary of State, Wells Stabler, called me into his office. Remember that I was only the green Deputy Director of the Office of Iberian Affairs, not even its Director. Wells said, “Secretary Kissinger is going off to Europe tonight, and he has to have $25 million to put on the table to start a pledging session with our NATO allies to help Portugal. Please get the money.” In fact, Wells asked me to get the money by noon, because the paper on this subject was due on Secretary Kissinger's desk by mid-afternoon.

I went around and talked with AID. AID had been aware that Secretary Kissinger was going, and they had been doing a lot of serious thinking about how to produce something. They said at first, “You know, we can give you $10 million now. If you make do for the time being with this level or something less, we have the legislative and regulatory authority to sign the paper now, which the Secretary can carry with him and place on the table.” The AID people said, “We know that he wants the $25 million, but that much money requires notification to Congress, a two month process.” Neither they nor I had to waste a lot of time discussing this, because I knew they were right about the rules and they were trying their hardest to help.

So, without checking back with EUR, I said, “All right, I'll take the $10 million. Give me the paper right now.” I went back to Wells Stabler just before lunch. He blew a fuse. He said, “I told you that I wanted $25 million. The Secretary has to have $25 million.”

I was the new kid on the block in EUR. I had never dealt with Wells Stabler at all. He had never dealt with me. In a sense we were testing each other, as always happens. In essence, I told him what AID had been telling me, which I knew was right. I drew on my ARA experience and said to Wells Stabler, “You know, these rules really exist. They're not making this up.” I said, “I thought that it was better to be able to go to the Secretary and say, 'I've got this money, right now, today.'” I told Wells, “I can get you the rest of the money, but it's going to take three and a half weeks at a minimum if we're very lucky, and it may take two months. I don't think that that helps the Secretary today.” Wells grumbled, marched out of the office, and I never heard about it again. Secretary Kissinger took the $10 million, and it was enough. It got the NATO pledging session going, which is what we needed.

I should correct the numbers I've been citing. The “10” and the “25” are correct. But it's possible they were thousands, not millions. Ten million dollars would have been a very large sum in 1974, quite possibly too big for AID to reprogram without Congressional notification.

Q: When were you in Iberian Affairs? I would like to understand what years were involved.

ROWELL: I arrived in November, 1974, and departed in July, 1978, to go to Portugal as Deputy Chief of Mission.

Q: What was the situation when you arrived in the Office of Iberian Affairs, and would you talk about our Embassy in Lisbon at that time and some of the troubles which had immediately preceded this, as well as something about Henry Kissinger?

ROWELL: The Portuguese had had a revolution on April 25, 1974. They had overthrown the Salazar-Caetano regime, which had been in power since the 1920's. The genesis of the revolution had been the slow but unending loss of Portuguese lives in colonial wars. The ousted regime had been trying to hang onto Portugal's five colonies in Africa.

Q: We're talking about Angola, Mozambique...

ROWELL: Plus three tiny ones, Guinea-Bissau, S#o Tom#, and Principe. A substantial share of the Portuguese military forces, particularly in Angola and Mozambique, had had intimate contact with Marxist proselytizers who were their prisoners. They would capture guerrillas. Then they'd sit around the campfires, and all would talk with each other. [Laughter] So there was a certain amount of communication going back and forth here between the guerrillas and the Portuguese armed forces. The exchange consisted mostly of ideas, not ideologies. The Portuguese armed forces also had proposed to the Caetano Government a strategy for exiting from the colonial wars.

It was a very simple strategy. It said, “Let's concentrate our military power on one colony at a time, dominate that colony so that we write the rules for negotiations, but then negotiate to 'get out.' This will let us 'get out' in a way that leaves our economic and business interests intact. We can give them political liberties but save our economic interests. There will be a 'demonstration' effect. The first such negotiation will be hard. So we should start with the smallest and most vulnerable colony. We'll make it work. Then we'll start with the next colony and make that work. By the time we've done the three little colonies, the big colonies will perceive that it's not a bad thing to go into negotiations, because they get what they want, and the war is over.”

Actually, I thought that it was a good strategy. The Caetano Government rejected it, partly at the behest of the monied aristocracy. The Government insisted that it was going to hold on to everything at all cost. The military said, “Well, we're tired of losing lives under a strategy that is no strategy at all. We can't succeed with this.” So there was a revolution.

The officers who led the revolution said, and genuinely intended, that there would be a democracy. There would be a full market economy and a kind of social justice in Portugal, while the colonies were to be free. But the military leaders still wanted to preserve a decent, economic relationship with the colonies.

The communists, who often tend to be the best organized among parties that have to exist clandestinely, attempted to take control of the revolution in Portugal and came very close to doing so. The only significant bulwark against the communists was the Socialist Party, the next party on the Left, but a Democratic Party. The Portuguese communists were old-line Stalinists. They were the worst kind of anti-democratic ideologues that you could imagine. I won't burden you with the details of the aftermath of the Portuguese revolution, except to say that it was remarkably bloodless at the outset. There was a failed counterrevolution in March, 1975, and a failed counter- counterrevolution in November, 1975. The November 1975 event had followed a street parade in July, 1975, in Lisbon, when the Socialist leader, Mario Soares, stood at the head of 10,000 people marching down Lisbon's main street, demanding democracy and the ouster of the communist-influenced members of the Council of the Revolution. That Council was the military body which was running Portugal at the time.

That was the moment when a good Foreign Service Officer, Bill Kelly, who later resigned from the Service to join a good, private company in the US, wrote a memorandum to Secretary of State Henry Kissinger, saying, “Mario Soares: standing tall in a deep hole.” It was a graceful memorandum, four-fifths of a page long. It was beautifully phrased, and it captured Henry Kissinger. It was a real tour de force.

For months Frank Carlucci, our new Ambassador in Lisbon since February 1975, and Art Hartman, the Assistant Secretary of State for European Affairs, had been trying to get the Secretary to agree to put more resources into Portugal to help the democratic forces there. Kissinger believed that Communists couldn't be ousted via democratic processes once they had attained certain levers of power, as they had by then in Portugal. We in

Iberian Affairs kept cranking out memos to try to persuade Kissinger, and Hartman kept rejecting them, saying, “Not Yet.” Hartman had gotten Kissinger to recognize that he couldn't kick Portugal out of NATO just because he thought that it had gone communist. There isn't anything in NATO's charter or rules that provides for kicking a member out. The other allies would not even discuss an ad hoc mechanism to do that. Kissinger didn't want to tear up NATO. So Hartman waited until he had the right hook to get Kissinger's favorable attention for Carlucci's help-the-democratic-forces strategy. The hook was Soares' dramatic, personally risky march down the Avenida da Liberdade in Lisbon. The march showed there were real democratic forces prepared to take risks to eject the Communists — people who could make a difference if Portugal's NATO allies helped it.

The day after Soares led the march down Lisbon's main street, and clearly that was on the first page of whatever memo was going to Kissinger's desk, Hartman said, “Now.” It was about 9:00 AM. At 11:00 or 11:30 AM. Bill Kelly's memorandum went up to Kissinger. It caught Kissinger just right. So if timing is everything in politics, Art Hartman had it. He knew when to submit the memo, and we had a superb Foreign Service Officer who knew how to write it.

Q: I think that it's very interesting, showing the mechanics and machinations of your choice. Within the Department there is a battle for the mind of the Secretary of State. In this case a very powerful Secretary of State. It's not just a question of feeding information to the Secretary as a normal thing, but holding off, as Arthur Hartman felt, until we can make an impression on the Secretary.

ROWELL: That's right. As you say, Kissinger was a very strong Secretary of State — not just powerful but a very strong personality who had great confidence in his own judgment. So the issue with all memoranda, even if they're just going to, say, a Deputy Assistant Secretary of State, is to send them when the addressee is going to be the most open to the message, so that the message can get through. There's no point in sending mail to an address that is temporarily shut down.

In retrospect, Art Hartman was right. I didn't argue with him, though I was frustrated, because he was the one who was seeing the Secretary frequently. He was the one who was supposed to judge how to relate to the Seventh Floor of the Department of State, where the most senior officers had their offices. That was Art's job. We were supposed to support him. However, it was clear, in his judgment, that if you sent a steady stream of messages on a difficult subject even though they were unlikely to get through, then the material they were reporting wasn't going to be very helpful. In fact the long stream might even rob the right memo of effect when the right moment arose to sent it. The long stream creates a negative bias. Although you risk never finding a good opening, you have to save your ammunition for the moment when its expenditure is most likely to win your battle.

I'll give you another example of how Art dealt with Kissinger. Most of the time Kissinger would never allow anyone below the rank of Deputy Assistant Secretary to attend policy or strategy meetings in his office except for some of his immediate personal assistants. Art got Kissinger to let me be notetaker at one meeting on Portugal. (The appropriate Deputy Assistant Secretary was out of town.) Actually, I didn't write down much because most of the discussion involved matters that represented nothing new either in terms of the situation or in terms of US thinking and approaches to the issues. Two or three times Art turned and looked at me fiercely. When we were in the corridor walking back to our offices, Art hissed, “Why weren't you writing?” I said, “No one was saying anything worth recording.” Art replied, “That makes no difference. Henry allows no one in his meetings except persons who have a serious reason to be there. You have to look like your busy and contributing even if nothing is going on. If there is ever a second time you're in one of Henry's meetings, keep writing all the time, no matter what.”

Q: I think that this whole Portuguese case is one of our more significant, diplomatic involvements. I think that the Foreign Service and the role of Embassy personalities and all of that played a much greater role than in many other cases. Here you were, the Deputy

Director of the Office of Iberian Affairs, the new boy on the block. Were you aware of what you might call the battle within the Department of State and where we go?

ROWELL: The answer is yes. I arrived in Iberian Affairs just before the onset of this battle. When I arrived in that office, as I think I mentioned earlier, a Special Investigative Team was just getting ready to return to the Department. The team consisted of Peter De Vos, who is now one of our Ambassadors in Africa; Alan Lukens, who was the Director of Iberian Affairs; and, I think, one other person. They had gone to Portugal because Secretary of State Kissinger and Assistant Secretary of State Hartman wanted an evaluation of the performance of the Embassy in Lisbon, both in terms of what had happened in the weeks leading up to the revolution of April, 1974, why we hadn't anticipated it and that kind of thing, and the Embassy's responses since then.

Let me step back a minute and say that in February 1974 there had been one failed coup attempt. So clearly things were cooking somewhere in the colonies or in Portugal. We had Consulates General in what was then Louren#o Marques, which today is Maputo in Mozambique, and in Luanda, Angola. We had some people in the field in Africa. We had the Embassy in Portugal. However, the coup which became a genuine revolution caught everyone by surprise. The Embassy in Lisbon was about as thinly manned an Embassy as any we had in Europe at the time, with the possible exception of Luxembourg. It had a one-man Political Section and perhaps one or two other agency people from the Central Intelligence Agency. We had one Economic Officer. There was a very small Defense Attach# office. The Embassy was minuscule. Not enough people to do much traveling to anywhere. The Ambassador was an attorney, a non-career appointee. There was a good career officer, Dick Post, as the DCM [Deputy Chief of Mission], but the small size of the Mission made it difficult to cover much of what was going on outside of Lisbon. And the plotters, who faced execution or long imprisonment if they were caught, were not about to talk with us.

The Embassy just didn't have the people to be listening for signs of a revolution. Portugal is a very close-mouthed society. You have to spend a lot of time there and get to know a lot of people before you begin to understand what's going on. That was true in my experience AFTER the revolution. Before the revolution things were even tighter.

To help you understand how tight it was, I've told you the story of military frustration which brought on the revolution. Portugal had essentially a mercantilist, economic structure in which a limited number of families had licenses to own and operate the most important businesses, such as steel, shipbuilding, some communications devices (posts and telegraph were government owned), and tobacco. These were essentially licensed monopolies.

The Salazar-Caetano economic strategy was to use the colonies as a safety valve for excess population, while the home territory was preserved almost as something like a gigantic game park. That's an exaggeration, but there were big farms in the Alentejo area south of the Tagus River. They were being operated and maintained in the way they had been operated and maintained for centuries. The northern part of the country was much more industrial. It consisted of small holdings. The principal industry there was textiles. There was some shipbuilding, some fishing, and ceramics were important. Again, these enterprises were in the hands of a relatively small number of investors and industrialists. Everybody else was at the bottom of the wage scale. They had zero inflation, so that an ordinary Portuguese could save $2 a week for 20 years and have the money to buy a refrigerator. At the end of 20 years it literally cost the same amount of money in escudos as it cost when they started saving $2 a week.

But the society was very tight, because they were able to use the colonies as social safety valves. The surplus population never reached the point of creating urban agglomerations that could become socially explosive. The point I'm making is that we were dealing with a very tight, very close-mouthed, and very discreet society. They didn't talk with a lot of people, either, so finding out what was going on was no simple task. We had stripped the

Embassy down to practically nothing. It had been that way for years. Portugal had been stable, we had our base rights in the Azores Islands, Portugal had been a reliable member of NATO, and we weren't paying that much attention to it.

Q: As far as ambassadorial appointments were concerned, it was sort of a good pay-off and it was European...

ROWELL: It was a good pay-off. It was in Europe. The Ambassador's name at the time of the revolution was Stuart Nash Scott. He was a man with a good mind who was serious about doing a good job. He had an understaffed Embassy and a Washington establishment that didn't want to get involved in Portuguese problems.

After the Special Investigative Team returned from Portugal in November 1974, Kissinger persuaded President Nixon we should send Frank Carlucci as Ambassador. At the time he was the Deputy Secretary of the Department of Health, Education, and Welfare [HEW]. Frank was a career Foreign Service Officer. Obviously, he was very good. Carlucci was nominated to be Ambassador at the beginning of December, 1974, and I was the briefing officer who helped him to prepare for his Senate confirmation hearings. We formed a partnership that lasted throughout his three years in Portugal. I was at the Washington end and Carlucci was at the Portugal end. I've already mentioned that I learned something of how to deal with Kissinger from Art Hartman. I learned more of Secretary Kissinger's attitudes and how to deal with him from Ambassador Carlucci. Whenever Carlucci was in Washington to plead the case for his help-the-democrats strategy, he had to bleed on someone following his conversations with Kissinger. I was the one who was there, and I had the right clearances and responsibilities.

When Carlucci visited Washington to argue with Kissinger, he [Carlucci] would start his day with a 6:00 AM multi-mile run. When I arrived at my desk around 7:30 AM Carlucci would be leaning back in my chair with his feet on the desk. We would discuss the approach he planned to take with Kissinger and the way he would test it first with

Art Hartman. I would tell Carlucci what I knew of the latest twists in Washington on Portuguese issues. Then late in the afternoon Carlucci would come back and we would discuss how things had gone. We would talk about next moves to make things happen the way Carlucci wanted them.

Q: We do want to capture this because this is one of the great moments of the Foreign Service. The arrival of what you might say was the White Knight coming there...

ROWELL: Who was a career Foreign Service Officer.

Q: Who was a career Foreign Service Officer up against a powerful Secretary of State. Give me a little feel for the attitude of Frank Carlucci. He had been a career Foreign Service Officer. All of a sudden, he had moved over to other government departments. He had become almost the fair-haired troubleshooter of the Nixon administration, moving to other things. How did you view this when you were talking to him, when he moved back into his original career?

ROWELL: Carlucci always enjoyed a challenge. Portugal was a challenge — any way you wanted to look at it. The base privileges in the Azores were critical to a lot of our strategies relating both to the Middle East and to reinforcement of NATO in Europe. The notion that communists could take over a NATO country was born, and the risk was real and visible. The situation in Portugal was murky, volatile, violent and life-threatening. People could say that the situation in Portugal was a big deal.

In a sense, I suppose, one could assert that assignment as Ambassador to Portugal was a “come down” for Carlucci. HEW managed very large numbers of people and huge amounts of money. But I never saw anything in Carlucci that suggested that he regretted going to Portugal. I think that he relished the challenge. He wanted to be the guy who could turn the situation around.

Q: How did this play out by the time Carlucci went out as Ambassador to Portugal? About when was this?

ROWELL: I think that he arrived at post in February, 1975. He was preceded by his hand-picked DCM, Herb Okun, who replaced Dick Post, Ambassador Scott's DCM, in December 1974 or early January 1975.

Q: What was the attitude at that point, when he arrived in Portugal, of Secretary of State Kissinger toward Portugal?

ROWELL: Kissinger's attitude was, “Either fix the communist problem or amputate it.” He knew it probably wasn't possible to push Portugal out of NATO, so the next best thing would be to isolate Portugal within NATO. Ideally, Kissinger wanted to fix it, but he was skeptical that it could be fixed. In Kissinger's experience no country that had started a revolutionary process, in which the communists held substantial cards because of their pre-positioning, had ever succeeded in escaping communist capture. I believe that he was particularly thinking of the Eastern European countries and their experience in the late 1940's. Then there had been the Cuban experience since 1959. Just looking at 20th century European history, Kissinger had every right to be concerned.

So Carlucci went out to Portugal. Meantime, the Bureau of Political-Military Affairs [PM] and the Office of Regional Political-Military Affairs in EUR [Bureau of European Affairs] had concluded that you couldn't throw Portugal out of NATO and simply amputate it, without tearing up NATO. There simply weren't any institutional elements for doing that kind of thing. So Kissinger's instructions to Carlucci were, “All right, rescue Portugal from the communists.” I don't think that Kissinger had much faith that it could be done, but we had to try.

Carlucci arrived in Lisbon and became convinced that it could be done. He spent months arguing with Kissinger about resources and other things. In one sense, though, Kissinger

told Carlucci, “Tell me what you need, and you'll have it.” So Carlucci fought the battle on the only option open. The Embassy in Lisbon quickly doubled or tripled its staff. There was a huge buildup. We had economic assistance and some military assistance programs. We did all the classic things. We looked around to see which political forces and which political groupings were both willing to fight the Communists and potentially viable under a new democratic constitution. Here we're talking about individuals and groupings in economic structures, as well as the military and political organizations and parties, because the revolution had nationalized the banks and all of the securities that related to mortgages and promissory notes. There were hundreds and even thousands of businesses that had no resources. We had to know who, in all of these structures, were not communists; who were the socialists in the classical sense of the word; who were the social democrats in the post World War II sense; who were the democratic conservatives.

There were conservatives still in the country, but the most conservative people were harassed and they and their families were physically threatened. Some of them left the country. Some of them were strip-searched when they left, ostensibly to make sure they were taking valuables, even their own.

Q: Where did they go?

ROWELL: A lot of them went to Brazil. Some of them went to other places — other parts of Western Europe, Venezuela, South Africa.

Let me give you another example of frightening harassment. The Democratic Social Center (CDS — Centro Democratico Social), an affiliate of Western Europe's Christian Democrats, tried to hold an organizing convention in the Crystal Palace in Oporto in January 1975. The authorities in Oporto refused to provide special security and then did nothing when the far left encouraged crowds to form outside the Crystal Palace and to stone it. The conventioneers were trapped inside for more than a day and a half. It was frightening in the extreme. After a day and a half or two days, a military unit from

outside of Oporto came into the city, the crowds around the Crystal Palace melted, and the conventioneers exited safely, albeit exhausted and tense.

Eventually, the far left overplayed its hand. In the first half of 1975, I don't remember which month, the Bishop of Braga visited Brazil. He was beloved by the vast majority of the people throughout northern Portugal. On his departure from Portugal, he was strip-searched at the airport in Oporto. Word of this got out when he returned three weeks later. At that moment the Communists lost whatever slim hope they might have had to hang on to any power by democratic means. Some time later mobs raided the Communists' offices and destroyed their records.

Q: You always want to take these things in stages. In the first place, as we were trying to do something about this situation, particularly during the Nixon/Kissinger period, did you have the feeling that the Central Intelligence Agency was doing things?

ROWELL: There are details that I will not talk about, but which are not important for understanding what we did and how it was managed.

Q: All right.

ROWELL: Ambassador Carlucci was very much in charge, and no US government personnel did anything that he hadn't approved beforehand. He, all of us, scrupulously met all of our statutory obligations. The Political Section, as I say, identified every democratic force that could do anything. We supported all the democratic forces, including their efforts to organize. We also worked closely with West European countries. The Europeans, particularly the Germans, had their government-financed political institutes which corresponded to their major democratic parties: the Social Democrats, the Free Democrats, and the Christian Democrats/Christian Social Union. Using these institutes, the German parties helped their Portuguese analogs to build membership and organize for elections. We didn't have counterpart political party structures, or institutes, as the Germans did. The National Republican Institute and the National Democratic Institute were

created later partly as a result of our Portugal experience and our observation of the way the Germans used their political institutes.

The French Socialist Party poured a lot of money into the Portuguese Socialist Party. Mario Soares, the head of the Portuguese Socialist Party, had spent years in Paris, as well as years in exile in the Portuguese colonies for advocating democracy (and socialism) in Portugal. Soares knew the French leaders very well, including Fran#ois Mitterrand, head of the French Socialist Party and later President of France.

We provided military assistance and worked closely with Portugal's armed forces — the vast majority of Portuguese military personnel wanted democracy, not Communists or communism. We led NATO efforts to provide assistance to help Portugal's armed forces to convert themselves from a colonial war structure to an establishment totally appropriate for NATO missions.

We provided loans for food and fodder when Portugal was running enormous trade deficits after the revolution. We provided a major $300 million Exchange Stabilization Fund loan to tide Portugal over during a liquidity crisis. We provided assistance for housing, municipal water systems, education and tools to help the country absorb the 700,000 refugees who returned from the colonies 1974-75.

Our West European allies also provided substantial assistance. And they offered the possibility of membership in the European Economic Communities (consummated in 1986) to help build and consolidate a democratic outcome.

Q: How about labor organizations?

ROWELL: We had the AFL/CIO [American Federation of Labor/Congress of Industrial Organizations] programs to help democratic labor groups to organize.

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Q: This is Tape 4, Side A, of the interview with Ambassador Ed Rowell. When you arrived in the Office of Iberian Affairs, what was the evaluation of the communist leadership in Portugal, as well as the role of the Soviet Union?

ROWELL: The communists were well organized and well established. Their leader, #lvaro Cunhal, had a charismatic personality. He had a strong personal appearance — thick white hair, a deep voice, bushy eyebrows. His voice carried authority when he spoke. Further, in the immediate post- revolutionary euphoria, Portugal opened diplomatic relations with practically every socialist and communist country in the world, although they may have overlooked one or two. The Embassies of the Eastern European countries and of the Soviet Union had free movement, in every sense of the word. Their staffs increased, they channeled money and probably some physical goods into Portugal, although I don't recall any particular instances. On at least two occasions they were caught red-handed trying to help foment civil disturbances and to finance a sort of communist counterattack when the communists were starting to lose out. Remember also that the Soviets and West European Communists had been helping the Portuguese Communist Party when it was still a clandestine organization. All of the mechanisms for moving money, people and equipment into Portugal were well greased and running smoothly. Front companies in Western Europe were one of the preferred mechanisms. By the time Carlucci arrived, the Soviets and some of the Eastern Europeans were already well dug in in Portugal.

Q: At the very beginning how did you on the desk evaluate the coup leadership, the military leadership?

ROWELL: At the beginning, most of these people were unknown. So the evaluation started after the revolution. The principal leader at the time was Lt. Colonel Ramalho Eanes, who later became a general and then president of the country. He was not a communist. I don't think that he was even a Marxist. From a conservative perspective he was clearly on the left. He was dedicated to the revolution and, as I may have said earlier, to democracy and to an open economic system. An open economic system meant one

in which ordinary people could have access to education and a chance to have decent jobs and real incomes. They would not have to leave the country if they wanted to escape poverty.

He had a number of close associates: Majors Vitor Alves and Melo Antunes (whose first name I have forgotten). I've forgotten the names of most of the members of the Council of the Revolution whom Eanes brought in with him and who were organizers of the revolution. They chose as their first titular leader Marshal Sp#nola. He was insufficiently leftist for them and left after a few months. Next Marshal Costa Gomes who eventually was named President, an office he held until, I believe, 1976. I don't know whether he had a well-formed philosophy of governance or an ideology. But he was always very open — emotionally open — to the far Left. Regardless of whether he had a party affiliation, Costa Gomes was the communist Trojan horse.

Q: When Ambassador Carlucci arrived in Portugal, there were two things. One was just to report on what was happening.

ROWELL: But that was the smaller part of his job.

Q: Very much smaller.

ROWELL: The more substantial part of his job was to figure out who our potential friends were, who the hard core opponents were, and then attempt to create programs to help the former and contain the latter. The communists, who had infiltrated people into the government bureaucracy over the years, surfaced almost immediately. They nationalized the banks and the insurance companies. One of the first sets of files they obtained contained the names of all of the people who were involved in the financial structure of every important business and family in the country. If you understand the financial structure of a country, then you understand where the strong and weak points are. You

know which buttons to press and how to command people. There was a lot of harassment of all anti-communists.

The communists had also taken over a lot of social services, so that they could ingratiate themselves with the population. Anyhow, as I say, we wanted to encourage those who were in the ministries and who were not communists and who were appalled by the Communist effort to take over the revolution. Their intention had never been to make Portugal into a Soviet satellite. They wanted a free country.

There were military officers who were powerfully influenced by the communists. There were other military people who were extremely conservative, and a lot of military in the middle. So we had to find out who was who and then develop military assistance programs that reinforced those who would support the democratic structure. And oppose those military people who basically favored the communists.

What military people favored the communists? One of them was the Portuguese Admiral in charge of the final Portuguese withdrawal from Angola. His name was Rosa Coutinho. Under the agreement for withdrawal he was supposed to dump Portuguese arms in the ocean. Instead, he handed them over to the MPLA (Marxist) Government in Luanda, Angola. Another one, whose name escapes me now, commanded some significant military units around the Lisbon area. This meant that he might have been in a position to seize some government ministries at a critical moment, if that was going to tip the balance. He clearly supported the communists — for whatever reason, I don't know. He later went to jail for a while, after which he ran unsuccessfully for national office. We didn't necessarily worry about going too deeply into reasons why people supported Communist positions. It was enough to know where people stood at that time.

So, having identified our friends, we supported them and put a fair amount of effort, including money, into that support. The military support went to military units that were democratic. Financial support went to democratic groups, including paying for technical

assistance. How do you organize voters? How do you enlist people in your party? How do you help the press to become more democratic? Some of the things that we were doing were things that have been done in Eastern Europe since the collapse of the Berlin Wall.

Q: Well, Portugal was free enough so that you could do these things.

ROWELL: Yes, but the harassment was spectacular. For example, there was this officer, whose name I don't remember, who commanded the military regiment responsible for security in Lisbon. He went on television one night in 1975 and said, “Well, things are very tough.” He said that he couldn't guarantee the personal security of the American Ambassador. Carlucci saw that telecast. Before the telecast was over, Carlucci presented himself at the television studio and demanded the right to speak to the cameras. They were so flabbergasted that they let him do it! He demanded a retraction. He said that he was the American Ambassador, he represented a NATO ally, a democratic country. We were supporting Portugal's democracy, and he didn't expect any problems. [Laughter]

Q: That must have caught the attention of...

ROWELL: It caught everybody's attention! But he didn't let this guy go unanswered. It was a matter of his force of personality. This was somebody we needed to do something about. Carlucci was always a very strong personality.

He was very active also in encouraging the democratic political parties to reinforce each other in affirming democratic processes. There were two or three referenda and elections from early 1975 to early 1976. That was when a constitutional convention was organized, a constitution drafted and approved, and a first parliament and president were selected under the new constitution. It was the peak of the struggle between totalitarian left — communism — and democratic left, center and right represented respectively by the Socialists (PS), Social Democrats (PSD) and Social Democratic Center (CDS). So many conservatives had left the country that the CDS was the only “conservative” force remaining, although by most European standards it qualified as a very moderate center-

right group at the time. The Communists and fringe ultra-left parties tried to harass and disenfranchise the CDS claiming it represented the old “fascism”. Carlucci went to the PS and PSD and told them they had to oppose this far left effort and stand up for the right of the CDS to participate in the political process. At first the PS and PSD resisted. After all they were competing with the CDS. Carlucci said the CDS was democratic, and if the others parties allowed the Communists to slice off that piece of salami, the next target of extreme harassment would be the Social Democrats. After that would come the Socialists. And each time, because the party being attacked would be the right-most party in the country at the time, the Communists and their allies would claim, as they were asserting re the CDS, that the object of attack was nothing but neo-fascism, not democratic, not worthy of defense. The Socialists and Social Democrats immediately saw the light and started to argue for the right of the CDS to participate peacefully and tranquilly.

Q: During this time you had two things going. We had this critical base on the Azores. I must say—I have no idea what it is, so I can say it—that I'm sure that we would not have seen that place shut down without some sort of response. However, how had the Azores base developed? How had this peculiar relationship developed? You never hear of Portuguese units in NATO. Portugal may be in NATO, but it seems like membership without participation. What was the situation at that time?

ROWELL: Well, you didn't hear about Portuguese units in NATO because until the revolution of 1974 Portuguese units were virtually all in Africa. That had been a difficult problem for NATO. On the one hand, NATO wanted Portuguese units to work with NATO. They would have to meet certain training and equipment standards. On the other hand, the NATO countries didn't want to be seen to be supporting the last of the colonial wars in Africa. So there was little or no joint training with Portugal — it wouldn't have worked because the Portuguese were structured for colonial wars, not NATO. And there was no significant military aid for Portugal, even though it was relatively poor as a NATO country. The military relationship with Portugal was strained.

After the revolution, obviously the country was fully taken up with consolidating the democratic outcome. The country was so financially strapped that there was no questioning the need to re-equip its forces to meet NATO standards. There was a lot of head scratching as to what Portugal's role in NATO should be. Portugal had committed some paratroops to NATO, and Portugal had some naval vessels which were committed to SACLANT [Supreme Allied Commander, Atlantic] for anti-submarine work. That made sense in view of Portugal's possession of the Azores and its location near the Straits of Gibraltar. These were appropriate roles and more or less within reach. So there was a NATO effort to help Portugal to get some modern frigates and a certain amount of supplies and equipment for the paratroops and some of the other Portuguese Army forces. Later there was an effort to help Portugal to upgrade its air defenses so it could help protect its harbors and other facilities in the event of a NATO clash with the Warsaw Pact.

Q: Well, had there been any movement toward restricting the use of the Azores during this whole period?

ROWELL: No. The vast majority of the Portuguese military wanted to stay in NATO as a means to shore up the democratic nature of the revolution. There was no thought of restricting use of the Azores. That would have been seen as a rejection of NATO. There was a desire to use the contribution of the Azores as a rationale to justify greater and faster assistance to refurbish the Portuguese military for NATO roles.

Another aspect of the Portuguese armed forces' behavior is perhaps even more telling. In the immediate post-revolution period, and for about one or two years afterwards, Portuguese military officers who were assigned to NATO offices in various parts of Europe voluntarily absented themselves from those meetings where sensitive NATO defense issues were discussed. These meetings covered nuclear and certain other most sensitive planning efforts. The Portuguese officers volunteered not to receive any of the most sensitive written reports, also. So those reports did not go to the Portuguese representatives in NATO or to their offices. The Portuguese didn't have them and therefore

couldn't send them to Lisbon. There was no way that they could be leaked in Lisbon to the Soviets. NATO had been wrestling with this problem, and the Portuguese representatives felt that the appropriate thing for them to do was to take this voluntary initiative. That saved NATO the problem of trying to figure out how to make sure that nothing leaked from a Portuguese military office in Brussels, via Lisbon, to Moscow. The Portuguese officers solved that problem.

Then, when the communist threat was over, they just said, “Well, now it's time to go back to normal.” All the NATO allies agreed, and the Portuguese resumed their normal roles and involvement in NATO. In fact even a little more, because they then took over the Iberian Atlantic Command (IBERLANT), based in Lisbon. Previously, an American admiral had always headed the command.

Q: How did this situation play out? We're really talking about 1975, for the most part, and later on, too. How did this work out, from your perspective?

ROWELL: It actually played out over a longer period of time, because the Portuguese economy was in such desperate straits. They went into a serious liquidity crisis, for example, in 1976. They had had to absorb a huge number of Portuguese refugees from the colonies. There were about 700,000 people involved in this flow, amounting to something over 7.5% of the population. That's quite a number. Had that been the United States in the 1960's, it would have been the equivalent of absorbing 15 million Cuban refugees instead of the 700,000 that we actually took. It would have been a madhouse. The 9.5 million people in Portugal had to absorb as many returning colonial families as we absorbed Cubans. It was an enormous strain on the Portuguese Treasury. A lot of public services broke down, and tax collections didn't work very well.

There was chaos, because of the way the existing banking and insurance system had been taken over by the government. Chaos, because the workers in many companies simply took them over. That includes restaurant workers and well as those in factories.

They believed far left propaganda that claimed the companies were far richer than they really were, that the former owners and managers had simply been greedily exploiting workers. There probably had been some exploitation in many cases. But the workers had no idea how to run businesses, and they wound up bankrupting just about everything they tried to run. Portugal went through five very difficult years, economically. These were years when they were so stressed that we, and other NATO allies, went out of our way to figure out what we could do to help them — until they could get on their feet and take care of themselves. They did that, over a five year period. However, we had significant economic and military assistance programs, and I think that they worked.

Q: How did this work? This mass demonstration of 10,000 people, and Mario Soares standing tall and Bill Kelly reporting on it. Then Arthur Hartman said, "Now's the time..."

ROWELL: "Now's the time," and Henry Kissinger came back and said, "Right. There are democratic forces there in Portugal who, if we support them, will be able to beat the communists." That's what persuaded Henry Kissinger that what Frank Carlucci had been sent out to do, could be done. So we continued.

I'm not sure what details to go into, because I've described the essential elements already.

Q: Well, were there problems with Congress at that time or was this not a particular difficulty?

ROWELL: Not really. Congress understood that if there were some way to make Portugal come out on the democratic side, it had to be tried. There were the usual questions about whether we really the right programs and whether we were proposing the right amounts of assistance.

I made one tactical error. The US Treasury had given Portugal a temporary loan of $300 million from the Exchange Stabilization Fund (ESF). The Portuguese gold stock was the collateral. This loan was to relieve their liquidity crisis. Later I had recommended an

economic development loan of $300 million. So Congress said that the money being appropriated to AID for $300 million was really to pay off the Treasury loan. There was a political argument at the time that Treasury had misused the ESF when it helped Portugal. That wasn't true. The gold collateral covering the ESF had more than tripled in value and Portugal was ready to repay the ESF loan on schedule. But because the number we had proposed for AID was the same as the ESF number, many in Congress were extremely skeptical — putting it in the friendliest terms possible — about our denial of a connection between the two. I learned something there. Never make two numbers the same if they're not supposed to be related. [Laughter] Congress was skeptical but they understood that, somehow or other, we had to provide this help. So, holding their nose, as it were, they voted for it. In fact, the Portuguese repaid the loan from the Treasury for $300 million and redeemed their gold. They also paid off all of the other loans. They made good on everything, so we were right.

Q: How long was Frank Carlucci in Lisbon as Ambassador?

ROWELL: He was there for three years. He arrived there in February, 1975, and departed in March, 1978.

Q: So you both left Lisbon at about the same time?

ROWELL: That's right. Except that I didn't leave Lisbon, because I went from Washington to Portugal as DCM in July 1978.

Q: Does that more or less take care of what I think was a very significant period of modern American diplomacy?

ROWELL: If I had to add anything about that, I would say that we were handicapped by the lack of national endowments for political action. The Europeans got a great deal of the credit, which they deserved, for helping the democratic parties. In our own way, I think, we

provided help that was just as significant, perhaps even more significant because of our leadership. What else did I do? [Laughter]

Q: Well, I did want to turn to Spain.

ROWELL: First, let me mention that the structure of the Bureau of European Affairs changed in 1975. In June the Office of Iberian Affairs was merged into the Office of West European Affairs [WE]. The Director of that Office was Bob Barbour. The new WE had two Deputy Directors — myself and Bill Marsh. Bill managed the French and Italian side of the office, and I minded Iberia. A year later Bill left on transfer and I became the sole Deputy Director of WE. In 1977 Bob Barbour became a Deputy Assistant Secretary for European Affairs and, after some pondering by the Assistant Secretary, I succeeded Bob as Director of WE. WE covered Italy, France and Malta in addition to Iberia.

The changes in WE's management took place during the peak of the communist push for inclusion in government in Italy and France via democratic processes. This was the Euro-communist phenomenon. It drove Henry Kissinger almost to apoplexy — or it seemed that way judging from some of his comments that I heard about second hand. In some ways the threat in France was more significant than in Italy, as the Italians had a way of getting through things without ever doing anything.

Q: They had a way of arranging things.

ROWELL: They always did. However, that kept me quite busy. There was an earthquake in Italy that required US assistance. Once again...

Q: That was the earthquake in the Friuli area of Italy.

ROWELL: Once again, my old experiences with AID paid off. One day, right after the earthquake, Dan Parker, the Director of AID, had to go to the White House and later to make a statement on the Hill. I wrote virtually all of his testimony. The AID staff had been

tapped to do this, but AID didn't run programs in Europe. It didn't have a corps of people who could draft papers covering the political and economic side. So I wrote them and told them that I was glad to be doing it because I'd always felt that State Department offices should do that for other agencies. Again, that grew out of my ARA [American Republics Affairs] experience. It all worked out very well.

Q: It was a job well done.

ROWELL: In turn, we had an excellent relationship with AID. They did a very good job in terms of the master relief operations, how you shape them, and what makes good sense. It made good sense in terms of providing relief. They are the experts in that. We provided the expertise in terms of economic and political analysis and how to work with the Italian Government. What to expect and what not to expect, and what you have to protect yourself against. That was a good experience.

You mentioned the Spanish situation. Franco died at the end of November, 1975. We finally signed the bases agreement with Spain which had delayed my arrival, At the end of January 1976 — 14 months after I arrived in the Bureau of European Affairs. During the 14 months I flew over to Spain periodically with Ambassador Bob McKloskey's bases negotiating team. When Franco entered his final illness in the late summer of 1975, the base negotiations slowed because of the effect on decision making in Spain. When he died, the Spanish went through the installation of King Juan Carloshat and the change of government, and then signed with us very quickly.

I am convinced that one of the reasons that they signed quickly was that they had arrived at a decision. They already had enough problems grappling with the transition from the Franco dictatorship which had been in power since the Spanish Civil War [1936-1939]. They needed support from the US and Europe. They wanted to enter NATO to shore up the democratic political forces. So the first step was to reach a bases agreement with the US.

My share of the bases negotiation was fun. The Spanish had insisted from the outset that they wanted much more than a simple military arrangement. They wanted a treaty (Franco was still alive) that would look more like the basic NATO charter, the 1949 Treaty of Washington. This was both for public presentation purposes — NATO had treated Spain under Franco as a kind of pariah — and to help the Spanish military prepare themselves for eventual full membership in NATO. Despite the heavy insistence on non-defense aspects, both the Spanish negotiating team and ours were 90-95 percent weighted on the defense elements. We were going through elaborate reviews of endless base-related details, for example, on status of forces at the bases. Nobody was dealing with the educational exchange program. Nobody was dealing with the scientific cooperation program. Nobody was dealing with the cultural affairs program. All of these were pending. So I said, “Why don't you let me do that?” So they said, “Right.” [Laughter] I got OMB [White House Office of Management and Budget] to agree on how much I could offer up to $45 million over a five year period in the negotiations with the Spaniards. In the end I was able to wrap that side of the deal up for $35 million. In truth, neither $45 nor $35 million was a whole lot of money compared with the hundreds of millions on the military side of the package. But I felt I had saved $10 million, and I had written a portion of the agreement that in later years played a significant role in sustaining a workable US-Spanish relationship. In later years we had some testy times with Spain because many people who had been repressed under Franco asserted that the bases agreements had helped to prop him up. I disagree, but that's what a lot of people claimed.

Q: In the base negotiations did you find that the real negotiations were not with the Spanish but with the lawyers at the Pentagon, especially on status of forces matters? Was this a problem in this particular case?

ROWELL: It was, to a limited extent. The status of forces arrangements were always contained in a separate agreement. We already had a status of forces agreement in being. We wanted to renew it. They wanted to add some new elements. We eventually

resolved our differences, obviously, but it took endless haggling over details. This is where the differences in our legal and social cultures become painful. In the American practice everything has to be spelled out. So all of our lawyers try to spell everything out, cross every “t”, dot every “i”. In the European and Latin American practice and in civil law countries in general there is a lot which doesn't have to be spelled out in contracts and labor agreements, because the civil law covers it. It is true, however, that in civil law countries, anything that isn't written down, doesn't exist as a matter of law and is unenforceable. It's just that more of the writing is in the law than in the contracts.

That's the technical side of the cultural divide. The human side is even more important in international agreements, because most of the time there is no court to adjudicate non-performance or disputes about interpretation of a treaty. International agreements work only as long as the parties want them to work. If one of the parties decides that a treaty is no longer in that party's interest, then it won't be observed. No amount of international appeals can force it to be observed.

So you get, on the one hand, some people who say, “You don't have to spell out these details. We intend to observe the agreement.” Such people often resent the American insistence on nailing down details. They take it as a declaration that they are personally untrustworthy. On the other hand, American culture is increasingly litigious and untrusting, and we know that civil law countries try to have something written to cover every contingency. It's a scenario for conflict. The bottom line is this: If the other country doesn't intend to observe the agreement, our penchant for having all the details spelled out in a treaty won't help us very much — particularly as between sovereign parties. There has to be a political will to resolve the issues, if you come to a disagreement or need to change something. If you don't have the political will, the agreement isn't going to do it for you. That's why it is so important that an agreement be freely entered into, why all sides need to be convinced it is in their respective interest. That is the best guarantee an agreement will be fulfilled, not the wording of the treaty. This approach applies most emphatically in

arrangements between friends. If the parties are hostile, then the most minute details take on greater significance because of the greater risk of bad faith.

Anyhow, our lawyers used to drive the Spaniards up the wall with our nit-picking. And the Spaniards would drive us up the wall with a sometimes cavalier approach on status-of-forces issues that were really important to us.

Q: When you arrived in the Office of Iberian Affairs, Franco was going into his last decline. From your perspective, where was Spain going, as you saw it and what were you getting from the people you were working with?

ROWELL: My point of view, as a career officer and part-time political scientist, was that I had the best job in the world. Here were two countries. One of them, Portugal, had one kind of dictatorship and was a colonial power. It had a shooting revolution, although, admittedly, there were only 12 deaths. However, the armed forces were in the streets. In the other country Spain the dictatorship had come to its final resting point, because the dictator was dying a natural death. It would have to go through a dramatic political transition.

Each of these two political transitions was different. Each was a living, political science laboratory. The process was fantastic. Now, the Spanish followed the transition mechanism which had been set up. I remember that, as Franco was dying, I had to go through a couple of reports on what was happening. People were pessimistic about the transition to a monarchy. I told them that they shouldn't be pessimistic. Franco had eliminated a number of the potential successors to the throne, and there was only one designated successor. I did not expect rival claims to the throne.

Juan Carlos, the present King of Spain, had spent his formative years going to virtually every Spanish military academy. He had learned from his uncle and his father, who had felt that time was running out on them and who had wanted to see to the reestablishment of the throne before Franco died. Franco said, “Juan Carlos, wait.” Because he had

waited, some people thought that he was a light-weight, ineffectual, or not serious, maybe a playboy. I thought that he was smart and had bided his time because it was the only way to survive long enough politically to ascend the throne. I had never met him, and the biography on him in our files was the usual thing — all of the lifetime details, but almost nothing about the person. But to me it was clear that here was a person who had watched his uncle and his father get pushed out of contention for the throne as they grew impatient, and who had known how to wait. In the meantime, Juan Carlos had punched all the right tickets. I knew that when he became King of Spain, he would be on a first name basis with all of the generals and colonels. (My Latin American experience had taught how important such relationships would be.) He had earned his office at each of Spain's military institutions. When he went aboard a naval ship, he knew how to act. When he went to a military base, he knew how to act. When he saw an air squadron, he knew how he was supposed to operate.

I was right. Moreover, Franco was right, when he designated him King. Juan Carlos provided the glue which guaranteed the democratic transition in Spain. Later, when I was DCM in Portugal, there was an effort, first by the “Guardia Civil” [Civil Guard, a para-military police force], and then by some military elements to take over the government because they thought that the Spanish Socialists would wreck the country. Juan Carlos called these people on the telephone. He said, “I'm your commander in chief. You know me, because we were at the Academy together. You won't do this.” They obeyed him. Spain is very lucky to have him as its king.

Q: Were we getting this from the Embassy in Madrid? What did you think of the reporting from the Embassy during this critical time of “Whither Spain?”

ROWELL: It was good. The Embassy was well plugged in with the opposition. When I visited Spain as Deputy Director of the Office of Iberian Affairs and later as Deputy Director and then Director of the Office of West European Affairs, I met people on all sides in Spain. Each time I went to Spain during the bases negotiations, I managed to stay an

extra day and take a little time to meet some people — meetings that the Embassy set up. We knew all of the chief political activists. There were no surprise personalities. I Felipe Gonzalez, the president of the Socialists (PSOE). I was able to make personal judgments.

None of the people I met was a Marxist, in the classic sense. They were all interested in a democratic structure. They were all interested in coming closer to Europe and becoming a part of Western Europe. They were people with whom we could feel reasonably comfortable. Many of them were hostile toward the US because the bases arrangements had provided support to the Franco regime, as they perceived it. These arrangements dated back to shortly after World War II [1952]. So there was a lot of reserve toward the US — much more so than in Portugal. We had a tough time with the post-Franco Spaniards because of that. They are a very proud people. Nonetheless, we knew everybody and were able to get along.

We were able to continue to use Spanish facilities. These were important in terms of the Middle East and in terms of the Soviet Union.

Q: Turning to France, when did you become involved in both French and Italian affairs?

ROWELL: That started around the end of 1976.

Q: So you were involved in both French and Italian affairs from 1976 to 1978?

ROWELL: Yes.

Q: Could you talk a little about Eurocommunism, what this involved, and how we dealt with it?

ROWELL: We fretted about it. [Laughter] In both France and Italy the Communist strategy emphasized labor organization and winning municipal elections in the first place, than national elections later so that they could enter government legitimately. On the labor front they focused especially on workers in key services — transport, communications, banking

and finance, health, education. The focus on municipal government aimed at cementing relations with the electorate at the local level where people feel closest to authorities and know them best. The idea was to prove that Communist mayors were good at running government, delivering services honestly, effectively and efficiently. It was a good strategy. Our greatest concern, of course, was that if Communists entered national administrations, they would be effective Soviet tools in the heart of NATO.

In the case of France we had had a longstanding relationship, through the AFL/CIO [American Federation of Labor/Congress of Industrial Organizations] with “Force Ouvri#re” [Workers Force—FO]. This was a democratic labor structure. The communists had had significant influence on French labor through the General Confederation of Labor [CGT]. However, I don't think that you could really say that the communists controlled the CGT. They tried to use it from time to time, and succeeded on many occasions. We kept in touch with it. We talked to the CGT. As for the electoral side of things, the Communist leader, Georges Marchais, was so stridently Marxist-Leninist that he alienated most French voters, even the ones who liked Communist administrators at the local level. The only way they could arrive at the national level was through a coalition with a senior partner party. That wasn't likely in the 1970s. So we watched warily, and Kissinger brooded about the risk, but I wasn't too worried. French Socialist President Fran#ois Mitterrand appointed some Communists to ministerial-level positions in his second administration [1987-1994], but they never posed a security risk.

Italy was different. From World War II to the 1990s Italy had Christian Democratic leaders. One way or another, they rearranged the chairs at the table of government frequently, but they never left the table.

Q: Italy was very stable, in that sense. The whole situation is now falling apart.

ROWELL: Now it's quite different, but for a long time it was reasonably stable. But we were worried about the European communists. The term “Eurocommunists” was coined with

special reference to the Italians. It meant was that the Italian communists were the most Western sounding set of communists in Europe. They were totally different from Georges Marchais in France or #lvaro Cunhal in Portugal who sounded like a Stalinist every time he talked in public. However, in Italy, the communists were...

Q: Was Berlinguer there?

ROWELL: Berlinguer was the Italian communist leader, and he often appeared to be an alternative to some people. The Italian communists had a strategy, incidentally, based on capturing city governments and then using that for regional politics.

Q: Which they had done in Milan, Bologna, and Naples, when I was there in 1979.

ROWELL: They played the democratic game. They made a lot of money out of private businesses that were very successful. These were business enterprises that received their initial capitalization from the Soviets.

Q: In this whole Western European area, including Spain, Portugal, France, and Italy, did you notice any significant change when the Carter administration came into office in 1977?

ROWELL: No, it didn't really change things.

Q: What the Carter administration was pushing wouldn't have had much effect on Western Europe...

ROWELL: It had far more effect in other parts of the world. The link of our operational policies to human rights performance and the presence or absence of democracy didn't much apply to Western Europe and Southwestern Europe. The basic orientation of our policy toward the Soviet Union and the Warsaw Pact didn't change. Neither did our continuing support for west European integration, for the European Communities, NATO,

the Helsinki Process (now the Organization for Security and Cooperation in Europe), and so on. So our policies and our activities in Western Europe didn't change.

The Carter administration was just as interested in helping Portugal to achieve a decent, democratic outcome, as were the Nixon and Ford administrations. The same true vis-a-vis Spain. And Secretary of State Cyrus Vance didn't like Eurocommunists any more than Henry Kissinger did.

Q: How about with France? There is always some place where France is taking a different course than the United States. They almost seem to be bloody minded about this. Was there any issue during this two-year period [1976-1978] where France was off on one course and we were off on another?

ROWELL: Nothing that hasn't already been noticed. They had long since pulled out of participation in NATO's military structure, which had been moved to Brussels. They remained active in NATO's political structures, the North Atlantic Council. They wanted to confine NATO strictly to “defense” issues. We had endless arguments over other aspects of NATO cooperation, as in planning for the “challenges of modern society”, an endeavor aimed at problems of civil technology, pollution, disasters, and so on. But they still understood that the Soviets were bad, and so continued to let their military participate in joint exercises with us, especially in the Atlantic. There was some cooperation on defense materiel. They still felt that they needed to have a significant and independent role in the Middle East and in the oil kingdoms. Certainly, they were concerned about what was happening in North Africa. They were determined to maintain economic and commercial primacy in their former colonial areas in Africa and some parts of Asia and the Caribbean. We clashed from time to time on trade issues

Q: Did any of the oil crises hit during this period?

ROWELL: No. The last oil crisis was in 1973, and, by the late 1970s everybody was working his way out of that.

Q: Maybe this would be a good place to stop. We'll pick it up again when you went off to Lisbon as Deputy Chief of Mission.

ROWELL: Good.

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Q: Today is February 15, 1996. This is a continuation of the interview with Ambassador Edward M. Rowell. Ed, you were off to Lisbon as Deputy Chief of Mission. You were there from when to when?

ROWELL: I arrived on July 16, 1978, and left on July 15, 1983. It was exactly five years.

Q: In the first place, being a Deputy Chief of Mission is always a little bit like a marriage with an Ambassador. How did you get the job?

ROWELL: I campaigned for it and then I was lucky. I knew that I needed to go overseas again. I had been stationed in the US since 1970. I wanted to go overseas as a DCM. At one time I had hoped to go as DCM to Madrid. The Ambassador to Spain in 1978, Wells Stabler, asked me what my boss, Bob Barbour, was hoping to do. Bob was scheduled for reassignment overseas from his Deputy Assistant Secretary position that same summer. At the time I talked to Wells Stabler, I thought that Bob had the inside track to be DCM in Paris. I mentioned that to Stabler. He said, “Well, if Bob doesn't want to come to Madrid, then I would like you, Ed Rowell, to be my DCM.” I thought that was fine. That conversation with Ambassador Stabler was during a business trip in Madrid to support the bases negotiations. I went back to Washington and recounted the conversation to Bob Barbour. Bob grimaced and said, “Well, I probably should have told you a little bit more about my personal plans.” He was going to Madrid after all as DCM. He said he would

strongly support me for the DCM slot in Lisbon, for which I was a natural choice. I had been engaged in Portuguese affairs since November, 1974, all of which, except for the first six months, covered the post revolutionary period. I had been instrumental in shaping American policy, including the assistance program, and vetting a number of the other activities. I spoke Portuguese, the language of the country.

We were at the point of changing Ambassadors. Frank Carlucci was about to leave after three years, and Dick Bloomfield had been picked to be Chief of Mission. He had been our Ambassador to Ecuador. I approached Dick, and he was favorably disposed to me. In fact, when he had been going to his first mission in Ecuador, 1975, he invited me to go as the DCM there. However, I told him that I had just broken into European affairs after 15 years' confinement in Latin America. I said that, although I enjoyed Latin America, 15 years were enough to pay my debt to the Department and the training program.

This time (1978) Dick he wanted to offer the job as DCM in Lisbon to his DCM in Quito, Ed Corr. However, Ed and the Personnel system persuaded Dick that while the DCM position in Quito had been good for Ed Corr, being DCM again under the same Ambassador at another post would not advance Ed's career. So Ed went on to do other things and, of course, has had a distinguished career himself. He was Ambassador to Peru, to Bolivia, and to El Salvador. And Dick Bloomfield then invited me to go to Portugal as DCM.

Q: This was in 1978?

ROWELL: 1978.

Q: What was the situation in Portugal when you arrived? Having been dealing with Portugal, although you were not Ambassador, did you have an agenda of the things that the Ambassador and the DCM were probably going to have to address in Portugal?

ROWELL: I wouldn't describe it as my agenda, but I would say that there was a clear, American agenda. Ambassador Bloomfield had arrived in March 1978 — four months

before I did. In a way, when I arrived in Lisbon in July, I was still more fully read in on Portuguese affairs than Dick was because I had been dealing with them continuously for almost four years. I knew the various elements of US Government interagency activities and disagreements. I knew about the strains which we had had with some NATO allies over how best to support the democratic process in Portugal. I was familiar with the constant rise and fall of governments in Portugal. They had a lot of governments and a lot of votes of no confidence and changes. In fact, one such vote of no confidence took place very shortly after I arrived, and the Socialist Prime Minister, Mario Soares, was thrown out of office. A Social Democrat was inaugurated.

The political turbulence had made it difficult for the Portuguese to make certain changes in their fiscal management to deal with some of the problems of the international environment. For example, there was the way world trade was changing. We had, at the time, a substantial agricultural assistance program that consisted of delivering to Portugal large quantities of both feed grains and some food for humans, like fats and oils, soybeans, and also some grain. At the time total US agricultural sales to Portugal were running at about $600 million a year. This was big business for the United States and very big business for Portugal. Remember, this was during the 1970's — long before the inflation which began to hit the US in 1978 and into the early 1980's.

We had a substantial military assistance program. We had a lot of problems getting it coordinated with our NATO allies. This was part of a total NATO effort to bring Portugal out of the military structure that it had used during the colonial period and into a NATO type of structure in which the Portuguese could play a genuinely useful role vis-a-vis the Warsaw Pact. It also related to contingencies that might have to be invoked in the event of another oil crisis or some other crisis in the Mediterranean.

I was familiar with all of these things. I was familiar with how they were planned and negotiated within NATO, and how they were justified, first at OMB [Office of Management and Budget] in the US budget process, and secondly in getting Congressional approval.

I was familiar with the coordination between the Defense and State Departments, not just on military assistance but on the never-ending negotiations of our privileges at Lajes Air Base in the Azores. Lajes remains today an important facility. It was a principal way station, for example, when the US was transporting supplies to the Middle East for a variety of contingencies and into Africa.

It is rather simple to explain its importance. If you take a Boeing 747 jet aircraft, the kind that people fly in all the time and which is part of our reserve air fleet, and you want to use it to send equipment, say, for a Persian Gulf conflict, you have a choice. You can load it up with equipment and less fuel, in which case it has to stop more often, or you can fill it up with fuel and fly it non-stop, but without much cargo. Well, Lajes Air Base made the difference. It allowed us to touch down there, refuel, and carry much more cargo. When you're trying to move a lot of materiel in a hurry, you want to be able to land at intermediate airports. In NATO plans Lajes Air Base was significant for resupply to Europe and the ferrying of aircraft. It was also important for anti-submarine patrols throughout the North Atlantic. It was a constant preoccupation of the Supreme Allied Commander, Atlantic [SACLANT]. I was familiar with the details of all of those things.

The trick in being DCM in Portugal was, first of all, to have a realistic view of the Portuguese. They were democratic, they were going their way, they still harbored certain reservations about the US, and particularly the US role in Africa. They felt that the US, as the most significant of the NATO allies, should have helped them more to hang onto their colonies. Of course, that was something that we wouldn't do. We had refused to do it, as had the other NATO allies throughout the prolonged, colonial wars. But that didn't mean that we harbored designs on what had been Portuguese Africa, which is what many Portuguese — though not all of them — thought or feared. So we had to deal with the Portuguese on that.

We had to deal with them realistically in terms of the stability of their governments — when was a commitment a commitment and what kinds of commitments could they not make.

We needed to deal honorably with Portugal in terms of the commitments which we had made in helping their military to convert to a NATO force from a colonial force. So there was a lot to be done.

Now, I ran into a problem with Ambassador Bloomfield. The problem was my fault, which it always is when you're a DCM. [Laughter] When you're Number Two in an Embassy, it's your fault. I came on too strongly. This is a classic error. I tried not to. I was conscious that it was a classic error and I was trying to avoid it. I recall one morning at an Embassy staff meeting. Ambassador Bloomfield had returned from consultations in Washington only about a week or so before. A critical question came up. I don't remember the content of the question but I remember how it affected me. It dealt with a major issue of policy. Every head in the room turned to me for the answer. Not a single person looked to the Ambassador who had just come back from Washington, the source of policy. I knew I was in trouble. Not long after that, Ambassador Bloomfield called me into his office and handed me an interim efficiency report in which he said that I had undermined his authority in the Embassy. He said, “Take this. I don't want to talk about it now. I want you to read it, think about it, and come back. We need to talk.”

The issue was whether I could really be a Number Two or should I start looking for another job. I wanted this DCM job very badly. I knew that I could be a Number Two and thought that I could turn the situation around. I persuaded him that I could. It took me three months to do it. Obviously, I succeeded, because I was in Portugal for a total of five years.

Clearly, this had been eating at Ambassador Bloomfield for some time. That morning's events had triggered the fall, as it were. On the other side, he was an officer who always felt a certain degree of loyalty to his subordinates. He believed, as I always had, that your job is to make your subordinates better and to make them succeed, not to defenestrate them the first day that something goes wrong — or even the third or the fourth day. He did that with me and for me, so it eventually worked out.

Q: I'm interested in the modalities as well as just the events. How did you, as a DCM turn things around? You'd obviously come from a place where you knew the policy and helped to develop it and so forth. What was your game plan and how did it work?

ROWELL: Actually, it was really pretty simple. To explain it, I need to step back a moment. Ambassador Bloomfield had given me enormous latitude in running the Embassy. Quite a few experienced pro's commented on it, including Chief of Station [director of CIA activities in an Embassy]. What had evolved was a situation in which he was truly “Mr. Outside,” and I was “Mr. Inside.” People who came to the DCM got answers, very often answers on the spot. I thought that I had defined well enough what was internal decision making on the basis of established policy, and what was a policy question which therefore had to be referred to Ambassador Bloomfield. I had followed a practice of keeping him informed of virtually everything that was going on, although not on absolutely every detail, including telling him which things I had already given tentative decisions on and which ones I was holding back for his decision.

The solution to the problem really was to regard a few more issues — but not many more — as policy and defer them to him for decision. And to make sure that the rest of the Embassy saw that I was deferring to him. When I went into meetings in the Embassy, I avoided jumping in with a proposed solution to every problem, even though I had a solution in reserve in case Ambassador Bloomfield asked for it. I thought that having solutions ready was part of the job. You're not a good Number 2 if you just bring problems to the boss. You have to bring a game plan for dealing with the problem. He might have a much better solution — or just a different one. Whatever it was, unless I was helping to bring a solution, I felt that I was merely part of the problem. I operated on that principle.

Ambassador Bloomfield understood my rationale. However, he said that he would really like to think through his own answers to problems occasionally without having me hand-feed them to him in every situation. So it was simply a matter of arranging the conversation at staff meetings in a way that constantly thrust his primacy and his role at everyone. I

can't tell you how I did that, because it was a question of sitting in the room and listening to how conversation was going, interjecting myself periodically to direct people to the Ambassador. Then, following up on his intervention. Partly, this involved me, because, although Ambassador Bloomfield certainly had no lack of self-confidence or self-respect, he didn't always thrust himself into the conversation. I simply arranged to make sure that he did.

Q: You must have had to sit on your hands from time to time, didn't you?

ROWELL: Yes, but he was a good Ambassador. He knew the business. By the time he had been there for six months he was acquainted with everything and didn't need priming from me.

Q: It's interesting. Here were two professional diplomats, dealing with policy problems. Could you give me a little about Ambassador Bloomfield's background—where he came from and so forth?

ROWELL: He was a career Foreign Service Officer who came in through the examination process. His first posting was in Bolivia in the early 1950's, where he was the junior Economic Officer. Incidentally, my father was the DCM there at the time. That may have been one reason why Ambassador Bloomfield dealt so gently with me, although I don't know. Considering the degree of his discomfort, he dealt with me gently, and very professionally. Frankly, I would like to think that he would have done that with any DCM. He had long experience in Latin America. As I said, his first mission was as Ambassador to Ecuador, where he solved very difficult and long festering problems involving Gulf Oil Co. and the Ecuadoran Government.

His second ambassadorial mission was Portugal. He had previously served in Brazil, but I had never worked with him before. I'd always known him as one of the ARA [American

Republics Affairs] old hands. However, I hadn't tracked his career that closely. I'm sorry that I don't know much more about him.

He had had a tragedy early on in his career. He had five children, and his wife died when the youngest child was an infant. Later, he married a woman who had been a secretary, I think, on Capitol Hill. She really raised the younger two children. And, of course, she was there as his wife when we were in Lisbon. They have since divorced.

Q: No, this gives us a picture. You were looking at this as a professional, and we're talking about the role of the DCM at a staff meeting—or was it called a Country Team Meeting then?

ROWELL: Yes, it would have been a Country Team Meeting.

Q: What are the minefields of a Country Team Meeting? In a way, you came from a unique perspective, having gone from EUR [Bureau of European Affairs] in Washington to an EUR post.

ROWELL: Well, but Portugal was different. One of the things that made me instantly valuable to EUR had been my previous Latin American experience, which involved intimate acquaintance with AID [Agency for International Development] and with military assistance operations, both of which I'd worked with. I also was comfortable in Latin cultures. When I went to Lisbon, the Mission management had to put together a set of agency representatives that was outside the usual EUR operations. EUR had no in-house experience and no in-house experts with both of these categories of operations. The number one task of Mission management is first to define the policy issues for the United States, put together the different Mission elements, and get them to propose strategies and implementing elements. Then we had to make sure that they stayed in synch with each other in the implementation process and keep them together in terms of the debates with Washington. We had to gain the support, for example, of the US Theater Commander in Stuttgart on military assistance issues and the support of the US Mission to NATO in

terms of coordination with our NATO allies. Something comparable needed to be done with the US Mission to the European Union with regard to European collaboration with Portugal on its economy and its conversion to a democratic structure.

Q: At some point did Ambassador Bloomfield say, “Okay, this is settled. I think that we've reached...”

ROWELL: My answer to that is that when the regular efficiency report time came about four months later, and he wrote the report, it was settled. The way he wrote the report made it clear that this issue was settled. It also came up in the discussion of the efficiency report, because the issue of the earlier mock efficiency report came up once in the discussion. So I think that he was comfortable with the situation.

Q: Something which has interested me is Portugal's role in NATO. It had been in NATO from the beginning...

ROWELL: Right.

Q: But one has always had the feeling that Portugal was in NATO first, because of the traditional link with the United Kingdom, and the other, because of the Azores. One never thought of Portugal as being a military power. At this time, toward the end of the 1970's, how did we view our military mission to Portugal and Portugal's contribution to NATO?

ROWELL: You are right that we had encouraged the other Europeans to accept Portugal as a NATO ally, partly because of the Azores. In fact, substantially because of the Azores, although we had managed to sustain a military base relationship with Spain during all those years when Spain was in exile and not allowed to join NATO, despite its repeated applications. Could you repeat your question?

Q: What were we doing with the Portuguese military and, at this point...

ROWELL: The other NATO allies and the United States had really minimized their military collaboration with Portugal, because Portugal had dedicated its entire military establishment to sustaining its colonial role in Africa. This, incidentally, involved a very different kind of military doctrine. It meant a different kind of military structure. It was heavy on people and relatively light on equipment. They were fighting a guerrilla war. Heavy equipment isn't that helpful in a guerrilla war, where you have to have lots of people and lots of units, with heavy infantry weapons and that sort of thing. And they have to be all over the area. None of that was useful to us in terms of standing, face to face against the Warsaw Pact and against the Soviets. We required bases in mainland Portugal and in the Azores both for controlling the Atlantic Ocean and for the resupply of Europe.

The Portuguese role, as we saw it, was the protection of that infrastructure and some degree of support for anti-submarine patrol activities in the Atlantic Ocean. The Portuguese could also make a contribution to certain, rapid reaction forces. They had a good training program, they had a good commando force, and they had reasonably well-trained Marines — sort of shock troops suitable for air transport and rapid reaction.

When the revolution came and they were out of the colonies, then our effort was to enhance the training for their rapid reaction forces and significantly to enhance their anti-submarine capabilities. They could make a much stronger contribution in terms of anti-submarine patrol and anti-submarine warfare at the gates to the Mediterranean Sea and between the Azores and Portugal. There was a NATO Subcommand, called the “Iberian Atlantic Command” (IBERLANT), headquartered in Portugal that was responsible for that geographic region. I think that it was immediately subordinate to SACLANT [Supreme Allied Commander, Atlantic at Norfolk].

What that meant was that the Portuguese needed a new set of frigates and the training and everything else that went with them. It also meant that they needed substantial improvements in their Air Force, both for maritime patrol, for air to surface attack, and air to sub-surface attack. They needed some improvement in their air defense capability

to provide some defense against the aerial mining of harbors and estuaries — or an airborne or missile knockout attack against port installations, both maritime and air. Then the NATO allies at Ev#re, at the NATO headquarters, and, more often, at the military headquarters of NATO, worked with the Portuguese on a program that would help them with this upgrading, because they were fully occupied. They couldn't do it themselves. They wanted to do it. Certainly, they had the basic raw material to work with in terms of the literate manpower that they could recruit, as well as well trained and motivated officers. It was a question of how you split up the assistance tasks, the contributions that different allies were to make.

This system of NATO support produced a screwball set of frigates in which the Dutch and Germans helped with the hulls and the propulsion, we helped with some of the anti-submarine warfare equipment, and the Canadians provided communications gear, as did the Dutch. I don't know. It was called tutti fruti, since there was potentially a very messy marriage of equipment provided by different allies. Although they stated their contributions in cash, in fact, the contributions were in kind.

Q: Were you there when they were putting this together?

ROWELL: Yes. It was negotiated, renegotiated, and then re-renegotiated as different allies wanted to give something, but their budgets were constrained, and it was hard to figure out how to do it. The Portuguese couldn't buy the equipment outright.

Q: How did the Portuguese feel?

ROWELL: The Portuguese Navy people were terribly frustrated, because the equipment wasn't delivered on time. It was delayed. They couldn't get their own government to increase the amount of Portuguese input so that they could settle some of these questions. I think that if they had paid for it, this marriage would have worked. The result was that the Portuguese were always having to cajole one NATO ally or another to give

more. These gifts didn't fit well, and the ships had to be designed, redesigned, and re-redesigned. It wasn't satisfactory from anybody's point of view, but there it was.

This meant that our Embassy in Lisbon was constantly working with the US military authorities — the Pentagon and the U. S theater commanders at Stuttgart and at Norfolk, SACEUR and SACLANT respectively; SACLANT for the anti-submarine portion and SACEUR for the air defense portion and for the rapid reaction forces. Then, the US, using Lisbon inputs, dealt with the allies collectively at NATO Headquarters. It was a complicated coordination process.

We had substantial other agency elements in the Embassy. We had AID, we had the Foreign Agricultural Service [FAS], we had the Department of Commerce. Obviously, we had the Department of Defense, both in the sense of the military attach#s and the Military Assistance Advisory Group.

One of my first difficult leadership problems came from Frank Carlucci. It was only a couple of weeks after I arrived in Lisbon in 1978, and I was Charg# d'Affaires — Ambassador Bloomfield was in the US. Something political had happened to Prime Minister Mario Soares. Frank Carlucci, who was Deputy Director of CIA, asked the newly arrived CIA Station Chief to personally deliver a message from Carlucci to Soares. When the Station Chief told me what Carlucci had instructed him to do, I asked what the message was. It was an innocuous expression of good wishes. I told the Station Chief I would deliver it. He said that first he had to check with Carlucci. Carlucci insisted that the Station Chief deliver it. I sent a personal message to Carlucci via the Station Chief saying that the Ambassador, and in his absence I, would deal with top officials, not the Station. I would deliver the message, but the Station Chief could accompany me if he and Carlucci wished. And that's what we did. So far as I'm aware, neither Carlucci nor the Station Chief tried to end-run me again. When I was in Washington on consultation two years later, I visited Carlucci at his CIA offices and asked him why he had tried the message stunt. He and I both knew that if I had acquiesced, he and the station would have had direct

communications with Soares without the Ambassador's knowledge. I reminded Carlucci that when he was Ambassador in Lisbon he would never have let such a thing happen. He laughed and said it was just a case of “where you stand depends on where you sit.”

Everything considered, it was a complicated Embassy. It required real management, a real marriage of institutions and agencies, and careful planning.

I introduced a system of mission planning that I carried with me when I became Ambassador to Bolivia, elaborated again when I returned to Portugal as Ambassador, and finally in Luxembourg. It was essentially like Mission Program Planning, except that I introduced it in 1978, long before Mission Program Planning was invented and applied on a worldwide basis. It reflected my graduate business school training at Stanford and my experience in the Inspector General's Office. I used a system of frequent management reviews with each of the different Embassy elements to make sure they were meeting their targets.

Q: What was your impression? Here was the first AID project in Europe since the Marshall Plan.

ROWELL: Well, the United States had programs in Yugoslavia and some limited programs elsewhere, primarily in Italy, following earthquakes and so forth.

Q: In 1980 Italy had an earthquake, and our assistance was AID coordinated. However, essentially, this was a real, structured AID program. What was your impression of how it worked there, AID staffing, and so on?

ROWELL: It worked well. AID staffing was excellent. All of the AID officers who went to Portugal spoke Portuguese. Some of them had African experience, incidentally, which helped in dealing with the Portuguese, because we had some people on our staff who understood Africa. Virtually all of our AID people also had been in Brazil at one time or another. In fact, I personally knew quite a few of them from previous service in Latin

America. Subsequently, when I was an Ambassador, I managed to bring back one of AID people to be one of the three Executive Directors of the Luso-American Development Foundation. That individual is still there. They were all very competent people and knew what they were doing.

Q: One is always worried about a bureaucracy, which mainly works in lousy places around the world, all of a sudden having a program in Europe. It would be something like having a staff made up of people about to be retired, and so forth.

ROWELL: None of these people was almost retired. A lot of them were in their '40s and maybe a couple in their 50's. These people were at the strong end of mid-career or the upper end of mid-career. The fear you expressed is well placed, but that's not how it worked, for the same reason that you feared. Yes, how many AID people get to live in a place like Lisbon? Very few. Therefore, there will be enormous competition to get there, and those with the greatest clout and rank will get there. Yes, but the competition was so fierce that you also got the very best people.

Q: Anyway, it worked. The current scene of bureaucracy is very interesting.

ROWELL: And the programs that they ran involved things like helping with community infrastructure, because the Portuguese had to absorb something like 700,000 refugees from Africa when the former Portuguese colonies were set free. There was food and feed grain assistance, which was essential for getting their agriculture going again. There was some limited technical agricultural assistance. There were housing guarantees. There was a substantial amount of technical assistance in terms of business administration, both at the level of universities and training Portuguese instructors who could train their own business leaders. There were contracts with outfits like the International Executive Service Corps which can help small businesses. We underwrote some university-to-university relationships, because the Portuguese went from a structure in which they had about four major universities, with some sub elements equivalent to teachers' normal schools, to

about 12 universities all over the country. That involved a huge expansion of faculty and university type infrastructure, including laboratories, classrooms, dormitories, and so forth. We helped with all of that. It worked.

Q: You said that there was an election just after you arrived in Portugal.

ROWELL: That's right, just at the time I arrived. The man with whom I had expected to work, Mario Soares, was suddenly relegated to a very small private office in an old downtown section of Lisbon. So there was somebody else in office as Prime Minister.

Q: During the time that you were there, how did you find dealing with the government?

ROWELL: It wasn't hard. You called an office and said that we need an appointment to talk about whatever the subject was. You had an appointment quickly and were able to go in and handle the matter.

What you couldn't get was an instant answer to a proposal or question. There was always a lot of internal consulting within the government. You could present an issue, but then you had to prod them to pursue it. Unless it was an issue that was on their front burner, they tended to relegate it to a second or third echelon of some kind. Getting an answer could take days and sometimes weeks. With Washington breathing down our necks, asking, “Where's the answer, where's the answer?”, we would pursue it.

What other issues did we consider with them, aside from our bilateral relationship, to help them in their conversion from being a colonial power to being a member of the European Community, or of Europe, and a full participant in NATO? We used to talk with them about their international trade negotiations — a variety of international trade negotiations. At the time Portugal was a member of the European Free Trade Area [EFTA], a kind of circle of countries around the European Community, most of them trying to figure out how they could get in. In the meantime, they had a certain amount of trade conflict with the

European Community. On some trade and commodity issues we shared interests, so we would talk with them about those shared interests.

We dealt with the Portuguese continually on Middle East issues — on Iran, Iraq, and the Persian Gulf. The Portuguese had a long trading history with Indian Ocean countries and Persian Gulf powers, as well as with the littoral countries around Africa. They just were there, and so we wanted to talk with them. Following the seizure of our Embassy in Tehran...

Q: This was in November, 1979.

ROWELL: Right, and then came the break in relations between the US and Iran and our effort to produce pressures on Iran to release the hostage American diplomats and to make the Iranians behave in a more normal way in terms of international comity. We went to the Portuguese often because they had and have an Embassy in Iran. They had substantial trade relationships with Iran. They depended for a long time on Persian Gulf petroleum and still do. The Portuguese also had some now-residual but still, at the time, strategically significant mines producing titanium and uranium ore. They were marketing these commodities on the international market. We were interested both in the commodity arrangements and in where the commodities went.

Q: We're talking about trying to keep them away from the Soviet Bloc.

ROWELL: Right. Portugal, as a trading nation, has always been an entrepot for various high tech commodities. We were interested in maintaining the quality of their COCOM [Coordinating Committee on controls on East-West trade business]. Sometimes they did, and sometimes they didn't follow those rules. We also tracked the delivery or non-delivery of weapons to the former Portuguese colonies, particularly to the communist-dominated governments that had taken over, certainly in Angola, which was very close to the Soviet Union and, to a lesser extent, the government of Mozambique, which claimed to be close

to the Soviet Union but didn't operate as closely to it as Mozambique and the Soviets claimed. It was a fairly active place.

Q: I can imagine.

ROWELL: Later, when we were trying to resolve the post-colonial civil wars in Angola and Mozambique, we worked with the Portuguese, as well as with the Soviets, every week on that issue. There were other European countries which came to be mediators. One of the important countries was Italy.

Q: In dealing with the Portuguese Government, say on Angola and Mozambique, where they had left not long before, what did they feel about the civil wars there, which were going on? Particularly in Angola, which had a very strong communist element, and where there was a Cuban expeditionary force?

ROWELL: The Portuguese wanted to see the Cubans out of Angola. They wanted to see Angolans running Angola. They wanted a positive relationship with whoever was running Angola, just so long as they were Angolans. And they wanted the civil war to end so that Angola could return to prosperity. It is an incredibly rich territory with enormous commercial and investor potential.

The Portuguese believed, and believe to this day — and they have substantial reason for so believing — that despite the period of the colonial war, which ran essentially from 1961 to 1974, they had had a reasonably good relationship with the indigenous peoples of Angola, Mozambique, and their other former colonies. They believed that they would be accepted as businessmen, traders and investors in the former colonies. The principal European language spoken in those territories was Portuguese. Most Europeans don't speak Portuguese. The Italians don't speak Portuguese, and neither do the Spaniards or the French. The Portuguese believed that, since they were not a major world power, they presented no military or overwhelming economic threat to their ex-colonies. They wouldn't

be able to dominate their currencies, international exchange rates, or international trade in anything that they were producing.

However, Portugal was a country which had amassed a reasonable degree of wealth and knew how to earn its way in the world at large. They believed that their membership in NATO and their relationships with the industrialized countries in Europe meant that they could be instrumental in arranging for investment capital, if things ever settled down. Basically, the Portuguese wanted to end the civil wars, stop the fighting and get on with the business of developing the former colonies economically. What they wanted out of that was a chance to be shareholders in enterprises, a chance to share engineering and management with Angolans who would, in fact, be the principal engineers and managers, and a chance to be first among the trading nations that would be allowed to trade with those territories. But as traders.

Those were and are all reasonable aims. I think that they have substantially succeeded in doing this, except that investment has gone slowly because of the aftermath of the civil wars. However, the Portuguese are determined to get over that aftermath. There are things like land mines all over the place and some unreconstructed people, both in Mozambique and Angola, who occasionally break out into violence.

The fact of being a small country, not seen as a major political, economic, and military threat, really does ease the way for Portuguese re-entry into their former colonies. As far as I can tell, the Portuguese are well accepted in Angola and Mozambique.

Q: During this time that you're talking about, what was the feeling of the Portuguese Government toward the Soviets? At one time the Soviets were messing around in Mozambique. They also went into Afghanistan in December, 1979.

ROWELL: In the immediate post-colonial period the Soviets and their surrogates, the Czechs and East Germans, messed around a great deal inside Portugal, particularly between 1974 and roughly 1978. That was a time when the Portuguese caught a Czech

Ambassador busy paying people to push Portugal into an anti-NATO, pro-Warsaw Pact role. He took money to a special clandestine meeting in northern Portugal. I don't remember when that was, but it was within two years after the revolution of 1974. The Soviets and Eastern Europeans were mucking around in Portugal at a time when the Communists still had a lot of people planted in key ministries who had access to critical documents on capital assets belonging to Portuguese citizens worldwide.

So the Portuguese really lost no love for the Soviets. It was demonstrated in the poor performance of the Portuguese Communist Party, which kept going down, down, and down in the elections. The party probably hit its apex in 1975, during an election when it got perhaps 16-17% of the votes. From there on it was just down, down, down.

Q: You would have thought that they would have had a natural...

ROWELL: Well, they did, but the Portuguese are a Christian, a Catholic country. The Catholic Church certainly left no doubts in the mind of its followers what it thought about communists and communism — which was intensely negative. Certainly, Portugal's Western allies left Portugal in no doubt what they thought about communism. They said, “You can't be a communist country and a member of NATO at the same time.” So there was a lot of pressure, and the Portuguese Communists simply didn't make it. They were beaten in the elections time after time. They never came close to amassing substantial support.

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Q: This is Tape 5, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: As I was saying, the Communists never came close to amassing the level of political support that they got in France or Italy.

Q: It wasn't really a case of the kind of Eurocommunism which was going strong at that time.

ROWELL: The Portuguese Communist Party was unreconstructed, a hard ball, Moscow-style Soviet communism. #lvaro Cunhal never went the way of Berlinguer, for example, in Italy. There was none of that soft face.

Q: Sounds as if the CIA was paying him. [Laughter]

ROWELL: No, they weren't.

Q: On the international scene, to go back to something that you mentioned before, from 1979 until the beginning of 1981, the Carter administration was terribly focused on Iran and the hostages issue. Did the Portuguese play any significant role in the whole Iranian affair?

ROWELL: No, they did not. There was only one casual event when the Shah of Iran had completed medical treatment in the United States at the end of the stay which triggered the seizure of our Embassy in Tehran. He got a privately chartered aircraft to carry him from the US to Egypt. He was quite ill. The chartered aircraft had to refuel en route to Egypt. We asked the Portuguese if the plane could refuel in the Azores. They gave us permission.

The getting of the permission was personally interesting for me. I was Charg# [in charge of the Embassy in the Ambassador's absence] from the country at the time. I received a telegram from Washington about 8:00 PM in the evening instructing me to get permission for the Shah's plane to refuel. It was a holiday eve. I tracked down the Foreign Minister, Diogo Freitas do Amaral, by telephone. He was on his way back to Lisbon from a trip to his home base in northern Portugal. He told me to meet with him and Prime Minister S# Carneiro at the latter's apartment at 11:30 PM. I did that, and we talked about an hour. I told them we were determined that the Shah had to go to Egypt, he was very sick in any

case, and the quickest and most discreet way for him to travel was via the Azores. They were worried that the new regime in Tehran might become angry with Portugal if it found out the Shah had refueled in the Azores. They feared that their Embassy in Tehran or their oil supplies or commercial relationships with the Persian Gulf could be endangered. Freitas do Amaral and S# Carneiro withdrew to another room. After about an hour they came back and told me the Shah's plane could refuel in the Azores. I went back to the Embassy and sent the go-ahead cable to Washington at about 3:30 AM.

Q: How long was Bloomfield the Ambassador to Portugal?

ROWELL: Four years.

Q: Pretty much the same time that you were there. Were there any special events in Portugal other than this constant problem of bringing the country around economically, militarily, and all of the rest that occurred during this time?

ROWELL: Yes. Mario Soares — who has, incidentally, just stepped down as President of Portugal, because their constitution limits Presidents to two consecutive terms — was replaced as Prime Minister by S# Carneiro, a Social Democrat. During the election campaign of 1980 S# Carneiro was running for President. He was killed in an airplane crash. That sort of changed the political chessboard and brought other people forward. It was a major issue. Nobody knew how that would affect the election or whose party might win. In the end the Social Democrats won the legislative elections and the office of Prime Minister. Gen Eanes won his second term as President. After he completed his second term, Mario Soares, a Socialist, served two terms as President.

That was a critical event when S# Carneiro was killed. The country went into exactly the same type of unending introspection as did the US after the Kennedy assassination. The Portuguese themselves equated it to the Kennedy assassination. They asked for technical help from the US National Transportation Safety Board and the FAA to examine the remains of the aircraft, the documents, and other data, to see if we could

establish the reason for the crash — was it mechanical failure, pilot error, conspiracy or what? There was a risk in giving the Portuguese this help. The risk was that if our technicians concluded the crash resulted from causes other than conspiracy, those Portuguese inclined to suspect a conspiracy would say that we were part of a cover-up. Ambassador Bloomfield and I totally agreed that we should provide this technical help, despite the risks. S# Carneiro's government had been a coalition of Social Democrats and Christian Democrats. It represented the legitimate return of “conservatives” to democratic government in Portugal. The country was still completing its process of post-revolution political stabilization. A conspiracy would have been presumed to derive from far-left losers — in effect an effort at destabilization. So, to help the political process, we needed to give the aid that had been asked of us because the conspiracy theorists would otherwise never believe their own authorities. They had to have some external, and presumably impartial...

Q: And if you didn't do it, that would have added fuel to the conspiracy theory, too.

ROWELL: The US had, and I think that it still has, in today's world, a reputation for being the best in certain types of investigations. One of these is aircraft transportation accidents. There is no other authority to which you can go that will have the same degree of respect.

There wasn't any conspiracy. We were satisfied that there wasn't any conspiracy. Just the same, the conspiracy theorists are still alive and well in Portugal today. I had an inquiry about it only six months ago. They just won't let go. And potentially we are still part of it, even though they figure that we probably had absolutely no reason to be involved in any “cover-up.” There wasn't any.

Q: I take it that during the time you were in Portugal the United States could watch the elections and developments in Portugal with interest but, at the same time, in a benign way. We weren't concerned that there would be a sudden shift to the Far Left.

ROWELL: No. I really divide my stay in Portugal into two segments. The first was from 1978 to late 1980 — say, two years. That was when we were concluding the immediate,

post-colonial and post-revolution period. It was the time of maximum US assistance. It was when the Portuguese were concluding their first 5-year presidential term under the constitution ratified early in 1976. It had been drafted in 1975. With that set of presidential and legislative, Parliamentary, elections, they then moved into the 1980s period of growth and transition into the European Union.

They concluded negotiation of their entry into the European Union in 1985. Entry officially took place in 1986. That began a formal transition period — I think it lasted around five years — during which they had to straighten out certain critical weaknesses in their economy and bring their industry up to snuff, so that they could survive in the European Union. In fact, Portugal had been working on bringing its economy closer to European Community standards since 1980. Despite the fact that their industrial establishment was really obsolescent in many respects, going into the European Union wasn't that traumatic for Portugal — not nearly as traumatic as it is for today's Central European countries. The reason is that the European Union, then called the European Community, had always been Portugal's most significant industrial customer. The principal industrial product was textiles. They also had some steel fabrication, some computer equipment, some ceramics, and that sort of thing. However, textiles were the major product, and, despite the tariffs between the European Union and the European Free Trade Area, Portuguese textile manufacturing had been competing effectively inside the European Community.

So, dropping European Community trade barriers for countries coming into it like Portugal presented no particular problem. They were already in the phase of modernizing their textile industry in order to stay there. They had had occasional conflicts with Spain on fishing rights. The Portuguese were landing fish and were selling some maritime products inside the European Union. However, as I say, the period from 1978 to 1980 was a period of consolidation of the democratic structure of the revolution. From 1980 onwards, it was a matter of preparation for entry into the European Union (EC), which would be the non-

military, non-defense side of total incorporation into the community of democratic market economies of the industrial world.

Q: I am going under the assumption that we were in favor of this entry into the European Union.

ROWELL: We strongly encouraged it. At the same time we acknowledged that we would take real commercial hits when Portugal entered the EC. As I pointed out earlier, in 1978 Portugal took over $600 million worth of agricultural commodities from the United States. We were already at the stage where we were hurting on agricultural commodity sales into the European Community, and the picture was getting worse and worse and more difficult. So one of the negotiating problems that we had during the 1980's—and, really, it climaxed after I left my position as DCM in Portugal—was to negotiate the arrangements to compensate us for the loss of significant Portuguese markets. When Portugal entered the EC, our agricultural sales to Portugal dropped to less than $300 million a year — a loss of over 50%. That was real money. And there were some other losses, but that was the single largest loss.

We were doing other things during that period. We were selling airplanes to the Portuguese airline. I had a significant role in that. We had an American investment community that was thinking of Portugal as perhaps a good place to invest because Portugal would go into the EC. They thought Portugal's labor situation was stable and amenable. People like Ford, GM, Texas Instruments, Monsanto, Digital Equipment Company, and other US firms, whose names don't come to me right away, were all operating in Portugal.

Q: We were encouraging them to invest in Portugal?

ROWELL: We had a very strong and well-organized American business community. That was due to an initiative by Ambassador Carlucci, taken shortly after he first arrived, when the revolution was still going on, and American businessmen needed direct, frequent, and

immediate contact with the American Ambassador. He set this up. So when Ambassador Bloomfield and I came along, we took advantage of what was there. It was very, very good. We worked very hard to keep it intact. And it's still there. We had an outstanding business relationship. We used that business relationship to surface issues.

Of course, the Embassy could be useful to the entire business community to enhance exchanges among businessmen on helping each other — for example, on labor relations, on meeting the requirements of the Portuguese investment code, on problems involving double taxation between Portugal and the US. There was a whole range of things. When new American investors were thinking of coming into Portugal, the American business community was well enough established that we were able to refer those potential investors to talk with American businessmen already operating in Portugal. The businessmen had-hands on information about risks and problems.

I remember sitting in on a meeting where we had a new investor who was encountering some problems relating to worker education that the Portuguese Government had promised but wasn't delivering, and to changes in accounting that were going to affect the investor's corporate tax status. Two or three of the American businessmen there said, “Well, this is the way we have been handling it, and it seemed to work for us. Send your accountant around to our accounting department.” So they were helping each other, but the Embassy had played an important role in bringing them together.

We sold coal — huge quantities of coal. We were instrumental in getting the Portuguese to decide to use coal in the expansion of some of their electricity generating capacity. We didn't get the whole coal supply business. The Portuguese prudently diversified their sources of supply.

Q: How about fishing? Did this cause us any problems?

ROWELL: No, we didn't have much in the way of fishing conflicts. The Portuguese mainly fish for cod off the Grand Banks of the North Atlantic Ocean. Squid were somewhat of

a problem, but every problem we had with Portugal was minuscule compared with the problems we had, say, with Spain.

Q: This might be a good point to stop. Were there any other issues that we might talk about regarding Portugal? Oh, one point. You were there when the Reagan administration entered office, a new, Republican administration which came in with the emergence of the somewhat Far Right in the United States. Did that cause any problems as far as our administration adjusting to Portugal, or wasn't this an issue?

ROWELL: Almost by accident there were some good things and some less good things. The good thing was that President Reagan was determined to rearm the US and to see that NATO was robust in terms of any confrontation with the Warsaw Pact. That helped us in terms of support for the military assistance we were trying to deliver directly from the US to Portugal and in terms of the negotiations with our other allies on what they would give to Portugal. It was very important help.

In the initial Reagan White House there were a couple of advisers on the National Security Council staff who had had long involvement in South Africa and, to a lesser extent, in the Portuguese colonies under the pre-revolutionary governments. One of these staffers had some investments and a residence in the Azores. They had a lot of friends on the very conservative right end of the Portuguese political and social spectrum. The Portuguese had trouble trying to decipher whether the statements and writings of these individuals represented President Reagan or the longstanding personal interests of these individuals. Some of their statements were rather more conservative than any of the people in authority in Portugal at the time. As it happened, for reasons quite unrelated to Portugal, both of them had left the National Security Council staff before the Reagan administration had been in office for two years. The issue simply disappeared, although one of them continued to maintain private interests in the Azores and occasionally visited Lisbon. This wasn't a problem.

Q: Did you find yourself trying to puzzle out what was coming out of Washington and where they stood, or did you have a problem trying to interpret this?

ROWELL: No, the good side of having these two people in the Reagan administration was that they both really understood Portugal and the Portuguese. They certainly understood the colonial situation and what was possible and wasn't possible. That was the good side.

The bad side was that, since all of their ties had been with the pre-revolutionary authorities, they were essentially negative toward the new regime, particularly toward the Portuguese Socialists who were really like West European social democrats. They were a little less hostile toward the Social Democratic Party and most open to the Christian Democrats as the most conservative surviving political party. So they helped to feed a kind of intuitive American reaction that anybody who had the word Socialist in the label was clearly bad. It was ironic because the Socialists in Portugal, particularly under Mario Soares, had three times made difficult fiscal decisions to tamp down inflation, maintain a decent balance of payments, and an economic environment that would justify more foreign investments. They had paid the price three times in elections and were thrown out of government each time. Those who had opened the spigots to win elections had been the Social Democrats, the so-called conservatives.

Q: Of course, everyone can say the same thing about the Reagan administration.

ROWELL: It was ironic because, at times, American businessmen would arrive in Portugal and say, “Well, thank God, you have the Social Democrats now.” I might say, “Wait a minute. Remember, you were worried about inflation. The guys who 'turned it off' were the guys now on the 'outs,' the Socialists. I'm not advocating one party or the other. I just want you to understand how these people behave when they're in power, so that, when you're making a business decision, you can project the kind of environment you think that you're going to be working with afterwards.”

Q: Shall we leave it at that? If there's anything more that you want to add about Portugal, we can pick it up the next time. I think that we've covered it. In 1983 you went where?

ROWELL: Back to the Department of State to become principal Deputy Assistant Secretary of State for Consular Affairs.

Q: Okay, we'll pick it up at that point.

—Q: Today is February 27, 1996. Ed, let's talk about your time when you came to Consular Affairs. First of all, you were Principal Deputy Assistant Secretary for Consular Affairs from when to when?

ROWELL: Technically, from October, 1983, to about July, 1985. I say “technically,” because I had been selected and proposed for this position when I came back from Lisbon in July 1983. I took a little home leave in California, and went to Washington. The political process for getting White House consent for Deputy Assistant Secretary appointments was slow and sticky. It took four months to complete.

Q: What did you do during those four months?

ROWELL: I sat in the office, I familiarized myself with problems in Consular Affairs, thought about a couple of major things that needed doing, and visited a couple of passport agencies since I hadn't seen passport operations since my first year in the Foreign Service in 1956. I worked with a management studies group within the Department of State.

Q: As an old consular officer who always tried to examine things, tell me how you looked upon this assignment in Consular Affairs because the mind set of many Foreign Service Officers is, “If I'm not in a geographic bureau or the Executive Secretariat, I'm out of the mainstream.” You had been a DCM, after all.

ROWELL: I liked it. Obviously, sometimes one's likes are shaped by circumstances. Clearly, I still harbored hopes of becoming a Chief of Mission. It's always hard to get a good onward assignment. A good senior assignment is even harder, even though one may have a good reputation in the Foreign Service. The positions are fewer, those competing for them are all very good, and there aren't any dunderheads. You have to be a little bit lucky. Your timing has to be right.

I had been in Lisbon for five years. I had spent the year before I returned to Washington, hunting around for a job, but nothing terribly promising had come up. The Department had slated me for the Senior Seminar at the Foreign Service Institute. Then, just before I left Lisbon, the then- Assistant Secretary for Consular Affairs, Diego Asencio, called me and asked if I would be interested in becoming his senior deputy. Another officer, Bob Fritts, who had been in the job and whom Diego had asked to remain there, had received an appointment as Ambassador to an African country. So suddenly, Diego didn't have anybody for that job. I understand that there was one other person he had gone to. That person wasn't available, so he came to me.

I thought the matter over for 24 hours. The best job in a bureau in Washington, not counting the Assistant Secretary who heads the bureau, is to be a Principal Deputy Assistant Secretary (DAS). The Principal DAS becomes the alter ego for the Assistant Secretary when the Assistant Secretary is away. The Principal DAS has a lot more sway than any of the other Deputy Assistant Secretaries in a bureau. The others tend to have more narrowly defined responsibilities: in a geographic bureau for a more limited, geographic area; in a functional bureau, for a more limited, functional area.

In the Bureau of Consular Affairs, in addition to myself, there was a Deputy Assistant Secretary for Visa Operations, a Deputy for Passports, and a Deputy for American Citizen Services. I covered the whole sweep of the Bureau of Consular Affairs.

The other thing is that I have always enjoyed functional bureaus as a refreshing change from geographic bureaus. The daily play of bilateral relations or the relations among a set of countries becomes old hat after a while. One sees the same kinds of problems coming back again and again. Shifting to a functional bureau provides relief from the bilateral patterns. One of the exciting things about the Foreign Service as a career is that you get a chance to change problems and tackle something new. This is stimulating.

Q: You certainly had an awfully long time on the problems of Western Europe—particularly the Iberian peninsula by that time.

ROWELL: That's right. By that time I had spent nine years dealing with Western Europe and certainly with Portugal for the whole nine years. I was ready to go into something else. A last minute possibility of a junior DAS position in American Republics Affairs arose, but I took the job in Consular Affairs and enjoyed it.

Now, the person who had recruited me, Diego Asencio, meantime had received an appointment to go as Ambassador to Brazil. He was succeeded by Joan Clark, who telephoned me while I was on home leave in California and asked if I would be willing to continue as the Principal Deputy Assistant Secretary of State-Designate (and Principal Deputy when the White House got around to making up its mind).

Q: I always like to talk a bit about the persons you worked for, first. In a way, Joan Clark had a difficult act to follow, because Diego Asencio was one of these expansive personalities with interests all over the place who had a certain zest for bureaucratic work and also for dealing with Congress. Correct me if you saw a different picture. Joan Clark was sort of the archetypical, consummate bureaucrat. They were two, quite different personalities. How did you find this?

ROWELL: I didn't really work for Diego Asencio. I had an interview with him and with his senior staff. It was an old boy club. As you say, Diego was the quintessential extrovert —

a personality with rotund presence. However, since I didn't work with him, I can't really comment on what it felt like to be with him for any prolonged period. I had never worked for him at any other time.

Yes, Joan Clark is the quintessential “bureaucrat”, although the word that came to my mind was the quintessential inside manager. She is a much quieter, more reserved personality than Diego Asencio. She delegated substantial authority to me and treated me the way a Deputy Chief of Mission is treated at a major Embassy. She gave me essentially all of the responsibility that I asked for. She regarded her job as watching the external, political side of Consular Affairs. She thought that it was important to help the Secretary and the Deputy Secretary to understand when a consular issue could cause them problems, to tell them what was being done about it and how to deal with it.

One of the consular issues that was a true lightning rod at the time was the implosion of the passport agencies around the country. Demand for passports had surged. I don't remember the reasons, but in percentage terms it far exceeded anything that we anticipated. There were huge lines outside the passport agencies. They were calling in extra police patrols to keep the lines in order. Frustrated passport applicants rioted in New York and Chicago. The staffs of the agencies were at the bottom of the Civil Service pay scale — GS-1's and GS-2's. The counter clerks were a little higher — GS-5's. However, they hadn't been hired to be stellar public personalities, and that came through to the public as well. The passport situation was drawing Congressional hearings, complaints, and special surveys. I don't recall, but I wouldn't be surprised if the General Accounting Office was looking around as well. So that was a major, political problem for the Bureau of Consular Affairs.

This was in addition to the usual problems. The processing of visas often involves at least 50% service to persons already resident in the US — generally, family members. It is as much that as it is anything else. Those resident family members often have the ear of their Congressional representatives. Congressmen and their staffs regard chivvying the

consular operation as one of the easiest constituent services, to make it look as though they produced the service all by themselves.

One of the things that I wanted to change was the established pattern for computerizing passport issuance. The Consular Bureau was in the process of installing mini computers. Now, the mini computers were not “mini” by today's standards. A mini computer of that time typically occupied a room that was 8' x 10' x 8'.

Q: This is the early 1980's generation of computers.

ROWELL: It was worse. This was being done in 1983. They had started the installation process maybe four years before, but it was essentially a 1974 design, using 1975 technology. They hadn't changed the technology. They were simply plodding along, installing these things as they got the money, which meant one or two a year. The design meant that they had to make major structural changes in the passport agencies to provide properly conditioned air. The cost was averaging between $1.5 and $2.0 million per installation. PC's...

Q: You're talking about Personal Computers.

ROWELL: Personal Computers had already been invented and were being sold. Memory capacity had soared and occupied much less space. I asked Joan if I could take the short computer course for executives which the Department of Defense is famous for. I took it and learned enough to launch myself into a major overhaul of that particular computerization operation. I wasn't yet thinking of one single passport center, such as we have now, but primarily in terms of making these computer installations cheap enough so that we could replicate them and substantially boost efficiency at the passport agencies — with a system that also could be installed overseas. I say “could be” because the idea was that the installation cost would be low enough to be cost effective even at places that might issue only 5-10,000 passports per year.

I pushed a contract with a local Washington, DC firm to show us how we could use personal computers and a local server and memory device to replicate the passport issuance line. It took about a year — perhaps 15 or 16 months — to get a trial operation up and running in the Philadelphia Passport Agency. It cost about $750,000, which was just about what I had estimated that it would cost. The bidders had come in at $300,000 when they offered a contract. However, I had learned enough at the Defense Department course to apply some rules of thumb for computerization cost estimates. They were right on the mark. So in our internal budgeting, when we decided whether we were going to try this system, we were honest with ourselves about what we expected the real cost to be.

The system worked. There were two major problems because we asked the contractor to use off-the-shelf software, which shortened the application development time. When you get off-the- shelf software for a special application as in the passport case, invariably it has to be modified to some extent. One of the problems with the old system that I wanted to displace was that, because it was being installed so slowly, the contractor doing it had two people whose sole function was to support the software and the installations. The number of years during which the installations were going ahead meant that the software was substantially modified for each new installation, so that each installation had its own software package. Theoretically, this was all documented, but the contractor was three or four years late in providing the documentation. That meant that if there were one traffic accident, we would be wiped out. All we had to do was lose that key employee of the contractor. Theoretically, he had a back up, but the back up didn't know nearly as much. He was a trainee. And the documentation was not available. It was scary. That was another reason why I wanted to get rid of that and go on a standard system that would be much simpler.

Other advantages of the personal computers was that they didn't require air conditioning and they took much less space. The volume of space they require is broken up, also. If you take the space for a block of machinery that's 8' x 10' x 8', and then break that down

into the space needed for a typewriter, you all kinds of different space configurations suddenly become possible. It's a huge boost in flexibility and, therefore, adaptability to many different kinds of sites.

Anyhow we got it. We had a pilot test. The pilot test worked. The major difficulties were some weaknesses in the software that made back-up and searching for names unnecessarily long. It took about two or three months to get those bugs worked out.

A second major problem was how to create an interface with the archaic computer storage systems in the Department of State. The passport agencies were clearing the names of passport applicants through a central file at the Department of State to make sure that the applicants didn't owe the Department money on old repatriation loans and to make sure that there wasn't a look out notice on them on some criminal charge. The main computer at State, the communications links to it, and the software handling the main-frame name searches in Washington were very old. They operated through a kind of teletype interface. So the software designers for the new agency had to figure out some way to simulate electronically the signals of a prehistoric teletype machine so that the computer at the Department of State in Washington would be able to understand what was coming in. This meant that it would involve very slow transmission of data and a very slow reply. Eventually, they did it, but it was a jury-rigged solution.

The bottom line was that we spent $750,000 for the software and an initial set of computers. Once the pilot test was working well at Philadelphia, it was possible to replicate the system for a small installation—one that would issue, perhaps, 5,000-10,000 passports a year — for, we estimated, $25,000-$40,000. This was a price range that would make it possible for us to do it overseas. We never did it overseas. We never got around to it, but that's another issue. The concept was there, and we made it work.

What we then ran into, and this was happening when I was getting ready to leave Consular Affairs two years later, was a drive to consolidate passport issuance in one or

more major centers in low wage areas of the United States. At the time that I left they were looking at some place in Kentucky. Now it's in New Hampshire. The idea was to create giant processing centers. They now have started this for visas, but we first talked about it for passports.

Q: While you were doing this, were there any attempts to make the passports, which had their own, internal code in them, available to INS [Immigration and Naturalization Service], so that we were all working with the same equipment?

ROWELL: The answer is, “Yes. Sure.” In fact, we consulted extensively with the INS and with the Bureau of Customs on passport design, including machine readability. We had joint conferences. At one time, I think, there was a joint task force.

There were lots of problems. One was the Optical Character Reader [OCR] which would allow a machine to read a typed line. They were not nearly as well developed as they are today. The OCR's were inclined to misread or simply to blank out a passage if they had a little bit of difficulty with a smudge, for example. I wanted to use a bar code system in the passports for all of the essential machine-readable data. And then to print next to the bar code whatever the data were — similar to the way you see things on a grocery store shelf. You have the bar code and, under it, a number. That tells the machine what's going on. I was too late in pushing that notion, when I arrived in Consular Affairs. The lawyers and, I think, maybe some public affairs people and Congressional liaison people, had convinced everyone that you had to have plain text only so that the bearers of the passports could not claim they might contain hidden information about the bearer. As a result we had to “rely” on still-developing, sensitive and dyspeptic Optical Character Readers. I still think that was the wrong decision, but I was voted down. Had they gone to the bar code, they would have had a much faster and proven technology that they could have applied immediately and at a fraction of the cost that they eventually had to pay. This cost still doesn't pay off completely, because other countries that promised to use the

same technology to speed the arrival and departure of their citizens here and ours there still are not using the Optical Character Readers universally.

Anyhow, the answer is, “Yes,” we did work very, very closely with Customs and with INS on this project. There was a lot of cooperation between these different agencies. Customs and INS were both buying Optical Character Readers on a trial basis for scanning the machine readable information on the passports. However, when I left Consular Affairs they hadn't gotten to the point where they were using them on a regular basis.

Q: I think that it would be interesting to explore this a bit further. Did you find a discrepancy between the various parts of the Department of State as far as automation is concerned?

ROWELL: I did and I still do. The Department of State has gone through all of the classical phases of automation. The first thing that happens with automation is that people take processes as they exist and try to mechanize them electronically. They don't re-think the processes. In some processes, for example, many of the intermediate products are there because that's the only way that you could keep the process reliable in a manual operation. However, with electronic machinery sometimes you can eliminate quite a few steps and do things differently. It's always good to review the entire concept, in effect, review the mission statement or element and say, “What is it that we're really trying to produce? How do we know it's been produced?” And re-think the inputs — a sort of management review, which ought to take place at least every five years in every element in any case.

Then different elements of the Department of State would have different degrees of budget problems. There also was a central computer management service in the Department of State that always seemed to be starting things or re-thinking things and always trying to get its hand on the management of the entire State Department computer system. Because of the budget problems, even a concept was up to date when it was approved, by the time a system was installed in a bureau or major functional office, it was seriously

obsolescent and often out of synch (that is, unable to interface well) with installations in other bureaus or at overseas posts.

Bureaus would go for computer systems on their own as funds became available. CA [Consular Affairs] did that. It could get away with it, despite occasional protests and sniping from State's central systems people, because budgeting for Consular Affairs is separate and unique within the Department of State; and because the CA processes (visas, passports, citizen services) were functionally unique in State and world-wide in scope. CA has its own line item in the budget for the State Department. Consular Affairs could therefore come up with resources for computerization that other bureaus in the State Department couldn't match. The central computer people couldn't handle it CA's scale of needs. They had to take care of the bulk of the Department of State. In effect, what they did was to provide a liaison arrangement and say, “All right, Consular Affairs, do your thing. Anyhow, nobody else is going to be dealing with passports and visas, so you're not complicating the whole world for the rest of the Department.”

The Department of State had its main computer contract with Wang. Wang turned out to be a weak company because it depended on the man who created it. He didn't install a second and third generation in the company that could make it hum as well as he had.

Q: After you took this job, were the passport lines somewhat in order by the time you left?

ROWELL: Yes. The problems had been virtually cured by the time I left Consular Affairs. The rate of increase in demand for passports had relatively declined, although the demand was still rising. It was easier to catch up. We poured substantial resources into several agencies and retrained people. We opened a couple of special passport processing centers. These were the forebears of the major center that's now in Portsmouth, NH. For example, in New York we went into a warehouse. I've forgotten where it was in metropolitan New York — whether it was in lower Manhattan, Brooklyn or Queens. There was a huge amount of space in this warehouse—a much lower cost per square foot

Rockefeller Center where our main agency had been for years. We simply produced all of the passports required in the New York area in the warehouse space.

I think that we did that in one other city, too, although at this time I don't remember. There were a couple of new passport agencies opened. In any case, yes, it got much better.

Q: Did you find, at this time, that the passport agency which had a long career—about 60 years under two ladies, practically, Frances Knight and Ruth (I can't think of her name right now). Did you find that the passport agency, by the time that you arrived in Consular Affairs was really an integrated part of the Bureau of Consular Affairs and of the State Department?

ROWELL: Yes. Because by the time I got there, the Deputy Assistant Secretary for Passports was a career State Department employee. In fact, both of the Deputy Assistant Secretaries for Passports who were there while I was there were Foreign Service Officers. So that the political position in Consular Affairs was the Assistant Secretary. None of the deputy positions was as political as the Assistant Secretary. That took care of that problem.

Q: It came back later on. Some of the political process moved back into the passport operation.

ROWELL: Well, that's right. You can always bring in another Deputy Assistant Secretary, but the kind of relationship that had existed between some of the long serving, old Baronesses — they were all women — and particular Congressional sponsors never recurred in the same way. The people appointed from outside the government to head the Passport Office, when this happened again, were essentially people watched by the White House Appointments Office. None of the White House administrations was interested in creating a new, independent operator.

Q: How did you find the consular service? Your position was such that you took a look at Consular Officers. Many of them had their own morale or esprit, or lack thereof—something like that. This waxes and wanes. During the period that you were there—1983 to 1985—what was your impression of the Consular Cone or the American Consular Corps?

ROWELL: The Consular Officers varied. There were a lot of superb Consular Officers. I had one assigned to our office as the senior staff assistant for the Bureau of Consular Affairs — Max Robinson. He was just an extraordinarily competent person. I encouraged him to do a number of things. I think he is an Ambassador by now. He later went to Soviet Affairs, which had a major, sub-operation in the Bureau of European Affairs. It dealt only with consular problems, such as the so-called refuseniks. He later went as Consul General, first to Moscow and then to Leningrad [now St. Petersburg] as Consul General and Principal Officer. He has come back to the Department. He has been Deputy Executive Secretary of the Department. I don't remember where he is now, but he's an Ambassador—and he should be. He is just a wonderfully gifted officer.

The other senior Consular Officers I have known all knew their business extremely well. They were very competent, from my point of view. You used the term, “Consular Corps.” My mind has always rejected the notion of a separation between consular and diplomatic corps. We are all career Foreign Service. We are all available on a worldwide basis. Although we have specializations, we all have a core of general skills and general experience. We're supposed to be able to cover for each other in a lot of places and times and in a lot of ways. I have never felt comfortable with the notion that there should be some kind of class of officers who only do visas, passports, or citizen protection work — who can only serve in a Consulate, and therefore require some kind of separate designation to protect their careers and their self esteem.

However, I am paddling up a very swift stream. [Laughter] It's a view which, I think, is not as widely shared as it should be. When I approached issues of career for those persons

who had chosen a consular specialization, I ran into the Consular Officers Association, which was extremely defensive and hyperprotective. For example, I looked at the position structure for Consular Officers. It is a very low building, with one flagpole in the center.

Q: We're talking about looking at the personnel pyramid.

ROWELL: Except that it's not a pyramid.

Q: Yes, but I mean that there are a lot of junior officers.

ROWELL: A lot of very junior officers in relatively low graded positions. Then, once you get toward the upper middle grades, say, FSO-2, FSO-1 and above, it's a very narrow structure. This told me that you had to have huge numbers of people doing consular work at the beginning of their careers who didn't intend to continue as Consular Officers and who would probably resent, even more, the drudgery and often emotionally numbing effect of a lot of consular work. They would climb out of the visa mills and never want to go back and never think kindly of people who elected to stay in consular work. These people hadn't liked consular work and hadn't experienced the more stimulating parts of it — just the nasty parts of it. So you always had junior officers who probably weren't able to give you their best in this kind of job, because of the stresses involved.

I thought we should figure out a way to staff a lot of those junior consular, visa, positions in some other way. I have gone through that war several times and still go through it. You could reduce the total number of Consular Officers, essentially by reducing the number at the junior levels, but not at the mid-career, senior levels. You still have to have experienced, professional Consular Officers managing it. Then the promotion opportunities for those who chose the consular function would be much better. As individuals, they could expect to receive the recognition that they deserve. They don't get enough recognition.

I've always thought that Consular Officers were their own worst enemies in this regard. There's too much whining. They tend to feel that if you allow family members to have

temporary commissions to do some of the ordinary humdrum work, like taking notarials, doing some initial screening of visa applicants, taking passport applications, or, in some cases, visiting incarcerated or hospitalized American citizens overseas, this was taking away a critical part of their functions. If you allowed somebody who didn't have a full blown commission to do that, it meant that the commission didn't have value. I never saw it that way because I thought that they had Foreign Service commissions that allowed them to do a lot of things. And I knew enough Consular Officers who could do those other things and do them well. I gave them a chance.

Q: I'll tell you, there's a different perspective, and, as an old consular hand, I'll just put it in. I think that part of the defensiveness about this function was due to a lack of respect for the system, because the system would say, "Okay, these people, particularly wives and other family members would be brought in at this level and wouldn't stay on." However, the old Consular Service—and I'm talking about the Consular Service from the 1950's and 1960's, when I served in Personnel—would give these people temporary commissions and then couldn't get rid of them. The wives or other family members liked what they were doing. After someone's spouse had been doing semi-consular work for a while, they were allowed to get a regular commission. Nobody was going to say, "No." Pretty soon, people like this started to move up. Compared to regular Foreign Service Officers, these people were not of the same caliber. They tended to move into the mid ranks and poisoned the well. This was an example of bureaucratic creep, you might say. This was the problem that some of us Consular Officers saw.

ROWELL: But none of the persons that I spoke with put it as lucidly as you have, just now. I still think that there are counter arguments. This interview isn't the place to go into them. However, what I can say about this whole process, because I pushed very hard to try to get them to change their minds, is that in the mid 1980's the Department of State was encountering a problem which is still acute and still has no good solution for it. The issue is what do you do with spouses who are professionally qualified? This is not a problem unique to the Foreign Service, the Department of State, or the United States Government.

I have run into exactly the same problem in conversations with university presidents, who discover that they cannot recruit a Nobel Prize winner for the Physics Department unless they can find a decent professorial appointment for the physicist's spouse, who may be an historian. Universities lose when they can't do both.

I've heard something similar, although much less severe, from private industry. This is simply a late 20th century problem for Americans. We're already clear that it was there in the 1980's in a way that it was not in the 1950's and 1960's. What it means is that the system, the institution, has to adjust itself to the society that is providing its people and to meet the changes in population at large.

However, in any case, I had this notion. Joan Clark, who has been around a long time, thought that I was spitting into the wind. However, she let me push the issue as hard and as much as I wanted. She trusted me not to blow up the Bureau of Consular Affairs in the process. I pushed it seriously but gently among the senior career Consular Officers within the Bureau and with visiting Consuls General when they came back from overseas. I got nowhere and left Consular Affairs frustrated on that issue. I still think that we could have made some changes that would have redounded both to enhanced reputation and to enhanced careers and promotions for Consular Officers.

I want to take up another element of the service in Consular Affairs. Some of the nastier problems that we had to deal with were almost always politically sensitive. They involved visas. There are always bad people applying for visas. However, there are often good people applying for good reasons which our overly complicated laws and regulations fail to recognize properly. We have administrative patterns that people cling to and, in doing so, make them rigid. A certain amount of good judgment needs to be applied.

You know, if a rule could always be applied, exactly as written, and required no judgment, we would require no people. A machine can apply a straightforward rule — absolutely,

accurately, and rigidly, every time somebody touches the rule. The reason that we have people is because we have to exercise judgment.

What I would run into — I'll give you one situation. General Motors and Toyota built an automobile assembly plant at Fremont, California, on an exactly 50-50 basis. Toyota provided technical management, and General Motors provided some wider managerial and financial oversight. The plant produced both GM cars and Toyota Corollas. It still does. The visa regulations allowed foreign executives to come into the United States to manage a business in which, at the time, the foreigners have over 50% of the investment. In this case the plant was a 50-50 split, and the Japanese therefore didn't have over 50% of the investment. Therefore, Toyota was having an impossible time getting its executives into the US for this plant. The reason that GM had entered into this deal with Toyota was to acquire a certain amount of technical know how in assembly efficiency from the Japanese, who were taking GM to the cleaners in the marketplace.

So I looked into the matter. I asked the Visa Office people why the visa regulations said that the foreign investment had to be more than 50% for the investor's executives to be able to enter freely. The Visa Office people said the law required it. I said, “All right, show me the law.” I had a brief from one of the legal people in the Visa Office, who referred to the law. He showed me the law. The law didn't say anything about 50%. It only gave general guidance. I said, “I don't see this in the law.” I was told, “Well, it's in the regulations.” I said, “Show me the regulations.” The regulation was as he said. I said, “Well, this doesn't make sense. The way the law reads, you could easily give these executive visas to employees of any foreign company which has a 50% interest. It doesn't have to be more than 50%.”

I'm simplifying this somewhat to give you the picture. I said, “You've written the regulations to state more than 50%, but the law doesn't require that. So let's change the regulations and issue these visas.” The Visa Office paralegal, a senior civil servant, said, “Well, you can't do that. The Congress won't allow it.” I said, “How do you know that the Congress

won't allow it?" He said, "Well, we cleared this regulation with them when it was issued." I said, "When was it issued?" He said, "Oh, 15 years ago." I said, "Fine, are there any Congressmen left who remember it?" [Laughter] So I said, "Change the regulations." They didn't want to change the regulations. The Visa Office felt that, somehow or other, that was a very bad idea. I told them that they would have to change the regulation. Then I directed our Congressional liaison people to sound out the staffs in the appropriate committees, explaining why I wanted to change the regulation. Much to the chagrin of the people in the Visa Office, the Congressional staffs came back and said, "Right. Get on with it. Let's 'save' GM."

So then we had to go through the publication process concerning changes in the regulations. It took about six months. We changed the regulations and issued the visas. I'm glad that we got the regulations changed. I concluded, though, that there is something in our system that deadens people who work in visa mills on visa problems all of their working lives to the need to lift your head, search the horizon, and understand how things change. Maybe they need to re-think some of the rules, or rethink the way we use our employees.

Every year we have in our authorization bill proposals for changes in the laws. Every year the Bureau of Consular Affairs will come up with anywhere from five to 15 elements of law that need to be adjusted to make things work better. The ones that have good justifications are almost always approved by Congress. This isn't a big deal. The Bureau of Consular Affairs has so much experience in this that I was shocked that they wouldn't say, "Right, let's change the regulation."

Q: I never was a visa expert. In a way maybe this reflects it, but I found that, as a Supervisory Consular Officer, one of my major concerns was not so much not having top caliber people making visa judgments as that they tend to stick exclusively to the law and to learn the law, rather than to use common sense. Often, common sense tells you, "Oh, for God's sake, go ahead and issue the visa," if there is some judgment involved. The less

imaginative people, I think, often take refuge in the law and particularly in the regulations. That's what they learned, and that's how they operate.

ROWELL: That's right. For some of them, and this was particularly true of some of the people who were permanent staff in some of the Washington offices, these regulations become their personal children. Psychologically, they want to protect these regulations because they embody their own self-esteem and personality. Their unique contribution is their ability to interpret their children — the regulations.

Q: It's a matter of power, too, on the Protection and Welfare side of the consular function, what we call American services. This really involves the problems of American citizens overseas.

ROWELL: I'm going to come to that in a minute, but there's one other thing that I would like to mention. We've just been citing some of the negative sides of visa work. I want to mention a couple of good things.

First of all, I found Foreign Service Officers who were working on visas and who had been overseas were always trying to think of ways to do it better, to be humane in treating applicants, to be more efficient, to reduce costs, and the whole works. We had constant experiments going on in different Consulates and Consulates General around the world with physical and processing rearrangements. There was an enormous and fruitful process of effervescence that was going on there. These were serious people. They came up with a lot of good ideas. We wouldn't be doing the volume of business we're doing today, with the funding that we have today, if it were not for the imagination and the energy that these supervisory consular managers were putting into it.

Q: I think that it's one of the fun things in the consular business. In many ways it's almost the one place where you can exercise management on the ground and try out ideas.

Whereas in the field of foreign relations in general, it's a different mindset. This is for the active person.

ROWELL: That's right, but I never found, in any of my overseas postings, a Supervisory Consular Officer who didn't have some sense of the potential political and public affairs implications of visa decisions and the visa processing system at his or her post. They always understood that things could go extremely well or very badly for the post, depending on how they managed their area of responsibility. I can tell you that when I was a DCM, I was certainly aware of this consideration. My sensitivity had been raised by my first assignments, which were at consulates. These Supervisory Consular Officers understood this point better than some of the Political Officers. The Political Officers should have understood it better.

Q: Well, if you're dealing with the problem. Should we move to the Protection and Welfare problems of Americans overseas?

ROWELL: I want to put on the record that I'm speaking as a person who was coned as a Political Officer, although I spent at least two or three tours as an Economic Officer. And, of course, my first couple of tours were as a Consular Officer. All right, let's go to American Services.

Q: In a way we've got a problem on our plates today. Some Cuban-Americans were shot down over Cuba. In a way, it's a big political issue but, when you boil it down, it's a consular problem, when American citizens get into trouble. Often our resources for dealing with problems of this kind are minimal in working with other governments. How did you find it during this 1983-1985 period? Were there any major problems?

ROWELL: I don't recall anything really splashy, but there were always problems. For example, 1983-1985 was a period during which we were trying to launch the whole series of bilateral agreements that we now have for mutual help on child abduction. This typically involves parents who are splitting up in one way or another. Often, in the American

experience, it involves a foreign born father who decides to take the children back to a country of origin against the mother's will. The mother is here in the United States. The child is abducted. It is an abduction if there is already a court order requiring that the child remain in the United States or under an American jurisdiction. We set a pattern for those negotiations and had some successful conclusions. Now, agreements covering that sort of abduction are much more widespread, and there is a general multilateral convention on the subject. That was a major effort.

We had a continuing run of American-born women who had unhappy marriages to Muslim husbands. In the Muslim societies of the world, where women have very few rights and privileges, the American wives would sometimes have trouble escaping their husband's family in order to return to the United States. There was a whole series of problems that we were engaged in.

We had, and the State Department still has, an Emergency Operation Center in the Bureau of Consular Affairs for individual cases that arise. For example, somebody is hurt in an accident or falls ill, and something has to be done immediately. There is always somebody there in the Emergency Operations Center to take a phone call and respond. It is one of the most painful assignments a person can have to be the person responsible for informing the family in the United States that a spouse, a son or daughter, a parent has suddenly been killed or died somewhere. We have extensive training programs and we have manuals on how to break the news and how to deal with it. Invariably, there is a series of instant decisions that the family has to make in a moment of extreme stress. Emotionally, they're not capable of making any decisions wisely or consistently. Yet we have to force the issue, because in many countries if a person has died, the person must either be buried locally or prepared for international shipment to return to the US within a very short period of time—usually 24 or 48 hours. This involves a lot of expense and enormous amounts of paper work.

There were problems with burnout among the officers on the Emergency Services Desk in Citizen Services in Washington. After a certain number of weeks of being the bearer of bad news and receiving abuse day after day from bereaved family members, our people would have to be taken off the line to have their batteries recharged. They would have to be given a certain amount of emotional surcease themselves, or they couldn't continue to handle it, and things would go wrong. That is probably the single, biggest problem for those people doing Citizen Services.

There are other events that demand Citizen Services people who really know what their business is. For example, whenever there is a crisis some place, like the genocide in Rwanda, the threats in Burundi, or the threats to tourism in Kashmir. I'm speaking of contemporary problems now, but there's always something like that going on somewhere in the world. When it's a new issue, typically the State Department puts together a Task Force in the Operations Center to manage the issue. One element of that task force is a consular support operation which will be very heavily involved on the Citizen Services side to deal with the families in the US, to help the Consular Officers overseas to extend the services that are necessary.

The Citizen Services office in Washington is the smallest in the Bureau of Consular Affairs. Its people typically work flat out much of the time. I've described some of the down sides. There is, however, one thing in Citizen Services which I recall from my own experience overseas. That is, when you have saved an American overseas, when you've managed to provide real relief and comfort to somebody in distress, there is a personal satisfaction in knowing that you've done that. That is a source of elation — just knowing that you have helped somebody in providing a benefit that cannot be bought. So it is both extraordinarily stressful and extraordinarily rewarding.

Q: There is a sort of classic conflict between the political or geographic bureau in the Department of State, and often the Ambassador, and the Consular Bureau and the Consular Officer on the ground in a country where there's a real problem — particularly

civil war, civil unrest, or something like this. One might say to Americans that it's not a good idea to go there, but this upsets the host country. I think that our attitude has changed considerably now, but we're talking about this period in the mid 1980's.

ROWELL: The answer is yes, but I didn't see that as often as I had seen it when I was in Political Sections in the 1970's and 1960's. During that stage of the 1980's we were in the process of changing the institutional culture. I mean, the institutional culture in the geographic bureaus of the Department of State and in the political direction of our missions overseas. So they understood that the first responsibility of an American Foreign Service post is the protection of American citizens and their property and the prevention of risk to Americans when that is necessary. I'll give you an example.

Crime had become extraordinarily dangerous along the main north-south highway on the western side of Mexico. The route connected Arizona to Mexico City. There was also some substantial crime along the eastern route which ran from Texas, through Monterrey, to Mexico City. American tourists were being stopped by persons masquerading as police officers who then robbed, raped or sometimes killed the tourists. One of the things that the Bureau of Consular Affairs does is to distribute to the public notices regarding dangerous places in the world and precautions to take. We needed to do that about the crime. We were having a long series of problems with Mexico. We didn't need to rub additional salt in their wounds.

There were a couple of problems in Mexico City when we sent our draft notice to the Embassy there for comment. I think that our Ambassador was John Gavin, a person from Hollywood who did very well.

Q: He was well acquainted with Mexico.

ROWELL: He was bilingual in Spanish and English.

Q: His mother was Mexican, I think. So he was well attuned to Mexico.

ROWELL: However, in the end, and it didn't take very long to get to the end, the Mexicans said, “We recognize that you have to put out a notice.” That experience really paralleled the experiences we had in other places. No Embassy, no Political Section really wanted to refuse to put out a notice of this kind. What they wanted to do was to massage the language to make it as inoffensive as possible without obscuring the core message. This was that, if you travel to this area, there are some dangers that you have to be aware of. You ought to think a whole lot about that before you undertake the travel. If you believe that you need to travel anyhow, then think about how you're going to manage your risks. That's usually the essence of the message. That's also consistent with our own Constitution which, after all, guarantees freedom of movement. The notices required some massaging, but there were no brick walls.

Q: During the time you were in Consular Affairs George Shultz was the Secretary of State, wasn't he?

ROWELL: He was.

Q: He had a lot of things on his plate. Did you find that he had any interest in consular affairs or not?

ROWELL: George Shultz was probably the best top executive manager the Department of State has ever known. I think that career people, both Civil Service and Foreign Service, still long for George Shultz. My personal contacts with him were limited. They arose almost entirely in the Mexican context, but occasionally with the Caribbean area and with China.

At the time we had semi-annual meetings between the Presidents of Mexico and the United States, and even more frequent meetings between the Mexican Foreign Minister and our Secretary of State. I don't recall what the particular elements of conflict were, but there were lots of them. I recall that one day I went to a meeting in Shultz's office. I had to tell him that a whole series of consular issues was unresolved and was likely to

remain unresolved because we and the Mexicans simply disagreed, and we had American citizens at risk. Shultz said, “Fine. So what we have for this meeting of the Presidents is damage limitation. I think that we'd better change the schedule and reduce the amount of time spent between the two Presidents, because we're not going to get this issue solved before they meet. They can raise it, but let's not expect President Reagan to resolve it. We're just too far apart. The elements are too 'tender.' I'll have to take it up in depth with the Mexican Foreign Minister.”

What was important about the meeting was this. Other parts of the Department of State dealing primarily with our economic and business relationship with Mexico and, to a more limited extent, some of our political relationships, all had at least some good news. I had virtually none. I had lots of bad news and it was germane to the meeting. Shultz's whole reaction was, “Okay, I don't shoot the messenger. Make sure you keep me apprized of all developments, right up to the last minute. Design for me a 'damage limitation schedule' in Consular Affairs. Thank you very much.”

I'm not unique. I'm sure he responded that way to everybody who brought problems to his table. He gave directions on how he wanted us to manage the problems and what his role would be in it. If it involved the White House, what the White House role would be. Everybody went out and worked their fannies off. Every single one of us would go back to George Shultz in an instant. We had a very good sense of what it was that required HIS attention and what it was that we would manage on our own.

So Secretary George Shultz was a person who understood the first rule of management. That is, to get the right job done well by working through others. When you have a Secretary of State who spends all of his time negotiating abroad, he is not managing. If you have a Secretary of State who does that, and sometimes it is unavoidable, then you must have a Deputy Secretary of State who does manage and who manages in the Shultz fashion. When you have a Secretary and Deputy Secretary, neither of whom manages in the Shultz fashion, you have a badly managed Department of State and Foreign Service.

Q: You're certainly talking about the present situation, but we've had this...

ROWELL: Not just this. I made a generic statement and I meant it to apply generically.

Q: Going back, you don't find many good examples. I don't think that the administration of the Department of State by Secretary James Baker was very strong in this regard.

ROWELL: The administration of the Department by Secretary Baker was very closed in its operation of foreign affairs. I said that sometimes the Secretary of State cannot escape these things. I'll give you an example.

When Kissinger was Secretary of State during the 1970's, he set the precedent. Succeeding Secretaries have been personally negotiating Mid-East peace. Kissinger himself set the pattern in a way that convinced, for example, President Assad of Syria that the only serious talks involving the US on Mid-East peace would have to be with the Secretary of State and no one lower in the hierarchy. Well, Assad is still there. When Syria is on the agenda, it's probably necessary for the Secretary of State to do some talking with him, because Assad will not listen seriously to anybody else. At least, not yet. Now, that ought to change. After all, the establishment that made it possible for him to be so difficult for so long, the Soviet Union, disappeared years ago. So something has to bend. Maybe one of the things that has to bend is the level at which various negotiations are conducted. There will be other events that demand the presence of the Secretary of State. However, fundamentally, a top manager has to manage and be involved in a limited number of negotiations. He has to have an alter ego who is really managing the other events.

Q: Are there any other areas that we should cover regarding your assignment to Consular Affairs, before we move on?

ROWELL: Let me see. I don't think so. We can always come back if something occurs to me.

Q: So you left Consular Affairs in 1985. Where did you go?

ROWELL: I went as Ambassador to Bolivia.

Q: You were there from when to when?

ROWELL: I was in Bolivia from August, 1985, through January, 1988.

Q: How did this appointment come about? For one thing, you weren't an ARA hand at this point.

ROWELL: I'd been out of ARA since 1970, so this is now 15 years later. On the other hand, I had maintained my relationships with people in ARA. When I left ARA, I had been in that bureau for over 12 years. So once you have established yourself over such a period of time, you always retain a residual reputation in the bureau. That's when it has value.

Ron Spiers was the Under Secretary of State for Management. He supported the internal process by which the Deputies Committee and then the Secretary of State decided whom the Department would propose as the career officer nominee for a mission. Ron was determined to enhance the effective role of functional bureaus in the Department of State. That meant that persons willing to take, say, Deputy Assistant Secretary of State positions in functional bureaus should have a crack at being a chief of mission. Ron was pushing that.

His senior assistant in 1984, Bill De Pree, had been putting together the lists of career officers to be considered as candidates to be Ambassador. I had known Bill De Pree off and on in the corridors for many years. I bumped into Bill in the corridor in early December, 1984. I hadn't seen him for some time. Bill said, “Ed Rowell.” I said, “Bill, what are you doing?” He said, “I've been working on chief of mission lists.” I suppose that something expressed itself on my face, because I said nothing. He said, “Ed, would you be interested in being included on one of these lists?” I said, “Of course I would.” Naturally. What else

does a career Foreign Service Officer want? Bill said, “Well, this is a good time.” Within a week I had a call asking if I would be willing to be short-listed for an Embassy in Latin America.

Q: Would you explain what the term, short list meant?

ROWELL: When the Department of State is putting together a list of career officers for various missions, they get a substantial number of names for each mission. Typically they are doing lists for large numbers of missions around the world. Even within a given geographic area there will be quite a few lists. Sometimes there will be only four or five, but sometimes there will be as many as 10 or 12, depending on the number of missions in the area. Candidate names are solicited from all over the Department of State. For any one mission there typically may be anywhere from 20 to 50 potential candidates. Then the Offices of the Director General of the Foreign Service, the Under Secretary for Management and the Deputy Secretary trim the lists down to five names for each Embassy. These are the “short lists”. Each of them may contain from three to six names. The Deputy Secretary's Committee will then recommend one from each list to the Secretary of State. The Secretary of State also sees the other options. He picks the person whose name will go to the White House as the career officer candidate to be Ambassador at each mission where there will be a vacancy. At least this is the way it worked in 1985.

De Pree was asking if I would consent to have my name put on that short list of five or six potential nominees that the Deputy Secretary's committee would send to the Secretary. They had to name the specific post for which I would be a candidate. It turned out to be Santo Domingo in the Dominican Republic. That was fine with me. You have to start somewhere. They came out of the Deputies Committee with agreement

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Q: This is Tape 6, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: Since I was getting feedback orally and informally, I'm not certain of all of the details. However, I think that my name went over to the White House for appointment as Ambassador in Santo Domingo, Dominican Republic.

Now the Department of State sends to the White House Office of Personnel a list of diplomatic missions that will become vacant with a career officer candidate proposed for each of the pending vacancies. The Director of the White House Office of Personnel then pulls out a list of non-career persons for whom the administration is seeking places to appoint. Then there will be a meeting between the Deputy Secretary of State and the Director of the Office of Personnel at the White House. The White House Personnel Director will say, “I have to have Embassies for at least x-number of non-career people.” Sometimes he is quite specific as to which non-careerists should go to which Embassies.

On the average, although this varies with the administration, what happens is that, if you go over with a list of, let's say, 15 Missions to be filled in Latin America over the coming 12 months and you have 15 career officer candidates, the White House Director of Personnel will say, “Five of these Missions have to go to non career people. Here is a list of the non-career people we want to appoint.”

In my case was that another career officer was bumped from a more prestigious destination to make room for a non career appointee, and they decided to send that other career officer to be Ambassador in Santo Domingo. So I no assignment and my name went back to the Department of State.

In the Department they said, “All right, we're going to have to go back to the White House because there are several of these vacancies which are still undecided. Is it all right if we go back to the White House and say, 'We want Ed Rowell in Asuncion, Paraguay?'” I agreed. They went through the process again, came back, and said, “Well, Ed, what's

happened is that you can't go to Paraguay. Somebody else, a career officer, is going to go there. However, another career officer to whom we absolutely had to give a Mission was slated for Ambassador in La Paz, Bolivia, but he can't go there for health reasons. So the White House has agreed that you can go to La Paz, if you're willing." [Laughter] I replied, "On this one I've got to think for 24 hours." You know, La Paz is way up in the clouds somewhere, thousands of feet up. What are the health hazards? It's a major coca growing area. There is the drug traffic and all kinds of problems that make the headlines. So they gave me the 24 hours to consider this. I talked it over with my wife and said, "Yes."

This time word came back from the White House that they had agreed on me "in principle" for La Paz. "In principle" meant that the White House Director of Personnel agreed, but that the President had not yet been consulted formally. I knew, though, that for a non-controversial career officer, "in principle" meant "yes."

That information came back in January, 1984. The processing began immediately. It's a long process because you fill out reams of paper on your background for the Senate, for the President, for your security check, and so on. You have to certify that you have no financial interests that could constitute a conflict of interest. I had none. Then, eventually, when all the papers were together, they all went to the White House. The White House Counsel's Office looked them over to make sure that there were no conflicts of interest and that this appointment was unlikely to raise any kind of a problem with the press or in public relations terms. The White House Counsel's Office is a little more flexible if there is a potential problem with one of the political or non career appointees, because there is an assumption that there is strong political support for making that appointment. Otherwise, that person would not be so highly regarded by the White House Office of Personnel. Therefore, there is potentially significantly more political support within the Senate that would allow a non-career candidate to get over the hurdle. They are never so confident about political support for a career officer, although some of them do have it.

In my case the papers went over to the Senate in early May, 1984. There was a major slow down in nomination and appointment hearings. Senator Jesse Helms [Republican, North Carolina] had put a series of holds that, in effect, frustrated the efforts of the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee to hold any confirmation hearings at all. Eventually, the chairman of the Senate Foreign Relations Committee, Senator Richard Lugar [Republican, Indiana], stepped in and conducted the hearings himself. I had my hearing in June, 1984. It probably took no more than half an hour.

Q: Was there any in-depth questioning on your appointment?

ROWELL: Nothing significant. I can tell you that, by that time, I was working very closely with the Bureau of American Republics Affairs, and particularly with the Bolivia desk, as well as with the Bureau of Narcotics Affairs. I prepared a long series of questions and answers. I went through the Murder Board. That's where you sit in a room, and people fire nasty questions at you. You answer them orally.

For the hearing itself I prepared a written opening statement which I asked to have entered into the record, and then made a complementary oral statement at the beginning of the hearing. At the hearing I went to the witness table at the designated hour (they were hearing two nominees per hour). The Committee Chair, Senator Lugar, that they had received my prepared statement and asked if I wanted to make an oral statement. I said that I did. I reviewed my Foreign Service experience. I reaffirmed my own commitment to try to defeat drugs, to try to help Bolivia to have a safe, democratic transition, to help Bolivia to privatize its economy and move toward a market economy from the previous socialist economy. I introduced my wife and cited the valuable partnership which she has always provided me throughout my Foreign Service career and which I knew she would provide if I were confirmed and appointed as Ambassador to Bolivia. I also introduced other members of my family who were there.

The Senators asked one or two, pro forma questions. They were really quite friendly. They had a list of questions that had to be answered in writing, but none of them was terribly difficult to answer. Obviously, whether replying orally or in writing, the objective is to be forthright about problems and policies, but in a way that doesn't hurt a new Ambassador's ability to pursue US policies effectively with the authorities of the country where he/she is to go. I was confirmed by the Senate about five or six weeks later. Ordinarily it can take as little as two to ten days for full Senate confirmation following a non-controversial hearing. But Senator Helms was still slowing down the process.

Q: I think that you've already answered this question in large part. Most new chiefs of mission have a list of problems to try to solve or do something about. When you went to Bolivia, what was your agenda?

ROWELL: At the time of my confirmation Bolivia was having an election. This was at the end of a period which really began in the late 1970's and continued through the early 1980's. There had been a series of governments that had taken office through extra-constitutional means — in other words, coups d'#tat. At one stage there had been a military officer in government who was notoriously involved in the drug traffic. That person had been succeeded by a President who was a member of the Nationalist Revolutionary Movement of Bolivia [MNR], a socialist party affiliated with the Socialist International. The MNR had moved more closely toward constitutional government, including the holding of elections.

They held a democratic election. No candidate won a majority of the votes. The President then had to be selected by the lower chamber of the National Congress, the House of Deputies. The candidate who had won a plurality of the votes for President, Hugo Banzer, a conservative, lost to one of the founding fathers of the MNR, Victor Paz Estenssoro. This was a constitutional process, fairly and democratically conducted.

Paz Estenssoro had first become President in 1952 following the socialist revolution that produced Latin America's first agrarian reform since the Mexican Revolution of 1910. This, 1985, was the fourth time that Paz Estenssoro had become President of Bolivia. Paz Estenssoro took office on a platform that was dedicated to modernizing the economy and undoing the excesses that had crept into the socialist revolution.

My agenda was to reaffirm democratic, constitutional government; to support Paz Estenssoro in implementing his platform and to work with Bolivia to straighten out its economy, which was a disaster; and to do everything possible to cut back on the production of coca leaves and cocaine precursor products, as well as everything I could to break up drug trafficking. The country's disastrous economy was propelling more and more of its citizens to become associated with the drug traffic — just in order to survive economically. That was a big enough agenda for any mission.

Q: At this time the Reagan administration was pushing hard on the problem of the Sandinistas in Nicaragua and revolutionary groups in El Salvador. This seemed to be the main focus of our foreign policy in Latin America. Did this impinge at all on what you were up to?

ROWELL: Only peripherally in a very limited way. There was a Cuban representative in La Paz trying to find out if there was a potential for a Nicaraguan type of situation. Despite the socialist background of many people in the Bolivian Government, they were not particularly helpful to the Cubans and Nicaraguans. They received them but didn't give them a lot of help. The Bolivians had a lot of their own problems, and neither Cuba nor Nicaragua was doing anything to make life easier for Bolivia. So, as I say, although there was Cuban representation in La Paz, and I think that there was a Nicaraguan office, although I'm not certain. I'd have to look that up.

Q: How did you find dealing with the President of Bolivia and his government at this time? Was he there during the whole time you were there?

ROWELL: He was.

Q: That was sort of remarkable, wasn't it?

ROWELL: It was. He and his government were all extremely open and accessible to me. In fact, I flew to Bolivia as part of the US Delegation to the inauguration of Victor Paz Estenssoro. We all agreed that, even though I had already been confirmed, my predecessor would remain there as US Ambassador for the inauguration. He had been there for almost four years. He had had some extraordinarily difficult times. He deserved to see success at the end of his mission.

Q: Who was this?

ROWELL: Ed Corr. As the American Ambassador, he had done everything that an Ambassador can do to reaffirm the democratic process and to help the Bolivians to make their country succeed. It had succeeded. It was only appropriate that he be there, as the US Ambassador, for the inauguration of a democratically elected President. Nobody had any trouble with that arrangement. So he was there in Bolivia. I simply went down as part of the US Delegation.

I was well received, though. I met President Paz Estenssoro and the outgoing President, Jaime Paz Zamora, as well as a number of senior Bolivian officials. I went back to the US. Then, three weeks later, I returned to Bolivia. I presented my credentials to Paz Estenssoro either on the day I arrived or on the following day. Virtually immediately, in other words. So I was the functioning Ambassador within 24 hours of arriving in Bolivia. That's what I regard as extraordinarily forthcoming on the part of the Bolivians, in terms of the formalities of presenting credentials.

When I went to Portugal as Ambassador some time later, the Portuguese were desperately anxious to have an American Ambassador. They knew me personally. They told our Charg# d'Affaires and the Department of State that they were elated that I was

coming as Ambassador. However, it still took over two weeks to present my credentials. The Bolivians signaled how anxious they were to have me and to have a strong and effective relationship with me.

Q: Over the period of time that you were in Bolivia did you see the President often or was it the type of government where you didn't have to see the President? Or did the ministers also have some weight?

ROWELL: First of all, each of the cabinet ministers had some weight. Secondly, I saw the President at reasonable intervals. Sometimes it was on social occasions or at ceremonial affairs where I knew the President would be. If you can squeeze your agenda to something small enough, you can discuss at a social or ceremonial event even when it's meaty. However, for those issues that required that I go to the President personally, I always asked for a private interview and I met him in his office. On a very few occasions I met with him at his residence. Sometimes that was to escape the eye of the press. Remember also that Paz Estenssoro was 78 years old when he took office on this occasion. He was a senior citizen. Sometimes I would meet him at his residence simply to reduce stress on him.

However, I did the bulk of my business with the cabinet ministers. They had real responsibilities. I often worked with the Minister of Planning, Gonzalo Sanchez De Lozada, for example, who had arranged for Jeffrey Sachs to come to Bolivia. Sanchez de Lozada from Banzer's party and was the strong key to the country's economic recovery and modernization. He is now President of Bolivia. Anyhow, he and the Mayor of La Paz, Ronald MacLean, were from the same, conservative party. The Mayor of La Paz had gone to the John F. Kennedy School of Government at Harvard, had met Sachs there, and had proposed during the presidential election campaign that his party bring Sachs down to help it to develop a program for restoring the economy.

Q: Could you explain who Jeffrey Sachs is?

ROWELL: Jeffrey Sachs was a professor of economics at the John F. Kennedy School of Government at Harvard. He helped Banzer's party to develop an economic program for the conversion of the economy to a full market-based economy and for the privatization of government-owned enterprises — the whole bit.

When Paz Estenssoro was elected President, he had half expected NOT to be elected. After all, Hugo Banzer had won a plurality of the popular vote. Paz Estenssoro's party, the MNR, had not developed an economic program. Well, Paz Estenssoro was elected by the Chamber of Deputies and entered office. He needed a government that would command some support from the single largest block of votes in the Congress — that is, the conservative party. He adopted the Banzer party's economic program. To a substantial extent that program had been master minded by the man whom Paz Estenssoro had appointed Minister of Planning, Gonzalo Sanchez de Lozada.

After the new government was installed in office, they brought Sachs down as a consultant for the overall economic program. At that point inflation had gone wildly out of control. They leaned on Sachs for advice on containing inflation and straightening out government finances. Sachs came down twice, I believe, at Bolivian Government expense. After that they still needed his advice, but couldn't afford it. So Gonzalo Sanchez de Lozada brought Sachs down to Bolivia at least twice, maybe three times more, at his own personal expense. It cost over $20,000 per visit.

The Bolivian Government took Sachs' advice. They dealt with the inflation problem. By the time I left Bolivia inflation was in the single digits, down from 23,000% per year when I had arrived. That experience gave Sachs world reknown as an inflation slayer and economy modernizer. It contributed directly to a comparable effort he undertook in central Europe and, briefly, in Russia after the Soviet Union collapsed.

Q: You say that one of your goals was privatization of the economy. It's all part of...

ROWELL: I want to emphasize that this goal was consistent with the program of the newly-installed government.

Q: So, in a way, what did you do, outside of saying, "Go to it, fellows?"

ROWELL: First of all, I tried to expand the economic assistance program to provide technical assistance where the Bolivians could use it in the conversion process. They had a number of ideas, and the AID Mission Director also came up with some good ideas. Secondly, there were some old investment conflicts, the most significant of which involved Gulf Oil and Occidental Petroleum. I talked repeatedly with the government about ways to deal with them and to resolve them. The companies were open in keeping me informed about their negotiations with the government. The point I made to the government was, "Look, if you want to privatize, that means that you want private investment to come in. You want foreign private investment. It's going to be very hard to get that foreign private investment in until you resolve these old problems. In terms of the content of such a resolution, you and the private firms are not that far apart. It's a very small step to closure."

I didn't attempt to become a negotiator but rather a kind of ombudsman and a persuader. They did come to closure with the oil companies and resolved the problem.

Q: How responsive were American companies in dealing with Bolivia during your time there?

ROWELL: I found that they were always happy to deal with the Ambassador. They wanted to solve their own problems. The experienced companies would come to me and say, "We're having this problem. We're not asking you to intervene. We want you to understand the problem. If you see an opportunity to help us, we would appreciate your letting us know."

For example, there were some limited problems involving the electric power company, which was Canadian and American owned. This company needed a new contract with the

city of La Paz, so they needed to expand their capacity. This represented a substantial new investment which meant that they needed a new contract that would give them a reasonable time over which to amortize the new investment. However, it was a difficult issue because it meant some guarantees in terms of electricity rates, ensuring payment for the power produced, and all the rest. These were typical of the problems which faced the utilities.

There the issue was primarily with the city of La Paz, rather than with the Bolivian Government. However, it was important to keep the Bolivian Government in synch with the city of La Paz and avoid inadvertently doing something that would complicate resolution of the problem. The Mayor of the city was reasonably open, but he was politically constrained, to some extent. I talked with him, with his opposition, and with the Bolivian Private Business Confederation to try to create an atmosphere that would make it easier for the city of La Paz to agree to a settlement. They managed to come to some agreements, but the problem wasn't completely resolved when I left Bolivia.

The government needed to privatize the mines. That meant laying off large numbers of miners.

Q: Even for somebody who has never served in Latin America, I have heard about miners who run around with sticks of dynamite in their belts.

ROWELL: Exactly. In fact, a “miner's hot dog” is a half stick of dynamite with the fuse lit. The government eventually laid off some 20,000 of these miners. The miners got transportation to La Paz and demonstrated in the streets. They threw a couple of “miners' hot dogs” at the Embassy. On one occasion the explosion injured our Security Officer and several police and broke some glass. On another occasion we had a dynamite stick dropped on the roof of the Embassy from an adjacent building. It blew in a bunch of windows and narrowly missed my wife and a number of other persons who had been in the Language Training Room at the Embassy. They were having a coffee break at the

precise moment when the dynamite stick went off. I think that the timing was accidental. I don't think that the person who dropped the stick of dynamite on the Embassy roof knew anything about our internal schedule. Fortunately, although the explosion made a mess of the Language Training Room, nobody was physically in it at that instant. Still, it was stressful.

We used the Food for Peace program to help the Bolivian Government to find alternative work on useful infrastructure for those miners and their families who were willing to work. For example, people in the program worked on water systems and built drainage ditches and irrigation canals in cities and small villages in the mining areas of Bolivia, in exchange for food. That gave their families something to live on and made their living conditions a little bit healthier. While this was going on, the government put together programs to help relocate the miners to areas where they could find permanent work. That program was very well received.

I traveled to all of the sites where we were operating this program. I talked directly with the workers, with their union leaders, and with their community and social leaders in open meetings and with workers standing around. I had to talk in Spanish because I didn't understand the Indian languages, Quechua or Aymara, depending on the area. Their leaders all spoke acceptable Spanish, so that I could do that. Universally, I found self respect, because they felt that they were working on these Food for Peace projects and, at the same time, improving their communities. They were grateful for the assistance. Even though the country was going through a privatization program in the direction of a market economy, I found a positive attitude toward the United States. If an American company wanted to invest in Bolivia, the ordinary Bolivians were positive about that, too.

Q: I take it that, by the time you arrived in Bolivia, the course of aggressive socialism had pretty well lost its luster.

ROWELL: That's right. People believed that Bolivia had lived some sort of “socialism” ever since the 1952 revolution (with some time out for a couple of military governments). Ordinary folk, the indigenous population, had their own land, controlled their own villages. Their post-1952-revolution society had plenty of problems. So, Ch# Guevara the Argentine Marxist-Leninist revolutionary associated with Fidel Castro found rocky soil when he tried to foment a new “socialist revolution” among the campesinos, poor country folk, in Bolivia. The campesinos told the army where he was and he was killed. I guess you could say that “socialism” had lost its lustre.

But the Catholic Church and the universities in Bolivia, including those which were Church-related, had absorbed substantial numbers of priests who belonged to — what was it called in Latin America? — the Liberation Theology movement. The universities in Bolivia had become sanctuaries for liberation theologians and their secular allies, many of whom were Marxist/Leninists. They had received a lot of support from Cuba and from Nicaragua over the years. They were established and deeply rooted in Bolivia. They were affecting the thought processes of substantial numbers of university students. They still had considerable influence on many teachers in Bolivia's secondary schools.

The Catholic Church, or at least some of the key Church leaders, as well as the Papal Nuncio, were trying to attenuate the influence of the liberation theologians. The country didn't have enough recruits in its seminaries to staff its churches. So they were bringing in priests from other countries, including European countries. They were working with this problem as well. I found, for example, a Bishop of Andean Indian origin in a diocese near Lake Titicaca who was trying to establish a new Church-sponsored advanced technical agricultural school. He was putting up an institute that focused on farming and agricultural economics. It was intended to help the children of indigenous laborers, almost all Native American children, so they wouldn't have to attend the Marxist seedbed at the big city universities. I worked very hard to support his institute. The amount of help that we could give was limited. We used some Food for Peace help in putting up his buildings. We tried

to find ways — through private organizations, not government — to assist in financing his faculty, some of the needed equipment, and to get a new syllabus that would not be a liberation theology syllabus but simply practical courses in farming and in farm economics. The Bishop inaugurated the institute and opened the first classes there before I left.

Q: Obviously, the first priority on your time there was the drug situation. What was it when you arrived, and what could we do...?

ROWELL: Coca growing was spreading rapidly. There is a whole bunch of myths in terms of coca and cocaine economics. For example, we were assuming that the production coefficients for coca and cocaine which we had discovered in Peru were valid also for Bolivia. But it turned out that Bolivia was different. It was less than half as efficient as Peru in terms of cocaine output per hectare of coca leaf. It also had some vulnerabilities in terms of production and transport that Peru didn't have. So we made some startling discoveries.

However, the first effort was to get Bolivia to pass a law that would make coca growing illegal — or, if not wholly illegal, then substantially illegal—so that we would have a legal basis for trying to reduce coca production. We tried to get Bolivia to upgrade its anti-drug police efforts and operations against drug laboratories. We sought to reduce the effectiveness of the drug trafficking community, particularly in terms of its ability to corrupt police authorities and other officials. And, overall, to reduce the flow of drug-related products from Bolivia. The products were mostly going to Colombia for final processing and then on to the US. However, a lot of product was also going to other Latin American countries and starting to flow to Europe.

Q: Let's stop at this point. The next time we get together we still will be reviewing your time in Bolivia, 1985-1988. You've just finished explaining what the status of the drug traffic was. So we'll talk about what we were doing at that time to deal with it. One of the questions I do want to ask you is this. You said that we were assuming that what was

happening in Peru in terms of coca cultivation and all of that was the same in Bolivia. We can talk about what you found that was different in Bolivia and then talk about efforts we were making in that direction. We've already talked about the economic situation.

ROWELL: There's one more thing that I'm going to talk about on the economic situation. It relates to the small loan program.

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Q: This is March 4, 1996. Ed, do you want to continue where we were in our previous session?

ROWELL: Yes. The critical intelligence on what made Bolivia different from Peru was produced by the Drug Enforcement Agency [DEA] through confidential informants that they had developed. They deserve an enormous amount of credit in this respect.

First of all, we found that the coefficients of production for converting coca leaves to cocaine were half as much in Bolivia as they were in Peru. I don't know why. I don't know whether it was the type of leaf or the primitive way in which they extracted the alkaloid from those leaves — although I imagine that the initial extraction process it was pretty primitive in Peru as well. Whatever the reason, the process of extraction of the alkaloid was only half as efficient in Bolivia.

Secondly, we were able to confirm that the people growing the leaf were very poor and were doing it simply to get money and to survive. There was a down side to that. I recall one set of remote mountain villages in a part of Bolivia that has always relied on barter trade and still does today. The village agreed to eradicate all of its food and fiber crops and to plant coca. They harvested the coca leaf. The drug traffickers bought the leaf. Then, when the village went to neighboring villages to buy food, the neighboring villages said, “We'll be glad to sell you the food we always sell you. Will you please give us the fibers and foods that you used to give us?” The people from the first village said, “Well, we don't

have that, but we have all of this money, and we'll give you a lot of money." In that region people said, "We can't eat money. Sorry. When you can bring us some goods, we'll trade."

This village was sufficiently remote that going down to the Lake Titicaca region to buy food, or something like that, involved a major trek. It was very difficult, and they didn't have much transport. A man I know, who was affiliated with the United Nations, reported that within three years of the time the village started growing coca serious malnutrition was observed among children and child mortality more than doubled. This was not from abusing drugs but from displacing itself from barter trade in an area that only had a barter economy. This was an interesting development.

We discovered that, for the most part, the poor people growing the coca leaf were self-financed. That is, they would plant the leaf and would grow subsistence crops between the rows of coca plants. When they harvested the coca leaf, they would either process it themselves with chemicals that they obtained on a loan basis or they would sell it to a person who would process it. However, they received no cash compensation for their product until their product, which was called coca paste [pasta de coca], a precursor product, cocaine sulfide, had been converted into cocaine and marketed in the US Or elsewhere, and the money had been physically flown back to Bolivia. So from the time that they delivered the coca leaf until they got their money was sometimes four months. From the time that they planted the coca plant to the time that they had their first full harvest, was 24 months. This represented an enormous investment for somebody who has little or no capital. They invested their time and a lot of sweat.

We also found that there was an enormous vulnerability. We had been told and convinced in Peru that if you attempted to destroy coca by whacking it off at the stem where the plant comes out of the ground, it would grow back. However, in fact, if you whack the plant off reasonably close to the ground, it does not grow back. It has to be recultivated from seeds. Again, that was new information.

Q: That gave you a two-year hiatus.

ROWELL: It gave us another destruction method, because, based on what we thought we had learned in Peru, we were having to figure out ways to use chemicals to destroy the coca which would simultaneously destroy all of the subsistence crops nearby; or ways to bring in large plows to turnover the land and plow under the coca in areas where you couldn't get the machinery in. The problems of destruction, if you couldn't just cut it down, were enormous. This had been a major inhibiting factor in putting together programs.

We also found out a good deal about the ferrying mechanisms. At one time, for example, most of the coca paste had been carted out of the growing area on people's backs — sometimes on the backs of donkeys. The valleys where they were growing coca were quite broad, and some of them even verged on being plains, especially in the area toward eastern Bolivia. Access to these areas was limited. The roads weren't there.

There were some laboratories in Bolivia for converting the coca paste into cocaine. The more efficient and more active laboratories were in Colombia. It didn't make too much difference whether you flew the coca paste, the cocaine sulfide, or refined cocaine hydrochloride out, because the paste converted to cocaine hydrochloride, in terms of weight, approximately on a one-for-one basis. Maybe it was one unit of paste to 0.9 units of cocaine hydrochloride, but that was close enough. It wasn't a significant cost factor in deciding whether to fly out paste or cocaine hydrochloride. What really decided the traffickers on which they would do was more related to the chance of being interdicted. I talked with some visiting Congressmen and made the point to them that we were frustrated in Bolivia because we could not attack the laboratories which had been placed off in the jungle. There was no way to get at them. There were no roads out there, and we didn't have any helicopters. The Bolivian Air Force had only three helicopters in their inventory. They were old, badly maintained, and unsafe. The Bolivian Air Force itself wouldn't fly them.

By the time I had spent three or four months in Bolivia, it was obvious to me that we were doing nothing effective about coca leaf production. It was equally obvious that Bolivian politicians were reluctant to alienate the peasant population that was growing the coca. They depended on them for votes. I'm not talking here about drug money and not talking here about bribes by kingpins of the narcotics traffic from Medellin Colombia. I'm talking about politicians who were elected by those people out there in the fields.

I decided to develop a strategy that involved an early shock and a longer term, follow-on program to try to get the peasants to give up coca growing and to go into some kind of legitimate crops. I asked my Army Attach#, who was a veteran helicopter pilot with service in Vietnam, to draw up a plan that I could propose to the Southern Command [SOUTHCOM — the US Theater military command in Panama] and to Washington to bring in helicopters. We could either lend them to the Bolivian Air Force for the Bolivian Air Force to fly or have the US Army fly them at first.

The idea was to ferry the Bolivian Anti-Drug Police out into the jungle to destroy laboratories that we might find. We had two principal ways of finding them. One was information from confidential informants. Another was through aerial surveys using various high tech devices to see through the jungle canopy of trees.

At the same time I asked the DCM [Deputy Chief of Mission at the Embassy] to put together a program involving the entire Country Team. That is, all of the US agencies there in Bolivia.

Q: Who was your DCM there?

ROWELL: My DCM at the time was Jeff Biggs, a USIA [United States Information Agency] Foreign Service Officer. I asked him to put together an integrated program that would involve components such as: putting pressure on campesinos to cut down coca and stop growing; helping them to find alternative livelihoods; and persuading the Bolivian

Government to enact a law restraining or, ideally, outlawing completely the cultivation of coca. Well, we knew that totally outlawing it was impossible.

There was a mythology in Bolivia that coca arrived from the Sun God and that the Native Indian population would always have to have its coca, because this was a sort of religious rite, and so forth. In fact, I later discovered that that was a myth, too. Coca had been used by the Inca tribe as a favor bestowed on certain, favorite people, who, in turn, bestowed it on other, favored people. It was essentially a device to help control people. When the Spaniards arrived in Bolivia in the early 16th century, they defeated the Inca and discovered coca. They put it to work by using it on the native population, whom they put into forced labor in the silver mines. This was done so that they could withstand the cold outside, the heat inside the mines, and the hunger in their bellies — not notice their discomforts and keep on working, producing silver and tin. So coca was essentially a drug for enslavement.

Q: We're talking about the opiate of the masses, aren't we?

ROWELL: Well, I hate to say that. Although people used coca, they used it for quasi-medicinal purposes in the sense that they used it to alleviate physical pain and hunger. That makes it different from the opiate of the masses. It was not used in the way that alcohol is used, for example. So it was very different. But that also puts a different caste on it for political purposes, because once you manage to sweep away the mythology and you understand that coca was an enslaving device, then it becomes easier to attack it.

So we put together a program which involved trying to persuade the Bolivians to pass an anti-coca law, have AID [Agency for International Development] put together a program that would provide carrots incentives to the peasants, or campesinos, if they would give up growing coca, as well as transition assistance if they would give up coca. I regard transition assistance as not a motivator but a facilitator. Obviously, our Public Affairs Office had to support the programs that we developed and that we were negotiating

with the Bolivian Government. We used the Army Attach# and the Military Assistance offices to help put together the interdiction program. First, this involved bringing in US Army helicopters in an operation called Blast Furnace. Secondly, we planned to bring in helicopters provided by funds from the State Department's anti-narcotics program that were transferred on a long-term loan basis to the Bolivian Air Force. Some people suggested giving these helicopters to the Bolivian Air Force. I insisted that they be placed strictly on loan so that if, for some reason, the program came apart, lost efficiency, or whatever, we could pull the helicopters back and put them somewhere else where they'd be doing us more good.

What other agencies were there? We used all of our intelligence assets in the program.

Q: Had the CIA [Central Intelligence Agency] been involved in this? The reason I ask this is that, from time to time, and particularly with the end of the Cold War, which hadn't happened yet, there was a lot of thought, to my knowledge, that CIA would have to concentrate on terrorism and drug trafficking. Obviously, the Cold War had not played itself out as yet in Latin America.

ROWELL: The CIA certainly contributed what it could in helping to identify drug traffickers and elements of the drug traffic that might have vulnerabilities that we might exploit. There was that sort of thing. However, they, as was the case with all of us, were very, very careful, whenever a trafficking operation was discovered that might eventually lead to a prosecution, to give it to the DEA, as a law enforcement agency. So if we ever had to prosecute somebody in US Courts, we would not get into that awful bind of having things there which couldn't be turned over to the prosecution because, somehow or other, they had been discovered by CIA. Everybody understood the rules. We followed them religiously so as not to complicate any potential future prosecution.

Now, CIA could also used some technical resources to help us locate the laboratories in the jungle so the Bolivian Anti-Drug Police could attack them. CIA worked very hard on this.

Q: We have the example of Colombia today, which is so permeated with drug money and corruption, from President Ernesto Samper on down. We're having a terrible problem with it. Could you talk a little bit about the Bolivian Government as far as corruption within it is concerned?

ROWELL: I'll talk about the corruption problem a little bit later. Let me finish this comment about the drug laboratories. The drug kingpins operating out of Colombia, and they really were kingpins of the drug traffic, basically used Bolivia as a reserve supply source for coca paste, the precursor substance for producing cocaine. Their primary sources were in Peru, Colombia, and, to a small extent, in Brazil and Ecuador. However, the primary sources were Peru and Colombia. The Bolivian supply of coca paste was there in case one of their other sources suffered a catastrophe. It also was intended to keep down the price of coca paste and to keep the people growing the coca in Peru and Colombia from being able to jack up the price. So demand for coca paste in Bolivia fluctuated. If things were going very well in Colombia and Peru and the traffickers were moving all of the coca paste that they could make, then demand in Bolivia would slacken. When demand was stronger than supply elsewhere, then the price would strengthen.

The Colombian kingpins stayed in Colombia. They sent agents to Bolivia as necessary, so that at the time that I was in Bolivia, there was no indigenous, cartel-like apparatus resident in Bolivia which was trying to call all the shots as the cartel was doing in Colombia. So it was a very different situation.

Now, back to the program that we put together. We had this long term program put together by the Country Team and proposed a shock program to start it off. I didn't hear from Washington for months after sending in my proposal for helicopters just for the initial

stage. However, I did hear from General Galvin, who was the commander in chief of Southern Command [SOUTHCOM], about what was going on in Washington. The State Department, the DEA [Drug Enforcement Administration], and the FBI [Federal Bureau of Investigation] wouldn't tell me. Of course, the DEA doesn't tell anybody except its favorite agents. But the Defense Department keeps its senior commanders informed about what's developing, so that when they blow the whistle to launch a program, they can take action. Gen Galvin kept me informed.

I received word from Washington in June, 1986, that the project that I had submitted on January 1, 1986, was approved and that we were to launch it in two weeks. That was two weeks to get Bolivian government consent, brief appropriate authorities, bring in people and equipment from SOUTHCOM, establish operating bases. That was the State Department. I was ready only because Gen Galvin and I had been talking to each other regularly and he had known what was happening in Washington.

So we launched the program. I might say that each of these programs, as we attempted to implement them, was carried out with the full knowledge and consent of the Bolivian Government, including the President of Bolivia, with whom I cleared the activities personally prior to initiating them. He was the first person I approached to get permission for Operation Blast Furnace. He gave us his solid support. Then I followed up with the Bolivian Ministries that would be involved, Defense and Interior. We had luck in getting the permission on such short notice. The one person who might have blocked it, Planning Minister Sanchez de Lozada, was in a Paris hospital recovering from an emergency appendectomy. He feared that if we suddenly cut off the flow of drug money, his efforts to restore the economy — and to make it capable of prospering without drugs — would fail. I want to emphasize that his concerns were macroeconomic. He was no friend of drug traffickers.

We brought in US Army helicopters initially for a period of 120 days until State Department helicopters could be brought in and loaned to the Bolivian Air Force, and the Bolivian

Air Force could fly them instead of having Americans flying them. Our the initial strike destroyed a big coca processing laboratory. I don't remember how many hundreds of kilos of coca paste were destroyed, but it was a lot. Then two dry holes followed it. Then we destroyed a smaller sized laboratory. Then there was a string of dry holes for about a week and a half.

Q: You might explain what a dry hole is.

ROWELL: A dry hole is a site that we attacked thinking that there was a coca lab there, but which turned out to have nothing significant on the ground when our forces arrived there. Most of the dry holes were laboratories from which the equipment and chemicals had been removed.

As we went through this process, incidentally, we discovered something else about the coca paste laboratories. At one stage in the process of making cocaine, they dried the coca paste into a powder to grind it up. The drying process requires heat, and you can spot the heat with infrared equipment from anywhere and go after it. To avoid detection, then, the laboratories stayed turned off until they had a sufficient amount of product to operate at peak efficiency. So, typically, a laboratory in the jungle might be turned off for two or three months and then would run full blast for three weeks. Then it would go off again. Microwave ovens were a problem. It used to be that the coca laboratories would have to use an ordinary oven. Generally, they would be electric ovens, powered by portable generators, which they bought in Brazil. Then microwave ovens came along. Microwaves put out substantially less heat that could be observed from a distance. And they are so cheap. They were as cheap as regular ovens, for all practical purposes. As we destroyed the regular ovens, they were replaced by microwave ovens, which were much harder to spot. So technology complicated our lives.

Something we always suspected, and which we were later able to confirm, was that the drug traffickers who were operating airplanes flying between Colombia and Bolivia

had very sophisticated communications systems. They used these systems when they were flying the coca paste out and the money in. They monitored all of the radio communications that were in the air — ours, the Bolivian Government's — everything. They monitored it all.

Q: It sounds as if, to do that, you have to have a rather sophisticated infrastructure in place in the country, don't you? Or could it be done outside of Bolivia?

ROWELL: You need a couple of sophisticated people and some fairly sophisticated equipment. However, the equipment isn't terribly bulky. People could buy a Radio Shack spectrum scanner for $300 to $400 for a top-of-the line model, which at the time was as good as anything in the Defense Department. That is nothing in the drug business. The drug traffickers could fly it out there, bring in a generator that cost them $200 or $300, put some gasoline in it, spot the frequencies, turn on another radio that probably didn't cost more than a couple of thousand dollars, and listen. It's not that difficult and it's not very expensive, particularly when you're selling stuff which is bringing in hundreds of millions of dollars. It's not difficult to operate the equipment, either, since it is so automated. If you have a serious problem, you just bring in another radio. Don't even bother trying to fix the old one.

We had some problems putting together information from various sources. Some of it came from confidential informants who may have known when something was going to be picked up. The pick up would be in a general area. We wouldn't know exactly where and we didn't know exactly where it was going to be taken to. We generally had aerial surveys. We had some old information that we had managed to assemble. We concluded that one of the reasons that we were hitting so many dry holes was that we were not doing what the fusing the information efficiently. That is, the information from the various sources wasn't being integrated the right way and quickly enough to be effective.

So I set up an Intelligence Fusion Unit. The DEA, which was theoretically in control of this operation, insisted that only its people should be in the Intelligence Fusion Unit. I told them that there would have to be others in the unit. Then the head of the DEA unit in the Embassy had a lot of difficulty with his chiefs in Washington, who wanted to make sure that this operation had a DEA stamp all over it. It was big news in the US when it was reported on television and on the front pages of the newspapers. DEA wanted the credit, and I gave them a lot of the credit. However, DEA is mostly made up of policemen. They're not strategic intelligence people. Their tactical approach tends to be limited to carrying out a raid against something. It doesn't contemplate a carefully sequenced series of raids over a period of three or four months.

I got some help from General Galvin, who sent me a couple of non commissioned officers from the Intelligence Corps. Their job basically was to administer the Intelligence Fusion Unit. I think that I told the DEA that they would have to take that instead of being allowed to put it together all by themselves.

We saw an immediate increase in hot spots instead of dry holes. We still had a lot of dry holes. This was inevitable, but the ratio of successful operations went up. When the US Army helicopters were pulled out and were replaced by the State Department provided helicopters, we also let the Intelligence Corps NCO's go back to SOUTHCOM, because by that time the intelligence fusion system had been established. It was working, people felt comfortable with it, and the people we had there on permanent assignment could do it.

Q: But with the raids going in, when we had our military people there, did they have to fight to get in to the hot spots?

ROWELL: No. First of all, the helicopters were carrying Bolivian Anti-Drug Police who had been trained in small-unit military tactics — jungle tactics. The helicopters would have to go into some open spot nearby where they could land. They would try to go in as close as they could to land without being heard. Because even if they touched down only 100 yards

from the lab, if they were heard coming in, the drug traffickers could scatter into the jungle and you would get nothing much. The drug traffickers might even take the coca paste. We might get some equipment but we mightn't get much else.

So the Bolivian Anti-Drug Police had to go in quietly. We bought a bunch of inflatable rafts because the northern part of Bolivia is full of rivers in the jungle area. That's where the labs were. So the helicopters would go in. The Bolivian Police would jump out, and the helicopters would immediately withdraw to a distance that we regarded as safe. They would wait there until they received a signal to come back to recover the Bolivian Police. The Bolivian Police were accompanied by DEA agents to provide technical guidance. If they could walk through the trees to the lab target, that was fine. If the lab was on a river, which was often the case, they would inflate the rafts and go down as close as they could, sneak in, and conduct the raid. Carrying stuff out was too difficult, so they destroyed everything that they found after taking photos and making a rough written inventory. If they could capture somebody who was working there, they would interrogate the person.

Operations of this kind had a serious effect on the financial return to the peasants who grew coca. Remember, all of that coca paste that the Bolivian Anti-Drug Police destroyed at these labs had been produced at the expense of the peasants. When the paste was destroyed, no money came from it, and the peasants weren't paid.

Destroying functioning labs had to be useful, we thought. But how long would it take to replace them? Maybe two to three weeks — no time at all, since the drug traffickers had the money to buy the gear. So it was an unending process.

We brought in the State Department helicopters, we lent them to the Bolivian Air Force, and we entered into a contract with the Bell Helicopter Company to have civilian American-managed maintenance and support so that the helicopters would continue to be safe to fly. The DEA people worked very closely with the helicopter unit to protect the Bolivian Air Force people from drug abuse — that is, from being suborned by the drug traffickers.

I want to emphasize something else here. The Bolivian Armed Forces were determined to stay out of the anti-drug business. They had had a very bad time during the early 1980's when a general, who had later become President of Bolivia, was implicated in the drug traffic. This involvement in the drug traffic had corrupted the armed forces. It had hurt internal discipline and unity in the armed forces. In effect, it was tearing apart an institution that meant a great deal to the people who were in it. They said that the problem was that they had let the armed forces get involved in the drug traffic. They didn't want to have any part of being in the anti-drug effort.

So, to protect them, we never told the Bolivian pilots where they were going to fly until they had been in the air for some time. After the US Army helicopters had been withdrawn, every one of the State Department helicopters that had been provided to the Bolivian Air Force had a DEA agent on board. The DEA agents knew where they were going and had a route plotted out. Typically, the initial heading had nothing to do with the ultimate destination.

When we were first doing Operation Blast Furnace, we had fuel bladders [large, collapsible, rubber fuel containers developed for the US Air Force] which we flew in DC-3's to remote areas of Bolivia for refueling. The helicopters would take off from a central location, they would go out to a refueling point, and then they would go off somewhere else. That gave them much longer legs endurance and a less predictable radius of operations. DEA also had fixed-wing aircraft and fuel bladders. We knew where we were going. But the helicopter pilots would take off and land, only to discover that it was a refueling spot.

You could never ask anybody in the Bolivian Air Force, “Where or when are you going?” By agreement with the Bolivian authorities, didn't tell the pilots anything. They were simply told that they had to be at the airport, on duty, near the helicopters, every morning at a certain hour. If they were going to fly, they were kept incommunicado after they reported to the helicopter pad. If they weren't going to fly, they were incommunicado for the same

couple of hours. We did various things to protect the Bolivian air crews as well as to protect the integrity of the operation.

Because of the way the drug money flowed, we discovered that if we could interrupt the operations of the small aircraft that were hauling cash back into Bolivia, that really made a mess, and was a loss to the campesinos who produced the coca. They operated on a cash basis. So we tried to interdict these pressure points. AID [Agency for International Development] offered alternative crops to the peasants, technical advice, and fertilizers. We set up a nursery in the main valley where the largest amount of coca was being grown. We had on display all of the plants which the peasants would be given to grow substitute crops, with technicians there to tell them exactly how to work with them.

For years AID had been running nurseries in Central America to help Central American farmers diversify their crops. It had nothing to do with the drug traffic. However, we were able to draw on the output from the well-established Central American nurseries to bring in plants. So we had a ready source.

Then we set up a program to help in the establishment of health clinics and schools and to help to provide safe water and decent roads in the coca growing area. But these services were to be delivered only if the campesinos first destroyed the coca plantations. Of course, we had to persuade campesinos — whose long experiences with government had taught them to disbelieve all government promises — that we really could and would deliver the promised services if they would destroy their coca plants. For example, we would put some equipment at the edge of the valley, but it didn't operate until the farmers started to chop down their coca. If we didn't see the coca being destroyed in a given area, there would be no school, no health clinic, no safe water, and no roads. If all of the farmers in a given area cooperated in destroying their coca, they got the whole works. They either got everything or they didn't get anything. However, the ability to deliver was physically placed where they could see it.

The Bolivian Government had said that they would pay the farmers for cutting down the coca. Payment was intended partly to provide capital to tide them over until an alternative legitimate crop could start producing returns. Our government said that paying the campesinos amounted to paying for sin and wouldn't have anything to do with it. The Bolivian Government, on its side, said that it was going to take its own resources and pay the farmers to destroy their coca plants. I had a war with Washington over that because they wanted to stop the whole program. I told the Washington agencies that they were crazy. The elected, Bolivian Government was trying to get their people out of the one cash crop [i. e., coca] that provided the farmer with a reasonable assurance that he would have an income. There were no other crops in Bolivia that provided that degree of assurance. I said that asserting overriding problems of sin and evil in Washington wasn't going to stop the production of coca in Bolivia.

Anyhow, the Bolivian Government did send people down to coca growing areas with the money to pay the peasants to stop growing coca. They would set up tables in the open fields and say to the peasants, “Here's the money” if you stop growing coca. Obviously, they had armed guards around them. Survey engineers would also be on hand. If a farmer said, “I think that I am interested,” the survey engineer could go out with the farmer. The farmer would say, “This is my crop and this is my land.” The survey engineer would measure it and certify that there was so much land involved. The farmers were paid by the hectare for chopping down the coca. The engineer would say, “Well, when the coca is cut down, call me back.” The peasants would cut it down, the survey engineer would go back and say, “Yes, it's been cut down.” The farmer would go back to the table and get his money.

You had to be that physical about providing evidence of your good faith. Simply promising the peasants that there was going to be a program had no effect at all. There have been so many programs in the history of Bolivia that nobody believes in programs as programs that work.

We had problems because the Bolivian Government was convinced that perhaps one-third of the Gross Domestic Product (GDP) depended on the cash arriving in the drug trafficker aircraft. I estimated that not more than half of the total economy was in the money economy. The rest of the economy involved the use of barter arrangements. If one-third of the money economy was drug-dependent, that represented one-sixth of the GDP, still a hefty share. The Bolivian Government was going through a terrible time, fiscally and financially. They were afraid that everything that they were trying to do restore economic health, a market-based economy and a strong legitimate private sector would collapse if we succeeded in eradicating the production of coca.

So the Economic Section of the Embassy worked closely with the World Bank, the IMF [International Monetary Fund], the Inter-American Development Bank [IDB], and the Bolivian Government itself to track the fiscal health of the money economy to try to make sure that it didn't collapse.

The Political Section worked closely with all of its contacts to encourage passage of a coca eradication law. The Bolivian Congress passed such a law.

USIS [the United States Information Service] worked closely with the media in the field of public diplomacy, pointing out the damage that drug consumption was doing to Bolivia and to Bolivian families.

First, the US military carried out Operation Blast Furnace, and then they provided some continuing assistance.

Q: What was Operation Blast Furnace?

ROWELL: Operation Blast Furnace was the operation involving US Army helicopters, flown by US Army pilots. That was the name of the operation.

The US military worked with the Bolivian Air Force and eventually with the Bolivian Navy. We brought in US Coast Guard people to help the Bolivian Navy conduct river patrols.

Q: What did this amount to? Bolivia does not exactly have a Two Ocean Navy.

ROWELL: No. However, Bolivia had had Antofagasta, now in Chile, as a seaport and a substantial stretch of the Pacific Coast of South America until it lost the War of the Pacific to Chile in 1879. It has retained a Navy, with naval officers, ever since to symbolize its right of access to the Pacific Ocean. However, there are large areas of Bolivia where there are no all-weather roads and surface transportation depends on Bolivia's rivers. The Navy operates river patrols.

Virtually everybody in the Embassy was engaged in the anti-coca effort. This was a highly coordinated effort.

How successful was it? We successfully encouraged the Bolivian Congress to pass the anti-coca law. We slowed down and, for a period, stopped, the increase in acreage planted to coca. But, for every hectare that was cut down, another hectare was planted to coca somewhere else, so we didn't get very far on that. We were able substantially to increase the risk of growing coca. That meant that the drug traffickers had to pay a little bit more for it than they had been accustomed to paying — but not enough to make a huge difference. We persuaded the professional and upper classes of Bolivia that they were paying a horrible social price by having drug production in their country. They were in a period of denial, and we broke through that. They understood that their kids were being destroyed. They understood that there were young children — particularly boys — being abandoned all over the country, who were then being turned into permanent social problems.

These boys would be picked up by people who would hire them to stomp on coca leaves in maceration pits where the alkaloid was leached from the leaves. The boys would do it in their bare feet. They were promised pay, but the pay they were given was a coca

paste cigarette. In theory, they could go off, sell these things, and have some money. In fact, they just smoked the stuff. The material used to leach the alkaloids was any petroleum-based solvent. The preferred solvent was kerosene, but you could use gasoline. Sometimes, when kerosene was in short supply, they used leaded gasoline. Then, when the boys smoked this coca paste cigarette, they also inhaled lead, which makes a mess of the nervous system. They were getting hundreds of kids, ranging in age from 8 to 12, stomping the coca leaves. Within six months they were like zombies. They couldn't work, and they wouldn't die. This was a permanent, social sore. It was just horrible. Bolivia awoke to what that danger meant, and there was a real turn around in the attitudes of Bolivian professional and upper class people.

However, all of our efforts didn't affect the street price of cocaine in the US. They didn't really affect the total flow of drugs to the US. So that's the way it is. I drew my own sense of satisfaction from knowing that the Bolivians themselves are sufficiently alarmed that maybe we would save a lot of children. But I didn't kid myself about having changed the US and the drug problem in the US. That sense, was a disappointment.

Q: How did you feel about the fact that, despite our having made this great effort, we were probably THE major market for cocaine. In many ways the real failure is that we have not been able to control our own society. Here you were, asking another country to try to help us help our problem.

ROWELL: It's never bothered me to ask for help. I don't feel ashamed to ask for help from anyone who can give it to me. I don't think that the US should be ashamed to ask for help from a poor Bolivian Indian, if that's what it comes to. If the US can pay for the help, I think that the US should do so — even more so, if the US can give some real, human help in return. That's the way people should behave toward each other. People should treat each other with dignity. It doesn't make any difference if one person has no shoes, and the other one is wearing patent leather. They might both be very smart. They might live in

different circumstances, but they're going to have to make do as well as they can, given their relative situations.

Q: This would apply in any country, but in Bolivia I think that it would be particularly up to you. We were doing everything we could to defeat the drug traffic. We understood the political ramifications locally about the coca growers and all of that. However, in the United States a major crop that we sell is deadly. And that is tobacco. Yet one of the reasons that we continue to produce and market tobacco, both internally and in terms of exports, is the fact that the tobacco lobby is so powerful. Did you ever give any particular thought to this particular subject?

ROWELL: Yes. I thought about it but I never had to deal with it professionally. I was never at a post or in a place where, somehow or another, American tobacco exporters were suffering because of something that would require US Government intervention. In fact, except for my service in Western Europe, I was never in a place that didn't grow enough of its own tobacco to take care of itself. Well, Honduras was a bit different, but this comment applies to the other countries. I never had to make any representations on this subject. I don't smoke and never have. I'm not enthusiastic about tobacco and I'm not enthusiastic about having US taxpayers subsidizing tobacco.

Q: Well, beside the drug effort, were there any other...

ROWELL: Let me go on a bit further into this subject, because you raised the question of corruption. Of course, what is corruption? It is very difficult to deal with. However, the presence of corruption also reveals the presence of uncorrupt people, who are very serious about this subject. For example, drug traffickers would try to persuade crew members of the Bolivian National Airlines to carry drugs into Miami. We monitored that subject very, very closely and very tightly, in very discreet ways. We did not have anyone climbing on board the aircraft in Bolivia, checking everything out, or going through people's pockets. We did nothing like that. We discovered, frankly through confidential informants,

that substantial numbers of Bolivian Airlines crewpeople adamantly and consistently refused to do anything at all for the drug traffickers. They wouldn't touch drugs.

There was a terrible time recruiting police officers to head the Anti-Drug Police. What would happen is that a police officer would be brought in, he would spend two or three months on the job, and the drug traffickers would be able to reach him. Now people immediately assume that there was a big payoff here, and everybody has a price. That's too easy. That's sort of a comic strip approach to the matter.

What would happen is that the Bolivian Police officer involved would discover a picture of his child or his wife in his mailbox one day. It might be a Polaroid picture. The picture would let the police officer know that they knew where the members of his family were and when they were vulnerable. Next the police officer would get a telephone call from someone who would say, “You're going to get another picture in the mailbox.” And more pictures would arrive. Finally, a message would come saying, “Don't go to the office next Monday. Be at home, sick. If you're not in the office next Monday, there will be a substantial reward for you. If you are at the office, take a look at this picture.”

So what the guy was being told was to call in sick. Nothing more complicated than that. If he didn't call in sick, something was going to happen to his family. If he did call in sick, the typical payoff would be worth 10 years' salary.

Now, I knew some of these police officers. I'm persuaded that they feared for their families — nothing else. I don't know how you beat that kind of corrupting pressure. Perhaps you beat it by arranging things so that people being targeted have such limited power, influence, or foreknowledge of what's going on that they're not worth corrupting. But that didn't happen, of course, to the guy actually running the Anti-Drug Police.

I've told you how the labs operate. They function briefly and for a short time. So things could go along for two or three months, and nobody would care. Then there would come a time when the drug traffickers were going to fly in the money, fly out the coca paste, or

bring in the precursor chemical, whatever it might be. All that the drug traffickers wanted was a clear time window. It didn't have to be very big. A few hours on a given day and a few more hours on a day two or three days later, plus a few more hours in scattered spots over the following week. That's all the drug traffickers needed.

So there was a constant turnover of officers running that Anti-Drug Police Corps, the way kids run through ice cream in the summer. They would be there for two or three months, and then you would need to change them again. This process went on over and over again. I don't remember the names of any of them and I wouldn't want to, because I just don't feel that they were guilty or did anything criminal. They were caught in a very difficult position. I often asked myself, “What would happen if my daughter and wife were targeted in such a way that I knew absolutely that the drug traffickers would get them. And if somebody said to me, “All I want you to do is to stay home from work, and your child and your wife will be all right. If you go to work, maybe you will never see them again—or you'll see them maimed. Brutally maimed, but not dead.” Anybody who wants to criticize people who've been suborned by the drug traffickers should put themselves in the same position. Especially when you're 7,000 miles away from the scene. When you're on the spot, you have to think about it. You have to think of ways of getting these police officers off the spot. Otherwise, the anti-drug operations won't work.

Q: How about the American staff in the Embassy? Were you targeted yourself?

ROWELL: Two or three times I received information that I was being targeted. Not very frequently. I had substantial personal protection, as did my wife. We had a bodyguard. Whenever we left the Embassy Residence, whatever the time of day or whatever day of the week, there was a bodyguard there. Even if we went to a movie theater. Even if it was an unannounced trip to the movies, decided on without notice. The need to guard us was so stringent that I was advised not to take a personal automobile to Bolivia, because I wouldn't be allowed to ride around in it. I rode in armored Embassy vehicles.

At one stage a prominent, Bolivian naturalist stumbled on a major drug laboratory. He was murdered by people guarding the laboratory. People went out to find his airplane and spotted it from the air. It had been destroyed on the ground to make it appear as if it had crashed. Somebody landed a light airplane near his plane. When they got there, they noticed that the laboratory was there, because between the time that the naturalist was murdered and his airplane destroyed, other people started taking out some of the equipment from the laboratory.

The Minister of the Interior phoned me when it first came up. It was a Saturday night. He asked if we could launch the US Army helicopters. This was during the time of Operation Blast Furnace, when we still had helicopters with US Army crews on them. The Bolivians wanted to take police out to the site of the murder. It was in an extremely remote area. To get the helicopters there would have required two refueling landings en route. It took us too long — 36 hours— to get the Bolivian anti-drug police there. When they finally arrived, the lab was still there with tons of precursor chemicals. It was a huge setup. However, all of the drug traffickers were gone, and some of the other equipment was gone. I called in a demolition team from Panama. They rigged it for destruction. However, the Minister of the Interior held up the destruction. After three and a half weeks, I had to pull the demolition team back, because I couldn't keep them at this site. Eventually, the order was given to destroy the site. However, nobody has any idea how much of it was actually destroyed and how much of it was carted off in the meantime. When it was destroyed, it still made a big fire.

This incident damaged the reputation of the Minister of the Interior in the eyes of the international community — to such an extent that a number of governments were worried about corruption. I'm not saying that he was corrupt. I'm just saying that the way things worked, it created the wrong appearance, so he resigned his post and left the government. That's the closest I came to the question of drug-related corruption inside the government.

Again, I'm not saying that the Minister was corrupt. I'm just saying that it had the wrong appearance.

It was nothing like the experience we had before and we've had since then in Colombia. Nothing like that.

Q: You were mentioning some of the other things that you did during the time you were in Bolivia. Was small business one of these matters?

ROWELL: Yes. I wanted to talk a little bit about some really successful US programs in Bolivia. One of them involved a small loan program. The idea wasn't mine. It came from the Director of the AID [Agency for International Development] Mission. Actually the concept had been around for two or three decades, so it wasn't new. The idea was this. We would hire a Non Governmental Organization (NGO) to come in and set up small loan circles. The organizers basically recruit people who are at the poorest levels of society — typically, in an urban environment, where the economy is a money and not a barter economy. They organize them into mutual borrowing groups. Each group has from four to six people. The members of each group are required to attend a course which teaches them how to do simple bookkeeping, so that they know what prices they have to charge to make a profit. Stated differently, they also learn at what point they're making a loss and when they should just get out of the business, if they can't do any better than that. It was very elementary.

Then you make them loans. In economies like that of Bolivia the typical starting loan was $50 for three months. If the repayments are being made on time, you can double the credit line to $100 for the fourth through sixth month. You can increase it again by another $50 for the sixth through ninth month. We had a maximum of $500 which could be loaned out to any one borrower at any one time.

In the Bolivian case we hired a Boston organization called “Action,” or “Accion” [in Spanish], to run the program.

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Q: This is Tape 7, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: The Confederation of Bolivian Private Entrepreneurs pledged to provide the administrative support for three years at the end of which, if the program was working, interest on the loans would provide enough money to sustain the program indefinitely. AID provided the seed capital for the loans themselves.

When I went through AID's program plans before they went to Washington for approval, I discussed this aspect of the plan with the AID Director, who had $500,000 committed to this program. I said, “Well, do you think this is going to work?” He said he thought that it had a good chance. I said that I thought it had a good chance to work and, moreover, if it did work in its pilot phase in La Paz, we were going to want to extend it. However, we didn't know how many participants we were going to get, but I said, “Make the first year's seed money $750,000.” The AID Director didn't have any additional seed money planned for succeeding years. I said that I wanted another $1.0 million ready in the second year in case we could extend the program more rapidly outside of the city of La Paz. If the pilot phase in La Paz didn't work, we could easily reallocate that $1.0 million or give it back to Washington. However, if this program did work, I wanted to catch the momentum and make it take off.

I monitored that program very closely. We got it started, for example, with Indian women who sold fruits in the local street markets. They pick up the fruit at a big truck stop at the edge of the city of La Paz in the early morning. Typically, they were given a sack of fruit by a truck driver, who was the middle man. He would tell the women selling the fruit, “Here's your sack of fruit for today, and you've got to bring me $20 by tonight, or you won't get

another sack of fruit tomorrow morning.” If the women could sell the fruit for more than $20, they got to keep the difference. If they fell short, they owed the truck driver out of future earnings. If they just broke even, they didn't make anything for themselves, although I guess that they could eat some of the fruit.

Under this small loan program, one of these women would borrow $50. She would go to the truck, as usual. The truck driver would hand her the sack of fruit. She would start to pick out the best oranges. The truck driver would say, “Hey, take the sack and go. $20 is the charge.” She would say, “No, here are the $20, and I get the fruit that I want.” He would say, “Hey, wait a minute.” Of course, there were trucks all over the place. The woman would say, “I think that I can get fruit from 'Juan' over there,” two trucks away. She would say, “Do you want the $20?” — which she would wave in his face. She got what she wanted.

The Indian women doubled their daily net income in two and a half weeks. They met their loan obligations under the program. Then they doubled their money again. There was a huge return on the money they had borrowed. Of course, the truckers, the middle men, were seeing their income shrink somewhat, but they still were doing very well.

The program had a by-product which we hadn't anticipated but which delighted us. We lent money to people in the poor parts of La Paz who were trying to set up or run mini-businesses — a bicycle repair shop or “factory” making little tin ovens for homes. The person setting up a bicycle repair shop would get a $50 loan, lay in some spare parts, and buy some tools. One of the first things that he or she did was to hire some kid to be repair assistants, so that they could repair the bicycles more efficiently and do a lot more of them more quickly.

The employment effects of this program were startling and came right up on the employment statistics collected by the Bolivian Government. It was amazing. We hadn't anticipated this, but it was a very good thing to have happen. It was particularly

welcome because of the mass unemployment related to the collapse of mining and the tin industry.We made 2,000 of these small loans during the first year. There was not one single default. Not one. There were people who couldn't make their repayments, but the guarantors within their small borrowing circle of four to six people covered for them until they could repay.

And there was something else. At the end of the year we appraised every aspect of the program. We made a fortunate discovery. We looked at all of the people whom Accion had hired to be organizers of these small loan groups. We had hired teachers who were out of work, lawyers who didn't have enough business and who were moonlighting on the side, recent university graduates, tobacco shop employees, traveling salesmen—all kinds of people. We looked to see which ones had been most successful. Success was measured in the number of groups organized and in the strength of the groups in terms of their ability to make the repayments. We were stunned. We discovered that people who had been traveling salesmen produced anywhere from two to five times as many successes as any of the other people. That meant that we had discovered the key to expanding the program rapidly to other cities in Bolivia, because we knew exactly whom we needed to hire to get things started elsewhere.

As originally conceived, the program was to run for perhaps five or six years before we went very far outside of the city of La Paz. Well, by the end of the second year, we were operating in seven cities. It was a wonderfully success. Even on the basis of administrative costs, it broke even by the end of two years and well before the third year. The people borrowing money under the program paid real interest rates on their loans and had a real rate of return above the rate of inflation. They understood that what they were paying was an interest rate. Remember, these were people who didn't own land. Under the traditional banking system in Bolivia they could never have gotten loans from the banks. If they had, the interest rates would have been substantially higher than they were under this program.

What does a program like that do? I've already told you about the employment and income effect. It also reinforced the people's commitment to a market economy and to the free enterprise system. When that system succeeds, their commitments to democracy became much stronger as well. I regarded that as one of the most successful programs that we ever had in Bolivia. I've heard that programs like this have had comparable success elsewhere in the world.

Q: Let me ask a question here. Regarding the bicycle repair man. Was it his idea to hire the extra boy?

ROWELL: Yes. It was entirely his initiative and his idea. He was able to do it because he had this loan.

Q: But nobody was sitting there saying, "Well, if you do this, you can do this or that. If you think this can help you, here's some money."

ROWELL: We didn't do that. The only thing that we taught him in our courses was how to keep books and how to understand whether he had a real business or just a rathole. However, he had to understand his own business and he had to manage it. The bicycle repairman, the Indian market woman — it made no difference. We didn't tell them how to handle their businesses. They did it.

Regarding the Food for Peace program, I told you earlier about miners out of work. We put them to work using Food for Peace resources, putting in major improvements in terms of water supply and minor improvements in transport in their villages. This program took up some slack in the economy and assured poor families that they would have food at a time when Bolivia wasn't prepared to absorb the volume of unemployment resulting from the changes in the economy which the government was making. They kept their dignity, they made real improvements in their infrastructure, they maintained their health and their ability to hold jobs.

This program was a success, and it certainly did a lot of good for the US. There were no towns, even small towns, in that country which didn't know that the US was anxious to help ordinary people by helping them to help themselves through the Food for Peace program. It was very good.

Q: Should we move on to your next assignment or are there other points that you want to make?

ROWELL: That's it.

Q: You left Bolivia in...

ROWELL: I left Bolivia in January, 1988.

Q: Then where did you go? What happened?

ROWELL: I went to Portugal. My wife and I had gone home to the US to spend Christmas of 1987. We were at a house in Rehoboth, Delaware with our children when George Vest, the Director General of the Foreign Service, telephoned me in Rehoboth and asked if I would be willing to go to Lisbon. I said, “This is kind of sudden.” He said, “It's very sudden. I need your answer now.” I said, “Can I talk it over with my wife? What's involved?” He said, “If your answer is 'yes,' the Secretary of State [George Shultz at the time] will talk to the President and ask him to make a 'recess appointment,' so you can get there right away. We've had no Ambassador in Lisbon for over a year. A number of problems have arisen because we don't have an Ambassador. We need to get you there right now. This is the time frame. We'll make a recess appointment now and you can be confirmed later. However, we'll have an Ambassador there.”

Well, I discussed the appointment with our children. I discussed it with a head hunter who had me in mind for a very attractive position.

Q: A head hunter is...

ROWELL: An executive recruiter. I had been in touch with him because I figured that I had been an Ambassador and that was likely to be the final assignment of my Foreign Service career. Very likely, I might not get another Embassy. So I had started my job search. I was then in the third year of my assignment to Bolivia, and, typically, three years would complete the assignment. So I had a job offer in Washington, which was interesting and remunerative. Another possibility, the one involving the head hunter, would have been even more remunerative in Southern California. A lot of trade-offs were involved. So my wife, our children and I took a long three-hour walk on the wintery beach discussing the pro's and con's. Then I went back to the house and called George Vest. I said that I would go as Ambassador to Portugal.

So, right after Christmas, 1987—in fact, on January 2, 1988, my wife and I flew back to Bolivia. I told the Bolivian President what was happening. I left Bolivia 10 days later on January 12, 1988, stopped in Washington for 48 hours to be sworn in as Ambassador to Portugal under a recess appointment, and went off to Portugal.

Q: Can you give us a little feel for the Washington environment at the time? Why had there been a year's lapse in assigning an Ambassador to Portugal? Normally, Portugal would be a place, if nowhere else, that a friend of the President's could end up in, or something like that.

ROWELL: A person had been nominated to go to Lisbon. In fact, he was a career Foreign Service Officer. Some questions had arisen, and the nomination had become very controversial. Frankly, I had been in Bolivia and hadn't been paying any attention to the controversy. I knew vaguely that it had been going on since early in 1987. When Congress recessed in December, 1987, the nomination died, and the President's options were either to resubmit the name of the same person, and probably go through another year without an Ambassador, or to nominate somebody else. Because the whole process

of confirmation is rather slow, if the President had waited for me to be confirmed, we would have been without an Ambassador to Portugal for another six to eight months. The Department of State and the Defense Department felt that our relationship with Portugal was important partly because of the use of Lajes air base in the Azores, partly because Portugal was completing its transition to a modern, democratic, Western European market economy integrated into the European Union. So that meant selecting somebody who was already in the Executive Branch, with a full security clearance, and saying to that person, “You go to Portugal as Ambassador now before the Senate resumes session at the end of January so that the constitutional requirements for a recess appointment are met.” The situation was made to order for a career officer, someone who can be plugged into a hole when you're desperate for a quick plug. I was the one whom they called.

At the time there were probably only about three career officers in the Foreign Service who had comparable fluency in Portuguese as I did, who already knew enough about Portugal not to require much briefing, and who already had an established a set of relationships there that could be used immediately to deal with the problems that had festered for so long. So I went to Lisbon.

I arrived in Lisbon—I don't recall the exact date. It was in January, 1988, before the Congress reconvened. I presented my credentials within a week, extraordinarily quickly by Portuguese standards.

Q: Did you have an agenda of what needed to be done in Portugal, either one that had been made up in advance or just by quickly briefing yourself on the situation in Portugal? You'd been away from Portugal for three or four years, there had been a hiatus of more than one year since your immediate predecessor left, and things had changed so much in Portugal since then.

ROWELL: The top issue on the agenda was US use of Lajes air force base and the renewal of the agreement that permitted that use.

Q: Lajes air force base is in...

ROWELL: The Azores. The agreement that permitted US use of the air base had already expired. We were still using Lajes air force base on sufferance, but the sufferance was growing thin. The Portuguese had made it quite plain that one of the problems in arranging for an extension of the agreement was the absence of an American Ambassador in Lisbon. We had an excellent Charg# d'Affaires there, Wes Egan, who is now our Ambassador to Jordan. But the Portuguese wanted an Ambassador, not just a Charg# d'Affaires. It made a big difference to them. So the use of Lajes air force base was the first issue. It was the issue which was the most consuming during my first year there as Ambassador.

There were some other issues related to Portugal's entry into the European Community. When Portugal entered the European Community, our sales of agricultural commodities to Portugal fell by more than half. I think that I mentioned that earlier in this interview. We were beginning to have some problems with the European Community in continuing the trade compensation that had been offered to the US to offset the loss of sales of agricultural commodities in Portugal. Portugal was beginning to boom as a result of investments flowing in from the European Community. A number of US businesses were beginning to wonder about trade opportunities in Portugal. Some significant business opportunities were beginning to open up. For example, Portugal planned to expand its electricity generating capacity. Would American companies have a chance either to build the plants or provide the fuel? Those were the most critical elements on the agenda.

Apart from that, there was the problem of trying to stamp out civil war in Angola and Mozambique. Remember that the Soviet Union and the Cubans were still there, fueling their part of the war. There was a permanent watch, in Portugal as well as in other countries, designed to restrict weapons deliveries to rogue states.

Q: Should we stop at this point, do you think?

ROWELL: Yes. To recapitulate, the main issue in the portfolio when I arrived in Portugal in 1988 as American Ambassador was restoration of Portuguese confidence in the US as an ally and interested party. They felt that we had lost interest in Portugal because we had not had an Ambassador there for over 13 months. The absence of an American Ambassador was due entirely to political controversy in Washington and specific controversies regarding the nominee. The Portuguese, ever in the European conspiracy mode of thought, believed that there must have been some issue in this delay in the appointment of a US Ambassador related to Portugal as well. So it was restoring their confidence in us.

There was also the matter of sustaining our continued use of Lajes air base in the Azores. There was also the matter of trying to find ways to enable US investments and US international commodity brokers to take advantage of new openings in Portugal because of its involvement in the European Union. There was also the matter of putting the final touches on recovering markets lost because of Portugal's entry into the European Union. Those markets had provided us with almost $600 million annually in agricultural sales. For example, in the late 1970's and early 1980's it was $600 million per year. When I returned to Portugal, our agricultural sales were about $300 million per year. The difference was due to membership in the European Union. We've already discussed the nuclear non-proliferation watch, as well as the effort to find peace in Angola and Mozambique. This effort involved a lot of discussion with the Soviets while I was there in Lisbon.

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Q: Today is April 25, 1996. This is a continuation of the interview with Ambassador Ed Rowell. In the first place, I recall that there was a problem between Senator Jesse Helms [Republican, North Carolina] and Dick Viets. Was it Dick Viets who was originally nominated as Ambassador to Portugal?

ROWELL: It was Dick Viets. He had been our Ambassador to Jordan and was nominated around January, 1987, to be our Ambassador to Portugal. However, the nomination

went nowhere. I was in Bolivia during all of 1987 until I came back to the US to spend Christmas with my family. Frankly, I hadn't paid any attention to what was happening on ambassadorial nominations and not much attention to who was in Lisbon. So I can't tell you very much about the nature of the controversy.

Q: If I recall, and I may be mistaken, and somebody can do some research on this, Dick Viets had given some poor personnel ratings to some of his junior officers who were unhappy with them, or something like that. Somehow, this became a cause for Senator Jesse Helms. Did the fact that there had been a controversy over the former Ambassador-designate spill over onto you, or were you just sort of pulled in from left field and so didn't have the same problem?

ROWELL: I came in from left field. When the Congressional session ended, the Viets nomination died. He would have had to be renominated to be considered during 1988. The Executive Branch concluded that the nomination was dead, and Viets himself asked that his name be withdrawn. That was in December, 1987. Then the decision that faced the President and Secretary of State George Shultz was whether to find somebody else, nominate that person, and put him or her through the usual, confirmation process. That would have cost at least another six to eight months before we would have an Ambassador in Lisbon after having had a hiatus of over 12 months. Or, would they make a recess appointment? If they made a recess appointment, then it had to be somebody whose security clearance was already valid and who, they could be confident, did not have some hidden skeleton about to leap out of the closet. That really dictated a career Foreign Service Officer as Ambassador to Portugal. The choice was limited in terms of people who spoke Portuguese and who already had a basis of relationships to try to dig ourselves out of the hole we had gotten ourselves into with the Portuguese.

I was lucky enough to get the call. George Vest called me and said that they had decided that they wanted to go with a career officer and a recess appointment. That meant that

I would have to be in Portugal by January 21 or 22. In other words, before Congress returned from the Christmas recess. This meant a very quick turnaround.

Q: You were in Portugal as Ambassador from 1988 to when?

ROWELL: To 1990.

Q: Were you able to pick up threads with people you have previously known? Did this work out? The other matter that you might talk about is the difference you saw in Portugal when you returned.

ROWELL: Let me talk about the threads. Wes Egan was the Charg# d'Affaires in Lisbon at the time. Major Portuguese figures knew me fairly well. As soon as I called George Vest back and said that I would accept nomination as Ambassador to Portugal, the Department got the papers over to the White House within 24 hours — even while I was filling in the formal documents. They used the documents which I had filled in in 1987 before going to Bolivia. The White House said, “Yes,” and within three days the Department had asked Wes Egan to get agr#ment for me. Wes obtained agr#ment almost instantly by Portuguese standards. There may have been a delay of perhaps a week, but it went amazingly fast there. But then, you know, I knew the President of Portugal personally. I knew the Prime Minister. I knew the Foreign Minister. I knew the chief figures in the Opposition as well as in the government parties. So they knew what they were saying “yes” to. They didn't have to ask somebody, “Who is this person?”

When I arrived in Portugal, the credentials ceremony was already planned to take place within four or five days so I could become fully functional immediately. This was good, because Frank Carlucci, the Secretary of Defense, was due to arrive in Lisbon within 10 days on an official visit. I needed to be able to operate. The day after I arrived in Lisbon I went to a barber shop near the Embassy Chancery building, the barber shop which I knew Mario Soares, President of Portugal used to frequent when he was not in office. I went into the barber shop and found a chair. Sitting next to me and having his hair cut

was Mario Soares. So we had a good and very friendly chat within 24 hours of my arrival, even before I presented my credentials. We talked a little about the general relationship between Portugal and the United States. I said how good it was to be back in Portugal and see old friends.

I walked in, unannounced, at the Goulbenkian Foundation for one of its regular concerts a day later and bumped into a dozen friends — people in industry, in government, in the foundation, in business. I had an impromptu reunion with them.

My wife hadn't yet arrived with me, because she was packing up our household effects in La Paz, Bolivia and getting us out of there. When we flew back to Bolivia immediately after Christmas and New Year's — I'd spent the intervening days filling in papers in Washington related to my appointment to Portugal — I had 10 days left. I got back to Washington, spent two and one-half days in Washington, and was sworn in as Ambassador to Portugal by George Vest, Director General of the Foreign Service. He told me that it was a great pleasure to swear me in as Ambassador because normally all he did was to swear people out of the Foreign Service. This was one of the few occasions when he, as Director General, got to bring somebody into a new job. Then I left for Portugal.

You were asking...

Q: My other question was, what was the state of Portugal when you arrived there in January, 1988? Could you contrast it with when you were there before?

ROWELL: Thank you, Professor, I always like questions like that. Regarding things that had changed. First of all, there had been a real estate boom after Portugal entered the European Union. Money began to flow in from the nasty winter weather capitals of the European Union — from Frankfurt, Bonn, and even London and other places. This happened as people who were doing very well decided to buy vacation homes in Portugal.

Also, a lot of business firms from other parts of Europe were coming into Portugal. Those people were buying up space for offices. There seemed to be jobs for almost everyone.

Almost everyone had bought an automobile, so Lisbon, a city which had been a little hair-raising when it came to automobile traffic previously, had become much worse. There was no parking available. Cars were parked in the streets and on the sidewalks. Cars raced around. It was nearly total chaos, really bad. We had a communicator at the Embassy who insisted on riding a motorcycle on one of the most notorious roads between the Embassy Chancery area and one of the residential areas. Somebody probably tipped his motorcycle. He didn't know exactly what happened. He wound up hospitalized and suffering from broken bones for several months. It was very dangerous on the road.

Air pollution was horrible, and restaurant prices were up, but there was a kind of vibrancy, a confidence in the air. The Portuguese also knew that they were well past the immediate post revolutionary phase.

The aristocracy and the top financial leaders who had left Portugal immediately after the revolution of 1974 had all returned and were reasserting their financial authority. They were much more engaged in politics and were resuming the old status that they had enjoyed before the revolution.

A lot of roads were being built, as well as power lines, communications lines, and schools. These were partially financed by the European Union under its Structural Support Fund Program, which provides money to bring the least developed parts of the Union's member countries up to the average economic level of the European Union as a whole. This work was well advanced in Portugal. I subsequently learned during my later stay as Ambassador in Luxembourg that the authorities at the European Investment Bank and in the European Union in Brussels thought that Portugal and Spain had done particularly well in managing the funds under the Structural Support Fund program. The European Union had provided money for infrastructure — a bridge, communications link, or a school

or hospital. They would come down three years later, and could see that they had gotten exactly what they expected. They were pleased with the results.

There were some things in Portugal that had not changed. One of them was the belief among people in the Azores that somehow or other the US would always pay substantial amounts of money to retain base rights at Lajes air force base. The Portuguese defense establishment tended to rely on US military assistance to make up Portuguese shortfalls in budgeting for defense purposes. Remember that all of the military assistance was aimed at bringing Portuguese forces up to full NATO qualifications to perform the missions assigned. They were to participate in a Rapid Reaction Force. They also were responsible for maritime patrol and protection of the sea lanes in a major quadrant of the Atlantic Ocean that reached out to the Azores. So their expectations in terms of US military assistance remained very high.

On the other hand, we were starting into a phase when US military budgets would be shrinking. I had to renegotiate the base agreement in the Azores that had already lapsed before I arrived. I did so. It took a year. It was one of those things that went back and forth. The bottom line was that we had much less to offer than we had been able to offer in previous years. We had to walk back from some commitments that we had made in previous years. They were being stretched out by the appropriations process itself. That made the process quite difficult and even painful.

I was in a situation in which I was de facto the principal negotiator on the base arrangement in the Azores. I had taken part in base negotiations with Portugal and Spain previously when I had been Director of Western European Affairs in the State Department. At that time the principal negotiator had been an Assistant Secretary of State in Washington who traveled over for negotiating sessions. This time I handled the negotiations as the Chief of Mission on the site.

When I left Lisbon, I recommended to the Department of State — I think much to the chagrin of my successor — that the principal negotiator should NOT be the resident Ambassador. The resident Ambassador needs to be a person who becomes a kind of lightning rod and court of appeal. He should be a person observing the process and perceiving where there is confusion and where there are real, confrontational problems. However, when you make the resident Ambassador the negotiator, then, if there is a real confrontation or difficulty, there is no one to appeal to except the chief of state. Well, you don't appeal to Presidents or Prime Ministers to resolve disagreements on social security payments for the local labor force at Lajes air force base in the Azores.

Anyhow, the Portuguese designated the Secretary General of the Foreign Ministry as their negotiator, and I was the negotiator for our side. As I said, the negotiations took a year to complete. I frankly engaged in a lot of tactical planning, since the core issue was to be the level of defense assistance that we could provide. That meant that the US Defense Department was the principal contributing party. The Defense Department played a significant role both in preparing our positions and in helping to conduct the negotiations. Periodically, a Defense Department representative would come to Lisbon, and we would have formal negotiating rounds with the Portuguese. In between the formal rounds I had a lot of informal discussions with the Secretary General of the Foreign Ministry. He, in turn, was pulling together interested parties from the Portuguese Defense Ministry, Finance Ministry, Regional Government of the Azores — trying to work out something that would be acceptable. We exchanged thoughts fairly frequently. At the end it came down to something between three and six maritime helicopters and how many F-16 aircraft we would provide.

Q: The F-16 at that time was our top of the line fighter aircraft.

ROWELL: It was our work horse fighter.

Q: It was no longer really a top of the line fighter.

ROWELL: But it was our principal, work horse fighter in NATO. I told the US Defense Department how many F-16's and maritime helicopters I thought we needed to offer. They came back with a package. Then I went in and made an offer. Frankly, I didn't offer what I was authorized to offer. I offered less, because that's the way the Portuguese negotiate. If I had offered the whole package, that would have become the floor from which they would have gone further. The negotiations became very tight and went back and forth for several weeks. Since I already had the authority, I went back to the Portuguese and increased the offer but didn't go as far as I was authorized. Again, that offer didn't do very well. I told the Portuguese that I had exhausted my negotiating authority.

I knew that I was very close to the ceiling and I knew how tight our budget and other authorizations were. I had a sense of the cost-cutting mood of the Congress. I felt that since I had been the negotiator, what this required at that point was somebody who would arrive on the scene like a deus ex machina and say, “This is our last offer. This is the end of it.” So I told the US Defense Department that I had not gone to the maximum which the Defense and State Departments and the White House had authorized. I pointed out that we would be having our semi-annual NATO meeting involving Defense Ministers within a month at The Hague in the Netherlands. I said that I thought that that was the right place and that Secretary of Defense Carlucci was the right person to conclude the matter directly with the Portuguese Defense Minister, with others sitting in the room. I thought that that would wrap up the negotiation.

I went to The Hague for that meeting and gave Carlucci whatever advice that I could on what was happening. Carlucci obviously knew all of the Portuguese from his time there as Ambassador immediately following the revolution of 1974. He didn't need to be given any of the background. He made an offer which went a little bit beyond what I had been authorized to offer. This didn't surprise me. I figured that the US Defense Department had probably been holding something back. And the negotiation was concluded.

The point I'm trying to make is that in conducting that kind of negotiation, there always has to be some kind of appeal mechanism in reserve — some kind of person who can come in, as a kind of deus ex machina, and say, “This is it” to top level people on the other side. Because they are top level figures and the final offer is a little bit better for one side and not too insufferable for the other side, they can say, “That's it. That's the deal.” All of the subordinates have to accept it, and you're home free. Basically, this was the strategic line that I had adopted in conducting the negotiation after we'd been in it for about six months.

Q: I have heard that in other base negotiations sometimes the most difficult position for the Ambassador to be in is negotiating with the US Department of Defense. Often this is on base rights and so forth. However, I assume that in the case of the Azores the base rights had been exercised for so long that they were no longer a particular issue.

ROWELL: The critical issue was the level of US military assistance to Portugal. There were some problems in the Azores. We'd been held up in getting permission to put up some relatively new and easier-to-maintain facilities for the Americans stationed at Lajes air force base. We had a problem over the social security payments for Portuguese personnel at the base in the local labor force. The Azorean government was trying to claim substantial amounts of back payments. Another issue was over a different local tax, but I don't remember what it was.

These issues were part of the environment in the negotiation, but they weren't resolved in the negotiation. They were handled separately. In fact, I got them all resolved. I had a very close relationship with the Portuguese Minister of the Republic for the Azores, General Rocha Vieira, who later became the Portuguese Governor of Macao. He is still there. He undertook to deal with the Azorean authorities in a way that was suitably responsible from the Portuguese perspective. As a general, he knew the Portuguese defense establishment. As a cabinet minister he had the confidence of the President of Portugal and of the government. He went ahead and handled the matter in the Azores. We were able to find a workable solution on every one of these little ancillary issues that tend

to drive a base commander up the wall and always give the Pentagon a certain amount of grief. So, in all of this the American Embassy in Lisbon did its job.

Q: What about the problem, which continues, that the Azores are technically part of the NATO context, but we have interests there beyond NATO. I think in particular of the Middle East and Libya. You might explain the context involved. Were these subjects addressed in the negotiations?

ROWELL: Since World War II the Azores facilities have had two functions. One was to provide a platform for anti-submarine patrols and protection of the North Atlantic sealanes. The other function was to serve as a refueling stop for airlifts to other parts of the world — to Africa, the Middle East, South Asia and Europe. For example, the Azores were terribly important during the buildup before the Gulf War in 1990-1991. We used the Azores repeatedly for certain flights — very often involving disaster relief — going into Africa. We always used the Azores with the consent of the Portuguese. Under the terms of the agreement a mechanism was provided for clearing flights through the Azores.

When we were ferrying small aircraft such as F-16's to Europe — for example, Air National Guard units going to Europe on a temporary basis — they would often transit the Azores. There might be a squadron or two squadrons of F-16's, F-4's, or whatever the aircraft involved. They could reach the Azores on one load of fuel, refuel, and then get over to Europe. So a lot of air traffic went through the Azores. The US component at Lajes air force base was operated by the US Air Force. That is, the operations contingent at the base was run by the US Air Force. It had a US Navy group attached to it for anti-submarine warfare. And a US Army group ran the tugboats in the harbor. So the US Air Force ran the ground installation, the US Navy most often was flying the airplanes in and out on anti-submarine patrols, and the US Army was in charge of the tugboats.

Q: Did the issue come up of, say, supporting the responsibilities, as we saw them, of resupply to Israel in case of an Arab attack?

ROWELL: Obviously, it came up in 1973 during the Arab-Israel War of that year. The Portuguese, as I mentioned earlier in this interview, had felt that their compliance with the terms of our agreement, which allowed us to use the Azores, had cost Portugal dearly in terms of its relationships with the Muslim countries. As the Portuguese saw it, this seriously affected the reliability of their energy supply which came primarily from the Persian Gulf at that time in terms of oil. I don't recall, during my time in Portugal as DCM, that there was any Israeli emergency that required the use of the Azores or during my time there as Ambassador.

Q: Was there anything in the negotiations implicitly saying that if the US attempted to resupply Israel through the Azores, the Portuguese Government didn't want us to do this? Did this come up?

ROWELL: No. There was some discussion about the mechanism for clearing flights through the Azores. The bottom line, and it was a kind of common sense bottom line, was, “Look, the routine, normal use that goes on all the time, including the weekly supply flight to Embassies in Africa and the periodic flights of Air National Guard units to NATO bases wherever they were, in Sicily, Italy, Spain, or wherever” presented no problems. The Portuguese wanted to treat these flights almost as an air traffic matter. They left this to the Portuguese commander at the air base, who was the overall commander of the facility. The Brigadier General commanding our forces had to salute the Portuguese commander.

If there was a potential controversy or political problem involved in the activity, they wanted to be consulted, and preferably earlier, rather than later. They didn't want any of these cases where we would get a telegram or a telephone call one night, saying that there's going to be a transit tomorrow at 10:00 AM, local time, and it's going to some place where it could cause the Portuguese a problem. During my time as Ambassador there were probably three or four occasions where we did that kind of thing. I didn't have any control over the timing of the requests.

So the negotiation on transit rights through the Azores really involved how to define this broad category of potentially controversial events so that it covered everything, but without being too specific. The Portuguese didn't want to be specific. You wouldn't know in advance with whom a problem might come up, two years later. So there had to be a kind of generic definition. Secondly, there would need to be some base lines for advance notification so that the Portuguese could consider, with some degree of care, the implications. We managed to negotiate that without any difficulty.

There is a difference between political and legal style between the US and Portugal. For the Portuguese the intent of an agreement and common sense interpretation is what you rely on. If you rely on that, then you can presume that you have the political will on both sides to make an agreement work. If the political will is there, the agreement will work. If you attempt to provide for every contingency through some clause in a contract, because you rely on the contracts as you write them, you're not guaranteeing yourself anything in dealing with Portugal. That's not the way they work.

The fundamental issue is political will. We're dealing with sovereign powers. There is no court to which one can appeal if the agreement doesn't work or one of the parties doesn't comply with the agreement for some reason. In subsequent years, after my departure from Portugal, the US didn't fulfill its commitments on aid, but we still use the Lajes facility.

The tendency of our lawyers is to try to nail down every last detail. Sometimes, this effort goes too far. Our lawyers are right to want to nail down a whole bunch of details, particularly in terms of the status of forces, customs exemptions, and all of those kinds of things, where you'll have administrators on both sides doing things. If it's all written down, they have no problem and they just do it. If it's not all written down, then it can become political and sticky. However, on the major issues we shouldn't assume that writing it all down solves it, because it doesn't.

I spent much of my two years as Ambassador to Portugal visiting the Azores, talking directly with the Azorean authorities, from the President of the Azorean Regional Government to the legislators and others, warning them over and over again that the Cold War style of military assistance was finished. The agreement that I was finally able to sign in January, 1989, was probably the last of any generosity that they would ever see. However, they had to start making provisions for the future, both in their budget and in their plans for the development of the Azores which would be based on other ways to earn income, because Lajes Air Force Base wasn't going to pay for it.

I'd started the spade work, and some people had begun to believe it. The Communists were beginning to use those statements to beat up on the regional government for not being prudent in budgeting to take this changed situation into account. I have to admit that it was my immediate successor as Ambassador and his successor who finally brought this issue home to the present situation in which, in effect, we're giving the Portuguese nothing.

Q: Did you have problems with the American troops on the Azores in their relations with the Azoreans? We've just gone through a case of rape and other problems on Okinawa, but it's a wholly different type of military presence.

ROWELL: Nothing of any notoriety occurred while I was in Lisbon. Obviously, that had nothing to do with me but rather with the quality of military leadership and discipline which the American military were showing in the Azores themselves. There were occasionally incidents, but they were normally handled in the islands and discreetly, under the terms of the Status of Forces agreement. Incidents could cut both ways. Occasionally an American serviceperson would suffer a raw deal at the hands of an unscrupulous landlord. Such problems were relatively rare on both sides. I never had to become involved in anything like that. So I never had a problem the way our Ambassador in Tokyo has had.

Q: How did you find the staff at the Embassy at the time?

ROWELL: The Embassy staff was well qualified. I had a superb Deputy Chief of Mission, Wes Egan, who is now our Ambassador to Jordan. I had known him when he was the second-ranking officer in the Political Section in Lisbon from 1970 to 1980 or 1981. The Political Counselor was very, very strong and one of those unfortunate people who was being forced out of the Foreign Service because of too long a period of time in grade. That is, he had not been promoted for a long time. We always had someone in Lisbon with African experience assigned from the Bureau of African Affairs because of Portugal's continuing interests in Africa and our desire to coordinate whatever we were doing with the Portuguese, particularly as it related to Soviet involvement in Angola and Mozambique. This was still the period of the Cold War.

The Economic Counselors were good. We had an aggressive Agricultural Counselor, which was important because we were trying to recover agricultural business which we had lost due to Portugal's entry into the European Union. The Commercial Counselor was a strong figure. USIS [United States Information Service] was always strong, and their FSN's [Foreign Service Nationals] always played a critical role. I had outstanding access to Portuguese television and press. I did TV and press interviews, all in Portuguese. USIS knew how to make my language skills pay to the maximum.

We haven't talked about the junior officers. I was encountering an entirely new group of junior officers. This was, after all, 10 years after I had first arrived in Portugal. In terms of basic preparation the junior officers were very, very strong. Some had advanced degrees. They almost certainly had some post-graduate college work. There was some unevenness in performance. Some of them really weren't cut out for the Foreign Service. I remember one couple where the wife wasn't cut out for the Foreign Service. Her husband had to choose between being a Foreign Service Officer and being married. He chose the latter and resigned. This was clearly a growing problem because, since officers were entering the Foreign Service at a later age, there was a somewhat greater likelihood that they would be married and that the spouse was someone who had married an aspiring lawyer,

an aspiring MBA [Master's degree in Business Administration] candidate, or an aspiring historian. She didn't realize that she was perhaps marrying the Foreign Service. This was new and different. Some of them took to it, but many of them didn't. The later the age of entry into the Foreign Service, the greater our recruitment and retention risks.

Q: Was it purely because of the marriage or was it also because of the type of person who enters the Foreign Service? From your observation there, did you see any officers who didn't have a problem with their spouses but they just weren't cut out for the Foreign Service? How did this show?

ROWELL: Well, when somebody isn't cut out for the Foreign Service, typically you see a person who finds it very hard to get out of the office, establish relationships with host country nationals, or wine them and dine them and come back and produce something that has valuable information for us. Or you have somebody whose household is dysfunctional. Things don't go well at home, and the person arrives at the office tired or maybe late. And there is an unending string of complaints and illnesses. Occasionally, I've seen people who would come in, but if they were in a reporting function, such as Political or Economic work, they would simply be unable to produce quality reports. That is, something that reflects an understanding of what is relevant to American interests and can state it concisely and in a useful, analytical structure for Washington. In their reports they wander all over and produce a kind of stream of consciousness reporting or something that was just based on a Memorandum of Conversation and is limited to that. It had no particular relevance. Maybe memoranda of conversation are significant if you've just been talking to the Prime Minister, the Foreign Minister or the President. But they probably have only internal research value when they record a talk with a senior person in one of the local political parties.

The officers were all good. There were the usual frustrations. Junior officers generally don't enjoy visa lines. They would like more independent authority than they usually get. If you have a Political Counselor who hasn't had any training in management and how to

structure political work, junior officers can get frustrated. That happened at one stage — and did not involve the first Political Counselor whom I referred to.

However, on the whole I would say that it was a good Embassy. It was strong. We had an AID person who was cleaning up the residual matters in Portugal and working part time for AID in North Africa. He was a housing specialist, but he was very imaginative and knew how to close down the program and how to shift things over to Portuguese institutions, so that all the good that we had managed to accomplish since the revolution would be preserved. He was also very good at working closely both with the Commercial Attach#, when there were business opportunities coming up, and with USIS at making sure that we got appropriate kinds of credit for our efforts. He did this in a way that wasn't overbearing or demeaning or somehow implying that we were kind of running things, as we used to do too often in Latin America.

Q: Could you talk about both the role of the Agricultural Counselor and the whole agricultural problem? This was one of the major items on your agenda when you arrived in Portugal.

ROWELL: Right. When Portugal and Spain entered what is today the European Union, the United States negotiated compensation arrangements with the Union, because we knew that under the rules of Portuguese and Spanish entry we would lose a substantial share of our market for agricultural commodities. Most of these commodities were used for animal feed — for fodder. This included soya cake for animal fodder. However, there were some shipments of grains and oils for human consumption as well. There were some types of agricultural goods, for example, corn gluten, where the rules of the European Union didn't particularly inhibit the import. Our Agricultural Attach# was out trying to develop Portuguese interest in these other types of commodities.

There was a transition period provided for in the agreement with the European Union, during which Portugal and Spain gradually switched over to the Community-wide external

tariff. During this transition period our market in Portugal and Spain for agricultural commodities declined but wasn't totally closed off. So the Agricultural Attach# did what Agricultural Attach#s do.

The other things that the Agricultural Attach# had to do was to talk with the Portuguese authorities about the positions that Portugal would adopt in meetings of the Agricultural Council of the European Community. That Council managed the Common Agricultural Policy [CAP] of the European Union. To the extent that we could persuade the Portuguese that they ought to adopt positions that would make it easier for American commodities to come into the European Community, that would help us. At least there would be one vote in the Community in terms of that kind of trade.

Q: How responsive did you find the Portuguese on matters dealing with the European Community—representing not just our interest but mutual interests?

ROWELL: Well first of all, the Portuguese look after their own interests. We're responsible for our interests, and they're responsible for theirs. They would receive our representations, but every member of the European Community has a complicated calculus. Although they may be hurt by one set of Community rules, the Community tends to compensate them in some other arena. So if the Portuguese have to pay more for animal feed, and this is hurting their agriculture, then the Community might find a way to increase the subsidy funds coming to Portugal, either to help Portuguese agriculture, Portuguese agricultural education, or transport that would reduce some aspect of agricultural costs.

Since a basic policy of the European Community was to provide subsidies to upgrade the less developed economies of the Community, Portugal was getting a lot of that money. In the end, I think that the Portuguese — although I have no written document that would prove this — would make their own judgment about where Portugal's interests lay. They would say, “All right, if we can get this much more from the European Community, that will

more than offset what we might be losing by having to pay more for American agricultural commodities and foodstuffs.” Then they would conduct their negotiations at Brussels on that basis and generally came out well from a Portuguese point of view. From our point of view, we kept them aware of what the costs were, and that helped them calculate more closely what they could get from the European Community — but they always got it. We didn't get any important help from the Portuguese on European Community Common Agricultural Policy questions.

Our biggest sales triumph was in coal for new power plants that were going up. There was also a kind of investment triumph in helping American companies to negotiate attractive terms for establishing factories in Portugal. Of course, Portugal was anxious to get that investment and negotiated in a very serious way. The Embassy's role was primarily one of keeping an ear to the ground, understanding the American firms' major concerns and interests, as well as something about the competitive offers that firms from other countries were making. Then we tried to understand what the Portuguese were thinking. There was one investment project involving Ford Motor Company, for example, which set up an automotive electronics factory. They kept me rather fully informed of their interest from the beginning and the progress of their negotiations. There were several occasions when I was able to telephone a point man, a former Foreign Service Officer, Bill Kelly, and say, “Look, this is beginning to happen. The Portuguese are beginning to think this way. I don't think that that squares with what you told me the last time you and I discussed this matter.” He said, “No, it doesn't, and thank you very much.” I was able to give American companies some heads up advance notice like that.

Ford had their own manager there, who was very good. However, there were times when we would hear things that he didn't hear, even though he was a native Portuguese and well connected — the right kind of family and all that sort of thing.

My point in saying this is that even the biggest American corporations gain if they can work comfortably with an Embassy. I know of many American corporations who have

misgivings about keeping in touch with an Embassy, because they believe that Embassies misuse corporate proprietary information and sometimes leak it to people to whom it shouldn't be leaked. Either to the government with which they're negotiating or to their competitors. I've always treated corporation confidential material as carefully as I treated US security classified material. I think that Bill Kelly was able to persuade his superiors at Ford headquarters that we had a very effective and helpful relationship.

I was able to help a couple of other American companies — Texas Instruments at one point, Digital Computer Corporation at another point — sometimes by helping them to cross talk with other American corporate managements within Portugal. Remember that these factories were not all in one industrial park, so that the management of a factory South of Lisbon normally wouldn't be talking to the management of a factory near Oporto. However, I had a series of business meetings that took place regularly which allowed them to cross talk. Issues would arise.For example, Portuguese entry into the European Community meant that Portuguese citizens were free to go to work in other countries under the new European Single Act. Although this didn't mean much to hod carriers and grape pickers, it meant a great deal to certified public accountants, production engineers, and certain other professionals. Suddenly, companies in Portugal — Portuguese as well as American — were discovering that if they didn't double or triple the compensation they were paying to a senior professional, that person might go to Madrid. The cost of living in Madrid was higher than it was in Portugal, but the professional couldn't resist the much higher income. Or the Portuguese professional might get an offer in Bordeaux or Lyon, France. So the costs of companies established in Portugal were rising sharply in a way that they hadn't anticipated. This problem was another issue that we took up with American companies in Portugal.

There were no major aircraft sales at that time, although I had been instrumental in helping Lockheed to sell Tri-Star jet transport plane aircraft to the Portuguese airline at an earlier stage.

Q: What about the political situation in Portugal when you were Ambassador? What were our concerns? This was a transitional period. During this period we saw the Soviet Union cease to exist, or we were getting close to that point. Portugal was working out the kinks of its revolution. What were our interests? How did we deal with the various political parties?

ROWELL: Glasnost [openness in Russian] and Perestroika [restructuring in Russian] had arrived. From my point of view the most significant implication was that there were openings to try to solve the civil and guerrilla wars going on in Angola and Mozambique. We had a series of negotiations with the Soviets. The negotiators sometimes met in Italy because Italy was a major factor in trying to broker peace in Mozambique. Some of the meetings between the US and the Soviets were held in the American Embassy residence in Lisbon. For that purpose it was the Russian Deputy Foreign Minister for African Affairs, whose name doesn't immediately come to my mind right now. The US negotiators were Frank Wisner and the non-career Assistant Secretary of State, Chet Crocker, a well reputed academician. They both came. Sometimes the sessions would last for three hours at a time in that residence. Once or twice these sessions were held at the Russian Embassy, but most of the time they were held at our Embassy residence. I was present a couple of times but did not participate in them, for the most part. The negotiations were not between me and anybody in particular. I was providing facilitative assistance.

The Portuguese were delighted to have these negotiations taking place in Lisbon in view of their deep involvements and major economic interests in both former colonies. One of the interests the Portuguese had was the $400 million World Bank loan they had taken out just before the revolution of 1974 to build the Cabora Bassa Dam in Mozambique. The dam had been built, but Mozambique wasn't able to make payments on the loan because guerrilla activities kept interrupting the flow of electric power to South Africa, which was the principal customer. At the time South Africa was still a pariah country. This meant that, since the Portuguese Government had guaranteed the loan, Lisbon was stuck with making the payments. They were anxious to get out from under that.

I said earlier that in terms of internal politics, Portugal was well past the immediate, post-revolutionary phase. The Portuguese Governments were lasting for a full term of office. They had clear programs which basically were private sector oriented toward integrating the country into the European Union and making the most of Portugal's membership in it.

Q: It sounds as if you could call this a very comfortable relationship with Portugal when you were there the second time.

ROWELL: Yes. However, there was one aspect of my strategy for dealing with the country, the defense relationship, which had been at the heart of our associations with Portugal since World War II. This was now declining to third, fourth, or fifth place in terms of daily business. The use of Lajes air force base in the Azores might or might not go down, but the relationship involving large transfers of US military assistance certainly was finished.

I needed to find something else to sustain a relationship that, on the whole, had been very positive. It had been good for us and good for Portugal. It was the kind of thing that we needed to sustain. I looked to cultural and educational relations to help to sustain that relationship. Obviously, to the extent that we had American firms that felt that they saw an opportunity for investment in Portugal, that was one major component of a good relationship. American firms know their own business. I wasn't telling them to invest in Portugal because it was good for the US. What I did tell them was that if it was going to be good for them to invest in Portugal, I hoped they would do so. I knew that the Portuguese would treat them well and would stick to their agreements. That kind of association was what we had to have to sustain an easy, workable relationship for the long term future.

On much the same grounds I tried to use my role as a member of the Board of Directors of the Luso-American Development Foundation to get the foundation to increase resources allocated to Portuguese universities to help them enhance their relationships with American universities. The objective was to ensure that there were more exchanges among faculty members and somewhat more exchanges among students — exchanges

involving research projects that would be of interest on both sides of the Atlantic Ocean. Although the foundation would provide seed money, in the end we all recognized that these relationships would have to become self-sustaining and that intellectual and personal ties would have to take form. In future years this would lead to the creation of additional research projects that might help Ph.D. candidates to obtain funding from the kinds of resources normally available to universities. Such funding could come from foundations, government research grants, or something like that, and would not be dependent on the Luso-American Development Foundation. It definitely would have nothing to do with our old defense relationship.

The initiative on education worked reasonably well. I know that the Luso-American Development Foundation still supports those kinds of relationships. In fact, the Foundation occasionally sponsors lectures and meetings in Washington, DC.

When I arrived in Portugal, the Foundation was in danger of spending itself out of business. We reversed that. Basically, this was done by reversing the size of the American input. Before my arrival there had been a tendency to treat the Foundation almost as an AID type operation. AID's philosophy, when it implements a project, is to get the project started and then get out. There were some people in AID who felt that, “Well, we provided all of the capital for this,” and indeed we had. One of the areas where we short-changed the Portuguese on the agreement that had been signed before I arrived was in the capital going to this Foundation. We weren't paying into it, although we had committed ourselves to do that. Of the funds we provided, some were used to subsidize the Azorean Government and some went to the Foundation. Our appropriations shortfall was so large that the Portuguese Government had to take out of its own Treasury funds to make up for our shortfall in terms of subsidies to the Azorean Government. So there was nothing left for the Foundation.

However, the Foundation's Portuguese directors managed to get additional contributions from the Portuguese Government. We changed the basic approach to projects. There

were more co-sponsorships. There was a smaller share, in terms of seed capital for various projects, and there was more emphasis on technical assistance. I am happy to say that the Foundation continues to function. I think that it is a very good institution. The objective was to bring its expenses to a level that the interest on the endowment could support.

Q: Speaking of foundations, you mentioned the Gulbenkian Foundation. I think of Gulbenkian as being a wealthy, Armenian arms dealer or someone of World War I vintage. Or was it oil that was the source of his wealth?

ROWELL: It was oil. He traded in oil and he got five percent on every deal. That was his margin. He had enjoyed living in Portugal from time to time, though his preferred residence was London. When he was close to dying, he asked his lawyer, who happened to be a Portuguese, a man named Azeredo Perdig#o, to propose to the British that his beautiful but small art collection might be given to one of the British museums in London — I don't know which one. This impressive collection included antiques going back to 2,000 years before Christ, some of them Chinese artifacts. Gulbenkian said that he would provide the money to build an appropriate wing to house his collection. He would then provide an endowment to ensure its permanent care and so on.

The British said, “No.” They said that they ran their own museums. They would be glad to have Gulbenkian's collection but they would manage it in their own way. That didn't satisfy Gulbenkian. He asked, “Where should it go?” Perdig#o said, “Why don't you put it in Portugal? Portugal's always been good to you, and I'm sure that the Portuguese Government would accommodate your desires.” They did. Gulbenkian set up the endowment and built the museum in Portugal. In 1988 the endowment was worth between $1.2 and $1.5 billion. It included some assets that were not producing much income but were appreciating in value. The Gulbenkian Foundation was spending about $60 million a year on its various activities. So, in addition to the original museum, it supported a performing arts program, a resident orchestra and ballet company, visiting companies and

performances, and all kinds of good things. The Gulbenkian Foundation also funded some chairs of Portuguese language at universities in the United States. It contributed to the restoration of Portuguese installations in Asia which had been constructed during the age of discoveries, including cathedrals and churches — that kind of thing. It is a big deal in Portugal. It is, perhaps, the Portuguese equivalent of the Ford Foundation.

Q: Did the situation in the Persian Gulf in 1990-91 between Iraq and Kuwait boil over when you were in Portugal, or was that after you were there?

ROWELL: That was after I left Portugal.

Q: Was Portugal ever used as a kind of neutral ground by the PLO [Palestine Liberation Organization], Israel, or anybody else for meetings?

ROWELL: No. The Portuguese liked to think that they were a kind of neutral ground. They were relatively unconcerned about the prospect of terrorism until there was a murder at a meeting of the Socialist International in the Algarve [south coast area of Portugal] in my first period in Portugal, 1978-83. It was a terrorist act. At this point I simply don't remember who was killed, but it clearly involved a PLO-type assassination. I am reluctant to say the PLO, because I don't think that the PLO did it. It may have been the PFLP-GC.

Q: It was a kind of Middle Eastern terrorist act.

ROWELL: It was a kind of Middle Eastern terrorist act against another country in the Middle East. That incident shocked the Portuguese. They suddenly realized that there is no permanently neutral ground. You cannot always expect that people will respect your territory because they need it as a place to base themselves or get together. The Portuguese instituted more serious customs inspection programs.

Q: Did Portuguese-Americans play any part in matters you were concerned with? There are quite a few Portuguese in the United States, particularly on the East Coast.

ROWELL: At the time the most prominent Portuguese-American was Tony Coelho, a Democratic Congressman from the San Joaquin Valley in California. He was quite high in the Democratic Party hierarchy in the House of Representatives. He visited Portugal a couple of times during my tenure there as Ambassador and was received very well. I think that he was the Democratic Whip in the House of Representatives.

Q: I think that you're right.

ROWELL: I would say that he was encouraged to come to Portugal. The Portuguese understand the way the American Congress works well enough to know that having a Portuguese-American in such a senior, influential position in the House of Representatives was a good thing in any case and potentially quite useful. However, I don't recall any specific instance in which this made a critical difference.

Q: You didn't have anything like the Cyprus issue, as Greek-Americans do.

ROWELL: No. We didn't have that kind of problem. Coelho didn't represent enough influence to make a complete exception for Portugal as we were cutting back on our appropriations for defense cooperation.

Q: I only have one more question on Portugal, but there may be other things that we will want to raise.

ROWELL: Would you state the last question again?

Q: What was your impression of Mario Soares as President of Portugal and, perhaps, in his previous positions and where he was at the time you were there as Ambassador?

ROWELL: I'll answer that next time, because I have a lot to say about him.

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Q: Today is May 8, 1996, and is a continuation of the interview with Ambassador Ed Rowell. Ed, can you talk about Mario Soares during your second tour in Portugal?

ROWELL: Yes. You are asking about my impression of Mario Soares during the period from 1988-90 and whether the man had changed. My answer is that the man was remarkably consistent. He had mellowed quite a bit in the first years after the revolution, when he realized that socialist ideology was inadequate for governing a country or even for dealing with many of the problems of government in the economic field.

As I mentioned earlier in this interview, he had at least twice pushed a Socialist-led coalition government to take serious monetary measures to stop inflation and get the country back on a healthy economic track. Each time the coalition government paid the political price by being voted out of office.

Now he was President of Portugal. He was seeing the issues of government from a very different perspective. He had been one of the main contributors to the post-revolutionary, Portuguese constitution. He had insisted on a structure which paralleled that of the French Fifth Republic — what they called a semi-presidential structure. Under this system you have a President with some authority. You also have a parliamentary, ministerial style of government with some authority. And the dividing line isn't always clear. When you have strong personalities from opposite political parties in each office, that of the President and of the Prime Minister, with different philosophies, you have friction.

There had been friction in Portuguese governments from the first day of the ratification of their new constitution. The first President under the constitution, Ramalho Eanes, had been the Army lieutenant colonel (and later a general) who led the revolution. He had the feeling that the President needed to be a power center, a powerful figure. This would have followed the pattern that had been established by Salazar, for example, who had been Prime Minister under a figure-head President. Well, the revolution was undoing everything.

This was to be a real President, elected to be President. Eanes felt that he should have much broader powers, something closer to an American style presidential system.

Soares had disagreed with this view from his positions as Prime Minister, when he was Prime Minister, and Foreign Minister, when he was Foreign Minister. He attempted to moderate Eanes' view of the presidency. When he was in office as President, Soares stuck to his guns. He felt that the presidency had real powers but that he had to be very careful not to intrude on the powers that had been written into the constitution for the government and the Prime Minister.

Soares was a Socialist. The government, when Soares was President, was Social Democratic. There were times when the Portuguese Government did things that Soares disagreed with, but he was careful to use his presidential powers strictly within the limits of the constitution. He avoided overstepping those powers.

I had assumed that Soares would behave that way anyhow while I was en route to Portugal to take up my post as Ambassador. During my first meeting with Soares in the barber shop the day after I arrived in Lisbon, we talked a little bit around this subject, but not in depth. I had a sense that I was right. When I presented my credentials very shortly thereafter, and we had a private conversation after the ceremony, I left that conversation, knowing that I had been right. That brought me to the first major decision I had to make as Ambassador.

Within a week after my arrival a major change was proposed for the charter that governed the Luso-American Development Foundation. It was endowed primarily with funds that had come from the Azores Base Agreement. The American member of a troika of executive directors at the Foundation had wanted to stick very closely to a developmentalist philosophy. The Portuguese executive directors — one of them a Socialist and the other a Social Democrat — pushed for something that came closer to meeting the political needs of the country. When Cavaco Silva, a Social Democrat, became Prime Minister, he and the

Social Democrat executive director of the Foundation concluded that it was time to tighten up the charter of the Foundation to give the government a little more say in its activities and to reduce what Cavaco Silva perceived to be an excessive American role in dictating the activities of the Foundation.

The man who had been Charg# d'Affaires in the Embassy — at that point my DCM [Deputy Chief of Mission] — came to me and said...

Q: Who was that?

ROWELL: That was Wes Egan. Wes told me that a draft law to revise the charter of the Foundation was moving through the Portuguese Government. The Foundation's charter had been established by law. The effect of the law would be to increase the size of the Board of Directors, increase the weight of the Portuguese representatives, and thus make it more responsive to Portuguese national needs, as perceived by the Portuguese directors. I was pressed to ask Mario Soares to intervene and veto the law, which he could do. Then the law would have gone back to the Portuguese Congress in a process similar to our veto override process.

I considered this and then rejected Wes' recommendation. I believed that it would have put Mario Soares in a position of having to choose between the way he felt that the presidency should relate to the government and a certain sense of responsibility for Portuguese-US relations and the relationship with the US Government. Never mind our personal relationship which, actually, was quite good. It had been quite strong. I felt that this was not an issue that demanded that weighty an outcome. This was, after all, a development foundation. It had a limited endowment of $90 million whose purpose was to do good. These funds had come from the US Government to the Portuguese Government under the Lajes Base Agreements. In turn, the Portuguese Government had transferred this money to endow the Foundation. Its purpose was to use the endowment as an instrument to do good works that would have a Portuguese-American quality to them, in the sense of long

term cooperation. I felt that, had I supported Wes' request, we would have been undoing that long term objective if I put the Portuguese President in such an awkward position.

This outcome would have been bad for the US-Portuguese relationship and, ultimately, for the Foundation because a Presidential veto would have been overridden in that particular case. It would have been the wrong thing to do. It related to the way Soares was playing his role as President.

Q: You're talking about your relationship to the Portuguese Government, in this case. What about your relationship to the American Government? Where was the pressure for you to persuade him to veto this law coming from?

ROWELL: On the whole, Washington didn't care. Washington would have cared if my actions or my decisions had further complicated the situation affecting US use of Lajes air force base in the Azores or had created some additional negative aspects in the overall relationship, which could have complicated something else. However, the kinds of concerns I have described were the kinds of things that Washington usually left up to its Ambassador.

Q: Where was the pressure coming from?

ROWELL: It was essentially coming from the American executive director at the Foundation, from some members of the American Community, and from within the Embassy. They saw was a dilution or significant diminution of American influence in the operations of the Foundation. They feared that significant politicization in the use of its funds, corruption of its purposes.

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Q: This is Tape 8, Side A of the interview with Ambassador Ed Rowell. You were saying...

ROWELL: That was a real risk, and no question about it. In fact, there had been at least one project, at the time I arrived in Portugal which had been approved almost wholly on a political basis. It didn't have a good economic, developmental, or people-centered purpose to it.

However, in the end what I had counted on was the need of the Foundation and its directors for survival. Survival would require that the Foundation not become merely a political tool of any particular government, because when that government fell the Foundation would end as well. Moreover, if the Foundation had played that game, it probably would have started to draw down its endowment at a rate that would have bankrupted it within a few years. In retrospect, certainly during the time that I was there, there were no new special political demands on the Foundation after the composition of the Board of Directors changed. I really don't know what has happened since 1990 when I left Portugal. This is now 1996, and I can say that the Foundation is active. It has projects in the United States that help to tie American and Portuguese educators together and to promote an understanding in the US of what Portugal is and its history. The Foundation conducts other projects in Portugal and Africa. It has not bankrupted. The Portuguese Government has changed, but the Foundation is still in business. So I think that it has come out well.

Now, back to the first question, which concerned Mario Soares. I've dealt with the question of how he saw himself in the presidency. During his years as President, and certainly during 1988-1990 when I was Ambassador to Portugal, he sought to be the embodiment of the presidency as he had conceived of it when he helped to write the constitution. So he was very circumspect in terms of when he confronted the Government and when he did not. He tended to emphasize his role in the foreign affairs field, which was a field substantially reserved to the President, rather than to the Government. So much so that, for example, during my two tours in Portugal, the Minister of Foreign Affairs typically would have a meeting once a week with the President. In the conduct of foreign relations that

was a Presidential, not a Government responsibility, although the Government maintained the Ministry of Foreign Affairs and provided its budget.

Soares had become a kind of beloved, almost Teddy Bear like figure for the Portuguese public. He is charismatic and warm. He puts his arm around people and talks to them in a very human way. It is easy to see how he could be a successful politician. People gravitate to him.

During the period 1988-1990 he was nearing the end of his first five-year term as President. He was going to run for a second term. The constitution permits up to two consecutive terms. There could be more terms after a gap following the second, consecutive term. He had undertaken a series of regional visits to different parts of the country — to the Azores, to Madeira, to the northeastern, remote part, the central, mountain part, and so on.

I remember that on one Portuguese National Day — I think this was in June of 1988 or 1989 — he'd gone to a series of events in a place called Castelo Branco, which is in the East Central part of the country near the Spanish border. The weather was wet and cold. The town was going through a pageant that was part of its medieval lore. There was Mario Soares, seated on a da#s, slightly raised, with a cloak over his shoulders — the embodiment of a renaissance painting of royalty in full regalia. There, on the stage, were lambs and kids [young goats] with their feet bound so that they wouldn't run away. There were bales of hay, baskets of potatoes, corn, and other foods, and a procession [passing the da#s] of schoolchildren paying homage to the President in this medieval reenactment. In the first place, it was touching. But it was also very funny that this Socialist, who had helped to write a democratic constitution, was there in the role of the king in that pageant.

You need to remember that the Portuguese have a kind of myth about a man named Sebasti#o, or Sebastian, who was a teen-aged king toward the end of the 16th century. He led Portuguese nobles in a battle against the Moroccans at a place in Morocco called

El Ksar El Kbir, near the northwest coast of Morocco. Through a series of misjudgments, the king and his nobles were all killed. There was no immediate heir to the throne, and Spain took over the country. Portugal remained under Spanish domination for the next 80 years or so. This is an important element in a Portuguese schoolchild's history of the country. There are all kinds of stories about Sebasti#o returning on his white horse from Morocco to save Portugal — from what? Well, obviously, at the end of the 16th century, it was from the Spaniards. But even today there is sometimes talk of Sebastianismo — and that means dreaming about someone who arrives on a white horse to save them from the crisis of the moment.

Well, the Portuguese had been through a revolution and times were getting better. However, for some people things were still tough, as they always are. For somebody, in any country, things are always tough. So there was always an aura of Sebastianismo about this. Soares was the man who, somehow or other, had led that march down the Avenida da Liberdade in 1975, who had helped to write the constitution, who had been Prime Minister, and who now was President. He was sitting there, telling the Portuguese that things were going to be all right. He was saying that Portugal was stable and was going to be safe. You could feel that in the crowds. It was very, very interesting. Later the Diplomatic Corps, including myself, accompanied Soares on a couple of his other regional visits, including one to the Azores. These visits were good, but none of them had medieval pageantry about them the way that event in Castelo Branco did. To me, that one picture kind of summarized Soares' role in the country.

Q: You knew each other off and on for some years. Did he ever talk to you about the American Government and the American presidency—just to get a feel for how it worked? Did this ever come up?

ROWELL: No. That subject never arose. His own model was France. He was aware of the problems that France had encountered with its two constitutions of the Fourth and Fifth Republics after World War II. He had attempted to deal with those problems when he was

helping to write the Portuguese constitution after the revolution. Soares' education outside of Portugal had been in France. He is a Francophile. He is very warm toward the United States but basically he is a Francophile and was a personal friend of the late Fran#ois Mitterrand the former French Socialist President, who held that job for 14 years. So he had looked to France, both as a model and as a warning signal of the problems that could arise in that constitutional model. He didn't really ask us how we worked. We are a totally presidential system, as are the other governments of the Americas.

He really didn't want a purely presidential style of government, partly because he mistrusted it in the Portuguese cultural context. He feared that if you concentrated as much power in one hand, as he perceived American Presidents to have, then there would be a greater risk of a reversion to some new Antonio De Salazar, Portuguese Prime Minister and de facto ruler from 1932 to 1968. He deliberately split power between a Prime Minister and parliamentary government, on the one hand, and the Presidency, on the other hand, to prevent any one person from acquiring the level of power that Salazar had enjoyed. You need to remember that during the Salazar-Caetano period, the President of Portugal was a pure figurehead. The Portuguese President at that time had no power or authority at all — much like the President of the Federal Republic of Germany today.

Q: I'd like to capture something in a nutshell. You were an American Ambassador. You grew up in the Foreign Service system. The President of Portugal was a Socialist. How did you and, by extension, other Americans, view socialism at that point—its strengths, weaknesses, and so forth. Sometimes, socialism is almost a bad word in the American political context.

ROWELL: The answer is that I've never bet on labels. I've always bet on what facts and specific persons — how were things actually operating. Soares was a dedicated Socialist, but he ran his governments and adopted policies geared to market economy principles and to a limited role for government. Nobody ever questions Soares' motivations or those of his party stalwarts who were in government with him — nor, for that matter, the

other democratic parties that competed with them — in terms of their dedication to their country, to making the economy work better, to seeing that people were better off, and to consolidating democratic rule. Disagreements were on policies, how best to arrive at the overall goals.

So my problem as an Ambassador was to make sure that Washington looked through the title of Socialist and at the realities. I met a lot of visiting American businessmen who were coming through Portugal. We were actively promoting American exports and, where it made good sense, American investment. I always told them about the two times that Mario Soares was voted out of office because he was straightening out the economy and cutting gross overspending. I said, “So that's this Socialist. Think of him as the man who takes those kinds of decisions when they're necessary. Don't think of him just as a socialist.” That's a critical difference.

Q: I wonder if you could talk a bit about the role of visits, both official and others, to Portugal. I'm not talking about tourist visits, but other visits, including Congressional visits. How did you as the Ambassador structure these and what were you trying to gain from them?

ROWELL: I really have to break the answer to that into my two, separate stays in Portugal. We had many more visits during my first years in Portugal in 1978-1982 than during 1983, and then during my return as Ambassador in 1988-1990.

During those earlier years my objective was to get people to understand, first of all, how close Portugal had been to a Communist take-over, and how much courage the Portuguese has displayed in defeating that Communist effort. Second, I told them what I just told you about Mario Soares as a Socialist. I wanted them to understand that this was a man who was a democrat first of all. Third, I wanted to help them see how the Portuguese were coping with all of the enormous adjustments that they had to make following the revolution. Remember, in those first years they did not yet belong to the

European Community. They were having to do things on their own as a separate country. They had had to absorb an influx of people that amounted to roughly seven percent of the total population. Think of that. If that were the US today, that would mean absorbing roughly 18 million people in the course of one year.

Q: And these people were hopping mad, too. We're talking about the people coming to Portugal from the former African colonies.

ROWELL: Yes, they were mad, and so on. Portugal absorbed these people with great skill. They had the resources to deal with them, but they also had liquidity and budgetary problems. So my objective was the get American legislators and senior American executive branch officials to see the scale of the problem in relation to the size of the country. Secondly, to see how the Portuguese were addressing these problems. Thirdly, to get them to see how the Portuguese were relating to the United States, first of all, and then to the other NATO allies, since Portugal was a NATO member. One of the prerequisites for being a member of NATO was that the country must be democratic. There may have been some questions about one or two of the members at one time or another earlier in NATO's history, but at that point that was considered an absolute requirement.

Q: Greece was one example.

ROWELL: Finally, I sought to make sure that these senior American visitors understood Portugal's role in NATO, both in terms of overall NATO strategy, and, secondly, the role that Portugal had played vis-a-vis the United States during certain crises, most particularly the Arab-Israeli conflicts in the Middle East — the 1967 and the 1973 wars. For doing this Portugal had paid a certain price in terms of its relationships with Arab nations. In that regard that had affected the reliability of Portugal's energy imports, because Portugal has always had to import energy — including petroleum products.

So I regarded these visits as an opportunity for the visitors to see these problems. The way I described them sounds as though I was reading from a book. But these visits were

an opportunity to meet the people who were managing these problems. In other words, to meet Mario Soares, to meet a Prime Minister and a Foreign Minister, and to make personal judgments about the caliber of these people. Cavaco Silva has just left the government. He was voted out in December, 1995. He was Prime Minister for 10 years. He was the son of a gas station attendant. He had managed to earn his education the hard way. He'd taken his Ph. D. degree in economics at the University of York in England. He was a very serious man with a very good sense of how you make a market economy work. He was also interested in trying to make the system work so that the little guy was taken care of; taken care of in the sense that he had his opportunities, was not going to be allowed to starve, and his kids weren't going to die for lack of inoculations or be crippled for lack of a doctor to set a broken bone. That sort of thing.

I wanted our legislators to sense, first of all, that the US had significant security interests at stake. Secondly, that Portugal was a country whose values meshed with ours. Thirdly, that it had leaders whose measure our Congressmen had been able to take personally because they met and talked with them. The Portuguese leaders knew what they were doing and merited our confidence. So, for me, every one of these visits had a purpose and was useful. And, from my personal point of view — and my wife shared that — it never hurts to know another Congressman. We used these visits as opportunities to establish our own personal relationships with individual Congressmen.

Q: In what context would you say that "it never hurts to know another Congressman?"

ROWELL: You never know when some Congressman is going to be sitting in a critical chair in some committee or subcommittee that can affect our foreign relations. Say that you've met the Congressman personally and he's sat with you in your home. You've had a meal together and have called on significant personalities together. You've followed this up by sitting down and chatting a little bit about that meeting, about the personality involved, and what was going on. The Congressman has had a chance to decide how good, or not so good, I was and to know whether he feels comfortable with me, and so

on. If the personal relationship felt comfortable, I always felt that I could pick up a phone and talk with the Congressman directly at some future time if that would help to resolve an important foreign relations problem I was working on. Now, that might not change the way things were going, but at least it gave me a real window.

It's one thing, if you're calling cold and say that you're the Ambassador to X country. The Congressman will be polite — he or she may not have met you. But if he's met and talked with you, if he remembers you, that broadens the field in terms of the ability to discuss the issue.

Q: Were there any problems regarding Portugal in our Congress during this period?

ROWELL: The principal problems were related to the budget and the fact that it was already shrinking substantially.

Q: You mean the American budget.

ROWELL: The American budget. We were cutting back dramatically on the types of assistance that had been written into our agreements with Portugal. For example, I had to renegotiate a base agreement to get the Portuguese to accept a lower flow of assistance than we had promised. The year after I left that issue was on the table again, and the assistance agreement was again being renegotiated down. That was the main problem.

Q: You mentioned that the French influence on Soares was considerable. Portugal was part of NATO. The French were still playing this game, begun by De Gaulle, of not being in the military part of NATO, yet being in the North Atlantic Council. It was a very peculiar situation with France. Did this have any impact on the Portuguese view and performance in NATO, either military or political?

ROWELL: No, France's decision to withdraw from NATO, the military structure under the North Atlantic Treaty was strictly its own. The Portuguese were never tempted to parallel

it, for reasons of their own profound national interest. First of all, they understood that the ability of the US to use Lajes Air Force Base in the Azores to resupply Europe or Israel (as we had) or to ferry supplies to the Persian Gulf area (as we had in 1990-91) was Portugal's single most important contribution to NATO. They understood also that without that contribution, there wasn't much of a Portuguese role in NATO, and Portugal's status within Europe would decrease substantially.

Beyond that, even though Soares and many Portuguese are Francophiles, raised in a French-style educational system, Portugal's oldest treaty relationship is with Britain. The Portuguese have what they call an Atlantic mentality, meaning that they had looked to the sea. Their relationship with Spain is back to back. The Portuguese spinal column is against the Spanish spinal column. Spain, as the Portuguese presented it, was a Mediterranean country with classic Mediterranean relationships with North Africa and with France. Portugal was Atlantic, with an oceanic viewpoint that reached to Brazil and around the Cape of Good Hope to the Indian Ocean and the Pacific Rim. So in terms of global situations and military positions, strategies, and relationships, Portugal has kept itself allied with Britain since the late fourteenth century. There were always tensions between Portugal and Spain in the Iberian Peninsula. As I mentioned earlier in this interview, the alliance between Portugal and Britain is based on one of the oldest treaties still operating in the world. This set of treaties is still called the “Treaties of Windsor,” dating from the 1380's. It is still in effect, still invoked and applied, as of today at the end of the 20th century.

Had Portugal attempted to do what De Gaulle did, the Portuguese would have been ostracized in NATO. They weren't big enough to carry it off by themselves, and they were never tempted to do it. It just ran totally against their “Atlantic” interests as they perceived them.

Q: Let's talk a bit about the role of the Portuguese Army during this time. In the first place, during the time of the Portuguese revolution, there was great concern in the United States,

and I guess elsewhere in NATO, about the Portuguese military sitting in on their plans. It was felt that they might have a direct tie to the communists and, through them, to the Warsaw Pact and the Soviet Union. Had that had any impact? I think that we had kind of frozen them out, hadn't we?

ROWELL: I think I answered this point earlier in the interview, but just for the record...

Q: I'm really talking about how they felt about it now.

ROWELL: After the revolution, when the communists were in key positions in Lisbon, the Portuguese military representatives at NATO, unilaterally and on their own initiative, absented themselves from those NATO meetings where, for example, our nuclear strategy was being discussed. They refused to hold for deposit, as they were entitled to hold, NATO documents related to NATO nuclear strategy, as well as certain other military preparedness and planning documents. They simply said that if they held the documents, they had to report to Lisbon and forward them to Lisbon. They felt uncomfortable about that, given the uncertainties surrounding what was happening in Lisbon. So they refused to take possession of the documents. That was a decision unilaterally taken by the Portuguese military representing Portugal in NATO. This decision wasn't countermanded by Lisbon, because Lisbon was too busy in the immediate, post revolutionary period.

So NATO never had to say anything to the Portuguese military representatives. NATO never took a resolution imposing anything on the Portuguese representatives. NATO accepted this Portuguese initiative and lived by it. During the 1980's and 1990's, those Portuguese military who were still on active duty and who remembered the immediate post-revolutionary period — and remember that I'm talking about it 15 years later — knew that what had happened had occurred as a result of Portuguese initiative. They hadn't been run out of NATO. They hadn't been chastised or had their personal relationships cut off or anything like that. They had been treated with decency, and there were no repercussions.

They felt considerable frustration with NATO. They had not received the level of military assistance that they expected, now that everything had settled down, to help them convert their military structure to one wholly dedicated to NATO purposes. By 1988 the main raison d'#tre of the Portuguese armed forces was to perform a NATO role. That required an upgrade of the Air Force and the equipment it had. It required a radical upgrade of the Navy and the equipment it had so that it could play a much more significant role in the protection of the North Atlantic sealanes in the context of anti submarine warfare. It meant some significant reconfiguration within the Portuguese Army itself, so that it could provide the rapid reaction forces that it had pledged to NATO.

All of that required a lot of money. New jet airplanes are not cheap. Modern anti submarine frigates are not cheap. Even modern Army equipment is not cheap. Take a look at an American military unit, of the kind we have in Bosnia, for example. Never mind the armor but just the battlefield electronics, which play an enormous role today. The Portuguese Government didn't have the resources to buy this kind of equipment. NATO pledged military assistance. It was slow in coming. The process was cumbersome. The negotiation process on Portugal's three anti submarine frigates ran on for six or seven years. That's where the Portuguese armed forces felt their frustrations and resentments.

Q: Were you in Lisbon at the beginning of the crisis in the Persian Gulf in 1990, when Saddam Hussein overran Kuwait?

ROWELL: No. I left Lisbon in April, 1990. Saddam Hussein did not seize Kuwait until August, 1990.

Q: At the time that you were leaving Portugal, did you see any particular clouds over the US-Portuguese relationship? How did you feel about it?

ROWELL: The only cloud was the question of having to rewrite the base use agreement covering Lajes Air Force Base in the Azores. US military assistance had been cut well

below the level that had been anticipated, and that primarily impacted on the rate at which the Portuguese armed forces could equip themselves for NATO missions. Although glasnost and perestroika had arrived, the Soviet Union still existed.

Q: And there were still a lot of Soviet subs...

ROWELL: Still a lot of Soviet subs out there in the Atlantic Ocean and still a lot of negotiations going on regarding the treaty to reduce conventional weapons, still a long way to go on the START II [Strategic Arms Reduction Treaty] agreement, and still a lot of problems in terms of nuclear non- proliferation, so...

Q: And also we didn't know whether this movement toward improvement in the Soviet Union was just a blip before it went back to what it had been before.

ROWELL: That's right. The Berlin Wall had not yet fallen.

Q: Well, is there anything else we should talk about regarding Portugal? As an old consular hand, did you see any big consular problems of any nature that you can think of?

ROWELL: No. All of the consular functions ran normally. There was the usual flow of Portuguese immigrants from the Azores and northern Portugal to areas in the United States where Portuguese have typically concentrated. That is, southeastern Massachusetts, Rhode Island, and California. There may have been some shepherds from former Portuguese territories such as Cape Verde in Nevada ...

Q: The shepherds were usually Spanish Basques, but there had been some Portuguese shepherds.

ROWELL: The flows were normal. There were no unusual demands for immigrant visas. There was an aircraft crash in the Azores while I was in Lisbon as Ambassador, a nasty one involving a charter airplane flying from Germany to the Dominican Republic. I think that the aircraft was registered in the United States, so we were involved. There were

some Americans, although not too many, on that plane. We had the usual emergency response team deal with that disaster.

Apart from that there was the normal run of American citizen problems during the tourist season, when people are being robbed, cars are broken into, and purses snatched. It happens all over the world now.

Q: When you left Portugal in April, 1990, what happened? Where did you go?

ROWELL: Where did I go and why did I leave Portugal? I left Portugal because the President decided to appoint Ted Briggs...

Q: This was President George Bush.

ROWELL: President George Bush had decided to appoint Everett E. [Ted] Briggs, a career Foreign Service Officer, to Lisbon. Briggs had been serving in the White House since May or June, 1989, the first year of the Bush administration. Some time in August, 1990 President Bush decided that there needed to be a transfer. Briggs had said that he wanted to go to Lisbon. The President approved his transfer to Lisbon. Then the President told Secretary of State Baker to find something for me, and the something they found was Luxembourg, which had just come open because the President's nominee for Luxembourg, Frederick Bush — no relation to the President — had withdrawn. The nomination was withdrawn during the same week in which the President told Secretary Baker to send Briggs to Lisbon. So this was a pair. That was it.

I was appointed by the White House to go to Luxembourg on March 30 or 31, 1990. I left Lisbon about April 1 or 2, 1990. I can get the exact dates from the record. I went back to Washington, was sworn in as Ambassador to Luxembourg, and arrived in Luxembourg in the third week of April, 1990. It was a very quick transfer. It took less than three weeks, including my time in Washington.

Q: I would like to get this straight. You were in Luxembourg from when to when?

ROWELL: I arrived in Luxembourg at the end of April, 1990, and I departed Luxembourg at the beginning of August, 1994. So I was there for over four and a quarter years.

Q: Obviously, when you were in EUR [Bureau of European Affairs], Luxembourg came across your radar, but probably not as a major concern.

ROWELL: No career officer ever thinks of going to Luxembourg. It is notoriously one of those places where administrations send a non-career Chief of Mission. As a career officer I couldn't refuse the offer of another mission without retiring from active duty. So when Luxembourg arrived on my radar, at the end of August, 1989, I accepted the appointment. Luxembourg is in a pleasant part of Europe, and I couldn't complain about that. But I did wonder, “What am I going to do there? What does anybody do in Luxembourg?”

The first feedback that I got came from my brother-in-law, an Exxon executive. He said, “Well, it's a major financial center.” I said, “Oh.” And then, of course, I got in touch with the desk in EUR which, in the case of Luxembourg, is a half desk. The desk officer also covers another country. I asked the US Embassy in Luxembourg to start sending me material on the country. My assignment to Luxembourg became known almost immediately, because this was a rare case in which the request for agr#ment went out before the security background check had been conducted. I'm sure that it happened that way because both of us were career officers. Each of us had had the full background check done before taking up our then positions.

Q: You're talking about Ted Briggs and yourself?

ROWELL: Yes, Briggs and myself. So there was plenty of confidence that our background checks would work out. So after having been informed about the change in August, 1989, the request for agr#ment arrived within two weeks and was accorded by the Luxembourg Government. In other words, virtually instantly. Each mission in Lisbon and Luxembourg

knew who the new ambassadorial candidate was. In the case of Embassy Luxembourg they immediately began to send the Embassy in Lisbon information copies of all of the principal messages they sent, so that, by the time I arrived I would be well read in on whatever was going on.

So what did I discover? I discovered that Luxembourg is extraordinarily friendly toward the United States. It is indeed a major financial center in Europe. It is properly jealous of its right to participate in all of the major international organizations, including NATO, the European Union, the Western European Union, the Council of Europe, and other organizations.

Luxembourg takes seriously its role as a facilitator and plays it well. If I were a mechanic, I would say as a lubricator. It is a facilitator among its partners in all the international organizations it participates in, especially the European organizations. In NATO the facilitative role hasn't had to be played very often, but I can cite one example.

In NATO the example arose when we wanted to deploy the AWACS, the Airborne Warning and Control System aircraft. This happened before I arrived in Luxembourg. The question was, “Where do you register these airplanes?” Each country has its own rules on aircraft registration. Neither Germany nor any other country wanted to have to register all of the AWACS aircraft. If some of the aircraft were registered in one country and some in another country, that would have meant that some planes had certain technical criteria to meet, while others had other technical criteria. And NATO didn't want to have different technical specifications for different aircraft in the AWACS fleet. The argument was going around and around. Then the Luxembourg representative suggested a coffee break. While the other members of NATO were busy getting coffee, the Luxembourger went to a corridor telephone, talked with his Prime Minister, and said, “I think that Luxembourg ought to take all of these aircraft.” When the NATO meeting resumed, the Luxembourger came back into the room and told the other NATO delegates, “Luxembourg will host the AWACS fleet.” That is typical of the way that Luxembourg can make decisions. That was a conversation

between the Luxembourg representative to NATO and the Prime Minister. The whole decision was made in 15 minutes. There were no problems within the Luxembourg cabinet or with the Luxembourg legislature.

Q: Before we move to your time in Luxembourg, was there any problem in the withdrawal of an Ambassadorial appointee to be chief of mission in Luxembourg? Often what happens is that political appointees are sort of picked out of almost nowhere and, as things go, for one reason or another they become less enamored of the appointment or the administration becomes less enchanted with them.

ROWELL: In the case of the nomination of Frederick Bush, some questions were raised in the Senate about some aspect of his work. I think that it was with HUD, the Department of Housing and Urban Development. Just as in the case of my transfer to Lisbon as Ambassador, I hadn't been paying any attention to that, and I decided that it didn't make any difference to my role as the prospective new Ambassador. So I didn't inform myself on whatever it was. But whatever these considerations were, they were sufficient to convince Frederick Bush either that he didn't want to drag all of that through the Senate hearing process or maybe that he might not be confirmed. Whatever it was, Frederick Bush simply didn't want to go through it, and so he withdrew. He later was appointed, I believe, to a position that didn't require Senate confirmation, as the administration's point man on US participation in the Seville World's Fair.

Q: You arrived in Luxembourg shortly before the Iraqi invasion of Kuwait, as we mentioned before. Did Luxembourg become involved in what became known as the Gulf War of 1990-1991?

ROWELL: Yes. Two really big things happened in 1990. First, was the Iraqi seizure of Kuwait in August, 1990. Second, was the physical collapse of the Berlin Wall in November, 1990.

In the governance of the European Union, then called the European Communities, there is something called a troika. The troika consists of the current President-in-Office (Prime Minister of the Presidency County) of the European Union, his immediate predecessor in the Presidency and his immediate successor. Each Presidency term lasts for six months. The Presidency rotates among the member states of the European Union on a fixed schedule. Luxembourg entered the troika in July, 1990. That first six-month period, as I said, saw the onset of the Persian Gulf crisis which led to a shooting war in January, 1991; the collapse of the Berlin Wall in November, 1990; and the dissolution of the Soviet Union almost immediately after that.

Q: We're also talking about Czechoslovakia, East Germany...

ROWELL: And the dissolution of the Warsaw Pact and of the Eastern European economic arrangement called COMECON [Council of Mutual Economic Assistance]. Luxembourg was President of the European Union during the first six months of 1991, when all of these things were impacting. Those were the same six months when the Treaty of Maastricht was being drafted which converted the European Economic Community into the European Union. Luxembourg presided over that effort as well. So if ever you wanted action, Luxembourg had it — and I had it.

It was an intensely active period. We were dealing with Luxembourg on a daily basis, first in its role as a member of the troika, and then as Presidency Country of the European Community on the European relationship to the military buildup in the Persian Gulf. The US was handling much of the coordination of Persian Gulf preparations in NATO, but we had to work closely with the European Union, because it is in the European Union where the European powers coordinate among themselves on their policies, including foreign policy (when they want it coordinated, as in the Gulf case) and assistance policy. Even today, in connection with the Middle East peace process, the West Europeans' very

substantial assistance to the Middle East is coordinated through the European Union, not NATO.

Our Embassy in Luxembourg was deeply engaged in terms of managing US-European solidarity vis-a-vis Saddam Hussein during that five-month August-January period Secretary of State Baker was attempting to persuade Tariq Aziz, Saddam's Foreign Minister, to withdraw from Kuwait and not to force us to get into a shooting war. During that period France kept wanting to talk separately with Saddam Hussein and also with Iran. Luxembourg played a central role, its facilitator role, if you will, in maintaining European solidarity and cohesiveness, a cohesiveness that paralleled our own approach. That was intended to ensure that Saddam Hussein would have no illusion that somehow the United States might try to do something in the Persian Gulf area which the European countries wouldn't support. It was also intended to make clear that he could not count on the Europeans to prevent any serious measures from being taken against Iraq in response to his aggression against Kuwait.

Then, with Luxembourg as Presidency Country during the first six months of 1991, we had the Gulf War, the immediate reactions to the dissolution of the Soviet Union, including German unification, and the beginning of civil war in what was then Yugoslavia. We were talking with the Europeans in NATO but also directly and on a bilateral basis with the Europeans as they coordinated their policies on assistance to Central Europe. We began to think about the relationship of Central Europe to the European Union and about how to deal with a separate Ukraine, Belorus, and the newly independent Baltic states. We were doing all of that through Luxembourg. On the Yugoslav front, the Germans were insisting on recognizing Croatia and Slovenia as independent countries. This recognition triggered the flight to independence of Bosnia-Herzegovina, and the Serbs' effort to create a “Greater Serbia”. There was major confrontation between the Albanians and Serbs in Kosovo, Montenegro, and between Macedonia and Greece. We saw the start of ethnic conflict in Moldova and in the Caucasus. And a frantic scramble to use every device available — for example, the Council of Europe and the Conference (now “Organization”)

on Security and Cooperation in Europe, CSCE — to contain and deal with the emerging problems. It was a very busy period.

The Embassy in Luxembourg was very small. There were three substantive officers in the Embassy: myself; my DCM, and the economic officer. During my first two years there the DCM was an FS-OC [rank of Counselor Foreign Service Officer], and during my last two years he was an FSO-1 Foreign Service Officer.

Q: Who were they?

ROWELL: The first DCM was David Dlouhy. He was there during Luxembourg's period in the troika. The second DCM was Bill Harris, William Harris. Dlouhy went from Luxembourg to be DCM in La Paz, Bolivia. Harris later went to be DCM in Asuncion, Paraguay.

Q: Let's talk about your relationship with the Luxembourg Government. In the first place, perhaps you could describe the Luxembourg Government—the Foreign Ministry and how you felt about them. Say something about their competence and how it worked. Each country has a different way of working.

ROWELL: Right. Luxembourg is a constitutional monarchy. The monarch is a Grand Duke. The government is Parliamentary in structure. The legislature is unicameral. There is a Chamber of Deputies but no Senate or House of Lords. There is a Council of State that performs some of the functions that, for example, Britain assigns to the House of Lords. The members of the Council of State, I believe, are appointed for life by the Grand Duke, on the recommendation of the government.

Luxembourg's governments have been coalitions since the 1920's. They are extraordinarily stable. Typically, a prime minister will serve for three and sometimes four five-year legislative periods. As in all parliamentary governments, a vote of no confidence can force an election, but there have been no forced elections within memory. Governments have served the full five-year period that the constitution allows

governments to serve. The dominant party is the Christian Democratic Party. Until 1980 the leading opposition party was something called the Democratic Party, a liberal party in the sense of the British Liberal Party. Since the mid-1980's the second largest party, and the coalition partner, has been the Socialist Party. The Luxembourg Socialists are social democratic in their policies.

When I arrived in Luxembourg, the Socialist leader (who was not the president of the party) had taken over the Defense as well as the Foreign Ministry following the 1989 elections. His name was Jacques Poos. In the previous 1984-89 government he had not held the Defense Ministry and he had criticized Luxembourg's defense expenditures. I had a sense of deja vu, because I remembered how Henry Kissinger had worried when a quintessential Socialist, Mario Soares, became Foreign Minister and then Prime Minister of Portugal. I knew also that my predecessor in Luxembourg had worried that the Socialists were moving in, and maybe this would complicate NATO's life. She feared they might even dismantle their army altogether.

I told the DCM that I was going to talk with this man. My experience with Western European socialists is that they are patriots first. They are democrats second. And they are socialists third. I didn't think that we had to worry. I talked with Poos and I knew immediately that we didn't have to worry. Besides that, he was in a coalition government with Christian Democrats, about whom no one was raising any questions. I told Washington immediately, “Stop fussing. This country will do whatever is necessary to preserve NATO's integrity, to preserve the integrity of Europe's defense, and to preserve Europe as a modern, market economy, democratic structure.” I was correct.

Luxembourg is a country that prepares its leaders extremely well. It picks them way ahead of time and grooms them. All of their leaders hold advanced university degrees. All of them have worked in the political vineyards for an extended period of time. Beyond that there is a degree of national consensus that is rare. That comes from being a very small country, a country slightly smaller than Rhode Island in area and with a population of

400,000. They all know each other personally and talk when they bump into each other on the street. Take the man who was the Embassy's driver. I'm being very careful not to call him my chauffeur, although he drove me on occasion. He did all of the other driving for the Embassy, too. It was not an Embassy which had two or three drivers. There was just the one driver. He had gone to high school with the Prime Minister. They talked with each other on a first name basis. It's that kind of a country.

When they were preparing to fill the Presidency of the European Union, they called in their Ambassadors from all over the world. Their Foreign Ministry at the time had 60 people working for it, including all of their overseas diplomatic representatives. That's the worldwide figure. They handed to each one of their Ambassadors a portfolio. Somebody would watch the Latin America account for the European Union. Someone else would watch the African, Near East, or Asian account. They divided up the world and told their Ambassadors that during Luxembourg's Presidency of the European Union, their sole priority was their European Union portfolio. They handed out these portfolios a year before Luxembourg assumed the Presidency of the European Union. Those Ambassadors were already preparing for it when Luxembourg entered the troika. When Luxembourg was in the Presidency, the Ambassadors were either in Luxembourg or in Brussels. They were wherever they needed to be to chair the necessary meetings. They had done their homework, they had learned their briefs, they had internalized them, and Luxembourg ran a very tight ship.

Luxembourg's present Prime Minister, Jean-Claude Juncker, was Finance Minister at the time Luxembourg was President of the European Union. He is still Finance Minister, in fact. During the first six months of 1991 he chaired all of the meetings of the European Communities' Finance Council. Those were the meetings at which the Treaty of Maastricht's provisions on Economic and Monetary Union were drafted. The bases for monetary union, the rules for a European Monetary Institute, the criteria for eligibility to be in the monetary union, the rules for how to monitor the criteria were all written under the direction of Luxembourg's present Prime Minister. He won enormous kudos from all

of the other Finance Ministers of the European Community. He was always fully prepared for each meeting. He knew the agenda. He talked with each of the other Finance Ministers privately before each meeting, understood the limits of their flexibility, where there was consensus, and where there were differences. Altogether, he ran a very constructive process.

He is one of the people whom the Luxembourg political establishment spotted 20 years ago and started to groom. He is from an old political family. The Luxembourg leaders bypassed several older members of his family who held important, elective office. They said, “This is the one who has the real talent” and they brought him along. He is also Minister of Labor and spends a lot of time worrying about the welfare of ordinary working people.

Other cabinet ministers have been equally well prepared, and certainly all of their Prime Ministers, Foreign Ministers, Defense Ministers, and Finance Ministers. It's a very serious place. They know that they are small, and the only way that they can perform any kind of credible role is by preparing well ahead of time. They are the antithesis of Mediterranean improvisation.

Q: I can see also that Luxembourg has this role. It's not a threat to the prestige of France, Germany, or Britain. That sort of thing just wouldn't intrude because here is somebody who, nobody can say is against them. Someone could say that Germany is one up on the French or vice versa. However, no one could say anything like that about Luxembourg.

ROWELL: One of the roles that Luxembourg has played is as a go between between France and Germany. They play this role by force of personality, not by power. You are absolutely right. Luxembourg can't threaten anybody. So when Luxembourg plays a facilitative role, you don't have the other parties, say, France, Germany or Britain, immediately asking, “What's in it for them? Which national benefit are they busy trying to

scoop up now?" Even if there were a national benefit involved, it couldn't be big enough to take anything significant away from anybody else, anyhow.

Q: Did you find that you were able to interpret this role of Luxembourg into an understanding back in Washington that we could help Luxembourg be a tool? You mentioned a number of things.

ROWELL: No, we don't have to help Luxembourg be a tool. Its way of operating is in Luxembourg's national interest. They look after it. Their effectiveness depends on their credibility with their European partners. They know it. There is no way that we could make any difference in that. They have to deal with that themselves. They retain their credibility by being a serious country, by having competent people who are well prepared. They send good people to conferences and meetings.

They proved their utility within NATO on such things as the AWACS registration issue. They proved their seriousness in the Yugoslav case, when the Europeans finally decided that they had to send peacekeeping forces to Voivodina in Slavonia, in eastern Croatia, on the frontier between eastern Croatia and Serbia. The Europeans were having trouble deciding who was going to provide troops, how many, and all of those kinds of things. The US was not participating at all. Luxembourg participated in the Belgian battalion with a platoon, which isn't a big unit. But they maintained a platoon there for two and a half years. Relative to the size of their Army, this was a major contribution. When eventually they had exhausted their manpower pipeline, they had to withdraw from that participation for a year and a half or two years before they had trained new forces to do the job. During the hiatus in their participation, they made a cash contribution to Belgium to defray the cost of an additional Belgian platoon. When we were in the Gulf War and were asking for contributions from our European allies, I went in and asked the Luxembourgers to contribute to the transport of forces to the Persian Gulf and then their return. Immediately, they came back and said, "Yes. Here are $5.0 million." This was from a country of 400,000 people. They gave us the $5.0 million and said, "If you can, try to use our cargo airline's

airplanes Boeing 747s. But if that doesn't work for any reason at all, you're free to use it wherever you have to."

Luxembourg has maintained an assistance program in Africa for many years. For example, we had some significant programs going in West Africa. Their contribution to one project was in-country transportation for the US AID mission. They leased an airplane and provided the pilot, fuel, and maintenance, so that our people in that country could get around to the project sites and monitor them properly. In East Africa Luxembourg provided more direct assistance of one kind or another. Typically, they provide assistance in cooperation with other countries — again, because the size of the country doesn't permit them to run a program all by themselves. Where they consider it important for Europe or the world to do something about a problem, they put their money where their mouth is. That is another way of earning credibility.

Q: What was their role in the events that led to the fall of the Berlin Wall, the end of the Soviet Bloc, the end of the Soviet empire and all of that during the time that you were there?

ROWELL: The Berlin Wall and the Soviet empire fell because of internal rot. What NATO had done was to maintain a containment vessel around the Soviet empire so that eventually rot could resolve the matter.

Luxembourg had always supported the integrity and cohesion of NATO. It had always been positively disposed toward US initiatives in NATO. When there were problems with the deployment of Pershing surface-to-surface missiles in Germany to counterbalance Soviet SS-20 missiles, Luxembourg was not a problem, even though there were people who worried about our transiting Luxembourg with equipment for the Pershings'. Luxembourg was always on the side where Britain and the US found themselves. If there was an intervention to be made and a vote was involved, they always took the right side, although on strategic issues like that they were not big players and they knew it.

They tended not to say anything. However, if we needed permission to transport nuclear materials across Luxembourg, we got it. If something was going to have to remain in Luxembourg for a few days, somehow or other it could always be arranged.

The US maintained a major maintenance and storage depot in Luxembourg. It did not include atomic material, but it had big tanks, heavy artillery, and that kind of thing. There was never a problem with that. In fact, they were always very helpful in terms of selecting the right site and making sure that the transportation net was adequate and suitable.

In the negotiations in Vienna on conventional forces in Europe; in what was happening in the Conference on Security and Cooperation in Europe, which has since become the Organization on Security and Cooperation in Europe; in the surroundings and internal discussions in Vienna on nuclear negotiations with the Soviet side — the Luxembourgers were consistently helpful in terms of what we wanted.

Q: What was your role in this? You were talking about an extremely competent government which was doing just what we would want it to do. What did the American Ambassador to Luxembourg do during this really important period as relationships were changing in Europe?

ROWELL: First of all, my role was to convey to the Luxembourg Government the information that we had on what was happening behind the Iron Curtain or in the Persian Gulf — and how things were moving. Secondly, it was to solicit what their views were. Thirdly, ask how talks were moving within the European Community and among the European ministers as they were concerting their position — what problems there were and what we could do to enable them to stick to positions that, from our point of view, would be most helpful. They discussed the issues frankly, openly, and honestly with us. Things worked well.

You know, in late 1990, as the Persian Gulf crisis became tighter, Saddam Hussein of Iraq dug his position in deeper, and the French became more anxious to deal directly and

unilaterally with Saddam. A series of ploys emerged within the European Community that, under the rules of the Community, forced the French to concert with the other Western European countries — with Germany, Britain, and others. The French finally broke out and sent a unilateral mission to Baghdad only 24 hours before the bombing started. Up to then, by one device or another, the French didn't send this mission. I attribute much of this to the internal workings of the European Community and the way it managed its external affairs on the political side within the European Council. In that regard the Luxembourgers knew the rules of the game within the European Union and played them well.

Q: Did you sense any feeling that the Luxembourgers at the official level would prefer to have a professional Foreign Service Officer sent to them as American Ambassador, as opposed to a non professional Ambassador? One always thinks of Perle Mesta former American Minister to Luxembourg—in other words, social type Ambassadors. Or were they too polite to say anything?

ROWELL: The Luxembourgers want a serious American Ambassador. They want somebody who can get things done in Washington and who can make sure that their views are taken with some degree of seriousness. They want to be seen as a serious player on the European scene. Lord knows that their status as a financial center makes them serious to their European partners. The way that they have played their role in the troika and in the Presidency of the European Union when it has come up also makes their partners take them seriously.

I think that it is not so much a distinction between a career and a non career Ambassador as between those Ambassadors who understand what role Luxembourg can play and who support that kind of a role and other Ambassadors. Given the range and complexity of issues we were confronting, it was important that the US Ambassador be able to discuss the issues with the Foreign Minister in depth and with substantial knowledge, confidence and insight. I played that role. I have every reason to think that they felt that their relationship with the United States was excellent and serious during my stay there.

My successor is a non career Ambassador. However, he is extremely well connected politically and has been effective in getting the Luxembourg Prime Minister in to see President Clinton and the Secretary of the Treasury, his opposite number, since he is also Finance Minister of Luxembourg. I think that they have had a serious American Embassy to deal with as well.

Luxembourgers also appreciate Ambassadors who get out into the countryside, who talk to the mayors, visit the villagers, and that sort of thing. I did that, and my successor has done that. I know that some of my predecessors did that. Incidentally, Perle Mesta did that when she was Minister to Luxembourg. Because she was known in Washington as a socialite, people tended to underrate her role. Perle Mesta was a serious political figure in the United States. She happened to play politics via a social mechanism. However, since she was a serious political figure, she used that particular style very effectively as Minister to Luxembourg at a time when that style was rare among diplomats. That upset a lot of people, including people in the Department of State and our career diplomats. There was a lot of friction between her and the career officers assigned to the Legation in Luxembourg. However, in retrospect, she should be given a lot of credit for what she accomplished.

Q: Probably one of the most divisive developments between the European Community and the United States has involved agricultural issues. Did you find yourself up to your neck in soybeans or the equivalent thereof?

ROWELL: Yes, although that's a field in which Luxembourg plays almost no role. Under the Common Agricultural Policy of the European Community a farm had to operate at a certain level before it was eligible for Community subsidies. Luxembourg's farms were too small to qualify for many of those subsidies. They benefited from the price supports in a general way and received some subsidies from the Luxembourg Government. However, total agricultural production in Luxembourg is quite limited, even though it is a generally green country. Over the years since World War II, for example, the area of Luxembourg that is forested has risen from 10 percent of its surface to over one-third — 35 percent.

Luxembourg has long had an agricultural subsidy program which allowed farmers to do nothing more than just to keep agricultural land green.

Luxembourg farmers grow rape seed, they have dairy cattle and hogs, although lately hogs have been unprofitable and the farmers have been getting out of the business of raising pork. Luxembourg hams, Ardennes hams, are a famous European commodity, although production of them has been going down because they haven't been profitable enough. Luxembourg just isn't big enough to be a major actor in that field. When we were busily engaged in fighting with the European Community in the Uruguay Round of trade and tariff negotiations, and the critical sticking points dealt with the Community's Common Agricultural Policy, what we got from Luxembourg was some insight into what was propelling the French, German, Dutch, and Belgian positions. Our enhanced understanding of the internal dynamics on the European side, the realities on the European side of the equation, helped the negotiations to conclude successfully. However, Luxembourg itself was not a heavy hitter in those negotiations.

When I speak of internal European dynamics, I mean something like the following. The French would say that proposed reductions in the way the Common Agricultural Policy was helping them would be catastrophic for France. The other European countries would understand that without some concessions to the US on agriculture, the negotiations would fail. They also knew there were many other high priority European interests that depended on Uruguay Round success — especially industrial and urban interests. So the other European countries would begin to discuss with France how they could compensate for the expected losses to its agricultural sector. That enabled the Europeans to arrive at a consensus that allowed them and us to negotiate a successful conclusion to the Uruguay Round.

Q: What about the ties between the United States and Luxembourg? During World War II the two major battles in Europe where American troops were involved were D-Day the landing in Normandy in June, 1944 and then Bastogne the defense of a vital road hub

during the Battle of the Bulge in December, 1944. Did Bastogne, which is in Belgium, about two miles from the Luxembourg border and the area around it play much of a role from your point of view?

ROWELL: Luxembourgers have a fondness for Americans that literally exceeds anything anywhere else in the world. It is a country in which half of the villages fly American flags because they want to. Virtually every village in Luxembourg has a monument or a plaque dedicated to some American soldier who died there, as the Luxembourgers see it, helping to liberate Luxembourg and to save its children. United States forces have liberated Luxembourg three times: once, during World War I, again, in September, 1944, and once again at the conclusion of the Battle of the Bulge. That is to say, January-February, 1945.

Luxembourg has had a history of being dominated for roughly 500 years from the 15th to the 20th century. As they put it to me, and to many other Americans, the United States Army is the only liberating force that ever left the country voluntarily. They really appreciate that. Luxembourg is a country in which a uniformed American serviceman can go into a small village and discover that he will not be allowed to pay for his beer. This is still the case today. Luxembourger families that adopted the graves of American servicemen at the American Military Cemetery in Hamm in the 1950s still maintain that adoption and that commitment to this day. The grandchildren are brought to the cemetery and told that every year you put flowers on this grave on the serviceman's birthday. They may send postcards to the serviceman's family — although now they are sent to the serviceman's grandchildren. So you see them decorating American servicemen's graves there every year, with the whole Luxembourger family participating, including grandparents, parents, and grandchildren. They are still building monuments and putting up plaques to American servicemen.

The Battle of the Bulge was a cruel experience in Luxembourg. The country had mostly escaped damage in World War II until the Battle of the Bulge. The American force that was in Luxembourg at the time of the battle was very thin. It was the Pennsylvania National

Guard Division, the 28th or Keystone infantry Division. It had suffered grievous losses in the Battle of the Huertgen Forest, which is East of the German-Belgian frontier in the vicinity of Aachen. It was pulled out of the line and sent to Luxembourg to regroup, receive reinforcements, and do a little refreshment training before going back into battle. That Division was guarding a line 45 miles long, when the Germans came through on December 16, 1944, in their final assault of the war.

The German plan was to be past Bastogne in 24 hours. The American 101st Airborne Division, the Screaming Eagles, Brig Gen McAuliffe's division (McAuliffe was actually the deputy division commander but on scene and in command when the battle started) is famous for its defense of Bastogne. But it was in northern France on December 16 and didn't arrive in Bastogne until a day or two later. The Pennsylvania 28th Infantry Division delayed the German assault by 96 hours and was virtually destroyed in the process. That delay enabled the 101st Airborne Division to get to Bastogne. Without control of Bastogne, the Germans were unable to move enough supplies to the panzer tanks to enable them to get all the way to the English Channel coast. The order came down from General Eisenhower's headquarters to Division and Regimental levels, “You will hold at all costs,” meaning, “Die if you must, but hold on.”

The Pennsylvania 28th Division doesn't get nearly the credit it deserves for its initial defense of Bastogne. It was an amazing feat, and the Luxembourgers recognize it every year. In the end elements of some 28 US divisions were involved in the final liberation of Luxembourg. They have the most moving military museum that I have seen anywhere that focuses on the Battle of the Bulge. It has incredibly realistic dioramas based on photographs taken during the battle, plus letters and photographs of participants in the battle. American veterans go to Luxembourg every year. They are received with incredible warmth. Luxembourg is a very special place.

Incidentally, since we're talking about World War II, the Grand Duke of Luxembourg, who is a Colonel in the Irish Guards, landed with the British forces in Normandy 24 hours after

D-Day that is, on D+1 and was with those forces all through the European campaign. It was an enormous risk for a royal house to take with the heir to the throne.

Q: Could we talk about the precipitous recognition of Croatia by Germany and that whole development from your perspective as one of the nearby observers of the breakup of Yugoslavia?

ROWELL: The Federal Republic of Germany has had a sort of crisis of conscience with regard to Yugoslavia and particularly with regard to the role which German or Nazi forces played in Croatia and Serbia during World War II, especially in Croatia. When Croatia was pressing for recognition as an independent country, the German authorities felt that the demand from its electorate to recognize Croatia's independence was irresistible. They felt that they had to do it. They had wanted to recognize Croatia's independence as early as July, 1990.

Then began a long, long process of trying to persuade them to hold off. Just as Luxembourg and the other European countries had managed to keep France from going unilateral in the case of Iraq in 1990, they kept holding the Germans back on Croatia. During Luxembourg's presidency of the European Union they held the Germans back until the middle of 1991. Finally, the Germans said that they were going to recognize Croatia anyhow. All of the other Europeans understood that the Germans were going to do it but had held off as long as they could until they had to go ahead. Virtually everyone, including the US, told the Germans, “Don't do it.” The Germans replied that for their own domestic, internal reasons, they would do it, and they did it.

When Germany recognized Croatia and Slovenia, Bosnia-Herzegovina and Montenegro declared their independence. That created a situation in which Serbia became the rump Yugoslavia. Part of the assertion of Serbia's independence and integrity then became a battle to extend its territorial domain, a thrust that Croatia aped simultaneously.

Now, I was Ambassador to Luxembourg, not Yugoslavia. There are others who know Yugoslavia much better than I. However, I would say that Milosevic, the President of Serbia, was driven primarily by political power and not by nationalist motivations. However, he used nationalism as a device to gain power. Similarly, President Tudjman in Croatia was using Croatian nationalism and independence as devices to consolidate his own power. So once German recognition had come, the collapse of Yugoslavia, the civil war, and the engagement of the United Nations — all of that became inevitable. Who knows. Maybe it was inevitable in any case.

Q: Did Luxembourg see the problem as it was developing?

ROWELL: Absolutely, as did everybody else. I must say that I had long conversations with Luxembourger officials, and their appreciation of what was happening in Yugoslavia was no different from ours. I think that we helped to inform them. At a later stage, as things got worse, the European Union sent negotiators to the newly-independent states of the former Yugoslavia. These negotiators were trying to persuade them not to engage in a civil war and were offering economic assistance as inducements. That happened during Luxembourg's presidency of the European Union.

A young officer in the Luxembourg Foreign Ministry became THE principal note taker for these conversations. He was on the ground in the former Yugoslavia week after week. When the European Union appointed Lord Carrington to be its chief negotiator, Carrington insisted that the young Luxembourg diplomat be seconded to him as his de facto aide de camp and head of office, or chef de cabinet, in the French phrase for it. It's like a senior internal executive for this matter. It was a tribute to the quality of the people that Luxembourg appoints to its government service.

Q: Is there anything else that we should cover on this? I'm not trying to stop this. We can schedule another session.

ROWELL: I think that we need another session. I had hoped to finish this time but I need to talk to you about Luxembourg's role in drafting the Treaty of Maastricht.

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Q: Today is May 15, 1996. This is a continuation of the interview with Ambassador Ed Rowell. Ed, could we mention money laundering, COCOM, and plain bilateral relations between Luxembourg and the United States?

ROWELL: Let's start with money laundering. Because Luxembourg is a major financial center, we needed to look at how funds derived from drug trafficking might have been channeled into or through Luxembourg. The United States Government was trying to crack down on drug traffickers partly by interdicting or seizing their financial assets. In fact, from information which DEA got by infiltrating drug trafficking organizations...

Q: DEA is the Drug Enforcement Administration.

ROWELL: The Drug Enforcement Administration obtained this information by infiltrating drug trafficking organizations inside the United States. They were able to track the origins of certain bank accounts in the US. From those we were able to go to the Luxembourg authorities with specific bank account numbers.. Under their law, when you came to them looking for particular accounts you could then have access to the information. We then managed to track down over $40 million in drug trafficking assets. When we brought this to the attention of the Luxembourg authorities, they promptly impounded them. Subsequently, they indicted and prosecuted a couple of people related to the Colombian drug cartel for money laundering. The persons indicted were convicted and served jail time in Luxembourg. The Luxembourg authorities have cooperated in a large number of ongoing indictments inside the US, providing some hard evidence and certainly going through the deposition and letters rogatory process with persons whom they had jailed in

Luxembourg when they were caught for drug trafficking. This has proved of inestimable value to various United States attorneys in different districts of the United States.

Luxembourg was a member of the Financial Action Task Force that drew up guidelines for a new set of rules governing bank procedures and bank policy among the members of the European Union. In the Luxembourg case they passed the law well before the guidelines were approved. I might point out that the Financial Action Task Force included representatives from the United States Treasury Department. Even before those guidelines were developed and approved, Luxembourg had changed its own national laws on the responsibility of financial institutions to make it possible to certify to the bona fides of the ultimate beneficiary of any account that might be opened inside Luxembourg. Their rules on reporting transactions above a certain level were also very tight — tighter than US rules, because in the Luxembourg case they included deposits of anything of significant value, including gems or monetary metals — platinum, silver, gold, and that sort of thing. If these items of value were deposited within a certain time frame, this could constitute a significant amount of money.

Because the ultimate Luxembourg unit of account in terms of transactions is the European Currency Unit, the ECU, which is worth substantially more than the US dollar, the reporting thresholds in their guidelines were lower than ours according to the way the formulas worked — but don't ask me what the formulas were. The Luxembourg guidelines were more comprehensive in terms of what constituted value.

Their system for enforcement is rather informal, but it works. Included in the office of the Director of the Luxembourg Monetary Institute, which in essence is the Luxembourg Central Bank, are persons responsible for monitoring banking operations. These people call in the president of any Luxembourg branch of a financial institution which is beginning to have deposit records that look unusual or suspect. These officials of financial institutions are required to show why the deposits are not unusual or suspect. The financial institution officials are then cautioned and told that the banking authorities are going to watch very

closely both their activities, the transactions of the bank involved, and so on. This has a chastening effect on bankers. I cannot tell you how many times I received complaints from the heads of a number of financial institutions, saying that they really did not enjoy the almost carte blanche right of the Luxembourg monetary authorities to look over their shoulders and second guess their judgments as to who is a bona fide depositor and who is not.

What put teeth in this practice is the fact that the bank officers were considered criminally liable if their institution accepted a non bona fide deposit. In this case bona fide means that the ultimate beneficiary of the account is a person of good repute who did not derive the sums of money deposited in an illegal fashion.

In fact, subsequent to my departure from Luxembourg, the Luxembourg authorities brought charges against the heads of a couple of banks in cases where the DEA and the US Government were not involved. The charges stuck. So they take this very, very seriously. Seriously, because Luxembourg depends on its reputation for probity and as a safe environment in order to attract deposits from very conservative people, like rural Germans. Luxembourg also offers bank secrecy, reasonably attractive interest rates, and no tax withholding at the source. But in the Central European psyche probity and conservatism are very important, too.

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Q: This is Tape 9, Side B, of the interview with Ambassador Ed Rowell.

ROWELL: The Luxembourg Government supervises the financial community as well as it can with its limited resources. To help maintain a high reputation for probity, the government has been anxious to cooperate with the United States and with its European partners in fighting money laundering.

There was another case that involved the United States. That was the BCCI [Bank of Credit and Commerce International], which was owned by one of the Arab Emirates.

Q: Abu Dhabi, I think.

ROWELL: That's right. It had branches in many parts of the world. Its original charter in Europe was in Luxembourg, because it was an easy place to set up a bank. In fact, its main operation center was in London. The office in Luxembourg had perhaps 20 or 30 people. The one in London had over 500 people, to give you some sense of scale. Nevertheless, under the old rules that prevailed within the European Community, and now I'm speaking about the late 1980's, the country that hosted the principal seat of a financial institution was responsible for monitoring and supervising all of its activities. So technically Luxembourg was responsible for monitoring and supervising the operations of that 500-person branch office in London, as well as elsewhere in the world. Well, Luxembourg couldn't do it and they asked the British authorities to help them. The British were reluctant voluntarily to change the rule because they thought that it had lots of implications for their relations with other countries and for the burdens it would place on the British authorities. The formal British responsibilities were less clear. I suppose that there was potentially room for a counter suit or some legal defense against that kind of supervision.

Since that time the financial authorities within the European Union have addressed this issue. I believe that they now have agreed that when a bank has branch offices that are very large the country that hosts such a large branch will aid the country that houses the theoretical headquarters in supervising the bank, if asked to do so. That agreement came too late to save us from the BCCI problem.

Q: Would you explain what the BCCI problem was?

ROWELL: I don't remember all of the details. There were a number of illegal transactions involving the bank. It had interests in several US banks. Somehow the pyramid collapsed.

Depositors lost huge sums of money, and some of the shareholders lost large amounts of money. There were banks in metropolitan Washington, DC, that were involved, as well as banks in the State of Georgia. The whole thing started to fall apart when US banking authorities closed in on what appeared to be strange transactions. That triggered the collapse of the rest of the house of cards and brought people to Luxembourg to deal with the issue.

The question of compensating the depositors is still being considered in the courts in various countries, including in Luxembourg. That's as much as I know about it.

Q: Would you tell us what the term, money laundering, meant, particularly in the context of the 1980's?

ROWELL: If somebody deposits money in a bank, and the money has come from a criminal activity, the government has the right to impound the funds and may even seize and confiscate them. The procedures for confiscating differ from country to country and even from state to state in the United States. Money laundering is the process by which money derived from criminal activity is moved through the banking system to make it look as though it comes from legitimate business. The aim is to make it easy to use the money in daily transactions without attracting suspicion or investigation.

Drug trafficking is clearly illegal, and money derived from it is subject to confiscation.. Now, on the whole nobody pays much attention if you come into a bank and deposit $500, a couple of thousand, or even $3,000. However, the large, drug trafficking organizations handle tens of millions of dollars, even hundreds of millions of dollars. Those are huge amounts of money to move, so they have to find some way to make sure that the money cannot be traced to illegal activity. To do that, they typically establish false front businesses that appear to be legal — such as laundries, restaurants, transportation companies, commodities dealers, almost anything. The false front businesses appear to pay large sums for goods or services that in fact are never delivered. Those sums become

laundered money. Or the false front business will appear to have large receipts for goods or services it never delivers. The apparent profit represents the laundering of illegal funds. Then they pass the funds through a series of bank accounts so that ultimately the money winds up in the account of somebody who holds the funds for a drug cartel.

Suppose, for example, a fictitious company which has nothing but a brass plate on a door in a tenement building. It maintains two or three bank accounts in Miami. The company deposits money in the bank accounts. It appears, say, to be in the air cargo business. Then it appears to pay for the supplies or services it receives. Perhaps aircraft maintenance, fuel, oil, and so forth. This will be falsely invoiced by other store front companies, and then they go through a money laundering process. The companies are not all in Miami. There will be companies in New York and Chicago. Eventually, they will have a fictitious relationship with some companies in Europe which have accounts in Luxembourg, London, Paris, Frankfurt, or wherever. So the money goes through a whole series of bank accounts. Of course, the longer the chain between the point of origin and the ultimate bank account the harder it is to track.

You have no idea of the enormous volume of the funds involved in regular transactions that take place every single day. If you had a computer printout, it might take more than the entire population of the United States to be able to read every line of these transactions each day. That's the volume of the transactions we are talking about. So how do you distinguish the bad ones from the good ones which, in terms of the whole, represent an infinitesimal proportion?

It's tough to do this. I guess that my point is that virtually all of the funds that arrive in Luxembourg's international banks — not their domestic banks, which are really very small in size — come by Electronic Financial Transfer [EFT]. There is a steady flow of modest deposits physically carried into the Luxembourg banks by persons from neighboring countries who typically are from the professional classes, including doctors, dentists, lawyers, architects, and civil engineers. They maintain personal accounts to avoid taxes

in their countries of residence. That's what's involved. But those accounts are easily identifiable and have nothing to do with money laundering. Everything else comes by an Electronic Financial Transfer. With the help of the Luxembourg authorities, we were able to interdict some money laundering involving Electronic Financial Transfers from US banks.

I make that point because very often, in our frustration in getting very few results from interdicting the financial resources of drug trafficking, we have passed laws demanding that countries with which we deal force the banks to report deposits above a certain level. The way the laws are written, it's clear that the intent of Congress is to make sure that the bank reports CASH deposits above some level, say when someone walks in with $5,000 or $10,000 in cash—something like that. That's not the way that trafficking or money laundering works. So the law is pointed at an irrelevant target. It complicates things but it doesn't really do any good, the way it's written.

When you try to interdict Electronic Financial Transactions, as I said, the farther from the point of origin that you get, the harder it is to know the bona fides of the persons involved in the transaction. What the Luxembourg bank has to do, for example, is to go back to the bank, say, the First National Bank of Chicago, and ask, “Can you certify the bona fides of this transfer?” Then the Chicago bank has to go back to identify whoever transferred the money to it — maybe a bank in Singapore. Or the chain goes back to a bank in San Francisco, and then back to a bank in St. Louis. Eventually, the chain gets very fuzzy, and nobody can swear absolutely that the funds involved were legally or illegally derived. That's a big part of the problem. So that's money laundering.

Let's talk a little bit about nuclear non proliferation, controlling the export of certain goods. COCOM [The Coordinating Committee] was created during the Cold War to prevent the export of valuable technology or goods to the Soviet Union or Warsaw Pact countries. Then these controls were applied to some countries such as Communist China and later, but with much more difficulty and in a much more limited way, to some other countries with which the US had poor relations, such as Iraq, Libya, and Iran. The purpose was to stop

terrorism or to reduce the risk that weapons of mass destruction could fall into the hands of unscrupulous and conscienceless persons.

During the Cold War the Soviet airline, Aeroflot, used Luxembourg as a principal transit point to the Western Hemisphere and occasionally to Africa. It also stopped in Lisbon, for the same purpose. Luxembourg was apparently chosen by Aeroflot because it had no transoceanic international airline of its own, except for an air cargo line, and it was easy to get to from any point in Western Europe. It had long been a landing point for odd-ball airlines. The one best known and beloved to Americans was Icelandic Airlines, the backpackers' airline that allowed hundreds of thousands of American students to get to Europe for a price that they could afford. The same thing that helped Icelandic Airlines, the same lack of a national investment in a particular airline that made it easy for Luxembourg to become the haven for NATO AWACS aircraft, also made it a transit point for Aeroflot.

From time to time the Russians attempted to pass through Luxembourg, often via Aeroflot, certain goods that probably were on the COCOM list. I personally don't have much in the way of details, as what we detected in this regard came from intelligence sources which I can't talk about.

The fundamental point is that there was probably always some trickle of goods prohibited by COCOM. We paid a lot of attention to it and wanted to make sure that nothing really significant was escaping through that hole. Again, we had full cooperation from the Luxembourg authorities, but their ability to police, monitor, and investigate was really very, very limited. So, from time to time we would become active on that front in Luxembourg, whenever there was any potential movement that might have been significant.

Q: Were there any cases that came up during your time in Luxembourg which you can talk about?

ROWELL: I remember a couple of cases, though I don't remember their names. I remember a shipment involving some computers, for example, and something else. In

each case the tendency of the Luxembourg authorities, when properly alerted to a problem shipment, was to send it back to the point from which it had been shipped to Luxembourg. So they never seized anything. Luxembourg was not a manufacturer of these goods, in any case, so there was nothing coming from a domestic Luxembourg company. It was always material in transit. By sending the goods back to the point of origin, they made their point to the shipper. Beyond that, I don't have a whole lot to say. My recollection is that Luxembourg didn't play any sort of large role in COCOM, precisely because it didn't have any manufacturers and basic producers of the goods in question. Luxembourg companies were not major world traders in any of the commodities or goods involved in COCOM controls.

Q: On the banking side, did Luxembourg stand in any contrast to Switzerland at the time, which was sort of the preeminent bankers' state?

ROWELL: Yes, but not in terms of law enforcement. Well, I don't know how to make the comparison in terms of law enforcement, because I never served in Switzerland. I was in Luxembourg. So I can't do that.

As far as being the tax haven that it is, Luxembourg, of course, is a member of the European Communities, now the European Union. Switzerland is not. Switzerland has an age-old reputation as a tax haven for persons from other countries, off in other parts of the world — in the Western Hemisphere, Asia, Africa, or wherever. Switzerland is notorious for producing only modest returns on capital deposited in its banks. In some cases it has had a domestic tax of one or two percentage points on the capital on deposit in its banks. This was the case precisely because the Swiss knew that people were depositing these funds to escape the authorities elsewhere, and these were very rich people.

Yes, there are some rich people who are depositors in Luxembourg. But if you just look at numbers, probably the largest share of depositors there are professional people who are citizens of neighboring countries.

Q: Whose deposits would be modest, say, compared with...

ROWELL: That's right. And the rates of return paid by Luxembourg financial institutions have typically involved low, real rates of return. They are significant, not outrageously high the way you sometimes get in the Cayman Islands or the Channel Islands, where people understand that you run the risk of associating with a fly-by-night institution. So you get a premium on the return on the money you risk. There aren't any fly-by-night banks in Luxembourg that I know of. It's to the interest of Luxembourg to make sure that such institutions stay out of the country. However, the Luxembourg financial institutions do pay a serious rate of interest which compares favorably with the rates paid in Germany, France, the Netherlands, Britain, and other countries like that. Whether Luxembourg rates are as favorable as rates paid in the US really depends on the way you want to bet on the movement of the US dollar in terms of European currencies. That is, the exchange rate parity, as well as how you want to bet on forthcoming actions of the Federal Reserve Bank compared to forthcoming actions of, say, the Bundesbank, the German central bank. That is a different set of gambles. Sometimes, the return on long term deposits in Luxembourg has been better than in the US and sometimes it has been not quite as good. If you're a European, you probably tend to keep your money in Europe. If you're an American, you probably tend to keep your money in the United States.

Other bilateral issues. The Luxembourg cargo airline has long wanted a long-term license to operate certain regular routes to the US. The US Department of Transportation has regularly granted them a temporary license, renewable on a year-to-year basis. The fundamental reason is that no US airline had had any particular interest in scheduled flying to Luxembourg. The US Department of Transportation doesn't give away licenses to foreign airlines unless it can get a quid pro quo that is valuable to a US carrier. So that remains a permanent problem in terms of our bilateral relationship.

There are occasional investor problems where a US investor has put money into a company registered in Luxembourg. There may be complaints about whether the investor

is being treated fairly or not. I don't recall any reverse cases, with Luxembourg investors feeling unhappy with what happened to money that they'd invested in the US. However, I think that you could count on the fingers of one hand the number of problems in this respect that arose during my four and one-half years in Luxembourg — although one of them was quite large. So that's how that went. Now, what else did we have on our agenda?

Q: I can't think of anything else. You certainly talked about the NATO and UN role. Perhaps it's time to talk about your retirement. When did you leave Luxembourg?

ROWELL: I retired at the end of August, 1994. I left Luxembourg at the beginning of August, 1994, after being there as Ambassador for four years and four months.

Q: You've had a number of posts in the Foreign Service. I think we discussed this at one time. Do you have some reflections on the work of the Central Intelligence Agency, the control exercised and relationship of the chief of mission with the CIA Station in his Embassy? Would you like to talk a little about that?

ROWELL: Yes. In fact, I'd like to talk about the control exercised by the chief of mission in relation to all of the agencies that might be represented at a post.

In my experience a chief of mission has no problem maintaining direction and overall control in a mission, despite the variety of different agencies that may be represented. The truth is that Americans posted overseas by and large need a community of friends with whom they can live comfortably. The chief of mission controls the resident official American community to a substantial extent. All that a chief of mission has to do is to make sure that his mission is reaching out to all of the attach#s and other people from different US Government agencies, properly respecting them and making the best use of their work. He finds a very responsive cadre.

Military personnel, particularly those in a Military Assistance Advisory Group, are uniformly responsive to a chief of mission. The military institution is structured on hierarchy. You salute people who have higher authority and responsibility. When military people are assigned to an Embassy, they understand that the Ambassador is in charge. There really isn't a problem. When, occasionally, difficulties come up, normally they can be resolved well enough. The Military Assistance Advisory Group, for example, reports to the nearest Theater Commander. Well, the Theater Commander doesn't want to put his colonel at a particular Embassy in an impossible situation vis-a-vis the Ambassador. This really can't help the military advisory operation, can't help the Theater Commander, and can't help the colonel. So when the Ambassador goes to the colonel and says, “Look, I have a problem with this issue. We need to fix it. It needs to be changed in some way, I can't approve it.” Or, he may say, “I wish that you would look after this.” The colonel goes back through his chain of command and says, “How do we deal with this?” They always find some way to deal with the problem.

Similarly, military attach#s know whom they're supposed to salute, although the service divisions within the attach# group at a diplomatic mission may make it a little harder to impose discipline. In fact, one of the unfortunate things that I had to do during my tenure as Ambassador in Lisbon was to require the early departure of a service attach#. This caused me no problems with the other service attach#s, nor with that attach#'s successor.

AID is the same thing. In fact, AID doesn't have a program in a country unless the Ambassador approves the program. Any Ambassador has the right to look at the program in whatever detail he or she may wish and to suggest changes or modifications, set additional criteria, or whatever they want. Normally, to the extent that the Ambassador pays real attention to the AID operation, the AID people are pleased, delighted, and elated because too often they feel ignored and unappreciated by the State Department components of an Embassy. My only gripe with the AID operation is that they still call themselves by early Cold War, post World War II titles, like Mission Director, as though

they are somehow separate from an Embassy. They're not. The Americans assigned to the AID Mission are part of the Embassy. The Mission, as they call it in AID, is a part of the Embassy. They may not think so in AID/Washington, but every Ambassador thinks so and makes it happen that way. So, again, that's not a problem.

Where we tend to get problems is sometimes with the law enforcement agencies, domestic agencies such as the FBI [Federal Bureau of Investigation], DEA [Drug Enforcement Administration] or Secret Service. Sometimes they will send overseas an agent who has had a number of domestic assignments, sometimes a distinguished law enforcement career, but who hasn't had any overseas experience and doesn't have a clue how the different parts of an Embassy have to work together or how to interface with host authorities most effectively. Such agents sometimes arrive overseas still operating as a subcompartment of a barony within another cabinet department of the United States Government. They tend to regard everybody who is not part of their particular micro institution as somebody to be polite to, but not necessarily to salute in a serious way. Getting a handle on that is a little bit trickier. But, again, you're dealing with people who are operating in one- and two-person offices in a situation where in a variety of very human ways they need the support of the larger Embassy complement.

Of course, the Ambassador always has the ultimate weapon of saying, “I won't accept this particular person” or, “I won't accept this position.” Or, “This person has caused me too many problems. Get rid of him or her.” Ambassadors can use that weapon too often, but if they apply it once in a while, it has a salutary effect.

Problems come up over and over again in the NSDD-38 system [National Security Decision Document No. 38] which was approved several administrations ago. NSDD-38 says that whenever an agency of the US Government wishes to position one of its people at an Embassy or in a foreign country, the position cannot be established for residence in that country and a person may not be assigned to that country without the consent of the US chief of mission. From time to time chiefs of mission may say, “No, this assignment

is a bad idea.” Every time they do that, in my experience, they have failed to receive the necessary support from the Department of State or the NSC staff. Eventually, something tends to be forced down their throat. But that's a Washington question.

Sometimes, Ambassadors don't resist, partly because they feel that they need more resources and they can't get them from the foreign affairs agencies [e.g., the Department of State]. So they take resources from wherever they can get them. Sometimes they don't resist because they figure that in a serious case Washington will not back them up. Then there are other Ambassadors who resist whenever they think that it is proper, and they don't care how the ultimate decision goes.

Obviously, I haven't talked yet about the CIA. In my experience their Chiefs of Station [COS] mostly fulfill their responsibilities to keep the Ambassador informed of what they are doing in the country of assignment. They also fulfill their responsibilities — sometimes after a great deal of friction and effort not of their making — to provide overall supervision for all US intelligence gathering in the area. For example, they are responsible for any aspect of the activities of Legal Attach#s [FBI representatives] not specifically related to law enforcement cases. They are responsible for anything done by any element of a US intelligence agency, uniformed or civilian. So typically an Ambassador relies very heavily on that Chief of Station to perform that function, because it's not a function that the Ambassador or the DCM should perform directly.

On a couple of occasions I have run into a couple of really incompetent people. In one case the incompetence was so gross that the individual was failing to perform his official responsibilities to me out of fear that I might leak what he should have told me. He was unable to form valid judgments. He left the post on regular rotation before I could ask for his recall. That was the worst case and, curiously, it was in the smallest operation that I ever had where it didn't amount to a hill of beans.

Q: Sometimes, I think that those persons assigning people in Washington do not fully appreciate what the consequences of their actions may be. I know that I've been in assignment positions where we tended to take care of our not-so-competent people by sending them to huge posts where we felt that they would be swallowed up. Sometimes, there was a cumulative effect from making several, such assignments. At one time, when I was in charge of consular assignments, I think that the Embassy in London had far too many people who really were on their last legs in career terms. Or else, we might arrange to have such people shipped out to small posts, in the view, "How can they screw up anything in Luxembourg?" Fairly or unfairly, this is what is sometimes thought.

ROWELL: You're absolutely right. That's true in virtually every agency that exists. You either bury persons of low capacity in a very big place or in a place where, no matter how awful a screw up, it can't hurt us too badly.

Q: Or the perception is that it can't hurt us.

ROWELL: Well, you never know until it happens. I think that's why such assignments are made. When a particular CIA station is facilitating something that transcends the boundaries of an Ambassador's responsibility, the rule about what the station has to tell the Ambassador is rather unclear. This is a situation which happens very often. Somebody is passing through a given place. Say, a meeting is going to be held, following which the participants will go off to where they live, which is not in the area of the Ambassador's responsibility. Technically, they are not conducting any operations on anything related to the Ambassador's responsibilities. However, the Station Chiefs I have known have kept me informed on those things just in case an accident or something else were to bring one of the visitors into the public domain. Sometimes I have not been informed, especially if things are happening on very short notice. The Station Chiefs really watched out for anything which, if discovered, could potentially embarrass us or create some collateral problem that I would have to take cognizance of. I never had any such embarrassment.

This was true even of a couple of Station Chiefs who were just good, medium quality sloggers. They consistently produced good work but were far from brilliant. They told me what they should have told me, and it was fine. We never had any trouble distinguishing between how much I needed to know and operational details I didn't have to know, except in the one case that I mentioned where one person was way out of his depth. I must say that it wasn't simply a lack of knowledge on my part of what he was doing. It was clear to me when I went back to his supervisors, that part of the problem was that he wasn't doing anything. [Laughter]

There is one more question. The intrinsic question is, “Should an Ambassador be kept informed?” Aren't there times, for example, when it would be better if an Ambassador isn't told, because then, if something goes wrong, the Ambassador can cite unawareness and non-culpability. My answer is, “Absolutely no.” The Ambassador must be informed. When something goes wrong in the country of assignment, it doesn't make any difference whether the Ambassador approved, disapproved, knew, or was ignorant about it. It doesn't make any difference at all. The Ambassador is responsible. He or she still has to explain and to make amends. He or she has to do both, not just in the country of assignment, but in a possible report to the Congress of the United States, and other agencies. The chief of mission cannot escape having to explain. If the explanation is, “My staff didn't tell me,” the answer is, “You were an incompetent leader or an incompetent Ambassador, if your staff was able to keep secrets from you that could cause that much trouble.” There is no excuse. On two or three occasions I had a DCM come to me and say, “I don't think that you really want to know the details on this.” I just gave the same lecture to the DCM. I said, “Don't ever think of making a decision on a subject like that without telling me as much as I need to know, making sure that I'm given that opportunity to decide before you do it.” The DCM's learned very quickly how to handle such cases.

Q: Well, is there anything else?

ROWELL: God knows. No doubt, when I read the transcript...

Q: We can always add something.

ROWELL: One last thing. This has to do with the money laundering question. When I had my hearings for confirmation before going to Luxembourg as Ambassador, money laundering was very much on the minds of the Senators. They asked if I would do something about money laundering in Luxembourg. I told them that my number one responsibility in Bolivia had been to try to stop drug trafficking. I had been deeply engaged in that and was totally committed to it. I said that I had lost none of my commitment during my stay in Portugal. I said that I would certainly continue to pursue it in Luxembourg.

So, in a sense, when I arrived in Luxembourg, I had an instruction from the Senate to be very tough on money laundering and to do everything I could to make sure that we were interdicting it. I kept my word.

End of interview