

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

**AMBASSADOR JAMES A. LAROCCO**

*Interviewed by: Charles Stuart Kennedy*

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Director, Near East South Asia Center for Strategic Studies

## INTERVIEW

*Q: Let's start at the beginning. When and where were you born?*

LAROCCO: I was born December 16, 1948 in Evanston, Illinois not far from Northwestern University. I grew up in Chicago on the far northwest side, interestingly only about six blocks from where Hillary Rodham (Clinton) grew up, in the suburb of Park Ridge. Her neighborhood was a wealthy Anglo-German neighborhood. Mine was a working class neighborhood of Irish, Polish and Italian-Americans, many working for the city as policemen, firemen or city government workers. Of course, both a Catholic Church and school were within walking distance, while one had to take a bus to a public school. It was the definition of a close knit, ethnic community. I was one of five children, the youngest of five. We had a very, very, very large family population in those days, quite a contrast from today's communities. At one point, I counted 105 children on our block. One did not have to stray far for companionship, but privacy was difficult to come by.

*Q: I grew up not quite the same way but close to it. The kids were kind of feral. Dinner is at six o'clock and if you are not going to eat, let me know. That was the sort of thing. Let's say on your father's side. What do you know about where they come from?*

LAROCCO: I know a lot since I spent a great deal of time tracing our roots during the 5 years I lived in Italy. Originally from Albania, the Larocca family (correct spelling, including the small letter "r") fled the Turkish onslaught in the 16<sup>th</sup> century and settled in south central Italy in the village of Brindisi di la Montagna. It is perched on a mountain top about 6 kilometers southeast of Potenza in the south central province of Basilicata. My father's mother was born in America, while her parents were from a village east of Stuttgart, Germany. My father was raised a strict Baptist, learned German from his mother, and only converted to Catholicism when he married my mother.

*Q: Let's talk about it a bit. What did you find out?*

LAROCCO: I found out that my great grandfather on my father's side came to the United States by himself almost a generation before a big wave of southern Italian immigration in the late 19<sup>th</sup> century. Piecing records together, when his wife back in Brindisi died, he arranged for a friend to dispatch his two sons. The two sons came by themselves (with another boy their age). At Ellis Island, they wrote my grandfather's name in cursive, and it was written as James Larocca. They obviously decided to give him an English first name (his real name was Vincenzo), and the cursive makes the final "a" easily misread as an "o," so I assume that's how our surname came to be misspelled.

This was the late 19<sup>th</sup> century and Chicago was booming with the invention of the skyscraper. My grandfather saw a niche and started a window washing business. My

father did not want to get into this. He was a musician, performing on the streets of Chicago at the age of 5. My uncle Vinnie later told me that they were called the derogatory name “The Chinks” because my father’s eyes had a Chinese look to them, a characteristic that has passed down for generations. When my youngest daughter was a preschooler in Taiwan, locals often thought she had some Chinese roots.

My father was a real pioneer during the era when America moved from ragtime to blues to Dixieland and eventually jazz. He loved the blues and Dixieland most. He was quite a performer in his day, and I was able to catch glimpses of his performing skills when he was asked to entertain for visiting relatives or at weddings. When the depression hit, he got married and started a family and his attention to music faded into the background.

He went into a business partnership with his cousin and an Irish-American friend, and that provided what he needed to raise a family of five children, take in various cousins at times into our household, and donate generously to our church and other charities. At best, we lower middle class, but we never felt like it. We were raised with the highest standards of what many call “middle class values” on the secular side, Catholic values on the moral and religious side. Our home was filled with the finest music and literature and expectations ran high for our success.

*Q: Now on your mother’s side?*

LAROCCO: My mother’s side is equally an American dream story. Her roots are all in Sicily, and we were able to trace them back to 1500. Her name was Amato, which some believe came from the Arabic name “Hamad,” signifying that her roots had some Arab connection, while others see the name as perhaps adopted by Jews fleeing Spain. I am hoping a DNA test that I was given as a gift for Christmas will tell me more. In any case, my mother was clearly a mixture, as most Sicilians are. Her hazel eyes clearly showed some Norman heritage as well.

*Q: Did they speak Ladino?*

LAROCCO: Who knows? It turns out that my mother’s grandmother was a peasant woman -- and I find this story extraordinary -- she was adopted by a baroness in the town of Termini Imerese, about 30 kilometers east of Palermo. She was educated as royalty, taught to read and write, the art of lace making and other skills. She could not be married to royalty so she was married to a merchant. The story goes that he was out fishing, a storm came up, and he drowned. She could not inherit his business, so she grabbed as much as she could and sailed to Boston with her children, including my grandmother.

*Q: That’s really remarkable.*

LAROCCO: Not a lot of women in those days were educated and certainly not formally educated. My mother had a full formal education all the way through a university degree. That came from this interesting Sicilian side and an interesting streak of very strong women. I just find it remarkable that this woman in Sicily would just grab her kids and

get on a boat and sail to Boston. What must have been going through her mind? How petty our dilemmas today seem compared to what this woman faced so boldly.

*Q: The American dream is there. People have taken advantage of it and really moved up the ladder.*

LAROCCO: My grandfather on that side, my mother's side, was the youngest of 11. He got out of Boston and settled in Springfield, Ohio and was very prosperous with a grocery store business. He shared his wealth with his extended family, which was also typical of the times and helped make that American dream a reality for many ethnics.

*Q: How did you mother and father meet?*

LAROCCO: Here is a story I was told but I often wonder if, as the youngest of five, it was perhaps a tall story. They met in Chicago. She was visiting from Springfield. He was born in Chicago, had spent time growing up in Lawton and Paw Paw, Michigan, but also in Chicago. She was supposedly visiting Chicago for the 1933 World's Fair. She was in a hotel lobby and my father happened to be there as well. In a larger than life story, some gangsters came by and riddled the place with machine gun bullets. My father threw himself on my mother to protect her. Not your everyday first date. I heard another, much more mundane explanation of how they were brought together from a relative. It was a friend of a friend arranged encounter. That seems much more plausible. In any case, my mother and father were both the oldest of their siblings and were married in a gala ceremony.

As many converts are, my father became extremely active in the our church, an usher there for more than a half century, opening the church every morning, in charge of counting the donations, active in St. Vincent De Paul Society and the Holy Name Society, and was an ordained deacon. Religion permeated every aspect of our lives growing up, and we spent as much time at our church and school as we did in our home.

*Q: How important was the German strain?*

LAROCCO: Very. My father spoke some German, loved his meat, potatoes and beer, was disciplined in everything he did and enormously productive. But...he also loved Italian food (who doesn't?), so we had a very heavy diet growing up. We had to have some kind of meat, some kind of potatoes and some kind of pasta and of course, bread. We didn't know about "the dangers" of high carbohydrate diets in those days.

*Q: Of course these big cities had these wonderful ethnic areas. I was born in 1928 in Chicago and my mother, my father was Scotch-Irish but my mother was very German and her father was fairly well to do, a lawyer. He had been an officer with Sherman during the Civil War. The whole family spoke German until my time and then they stopped it. My first assignment was to Germany.*

LAROCCO: Italian and German phrases might come out occasionally, but otherwise these foreign languages of my roots were gone by my generation as well.

*Q: Let's talk about growing up as a kid. You say everybody sort of disappeared into this group of 100 something group of children?*

LAROCCO: Our neighborhood was totally ethnic. Everybody did everything together. It was absolutely a total community in that respect. Our family of five kids was hardly unusual. I was as much into the community – “our block” - as I was into our family because there was an age gap between my older brothers and sisters and me.

*Q: Were there any divisions? The Poles went to the Polish places; the Italians went to the Italian?*

LAROCCO: Oh, yes. They all had their clubs. They all had their banquet halls. They all had their food, their drinking, different habits, all very proud of their heritage. But I also think that because they were so American at the same time, all went to the same schools and the same church, the second generation mixed freely. There was lots of “intermarriage,” as we called it. You had a lot of Irish girls marrying Italian guys and Polish guys marrying Irish girls and all the rest of it.

*Q: It hadn't evolved into gangs? I have talked so some people in some neighborhoods in New York and other areas where there were no go areas. If you were Jewish, you didn't go down a certain street or if you were Irish, you didn't go a certain street.*

LAROCCO: Not in our neighborhood because our neighborhood was highly populated by Irish-American policemen. We were incredibly secure. We actually went on a vacation for three weeks once and left the front door wide open. It was still wide open when we came back, but with nothing disturbed. We had a strong neighborhood watch before that concept came into being.

*Q: I don't think I need to ask but what were the politics of your family?*

LAROCCO: Well, you do need to ask because it was rather odd. My mother was a true ardent feminist liberal Democrat. My father, in sharp contrast, believed that Roosevelt was the ruination of the nation, so even though they were married for 63 years before he died, their politics were always at odds. But...they both agreed on one thing: Mayor Daley was the greatest thing for Chicago.

*Q: Mayor Daley senior.*

LAROCCO: Yes, the senior. My parents considered Chicago to have a “tribal society.” Look at all the tribes around here, they would say: the Irish, the Italians, the Polish, the Lithuanians, the Jews, the Greeks, the Armenians, the Swedes and so many others. I list the Jews as ethnics because that's what we considered them. I don't recall us ever thinking of them as a different religion. They were another tribe, with their own rituals,

their own “costumes,” their own holy days and holidays. None of their special days could ever outdo in pageantry the Italian “feasts” of Our Lady of Mt. Carmel or St. Joseph. And we all loved to partake of each other’s foods, and that’s what made neighborhood dividing lines well known to every Chicagoan. I lived just off Touhy Avenue, which runs east and west from Lake Michigan to beyond the Chicago border with Park Ridge. Driving down Touhy toward the lakefront, we knew exactly when we were entering Polish land, and could get some wonderful sausages and pastries, then the Jewish neighborhoods, which I must confess we often referred to as “the Corned Beef Belt” because the delis were to die for.

My parents said Chicago must have a strong mayor who cracks the whip because the tribes needed a chieftain. An Irish mayor and Irish cops to keep the order, ethnic politicians and city workers to spread the patronage. But at the same time, the standards were set high for city services: the garbage must be picked up on time, the trees pruned, the snow plowed, the streets repaired. The social contract between the ruler and the ruled in Chicago was crystal clear.

Oddly, our little slice of Chicago had a Republican alderman, a young “ethnic” German. There was a clear distinction between the “ethnic Germans” who had their own sausage shops, restaurants and worked as plumbers and milk men, many of whom were Catholics, and the “establishment Germans” whose histories in America went way back and who had their Lutheran churches.

*Q: I have the feeling that every time there is an election I am still voting probably because I was born in Chicago and am probably still voting Democratic. You know, vote early and often.*

LAROCCO: Even when you are dead you will still be voting in Chicago. I still receive absentee ballots every election even though I haven’t been a Chicago resident for more than 40 years.

Education: Focus on the Family

*Q: In your family, particularly with the diverse viewpoints of your parents, did you ever sit down around the table and argue things?*

LAROCCO: All the time. Again, this is very typical particularly of an Italian-American family. Just incredible, very loud, very animated discussion and most people would think we hated each other. We were all expected to have memorized the Encyclopedia Americana, to be up to date on everything, to read all the newspapers, both the Sun Times and the Tribune every day. We didn’t have internet or anything like that but we were expected to read, read, read, read and be up to date on everything and debate every night at dinner.

*Q: As the younger kid, often the youngest kid’s role can be sort of a smart Alec.*

LAROCCO: Not in my case. There was too much of an age difference. I was the listener. They were so high decibel and there was so much discussion on a more mature level with four older brothers and sisters and my parents in there too that I just absorbed all this. I was five years younger than the next one, so while I was expected to be part of any family discussion, there was simply no way I could have the level of understanding and knowledge and background that they had. At the same time, they never talked down to me. What I didn't know they taught me, even at a very young age. I started to play the piano at age 3. I would be grilled on spelling every morning at breakfast. I could spell riboflavin when I was only 4. They were teaching me algebra when I was five years old because that's what they were doing. They were teaching me about all things around the world when I was very, very little so I was always way, way ahead of everyone else in school. To be frank, my elementary school was day care because I had already learned all they could possibly teach me at home.

*Q: Did you have a Carnegie library nearby?*

LAROCCO: No, just a local library, and my mother would just drop me off there when she would go to the grocery store. I would sit there between the shelves and read. Read, read, read; that's what I did.

*Q: Do you recall any books that particularly engaged you as a young kid?*

LAROCCO: I was devoted to nonfiction, especially geography and history. I read about the history of every country that had something written about it in our local library. I read every geography textbook in the library, so fifth grade geography was a breeze. I knew far, far more than the teacher. I knew all the world capitals by heart and what each country had in terms of industries, agriculture, etc. I also loved American history, the founding fathers, civil war, immigration, political development, etc.

*Q: Did you devour the National Geographic maps?*

LAROCCO: Absolutely.

*Q: Wonderful reading.*

LAROCCO: Indeed. The maps of course were fascinating because the world was changing so every map that came out had another country or countries in Africa and elsewhere. We got National Geographic, Scientific American and other periodicals at home. We got a ton of magazines in those days. Today you find everything online. It's not the same.

*Q: How about the schools? Early on were nuns teaching you?*

LAROCCO: Yes. Franciscans. They were great on discipline and teaching values, but short on education. I don't mean to offend them, since they were wonderful teachers. But they were mostly farm girls from Minnesota, not city girls, and had a well-rounded but

wider than deeper basic education. In essence, they taught you values and kept a bunch of ethnic ruffians in line and on task.

*Q: An awful lot of learning is done by oneself anyway.*

LAROCCO: It is. I just read a really wonderful article yesterday by a guy from Harvard Business School about values. I think back at probably the most single most important story of my childhood in terms of values. My father was absolutely 100% honest, always. His integrity was unmatched by anyone I have ever met in my life. I was a diehard baseball fan, a White Sox fan, because my father had grown up on the South side. Even though we lived on the far northwest side of Chicago and went to more Cubs games, I was a White Sox fan. The White Sox won the World Series in 1959. This was it. Life was complete. There could be nothing better.

*Q: I am not a baseball fan but I thought the White Sox were perennial, sort of like the Red Sox.*

LAROCCO: Not exactly. But the Cubs were a sad case, always. The Cubs never won a World Series since 1908; over a hundred years they haven't won. No other team in sports is like the Cubs. I must confess that I would go to Wrigley Field and cheer for the other team. Most times, I was cheering for the team that would win. I particularly loved the St. Louis Cardinals and Milwaukee Braves teams of the 50's. They had some of the greatest players of all times, including my favorite hitter, Stan Musial, and my favorite pitcher, Warren Spahn.

Anyway, the "Right Sox", as I called them, won the pennant in 1959. My father had tickets to go to the opening game at Comiskey Park. Being a scrupulously honest man, he went to our principal, Sister Evangelista, and said, "I would like to take my son out of school to go to the World Series game" and she said, "No."

My father said, "Fine" and that was that. I was just devastated, absolutely devastated, but it taught me a lesson that in fact there are values and as this guy said yesterday in this article, "It is much easier to keep your values 100% of the time than even 98% of the time." It's a good lesson not just for an individual, but for an institution and a country as well. Values endure, interests change.

*Q: Oh, yes, because then there is a choice.*

LAROCCO: Then there is a choice and if you simply don't make that choice and stay on course, it is much easier. You don't have to think about it.

I always admired my father for that because that validated to me that he was truly 100% honest, not 98%. He could have just said I was sick and could have taken me to the ballgame and nobody would have known anything different because in those days, of course, growing up in Chicago, we were sick all the time. The weather was so goofy in

Chicago. But he didn't and so that is the story that always stuck with me my whole life. I always kept that uppermost in mind.

Activities: A life-changing experience in the Boy Scouts

*Q: Were there activities in the school or particular subjects that you dealt with?*

LAROCCO: I was very active in sports, played basketball, football, baseball and ice hockey. Our priests were wonderful, very much involved in sports. I find it ironic that the "problem" with priests when I was growing up was not what is in the headlines today; rather, it was all the young priests running off to get married. One day, our priest would be saying mass. Then he would disappear. Then we would see him married and selling insurance. It was hard not to still call him "Father." But if the scourge of pedophilia existed in those days, we didn't see it in our parish.

So much of my time after school was devoted to music. As I believe I noted earlier, I started playing the piano when I was 3. During my elementary school years, I would practice as much as four hours per day. While all my brothers and sisters learned an instrument, my parents thought I may become the musician of the family.

I did spend a lot of time as a Cub and then Boy Scout. I loved getting out into the countryside, which for us meant going north to Wisconsin to camp out occasionally. Otherwise, it was a lot of activities in our neighborhood. We had a huge troop, but being in the city, out of the thousands of scouts who had been in our troop since it was founded, there was only one Eagle Scout to show for it. We simply didn't have the opportunities to get the needed merit badges. I managed to reach Life Scout with 22 merit badges, but I couldn't get the necessary ones for a shot at Eagle.

I mention the scouts because one of the top five memorable events of my childhood took place in the scouts. Before promotion to First Class, every scout was asked to meet with a man in our neighborhood who rarely came out of his home. We knew he was a lawyer, well respected, and a quadriplegic from injuries sustained during World War II. I recall as if it were yesterday ringing the front door bell and being escorted into his dark study where he was seated in his wheel chair. We talked and talked, and I found him to be truly a wise man. Then, before he left, he asked me to draw closer to him. He said that he had made a promise when he was recovering from his injuries not only to embrace life but to accept the responsibility of reaching out to the next generation to do so as well. He asked if I was ready to embrace life. I said sure. He said that he believed me. He then asked if I was ready to make a solemn promise: that when I became an adult that I would devote time to mentoring and helping the next generation that came after me. I paused, and then said I would. This would be my solemn promise. I felt afterwards as if I had taken a giant step toward becoming a man. I couldn't be a kid anymore. And that was fine with me.

High School: Notre Dame High School for Boys

Moving on, high school was a shock because it was really, really different. It was a much bigger jump for me to go to high school than to college, because all of a sudden I encountered a rigorous academic environment with standards and expectations at the highest level. I was always way ahead of everybody in grade school. When I joined high school, they had an elite group of 33 and I barely made it in as number 33. Instead of being far ahead, I was at the tail end.

*Q: What was the name of the high school?*

LAROCCO: Notre Dame High School for Boys in Niles, Illinois about three miles from our house. It was college preparatory, 1600 boys. They selected 33 of us as a special group and challenged us to the extreme. I was, quite frankly, humbled that there were 32 guys who knew a hell of a lot more than I did. I didn't think that was possible.

*Q: Well, also wasn't it a shock to be taught by men?*

LAROCCO: Yes. Just as there were no male teachers at St. Juliana, my elementary school, there were no female teachers at NDHS. We went from all female teachers to all male teachers, including some very tough priests. We went from tough nuns to tough priests. Tough priests are a lot tougher than tough nuns. The discipline was tame in elementary school compared to what we came up against in high school. I could tell you stories, but they would not go down well in today's world. In those days, if you were disciplined harshly, your parents didn't complain. They supported it.

*Q: Did you find yourself concentrating on any particular area of studies?*

LAROCCO: Not really. This was a college preparatory school. Again, I finished with a 3.0 average which sounds pathetic by today's standards, but for that school, this put me near the top.

*Q: 4.0 would be the top?*

LAROCCO: Yes. Our best student had 3.6; that's how tough that school was. Now you get kids with 5.0s. It is unbelievable. Our valedictorian was 3.6 and I was 3.0. It was indeed a different time. I excelled particularly at writing, which helped raise my GPA.

*Q: Where did you get your writing skills?*

LAROCCO: From my mother who was an English major, but also from my freshman teacher in high school who was absolutely the greatest teacher I ever had. His name was Mr. Governale, and he died a few years ago.

I will never forget what he did to us. On the first day he said, "OK, I want you all to write a paragraph about a pen." We said, "What?"

“Write a paragraph about a pen.” And he said, “A paragraph is the basic way to write and what we are going to do is each week write a paragraph about something and each day you are going to refine that paragraph and we are going to do this every single day. I guarantee you we will go through a minimum of 8 drafts until you get that paragraph right. If you don’t get it right by the end of the week, you will have to continue to write it as we go into the next week. It is just going to pile up, so pay attention to the structure of the paragraph. I am going to give you all the guidelines. All you need to do is apply them.”

It was brutal. None of us, even with what I learned from my mom, were really prepared for his rigor. I would think I finally nailed my paragraph on whatever, and he would send it back with red lines here and there and questions in the margins. Talk about major disappointment. By the end of the semester, we knew how to write a paragraph and we knew the different ways to write a paragraph to accomplish different objectives; active voice, declarative sentences, passive voice, different verbs, different adjectives, different word order. After that, everything was easy. They should have patented what he did. It was tough and even as “tough Chicago guys,” we were crying because it was so damn hard. Think about writing a paragraph about an everyday object. It is not easy to do, capturing and conveying every key point.

*Q: What order was he?*

LAROCCO: He was a lay person. And, like almost every teacher, did double duty. After hours, he was the cross country coach. We had about half lay teachers.

*Q: In your upbringing you said you attended, but how Catholic were you?*

LAROCCO: We were a very, very Catholic family in an extremely Catholic community. So much of my extracurricular work in the sense of grade school and high school were Catholic charities, including organizations like St. Vincent de Paul that did a lot of work with the poor. We did a lot of work raising money, constantly out selling chocolate bars, going house to house selling raffle tickets. It was a humbling experience after you have the eighth door slammed on your face...but it was good. It really built your character, it built your skills and gave you a very thick skin. Disappointment was expected, but you still tried and tried and tried. And when you finally got someone who bought ten chocolate bars, you were doing handsprings down the street. All of us who did this became very outgoing, with a lot of self-confidence, a lot of resilience, a lot of street smarts. But work was what was expected of us in Chicago from a very young age. I had a steady job or jobs from the time I was 7.

Church Organist from age 7 through 16

*Q: What sort of jobs?*

LAROCCO: Everything from selling newspapers to playing the organ at church. From what I was told at the time, I was the youngest church organist in the United States. I

became a church organist of St. Juliana's Church when I was seven. My feet couldn't even reach the pedals. One of the priests had heard that I played really well and asked me to try out. I remember one of our nuns, and my first piano teacher, Sister Cullen, was very supportive. So I played a few daily masses and the word spread about this little kid at the organ. Soon I was playing up to four masses per day before school. I would play 6, 6:30, 7, 7:30. They did quick masses to get people before they went to work in those days and I would play four, would be done by 8 and then go to school. I would get a dollar a mass. Then I was made a regular organist for Sunday mass. And I would play weddings and funerals. \$25 for a wedding, and an invitation to the reception. I never asked for anything for a funeral, but usual got five bucks. By the time I was 10 I was earning half as much money as my father.

I played masses for nine years. Without question, my most controversial performance was when I played the Beatles song "Yesterday" during communion. By that time, I was doing all my own arrangements. After the mass was over, I was mobbed. Everyone from young to very old knew about the Beatles, and "Yesterday" was at the top of the charts. They insisted I play it again and again, and even our pastor smiled. Keep in mind that the early 60s was also a time of historic change in the Catholic Church, as we moved to the use of the vernacular, including for our songs. I must say I truly missed playing the wonderful Latin hymns, done by some of history's greatest composers, with some of the most timeless melodies. I still miss them.

*Q: Did that money get plowed into the family?*

LAROCCO: Some of it went to the family and some of it my father used to teach me how to invest. I had my own bank account and I invested in the stock market and built up quite a bit of money over the years. I was always very independent. My mother just assumed I was going to be a millionaire some day and go off and start some business because I was very good at investing and making money. I always had plenty of money for anything I ever needed without really asking my parents. But...that was not unusual for a kid in Chicago in those days. I bought my first car at age 15, and when I was got my driver's license the following year, paid for insurance myself. Because it was a policy separate from my parents, I had to pay whopping \$600 per year. That was a lot of money in the mid-60s.

*Q: While you were in high school, did you find as you are doing your studies, because you became a diplomat, did any particular countries or any areas particularly attract you?*

LAROCCO: South America. I was absolutely fascinated with South America since it is America but so very, very different. Also totally Catholic as well, and that had something to do with it. I met a number of South Americans who were priests and nuns who came to school. They had missions in Columbia and some other countries. My Spanish teacher in high school was a Cuban refugee. He had been Minister of Finance, or so we were told, under the Battista government. I must say that he dressed like a diplomat every day.

*Q: Were you at all attracted to the priesthood?*

LAROCCO: Yes, but my mother was decidedly cool to the idea. We had already contributed one of us to the clergy. My oldest sister is a Franciscan and has been so for 55 years. That was part of being a good Italian Catholic family: produce one for the clergy, others for marriage, etc. You get the picture. As I said earlier, I believe I was the one they hoped would be the millionaire.

*Q: Did you get over to the South side? You traveled around the country and all.*

LAROCCO: To the South side for the Sox games and to go to “the old neighborhood”, as it was called. This was the Italian district of Cicero. And then there was the Italian district our west at Melrose Park. We went there to visit relatives or to get Italian ice or Italian beef sandwiches. I have so many memories of weddings, funerals and feasts with the relatives. If you’ve seen *The Godfather*, you know what these were like.

We also traveled around the country because my father was full of wanderlust. When his company would finish a major business deal, he would just throw us in the car and off we’d go. We went to all four corners of our great land, and everywhere in between. All 48 states at one time or another, and Canada as well. We would just take these long trips and go for two or three weeks at a time and explore somewhere around the country.

My father was just desperate to travel but with five kids, his church responsibilities and taking care of so many people in the community, it was hard to find the time. This is the reason why he pushed me very hard to enjoy travel, to get out and about and I was an extension of him in joining the Foreign Service and going around the world. In fact, everywhere I went, he followed my every movement and studied about the places. So he taught me to love traveling and to get out of the Chicago mold. I have a huge extended family. Most are still in Chicago. I am that bizarre, rare uncle, brother, you know, great uncle now who went far away. After all, why would anybody want to leave Chicago? It may be “The Second City,” but it is far and away number 1 in the hearts of Chicagoans. It is indeed a wonderful town and I get back there whenever I can.

*Q: With the church. The priest I would imagine would get up and say don’t see this movie, don’t read that book and all that.*

LAROCCO: My mother, the radical, didn’t buy that. My mother would not let me go see things like Jerry Lewis or Doris Day movies which she said were beneath our intelligence, but she would encourage me and go along with me to see some pretty challenging movies in the ‘50s. She felt that a well written book or a well-crafted movie, regardless of its subject or what it featured, was worth reading or seeing.

*Q: I don’t know how Chicago was. The Depression hit and we moved to Pasadena where my grandfather had retired. Were there a good number of foreign movies? Foreign movies weren’t very prevalent in many parts of the country.*

LAROCCO: Nothing out where we lived. One of the things my mother did -- remember I am five years younger than my brother -- was to often take me downtown just with her to go to the Field Museum, the Museum of Science and Industry, the Planetarium and the Art Institute. We would go downtown to see blockbuster films like Ben Hur as well as foreign films and movies because that was the only place you could see them.

*Q: Of course it was an era too to see these wonderful young Sophia Loren and Gina Lollobrigida.*

LAROCCO: She loved Sophia Loren. She never commented much about Gina, but we all knew where Gina's assets were. When my mom and I went downtown, I was sort of her appendage too because this was all stuff I know she wanted to do but she would then drag me along with her. It was certainly not just about my education. She loved all this, and she would always make a point of taking me to Marshall Field to the coffee shop for lunch. It was a place to see and be seen.

*Q: I had two aunts who dragged me to every foreign movie in the Los Angeles area. We would go all over the place.*

LAROCCO: My mother would take me to operas. None of my friends did any of this. Most of my friends went off and worked in factories and things like that. My mother took me to operas and I just couldn't stand it. It took me a long time to begin to appreciate opera, a long, long time. Now I can't enough of it.

*Q: So you are going to graduate from high school when?*

LAROCCO: In 1966.

The Vietnam War: our neighborhood's reaction

*Q: Was the draft in the offing? How stood things?*

LAROCCO: I really didn't think about it. I was only 17 when I went to college. I just went off to college, but I did know that I would get a college deferment. Even though our high school was college preparatory, there were a small number who chose not to go to college. Some went straight into the military after high school graduation. Just three months later, two were dead, killed in Vietnam. One lived on our block. It was a shock to everyone. This absolutely changed the attitude of our whole neighborhood toward the war.

Our neighborhood was as patriotic as patriotic can be. I will never forget going to the funeral of that neighborhood, childhood friend who had died in Vietnam. This was in the summer before I went off to college. Neighbors walking out of the church were all shaking their heads asking why and what did this young kid die for? Our neighborhood became increasingly open in its anti-Vietnam talk and it really changed the complexion of everything.

Up to that time, life was pretty straightforward and America first, right or wrong, unquestioning what the government did in the area of foreign policy. The Vietnam War truly turned our community upside down. It was a painful, wrenching experience. There were those who felt that any debate was unpatriotic, but there were others who felt equally strongly that debate was not just our right, it was essential to right what they perceived as the misguided direction our country was going. Young men dying for what seemed a pointless war was not our heritage or our destiny. This was not World War II. There were no victory gardens. This was an optional war that just didn't make a lot of sense to a lot of people.

The Vietnam War then became very much something that I was aware of but again, I thought you get drafted or you enlist. At that time I graduated from high school I was 17 so I wasn't part of the Selective Service yet anyway.

University of Portland, Portland, Oregon, 1966-1970

*Q: Where did you go to college?*

LAROCCO: It's an interesting story. I hadn't put much thought into where I wanted to go, but I knew I wanted to leave Chicago, explore a new part of America. One day, when I was a senior, we had one of our worst weather days in Chicago history. It was 24 below with gusty winds blowing the snow on the ground in all directions. We somehow got to school because that's what you did in those days. No snow days. The buses froze and we were told at 11am that we would have to go home. I was three and a half miles away from home. It was just awful out. I managed to get out to the street and in those days hitchhiking was normal. I saw a car coming and I put out my thumb. This was right after New Year's. This guy picked me up and I said, "You are such a savior."

He said, "No, I'm not your savior. Just a nice guy. I'll drive you home."

I asked him who he was and he explained he was on Christmas vacation from college and he was going to a place called University of Portland in Oregon. I said hmmm. I never heard of it.

"Oh, it's great. It is the same priests you have at Notre Dame and at NDU in South Bend."

I said, "You're kidding."

The next couple of days I went in the library and I saw a catalogue and I looked at it and it was indeed the same priests. The Congregation of The Holy Cross ran a number of schools, including my high school, the University of Portland and the University of Notre Dame in South Bend. I did not want to go to school in South Bend. That was too close to home. In those days it was an all boys' school. I had had enough of that.

I went to talk to one of our priests, his name was Father Clementisch. He said, "I am going there next year. We priests who are teachers/professors rotate between the high school, Notre Dame and Portland and Portland is kind of our reward because it is much milder climate and it is a small school, only 800 students."

I went back to the library, took out the catalogue, ripped off the back page which was an application, cardboard, put it in an envelope, mailed it off and received an acceptance letter within a month. When you think of all you have to go through today to get your kid in college. What a chore! Back then the application process hardly qualified to be called "a process." I told my parents about it and they said, "Wonderful". So that's how I ended up in Portland, Oregon not knowing anyone.

I went off to Portland. My first day I met a guy and he said, "Why don't you come up to Tacoma with me, spend the weekend?" He seemed like a nice guy so I said, "Sure."

I was then adopted by the city of Tacoma and all of the Tacoma kids who were going to Portland. They became lifelong friends. I still have to this day a very strong connection with the Pacific Northwest and my friends from there.

In college I got to pursue my dream. In my junior year I had a wonderful political science professor who arranged for me to go down to Chile to spend a year going to school there. And again, just thrown in completely blind, by myself into a school in northern Chile where I could learn Spanish. I learned Spanish just like that. Everything was in Spanish, 100% Spanish. Total immersion. It was a great experience.

College was wonderful. College was so easy because I had taken nothing but college courses in high school. And I could write, as I noted earlier. So for me it was a lot of self-learning and doing things on my own, like doing that junior year down in Chile. And being a small university, none of my classes in my junior and senior years had more than four students. I was working directly with professors all the time. It was wonderful.

*Q: What about girls and dating and that sort of thing?*

LAROCCO: Of course, I had no social life with the opposite sex before my marriage. That's what I would like my kids to always think, so let me leave it at that.

*Q: You mentioned piano. Was this still the era when any home that aspired to anything had a piano in it along with an Encyclopedia Britannica?*

LAROCCO: Yes. We had an Encyclopedia Americana, as I recall. We also had two pianos. We had one on our main floor and one in the basement.

Again, my father had been an orchestra leader so he played every instrument and was quite a pianist himself and my mother was too. They played together in the Depression at the YMCA for 25 cents a night.

All of us played one instrument or another. I would practice anywhere from one to four hours a day. Now that I think about it, how were there enough hours in the day to do what I did growing up? Doesn't add up. All I know is that I was always busy.

*Q: Were you taking piano lessons?*

LAROCCO: While in high school, I was taking piano lessons once every two weeks at Northwestern University. I had a retired professor of music at Northwestern who was working with me. Her life was music and she raised me to much higher level than I ever could reach on my own. One of her favorite exercises to develop my sense of touch was to have me place all my fingers on keys. I would then depress each finger in turn in such a way that I could feel the damper go down on the string but produce no sound. I would do that for ten minutes. When I was done, my fingers were burning with electricity as the nerve endings must have been raised to their highest level of sensitivity. So many young pianists have what is called excellent "technique", that is, they play the notes well. But without expression, it's just playing notes. She had me concentrate on expression, using Debussy's music and others who excelled at expression. But she also stressed to me that if I wanted to pursue music, it had to be a full time, 24/7 thing. That troubled me.

When I got to college, if I were to pursue music as a major, you had to do so right from the start. Not wait till your junior year. I decided not to. I wanted to travel. From that day on, I just played music for fun. That was a choice I had to make and I don't regret it.

*Q: You were in college from '66 to?*

LAROCCO: '66 to '70.

*Q: These of course were rather critical years in the lives of many students because they weren't in the right schools. I would have thought your school would have been rather out of the main loop.*

LAROCCO: We were definitely far from the mainstream at our little college in Portland, Oregon. It was a very quiet campus surrounded by a working class neighborhood in a city was quite undeveloped in those days. Our school was up on a bluff overlooking Portland, a beautiful area, very pristine, very quiet, 800 students, many from California and elsewhere, Catholics, you know, nice kids.

As for Portland itself, we would go downtown on the bus. In those days, it was not what it is today. There were lumberjacks and drunken Indians and skid row. The Rose City had lots of warts. It was not a very pretty place, to be honest. A very pretty natural setting, to be sure, but not a very attractive city; it really wasn't until much later that Portland developed into the sophisticated, coffee culture that it is today. And keep in mind that the weather is dreadful. I kept a diary my first year in Portland and we did not see the sun between October 1 and April 15. When the sun came out, it was blinding, and the color green was never as vibrant as during those days in the spring. Then it was a beautiful place. But the sun was always short-lived.

When we wanted excitement, we went down to San Francisco. We got caught up in the hippie scene every time we went. We absorbed it as a fun, circus-like phenomenon, not a political one.

Again, I was making a lot of money. I ran a business while I was in school.

*Q: What kind of business?*

LAROCCO: I ran a food supply business. Being a relatively small school and isolated, they had sort of a little cafe on campus in the Student Union, but that closed at 8 pm. Otherwise, if you didn't have a car, you had to walk about a mile to find anything. There was nothing like a McDonald's, but we had a hamburger place and it was a good mile walk. It was called The Lumberjack, but we dubbed it LBJ's. It wasn't worth the walk for a burger. Three of us decided to start a food business that would go from dorm to dorm. There were two male dorms, two female dorms. We would go there at 10 o'clock at night and sell hot dogs and sandwiches. We made a fortune. The profit margin was huge. We would then use our profits to go skiing in Tahoe and enjoy San Francisco.

One of my favorite stories regarding a vacation we took with our profits was a trip down to Disneyland in Anaheim during the Easter Break. It was still early in the spring, and the park was near empty. A buddy and I were wandering around when we saw what appeared to be a ride under construction. As we trying to peak in, a man came out and asked if we might be interested in testing the ride. It was almost finished. We leaped at the chance. We took the ride, and being clever, said we needed another ride to be sure about our one comment. Off again we went. When we finished, we told the engineers that they should add one more waterfall at the entrance to the final room. We told them what a rush we got from the first one, but once our hearts slowed down, as fabulous as the overall ride was, our pulses weren't racing. Add a second waterfall and everyone will come out buzzing.

They did so. That ride was "Pirates of the Caribbean," and I love to boast that I was the first to ride on it.

*Q: Speaking of San Francisco in those days, coming from your background, I would think even dipping into this scene, which was, I mean this was 'hippie Dom' personified at the time. You had to be really kind of shocked.*

LAROCCO: To me this was absolutely like going to another planet, but it was exciting and it was fascinating. It was interesting to go to late night places and hear them debating issues of the day. I found it extremely interesting. I really enjoyed it. I wasn't part of it and I didn't try to be part of it. I didn't want to be part of it. I had short hair. I dressed conservatively, never got into that culture at all but I found it absolutely fascinating to hear their points of view.

I remained pretty much conservative the whole time. Of course, at the same time, I was also very socially aware of the transitions in our country. I supported civil rights and the movement for more freedoms throughout the 60s. As for the war, I took no stand despite the West Coast culture that was growing vehemently anti-war. In fact, I joined Air Force ROTC in college, but dropped out when told I could not become a pilot. My roommate stayed in ROTC, and eventually became a pilot in the Air Force.

*Q: How did your neighborhood react to '68 and the convention and all?*

LAROCCO: '68, the convention? Not well. It was the summer of '68; I was back in Chicago and working in the post office. \$4.50 per hour. How cool is that in 1968? As I said, I always somehow found ways to support myself. My fellow workers vilified the young demonstrators in Grant Park. They looked at me suspiciously. After all, I was that college kid going to school on the West Coast. It was as if I was a traitor to Chicago. I kept my mouth shut and just did my job. It was a very difficult summer. You could feel the tension in the air. In those days, we called it a "generation gap," but I don't think that term captured what was really behind the tensions from coast to coast.

*Q: The police were not very nice.*

LAROCCO: The people in our neighborhood, even though they did not understand or did not like the Vietnam War, still found the behavior of the young demonstrators unacceptable. It crossed the line. And while they were shocked at the police response to the rioting, they did not waver in their support of the policemen. It had to be done. That was the attitude.

*Q: Well, hair was very important. Were you wearing short hair?*

LAROCCO: Yes, I had short hair.

*Q: Were you there during the '68 convention?*

LAROCCO: In Chicago, yes, but I did not go downtown. I was working. Being a mailman can be quite exhausting in the summer heat and I watched in on TV like most Americans. Of course, to the demonstrators, "the whole world was watching."

Let's fast forward a bit. The week before my graduation in 1970, the National Guard killing at Kent State took place. I joined others in wearing a white armband, took a white handkerchief and wrapped it around my gown. This was very controversial. My parents came all the way out from Chicago, went to the graduation, never said a word about my white armband but some parents were really livid with their sons or daughters who did that. Some refused to even attend their kids' graduation ceremony. Our commencement speaker was Buzz Aldrin, who electrified us with his stories of going to the Moon.

Johns Hopkins School of Advanced International Studies, 1970-72

*Today is March 16, 2011. We got to 1970. You had finished college...*

LAROCCO: In 1970 I was at the University of Portland. I graduated Maxima cum Laude with a 3.8 GPA. On the basis of a recommendation from one of my professors, I had applied to Johns Hopkins SAIS here in Washington for graduate school, not believing I had any chance at all coming from a teeny, non-elite, far west, Catholic college. So you can imagine my shock when I opened a letter from SAIS informing me that I was accepted with a full fellowship. The second part – the fellowship – was such a pleasant surprise because SAIS tuition back then was \$4500 per year. That may seem paltry by today's prices, but back then, it was a lot of money. And room and board was on top of that.

I suspected that I filled some quota. They perhaps were seeking, for the sake of "diversity," a token person from a small Catholic college out West, so I probably punched a bunch of tickets for them. There were perhaps one or two others from the west coast, and I don't recall meeting anyone else from Chicago. The SAIS student body was overwhelmingly east coast and foreign students. As far as I was concerned, they were all aliens.

I found a room, living upstairs in the house of a World Bank lawyer on Wyoming Avenue between 18<sup>th</sup> and 19<sup>th</sup> streets, NW. In those days, that was on the border of rough area of DC, affected by the riots following the assassination of Martin Luther King just a few years earlier. The lawyer and his Dutch wife wanted to provide cheap housing to a student, as well as having another man around the house. I only paid \$30 per month, and it was just a ten-minute walk from there to SAIS on Mass Ave.

I recall those first few weeks at SAIS. Once again, I was faced with an alien culture. I was scared to death at what I expected to be knowledge and wisdom flowing from those Ivy Leaguers who dominated the American student population at SAIS back then. Lo and behold, it wasn't long till I realized that I actually knew a lot more than they did.

*Q: Describe the school and sort of the spirit and how it was composed at that time.*

LAROCCO: SAIS prides itself as being among if not the premier grad school for international relations. It followed a European model in those days, in which you go for two years for a master's degree and you finish up with what is called a comprehensive oral exam. You had to pass your courses to be able to reach the point of the final, but then at the end, whether you get your master's degree or not was on the basis of standing in front of a panel of three and getting a thumbs up. In those days, perhaps a third or more of students failed the oral exam. Talk about raising anxiety levels. It is not the American model of quizzes and tests and term papers which combine to determine whether you pass at the end. In this case, it is all down to that one oral exam, so it is an enormous amount of pressure. It was the education equivalent of going "all in" playing Texas Hold 'Em poker.

SAIS had (and still has) an extraordinary faculty. It is a school where there is no amount you can put in that will exceed what you will get out of it, even if you work 24 hours a day. And it was in Washington, so outside the classroom you were immersed in a foreign policy savvy environment. For me, it was a dream come true. Just like in college, the classes were relatively small and it was possible to spend a good deal of time with the resident professors.

But the coursework was so darned difficult and the pressure so intense at the end of two years, I collapsed and was sent to the hospital upon graduation. I assume my system just shut down after months operating on adrenalin. It took me three months to recover.

*Q: This is at the time when we were beginning our withdrawal from Vietnam.*

LAROCCO: Oh, yes.

*Q: What were you getting about Vietnam there?*

LAROCCO: I was studying Latin America, so my interest in the Vietnam War was minimal. But you couldn't avoid it in Washington in those days. I was tear gassed one day walking past DuPont Circle which was swarming with Marines. That was May Day, as you perhaps recall. Every weekend there were marches and demonstrations on the Mall, and I would occasionally go down there just for cost-free entertainment, an opportunity to drink in the atmosphere and witness history. But I was not a demonstrator or activist, and despite the gazillion opportunities to attend discussion groups on the war, parties and rallies, I was too concerned about graduating to divert much from my studies. I do recall going to the National Cathedral to see Indira Gandhi, who I had a chance to chat with. I also recall meeting Bernadette Devlin. I didn't care about Ireland or the problems there, but I will never forget her piercing blue eyes.

*Q: Was there much political activism on at SAIS?*

LAROCCO: No, none at all. SAIS to me, and I suspect to others, particularly those of us that didn't spend one of our two years in Bologna, Italy, was not a college experience. It was work. Very hard work. There was no campus, no student union; about all we had a ping pong table downstairs. Otherwise, you attended your classes, you studied your ass off and you got some sleep.

Most of us were politically conservative, although I was far more socially and morally conservative than others. And keep in mind that we had lots of foreign students. They had their own lives and interests. Many of them came from elite backgrounds in their countries. One of my classmates went from graduation to being Minister of Commerce and Trade in Saudi Arabia. Another became foreign minister in The Gambia. This is a very elite group of people, foreign and American with a handful of us who were from much more humble backgrounds. They weren't quite into African Americans yet at that point; there were only a handful. There were some females, but it was a largely white,

male, elitist group from Ivy League schools or foreigners who were being groomed for high positions in government or business.

I would say perhaps 70% of the school was focused on Europe; that was traditional for SAIS, which was born out of the Atlantic Alliance after WWII. The rest of us had our little world with a handful of professors. We were separate from the European-oriented crowd, and we didn't mind.

*Q: Did any particular professors particularly impress you?*

LAROCCO: I had so many that were outstanding that I hesitate to single out any of them. Each had their strengths, their specializations. We had a former FSO who had been an ambassador in Latin America. SAIS deliberately had a mix of professors, some academic, so with real world experience. My main advisor who was responsible for my from arrival to graduation was a very young, extreme right-wing professor not only would make Ayn Rand blush, but who also believed that you reached the end of the line in your life for innovation by the time you were 32 years old. I never quite understood his reasoning, but he was adamant that his clock was running out. I never embraced this interesting concept despite his repeated exhortations that I better get my mind more engaged because it wouldn't be long before I never would have another original idea.

He was so rigorous in his analysis. Everything had to be empirical. I had to use computers all the time, which was new to me and quite new to everyone. He had these rudimentary computers and endless tapes storing data. I personally thought he was 30 degrees off, but he pushed me relentlessly and I learned far more than I ever would have expected. He always told me I was an idiot and I would never amount to anything, but I had such a thick skin by then I never paid any attention to his rants. With all this in mind, you can imagine my satisfaction when he was in a state of shock that I was among the few awarded "with distinction" honors at graduation. He actually shook my hand, smiling weakly. Of course, he took full credit for this honor. Jerk.

*Q: Who was that?*

LAROCCO: I'd rather not specify.

Then there was another young guy by the name of Charles Freeman, an academic economist, who I think only recently retired. He was brilliant...and nice. A welcome change from my adviser. He believed economics was the be all and end all. It contained the answers to the mystery of life. I mean it is good to have professors like that who really believe in what they do. I learned a lot of economics from him. I was even motivated to take an econometrics course from him. I have no idea how I passed. Perhaps I was a charity case for him.

You were required in those days to do three things at SAIS; everyone had to take economics, you had to have a regional specialty and then thirdly, you had an elective. I took international law as my elective because I thought it was interesting. You had to

have a language. Since I already knew Spanish, I didn't have to take any language courses. That was a blessing. We also had professors who had day jobs in the government and international institutions in Washington. They were practical professors, the ones I loved the most.

*Q: It is one of the great advantages to Washington. George Washington University uses this as well.*

LAROCCO: And so does Georgetown School of Foreign Service.

*Q: What about the computer? Political scientists were beginning to fall in love with the computer which had gone, you know, beyond the realm of reality.*

LAROCCO: As I said, my adviser, a political scientist specializing in Latin America, was all into computers. He said it was nonsense to take the traditional route of scholars on Latin America politics, studying the typical things in Latin America like their constitutions or laws. It is a waste of time because it doesn't really tell you what people think and how they act on what they think. He was obsessed with people's motivations, and I found this actually very fascinating.

It was kind of like a Myers-Briggs framework where he said leaders fall into one of three categories. They are either mission-oriented, meaning they have a mission in their life; could be religious, could be ideological, whatever. They may be program-oriented, meaning they are players. They have to play the game. Then you had those that were people-oriented. They were the best campaigners.

Leaders fall into one of these three categories. For example, Lyndon Johnson was a player, program-oriented. He just loved playing the game.

Actually, there was a fourth, which he said was a "real conservative" who was oriented solely to getting things done, and getting it done efficiently and effectively. In his view, that fourth person is who you really wanted to be in Congress and that person would never choose to be there. They would be chosen because they stood out for their accomplishments. They would be drafted into leadership positions. He said those types are fairly rare in U.S. politics. Hard to argue with that conclusion, especially today.

*Q: I think immediately Herbert Hoover comes to mind.*

LAROCCO: I remember that guy that ran the Olympics in Los Angeles. Peter Ueberroth. May I point out that he too was born in Evanston, Illinois? They drafted him to do it and he ran an incredibly profitable Olympics, which is rare.

*Q: How did you find Bologna?*

LAROCCO: I didn't go to Bologna. I was a Latin American specialist. Half the student body spent one year in Bologna, one year in Washington. The guy who is in the office

right next to us, Andrew Steinfeld, was a SAIS graduate who did the Bologna program. That whole group went off on a totally different direction; all Europe focused.

*Q: Let's talk a bit about your oral exams. It sounds pretty scary.*

LAROCCO: Very scary. Again, I studied and studied and studied. It just so happened I studied the right topics. I must point out, however, that I was helped by the fact that I decided the whole notion of an intern was completely alien to my Chicago upbringing where I had started working for money at the age of seven. Many of my fellow SAIS students went to CSIS or other think tanks and interned for free, clipping newspapers. Hell if I was going to do that. So I hunted around and I found a very good job in a place called the International Economic Policy Association that paid me six bucks an hour. I could pay my month's rent in a few days of work there.

I actually had a real job there, doing research, reviewing the Congressional Record every day, and even writing studies. I did a survey of Latin America countries of interest to American firms that ran nearly 200 pages. It was well received by our clients. Of course, when I showed it to my adviser, he said, "This is a piece of trash" and threw it in the garbage can.

In the course of my work, among other things, I was tasked to study the Hartke-Burke Bill, which was wending its way through Congress and was of great concern to our member companies. When I went into the exam, the first question I got was from the economics guy. He said, "I would like to kind of mix law and economics here. Have you ever heard of the Hartke-Burke legislation?"

I went on and on and on. He was overwhelmed; they were all overwhelmed. He started taking notes, unheard of in an oral exam. That went on for like half an hour while I was holding forth on this legislation and all its implications. I knocked their socks off.

The SAIS Dean then cut off the discussion, asking the next question: can you cite to us relevant conclusions from the experience of the United Nations' handling of the issue of Cuba? That was from Dean Osgood, the chair of the panel. I had done research on that as well, and I spent the rest of the exam time regaling them with facts and analysis.

I walked out of there feeling really good and within ten minutes they said, "You not only have passed, but you have passed with distinction" which they only give to 15% of the graduates. A lot of people were in the outer area that had not passed. I was supposedly this unwashed person from this tiny school somewhere out west. They were shocked.

I was happy. I got back to my apartment and promptly collapsed. My landlord's wife called an ambulance and I was rushed to the hospital. They told me I had a severe case of mono, but I think I was just plain exhausted. I was discharged after a few days and went back to Chicago to be tended by my mom over the summer months.

*Q: Tell me what happens to the third that don't get a degree. Do they sort of put SAIS failed?*

LAROCCO: I don't know to be honest. I think they get another shot. I am not sure how that works though. This was devastating. Can you imagine doing two years? It is a very, very tough program but it is graduate school. A lot is up to you to pick the right courses. It is not force fed to you. I saw that some of these guys were skating around and just having a good time. They weren't really working as hard. I think that they thought that because they came from these super prestigious schools that they didn't have to work as hard. Quite frankly, it was many of the Ivy Leaguers who failed.

*Q: I think there is a pattern. I am told even at Harvard that it used to be the kids that came from prep schools did very well the first two years and the public school kids were having trouble. They hadn't learned to write and that sort of thing but by the end, it was normally the public school kids who were doing better. There is something about being sort of working class having to get up there and work rather than have it fed to you.*

LAROCCO: People who work, people who have a little bit of humility. I went there scared to death and I was gaga, all these people coming from Ivy League schools. I went to a little Catholic school out on the west coast.

*Q: This would be '72 or so?*

LAROCCO: '72. I spent the summer in Chicago recuperating, and then came back in September to resume working at IEPA. I had been offered a full-time job and gratefully accepted. These were tough economic times, just like now. Maybe worse.

What really stunned me when I got back was that my car was gone. I finally found it. It had been crunched. It had been booted and then crunched. I was not in a great mood, but I plodded on. Then I took the Foreign Service test. I passed it, barely.

*Q: This is the written exam?*

LAROCCO: I passed the written exam. I had some friends in Washington from different places, GW and elsewhere, and two of us took the exam. We both passed. She was a young lady who had earned a master's from the University of Leningrad at age 19, with an IQ off the charts. She passed with a score of 98. I passed with a score of 72. I took a lot of teasing over that. I don't know how it is today, but in those days, if you passed the written, you passed. Your scores were not even known to the oral panel.

We took the oral not long thereafter. I passed; she flunked. I admired the board for not passing her. She simply did not have the interpersonal skills which are so vital to success at every level of the Foreign Service.

*Q: This is very much the pattern. I was on the Board of Examiners and people who are good exam takers usually aren't very good at personal relationships, I mean, expressing themselves.*

*Q: Do you recall any of the questions that were asked during the oral?*

LAROCCO: Yes, I do. I was very fortunate. There were two sets of questions. I applied to be an economics officer, and the first set of questions was about economics and economic issues. I had learned very well at SAIS and in my job at IEPA, so I nailed it.

The second set of questions was about Latin America. The questioner was an FSO who happened to have been in the same town in Chile at the same time I was. We started talking about the beach and the bars, and this kind of personal chat was probably all they needed to see that I had my head screwed on right interpersonally.

I was immediately informed that I had passed. I asked where I rank. They said they didn't know; they had many more people to interview.

*Q: '73?*

LAROCCO: '73. They said, "We will call you at a certain point." It will take months to get your security clearance. I had earlier contacted a college buddy, seeing if he would like to spend some time hitchhiking around Europe. He was enthusiastic, so off we went in January.

1973: Travel to Europe and Israel

*Q: Where did you go in Europe?*

LAROCCO: We had friends from college that were in Germany, at Berchtesgaden, that were working for the U.S. military at a ski resort. They said they would put us up for a few weeks. They would get us passes so we could ski for free, and we could eat at the base facilities. It would be cheap and fun. And indeed it was. It had taken a few weeks to get there, as we took Icelandic Air to Luxembourg, the airline and route of choice for travelers on the cheap in those days, and hitchhiked our way through Germany. People were generous with their rides, and they helped us find cheap hostels to stay out.

I also had a friend in the Italian/Austrian border town of Vipiteno. He was a friend from SAIS. He wasn't there, but his parents put us up for two weeks. We went skiing every day and ate wonderfully each evening.

Then we went into Austria, had a lot of fun in Innsbruck and Salzburg, had enough of winter and decided to train down to Venice.

My friend at that point was so sick he went home. I decided to stay. I did my own, personal "Grand Tour" of the artistic treasures of Venice, Florence and Pisa, all

hitchhiking. It cost me almost nothing. Then I came to Rome and stayed there for three weeks. I was in heaven. I met a young French/German couple, archeologists, and they put me in their back of their pint-sized car and drove me to Pompeii, the Amalfi Coast and Paestum, getting me into places only they could go because of their archeological passes. I was sorry to say good bye to them. We had a wonderful ten days together, and once again, it was virtually cost-free for me. In nearly two months in Italy, I spent less than \$100 dollars. It was all pure bohemian living.

While I was in Rome, because I had been told to check in from time to time on my status at State, I went to the American Embassy. They said that I was at the stage for a final security clearance interview, and the RSO (regional security officer) could do that. You're in the process of serious consideration for the State Department so come on in." I did my security interview there with the RSO in Rome.

After it was over, I said, "Did I do OK?"

He said that I was sailing through the process since when they went to my neighborhood in Chicago, everyone had been there for a zillion years and knew me from the time I was a young kid. They had more information than they could process, and it was all good. They told me to keep checking in from time to time. It would probably take a few more months before everything was in order.

Israel, 1973: Life on a kibbutz

It was close to Easter. What happened was the dollar collapsed. I was talking with somebody at a youth hostel and he said, "You know, you can get really cheap flights to Israel and there is really high inflation so things are cheap there."

I thought it's close to Easter, so why don't I go there? So I got a cheap flight with a big student discount on Alitalia to Israel and arrived in Israel, got the full shakedown at Lod Airport, slept in the airport that night, and met a couple of guys from Stanford University who were also hitchhiking. We went into Tel Aviv. It was Tel Aviv at its greatest. I remember just total chaos. I remember this big guy, like 6' 4" Stanford football player. He was so upset with the way everybody was pushing and shoving. As we were trying to get on a bus, the shoving angered him to the point that he put his arms across the front doors of the bus. The lady behind him bit him. I thought, OK, welcome to Tel Aviv. We couldn't wait to get out of there.

We decided to go down to Beersheba, Bedouin country. We were there in a youth hostel tent when we were raided by Bedouins or thieves or whatever. Almost all of our stuff was stolen.

We didn't know what to do, so we decided to hitchhike up to Jerusalem. We got to Jerusalem and thought that there must be religious people around who will take care of us. We went to the American Lutheran Church, walked in and threw ourselves at their mercy. They said they were just reading the biblical passage about going out to the

highways and byways and bringing in the flotsam and jetsam of humanity, and lo and behold, here you are: flotsam and jetsam.

They took us to their communal table. We had dinner. They set us up at an Arab youth hostel in the Old City that they paid for, made sure we were fed. My Stanford friends left. I stayed in the old city for about three weeks and I kept going back to the Lutheran place. I got a good tour of Jerusalem, and then I was having lunch at the Lutheran church center there and I met somebody who said, "Hey, I just came out of a kibbutz and they need somebody. Why don't you go up there? They need someone who can work with the cows."

So I hitchhiked up there, got to the kibbutz and said, "I am here to work with the cows." Normally, you had to go through a very structured program to work on a kibbutz but they said, "Really? What do you know about cows?"

I said, "I am from the Midwest of the United States." Of course, the only cows I had ever seen were stuffed ones in the farm exhibit at the Science and Industry museum. But they didn't know that. hey let me stay on the kibbutz and I stayed for almost six months. I loved it. It was very hard work. I had to get up at 5. We had to milk the cows. We milked the cows three times a day; 6, 12 and 6.

*Q: Did you hand milk them?*

LAROCCO: With the equipment. We had to clean them off, we had to put them on and then after that we had to feed them. First you cleaned them, and then you milk them. Got a lot of milk in the morning and then you took them back to their pen. It was a long work day, feeding, spreading hay, cleaning the cows, helping with births, with the vet, lots of very hard physical labor. I really enjoyed it, got in the best physical shape of my life, lost a lot of weight. I was thin, wiry, and black as coal from the sun.

Occasionally, I was asked to do other things on the kibbutz, when it was time to harvest potatoes or pick apples or apricots. It was an idyllic existence with wonderful personal relationships. Since I was a musician and there were no musicians there, I also provided entertainment at special events.

They really wanted me to stay and get married and they indeed had some gorgeous girls on the kibbutz, but I simply could not imagine spending my life there. Among other things, the kibbutz was a pure communist one.

As a pure, communist system, they took the children when they were two weeks old away from their parents and put them in a communal place. Their parents could only visit them on occasions. I really learned in watching this system why it doesn't work, because as soon as the kids get to be 16 or 17, they don't want any part of this. They all wanted to leave. And the guy I was working with was an Argentine and he was 33 years old. He said, "Jim, your and my work supports about 50% of this place and I get nothing out of it.

It is each according to his needs. I don't get back anything like what I put in. I am not married so I am just working my tail off for nothing."

So I learned a lesson there. It was a great place to be a little child in many respects as the socialization experience was incomparable. It was also wonderful for the elderly who had all the attention they needed at no cost. But for those from 16 to 60, you were just completely strapped in and were not rewarded for your efforts. Many of the young people, when they had to do their military duty, they would leave and never come back. It was a failing kibbutz. Most other kibbutz communities at the time were converting to a mixed economic model out of necessity. Ours – Lahavot Haviva – was not.

I had so many opportunities to truly be immersed in Israel and its people. Some of my fondest memories are of travels around that beautiful country, whether nearby the kibbutz, camping on the beach at Caesarea, going there after a storm and picking up Roman artifacts that washed ashore, swimming in the ancient Roman pools at Gan Hashlosha, marching around the walls of Jerusalem during Israel's 25<sup>th</sup> anniversary celebrations.

Perhaps my favorite memory was piling into a beat up kibbutz truck and traveling all the way to Sharm Al-Sheikh, at the southern tip of the Sinai Peninsula. The beaches at Nuweiba and Dahab were pristine in those days, not a single building or hut or anything. Dahab in particular was the most beautiful beach I had ever seen. Even Sharm was small fishing village.

Thirty years later, when I was Director General of the MFO, I would visit again all these places, sad to see the massive tourist development overrun the beautiful beaches. I also recall meeting Israeli foreign minister Tzipi Livni on one of my visits to Israel as Director General. She had also visited the Sinai as a young person in those days before the Israeli withdrawal. It was a unique experience that can never come again.

In July I was contacted by the American Embassy in Tel Aviv and they said, "Come on down."

I said, "What's this about?"

They said, "Come on down."

So I went to the American Embassy in Tel Aviv, a forbidding building in those days in one of the most run down areas of the city. Crime nearby was a problem, and I must say that the transvestite hookers lined up on the sidewalk near the embassy did not add to the image of the most visible daily symbol of the United States of America.

I was escorted to the admin office, and they told me, "You have been invited to join the class of the Foreign Service that starts in two weeks."

I said, "I am having too good a time. If I say no, does this mean I will never get in?"

They said, “Well, there’s another class in October, but you might not get a call. You’re taking a chance.”

So I thought, oh, God. I probably threw away my career and everything but I was enjoying an unforgettable experience, and my place in the kibbutz made me more welcome than I have ever felt. I wanted to do more. I wasn’t ready to step away from this Brigadoon.

Fortunately, for a variety of reasons, I did have another call in early September. War clouds were forming, so I did not hesitate to accept the offer.

Foreign Service Orientation, October, 1973: the first entry class with open assignments

So I left Israel on the 26<sup>th</sup> of September, a short time before the ’73 war erupted. They wanted to swear in our incoming class before the end of the fiscal year, so I was sworn in on September 30, 1973, with our class beginning immediately thereafter.

Since I had come back to Washington straight from the kibbutz, I was by far the strangest looking person in our class. I was skin and bones, black as black can be from working outdoors and with hair down to my shoulders. All I had was a cheap polyester suit. All 31 of my classmates were prim and proper including a person who is still in the Foreign Service, more than 40 years after we were sworn in. She was Anne Woods (now Patterson), an absolutely charming, petite southern young lady, a true steel Magnolia. Both of us came in as econ officers, but you must imagine the contrast of the images of her and me: she looking like a Botticelli Madonna, blonde, fair, Dondi-like oversized, piercing eyes; me looking like a Donatello John the Baptist, near black from the sun, swarthy, hair down to my shoulders, mustache, with a cheap, brown polyester suit subbing for John’s hair shirt. I’m sure everyone wondered whom the cat dragged in.

I eventually cut off all my hair, the blackness and swarthinness faded, the mustache was shaved and a decent suit bought. No more the cowman. Now a wannabe diplomat. My 9 months of idyllic existence in Europe and Israel had come to an end. A new life was beginning.

*Q: What number class were you in?*

LAROCCO: I believe it was the 33<sup>rd</sup>, but I would have to look it up. I kept the class book we were given on the first day, but it’s buried in my attic somewhere.

*Q: How did you find the training?*

LAROCCO: We were an experimental group. We were the first group that was subject to open assignments. We had no idea what this meant; they didn’t know either. Midway through the A-100 course, as the orientation course is known, we were all given a 60-page list of assignments. Hard copy, of course, in those days. We had no idea what the

State-speak and all the symbols meant. We had no idea what was a good assignment for a career path. We had no idea what were “good” posts and “bad” posts. We could not tap into the invaluable tool we all know as corridor gossip or the grapevine. The Department wisely jettisoned open assignments for first tour officers some years later.

The training itself was useful and I was assigned a mentor, Bob Gelbard who went on to become one of the most senior economic officers in the Foreign Service. He was truly helpful guiding me. I learned much more from him than I did from the course.

*Q: How did a mentor work?*

LAROCCO: You would meet with your mentor periodically during the six weeks of the entry course and ask him or her any questions for guidance. If you were lucky, they would provide unsolicited guidance. In my case, Bob provided me lots of advice on how to become a successful econ officer.

Most of the jobs on the open assignments list were consular jobs overseas. We were an interesting group because we were 32 people. There were eight consular, eight econ, eight political, and eight admin officers, so we were a balanced group.

Staff Assistant, Congressional Relations Office, 1973

I have always been a planner, keen on working the system, and I decided I was going to see if this was possible in the Foreign Service. I wanted to get the best exposure I could to what the State Department was all about. I combed through the list and noticed that one of the jobs available was staff assistant in the Congressional Relations office, a 7<sup>th</sup> floor office in those days. I thought that would be really interesting, because I would get to know the sixth and seventh floors well, giving me insights that other officers may not get for many, many years, if ever. I also would get insights regarding State and The Hill.

Henry Kissinger and the 7<sup>th</sup> floor leadership at State

I got that job. Of course, you wouldn't be able to do that with directed assignments now. It turned out to be a perfect first assignment. This was when Henry Kissinger was the secretary of state, so I had a lot to do with his office and Larry Eagleburger's, since both spent considerable time working the Hill. Henry was a master at giving members of Congress what they wanted, while dealing just as masterfully to get what he wanted.

I will never forget the time that in the absence of our Assistant Secretary and his deputy, I was called upon to escort Secretary Kissinger to a reception for Congressman Wayne Hays and friends on the 8<sup>th</sup> floor. Hays had repeatedly thrown monkey wrenches into the wheels of State, and Kissinger was determined to get the congressman on our side. He understood how valuable his hosting a reception just for the congressman would be. I went to the Secretary's outer office and could hear him raging against some hapless aide who had failed to brief him to his standard of satisfaction. He was throwing papers around, spitting fire. Kissinger was finally extricated from this situation, and was still

raging as we rode up together in the elevator. When the elevator opened, there was an instant transformation: anger turned to charm, Kissingerian eye contact, like a tractor beam, pulled all the guests into his vortex. He was truly a master diplomat.

We had in some respects the most sensitive files in the Dept.: dealings with members of Congress and their staff and plenty of background information. We never let anyone except the principals look at these files. They were carefully safeguarded. In addition, we got to see highly classified material limited to Congressional leadership and certain committee members.

I recall a particularly ground breaking request to the congress: \$2.1 billion assistance to Israel in the aftermath of the '73 war. This was a lot of money at a time when our economy was struggling. Henry was able to sell it and use these funds as a tool in his diplomacy that led to Israeli disengagement from the Sinai and ultimately to Egyptian-Israeli peace. Kissinger never gave away something for nothing. There was always a price. And he never sought false results. He had a clear, long-term strategic vision and never lost sight of it.

The guy who was often on my case was the executive secretary of state, Jerry Bremer. He was as tireless as he was meticulous, making sure everything the Secretary wanted was done well and on time. No one ever had a more demanding boss than Jerry did. I got to work with many incredible people. Every day I had to give a congressional report to each of the seventh floor officers. Ed Djerejian, the young guy handling the Middle East in the Undersecretary of Political Affairs office, to whom I would later become the DCM, was so gracious to me, as he was twenty years later. I was able to meet a wide swath of up-and-coming mid-grade officers that would go on and leave lasting marks on our policy, the institution of the State Dept., and in some cases, my career.

I was a gopher, but the ability to go anywhere on the 6<sup>th</sup> and 7<sup>th</sup> floors provided me with insights at the pinnacle of State's role as leader on foreign policy. That time would never come again during my forty years of service; there would be no one to match Henry Kissinger's global vision, ability to translate that vision into policy and strategies, and the most important asset of all: carrying out those policies and strategies on the ground. Both our allies and our friends knew where we were going, and this brought comfort to our friends, no comfort to our enemies.

*Q: Talk a bit about what you did.*

LAROCCO: First thing in the morning, I would prepare a congressional summary for the 7<sup>th</sup> floor principals signed by the assistant secretary. I had to be in by 6:30am to get this done. This daily summary provided a quick review of what happened the day before, what was hot on the Hill that day, and what lay ahead. It was only a page or so. This was the kind of memo that over the decades became increasingly sought as our top officials, pressed for time, wanted as much as possible material compressed for quick reading.

I would distribute it to all the seventh floor officers by hand, which provided me with an opportunity to get to know and to chat with so many key aides. I would then have to put together meeting memos. That was another super priority early in the morning. This gave me an opportunity to work closely with and get to know the working of the State Secretariat, known as “The Line”, a leftover name from its days when it was in fact a line of desks in the Old Executive Office Building. I honed my skills at working “The Line,” and will never forget how understanding a young leader there, Re Brazeal, was in helping me to move our memos quickly up to the ever impatient Mr. Bremer. Once again, I was able to meet a whole range of super achieving, mid grade officers who would later rise to the upper levels of the Department.

*Q: The secretariat and the line is normally a place where the really up and coming officers are selected and go through that process.*

LAROCCO: Yes. I also really got to know how the State Department processes information and translates this information into action. This was the beginning of my career long dedication to “cracking the code” of the State Department. It wasn’t simply looking at how things were done. It required knowing the history of each bureau, each 7<sup>th</sup> floor office, and each component of those directly serving the Secretary. I am probably one of the few people who really know what all the single letters of the State Department mean and who/what they stand for. H is the symbol for Congressional Relations, for example. What does that stand for? Probably few know anymore.

*Q: What does it stand for?*

LAROCCO: What it doesn’t stand for is the Hill. In fact, it was given the H symbol to honor Brooks Hayes, who was an assistant secretary of state for Congressional Relations more than 50 years ago.

*Q: I thought it did but it is like T stands for, I can’t think of his name now.*

LAROCCO: And R. R is the most esoteric of all. T, Security Assistance, was named for Curtis Tarr and goes way, way back. Few people know what R stands for. R is Public Diplomacy. But why the letter R? I will keep people guessing on this one. No prize for a correct guess, but I hope this motivates a young officer to dig into State’s history.

My daily work requirements in H including going through all the reporting cables that came in from around the world, which in those days wasn’t anything like now. I didn’t have to go through any of the administrative or consular cables, but I had a pile of perhaps 800 substantive reporting cables a day to go through. I had to pick out the most important dozen of these for those in our office to review, highlighting key points.

For me this was a gold mine. I got to read the writings of Daniel Patrick Moynihan, which would just make you cry. These cables were just so beautifully written. And there were others like Richard Parker, which made you feel you were sitting with him as he spoke to a foreign leader or were watching an event along with him. I’m afraid that those

skills have largely disappeared in the Service as short, punchy reporting messages are prized.

In addition to that I would handle all the phone calls related to anything. People would call in with amazing questions. My favorite one that I will never forget was this lady calling in from New Orleans who said, "I understand we have about 90 embassies."

I said, "Yes."

"Well, I understand we don't have any here in America."

I said, "Well, no. We don't. Other countries have embassies here."

"This is outrageous. We should have an embassy here in New Orleans."

Building in anger, she added, "Why is taxpayers' hard earned money going overseas for these damned embassies when they should be here?" I listened politely, advising her to write her congressional representative with her concern. I had a number of calls like this to handle. It taught me to be a good listener, respectful of all for their views.

Then in addition I used to work with our legislative management officers (LMO) who were on the Hill constantly representing State's interests and priorities. Of course, we couldn't possibly call them "lobbyists." There were simply there to provide information, clarification. And if you believe that, I have a bridge to sell you.

Bill Richardson, Legislative Management Officer

There was one young guy serving as an LMO who I found particularly fun to talk to, and he would always take the time to chat with me, which I appreciated. One day, out of the blue, he said to me, "I am going to run for congress."

I said, "Really? How are you going to do that?"

He said, and while I put this in quotes, I do so with the full disclosure that I am reconstructing his words as best as I can recall, "My mother was Mexican so I am half Hispanic. He spread out a map in front of me. Here are districts in the southwest. I believe I have found a district in New Mexico which has an old, tired congressman who has outlived his time. He keeps getting re-elected, so it is a safe Democratic seat, but he doesn't seem to have the stamina to campaigning any more. I will challenge him."

How would he do this? I asked. He said he would walk every square inch of that district, introducing himself and winning hearts, minds and votes.

I said, "Do you really think this will work?"

He said, "I think so. At least, it's worth a try."

He did walk that district, and he won. His name is was Bill Richardson. A lot of people don't know that he was there at the State Department as one of a number of legislative management officers back in 1973 – '74. Then he went on and became the Bill Richardson who was so influential in politics, governance and foreign policy.

H in those days was a fun office. We often stayed till the wee hours because so much Hill work was done late. To my knowledge, we were the only office at State that had a fully stocked wet bar. And I mean fully stocked.

These late hours are when I learned so much about how the seventh floor operated. Larry Eagleburger enjoyed strolling down to our place for a nightcap and chat. How that man survived as Kissinger's right hand without totally losing his mind is a tale in itself, but I know he used his time with us to decompress after his normal, pressure cooker days. Gossip flowed freely, and so did some very serious discussion. I absorbed every bit of it, almost always from my desk (no drinks for me...ever) with my ear cocked in their direction. It was a priceless education – from masters at their tradecraft.

*Q: Was this the time of Brooke Hayes?*

LAROCCO: No, Brooke Hayes was much earlier. Marshall Green was our secretary of state when I first arrived and then Linwood Holton, who had been a former governor of Virginia. He was a wonderful southern gentleman. This was when Virginians were still true sons of the south. I found him charming and polite, but also determined.

*Q: How did you find Marshall Green?*

LAROCCO: I really found it difficult to work with him. I never connected with him. He seemed so official and officious and I couldn't figure out where he was going with the office. He was there I think before Henry so I don't know if he had a relationship with him.

Kissinger and State relations with Congress

*Q: Over time there has been a major problem with our relationship with Congress in that the general tone is that we don't respond. Most congressmen think of Foreign Service officers as being people from a fancy social class who look down upon them. It is what you are saying right now.*

LAROCCO: Yes, I am. It was definitely true, because I experienced it myself when I was a congressional fellow a number of years later. Yes, I think there was eliteness and snobbiness that led to a well-deserved reputation of the State Department. Henry Kissinger wasn't that way and Larry Eagleburger wasn't that way. This was a golden period in our relations with Congress because they were not into that culture at all. Kissinger was elite in his own way, but he earned it through his record of intellectual and practical achievement.

Kissinger, his deputies and our staff handled the Hill. I recall that most of the rest of the State Department in those days were really not allowed to deal with Congress. If they got calls from Congress, they were required to refer them to us. If a response from the Department was called for, we would task the relevant office with a three-day deadline. That was another headache for me: ensuring offices throughout State met the deadline with a well-written, responsive product.

Our technology in those days was very primitive. We were still using vacuum tubes to send memos back and forth between communications centers in each bureau. Can you imagine that? In 1974?

I recall that one of my most exasperating but funny experiences regarding letters to Congress involved an office that drafted a letter, which always went out under the signature of either our assistant secretary or the Secretary himself, that contained the words “in vane”, which I thought must be a typo. I sent it back to the office, requesting that this be corrected, and they sent me back a clean copy with the words “in vein.” Their “human spell check” obviously was malfunctioning. We all got a good laugh out of this one.

State Department policy has gone back and forth about who can talk to Congress. During some periods, it has been the other extreme; everybody, go up there and work with them. Then something happens, and it’s reversed: no, don’t talk to the Hill.

How the “real system” works at State

*Q: How did you find the staff assistant running around trying to get people to respond to what needed to be done? Sometimes this can be a real problem because the staff assistant can absorb the assumed authority of the person for whom they are talking and can make themselves very unpopular and not overly effective. Did you, were you aware of this chemistry?*

LAROCCO: I really went out of my way to find out what people needed, when they needed it and how to work the system. Learning that was valuable, but I loved it. I just loved it. My whole career I have always liked to game the system. There is “the system” and then there is “the real system” under which I believe you can do almost anything. I was determined to figure out what that real system is. I thought I was, quite frankly, pretty effective and trustworthy in being able to hold off a pressing Jerry Bremer and the seventh floor. Where’s that memo? Where’s that memo?

It’s all about individual personalities and the trust one builds with them. It was not difficult to determine those 10 percent in any office who got things done, who had the ideas, who moved the ideas, who made things happen. Once you pinpointed them, sat with them, walked in their shoes, got to know what they needed, made yourself useful, you earned their trust. After that, one phone call could move the bureaucracy.

It was an awesome power that many never took the time to understand, much less to take advantage of. I saw countless memos from various bureaus never get considered in a timely manner, if at all, because they did not understand the real system, they did not understand the importance of relationships, they did not understand how essential it was to build networks of influence, networks of trust, networks of action.

If you had a substantive briefing memo that you had to get out of a regional bureau, The drafters would often ignore what we asked for and instead list those issues that needed to be addressed of their interest. It was painful. Just answer the request, please. It took lots of tact, diplomacy and perseverance to get a useful product. I thought I was pretty good at that and also pretty good at lining up clearances without them sitting on it for any length of time.

It took me a while to figure out how to do that to gain people's trust and who would be the person to say sign it off for us. Some people wouldn't, so I'd go around them. Some would say I've got to see this thing and run it by 20 people. I didn't have time for that so I would find out who in each bureau I could go to that would sign off quickly after a cursory look to see there was nothing egregious. But I figured out quickly who the "wordsmiths" were, avoiding them like the plague. They are the curse of the Department.

I must say I was very faithful. I was very careful that information did not go upstairs or to a congressional office that was in any way misleading, incomplete or not targeted to the needs of the end user. I kind of sized up people as to their experience, their knowledge and their decisiveness and not everybody in the State Department is very decisive. When you have a short term fuse, as we often did on memos, you just had to figure that out. It is still true today. The short term fuses on memos are just as common today as 40 years ago. I doubt it will ever change.

*Q: This is the time you are talking about getting involved with support for Israel and all. Did you feel that your time in Israel made you look sort of somewhat distantly toward the people who were advocating the Arab side of things?*

LAROCCO: No. On the Israeli issue, quite frankly, that was Henry Kissinger. We had no input on that at all on the congressional side other than to say what we thought was how Congress would handle it. As for me, I had had some exposure to West Bank Arabs, but not enough to say I knew anything about the Arab mindset. I did not know the Arab community much at all. Our kibbutz was right on the border of the West Bank and the Arab kids would come over and play basketball with us. There was no fence, no nothing. We would go over to parties in the Arab village and stuff like that. I thought they were wonderful people, but I knew little of the politics in those days.

I left Israel liking the Arabs and liking the Israelis. I liked them both and that's been my feeling throughout my whole career. Just like people in the region tend to like Americans but are not always enamored of our policies, I think the same of Arabs and Israelis. I will always, empathize, but never sympathize. I always have and always will put America's

interests first and last. I have absolutely nothing but warmth and affection for all the peoples of the Middle East. I do think that it is so sad now because if you go back to the kibbutz, there's a fence that separates the two peoples. The interaction we had is gone.

*Q: There was a movie, the Lemon Tree, an interesting one showing the wall going up and what happens.*

LAROCCO: Our kibbutz was poor. In the village next to us, the Arabs were much richer than we were on this communist kibbutz and they would provide some of the technical expertise that we didn't have. Their farms were much more modern and far more profitable. It is hard to imagine now that the village, Baqa al-Gharbiya, was richer than we were in Israel. They had cars; we really didn't have cars, except obviously communal owned, crappy little things. That was the reality then.

Jeddah, Saudi Arabia, 1975-1977: U.S.-Saudi relations expand dramatically

*Q: Your time in the upper reaches of the State Department, your first tour, did you look towards what you wanted to do? Still Latin America?*

LAROCCO: Yes, that is what I wanted to do as my next assignment. What happened to change my outlook, and I will never forget this, is that I was called to meet an ambassador who was in personnel assignments. His name was Joe Twinam. He passed away many years ago. He had been ambassador in the Gulf, I think Bahrain. I was stunned. Why would an ambassador want to see me? I went down to see him and he said, "Jim, we need you in Saudi Arabia."

I said, "Saudi Arabia?" I thought, geez, sounds awful.

He said, "We really need you with your economics background. We know you are a Latin American specialist, but look: Oil prices have gone up. We have a small presence there. We've got to start building. Things are happening super fast. Money is flowing in there. We need to get business, we need to get reporting. We need to do all this. We will give you ten months of Arabic and then send you out there to be Commercial Attaché, running our nationwide commercial program."

It's hard as a junior officer not to respond to an ambassador who says you are needed. I thought, how can I say no? It is a whole new world but an ambassador wants me, which I never forgot because later on when I became an ambassador and then PDAS, I would personally call on people and say we need you in Iraq. We need you in Saudi Arabia. We need you in Yemen. The lowest number of bids are in the Middle East, always has been. The Near East Bureau always had to reach out to people. I didn't invent that. This goes way, way back and I never forgot that. You get a young officer and you say you need him. What an impact that has and it had it on me. So I said, "Sure." I thought, well, I'll put Latin America aside for a while.

So that's what happened. I did my year in Congressional Relations and then went off to the old FSI over there in Rosslyn and took ten months of Arabic and then headed to Saudi Arabia with barely enough language ability to understand and be understood.

*Q: How did you find Arabic?*

LAROCCO: Fascinating, obviously very difficult. I didn't think it was taught very well. It was just a strange language. I was absolutely delighted. One of the nice things about Arabic is you look at these squiggles and think "I will never learn that." You learn those squiggles in less than a week so that really boosts your morale. Then the problem is what you do with it. In ten months we could barely communicate, after ten months of some very, very hard work.

In those days, there wasn't a hell of a lot of English in Saudi Arabia. I was actually thrown into situations where I was expected to do translations back and forth with ten months of Arabic. It was brutal and I am sure I crucified it in both languages. We had a very small mission in Jeddah and an enormous amount of work to do.

As the commercial attaché, I wasn't even in the embassy. I was in downtown Jeddah, the only American. When they say no man is an island, they weren't thinking of me.

*Q: The port city?*

LAROCCO: The port city. A city described by Lawrence when he arrived there sixty years before as smelling like a gym locker that hadn't been opened for a hundred years. It wasn't a pretty place. I had a ground floor office that opened directly to the street in the Jeddah Palace Hotel. There were Yemenis and other workers who slept on our sidewalk. We would shoo them away every morning.

Before I go on, let me clarify to some who may be confused by the spelling I use for Jeddah. Back in 1975, we transliterated the Arabic to Jidda. To be frank, I think that's a better phonetic transliteration than Jeddah. I have no idea who the language gurus were who decided to change it. In any case, it's the same city on the Red Sea.

First year in Jeddah: Commercial Attaché

I had a pretty large staff of locally hired employees. No Saudis. Mostly South Asians. I was really happy because I always wanted to manage as quickly as I could in the Foreign Service.

In Jeddah, I had the responsibility to manage a budget, a staff, an operation and I would often have 12 or 13 businessmen waiting to see me outside the office every morning. Saudi Arabia was booming, and we used to say that the cheapest thing there was money. And I was a first tour junior officer. It was a heady experience indeed.

It was a good education. It was tough. I am sure I made a million mistakes. There was nobody there to guide me. I was the one and only American at this commercial office. I was really on my own. There was a commercial counselor, but he was on his retirement tour and he sat in the embassy. I rarely saw him. To be honest, that was fine with me.

I was particularly proud when I did all the preparations for a trade mission from the U.S. that recorded more business on that one trip than any other trade mission in history up to that time: \$83 million. After this blockbuster mission, they realized that they needed a veteran commercial officer out there, so they sent out someone from what was the budding foreign commercial service. He was truly experienced officer and turned my makeshift operation into a real commercial office. Larry Jensen was his name, and I will never forget how gracious he was to me. They established a new commercial office across from the embassy, which was out of town in those days on Palestine Road. That compound is still there, with very few changes in the main building from my time nearly 40 years earlier. It's now as a consulate, as the embassy long ago moved to Riyadh.

#### Second year in Jeddah: Economic Officer

My second year in Jeddah, I was an econ officer, which is what I really wanted to do because of my academic background. I had several experienced bosses who had me on a very long leash. They allowed me to explore Saudi Arabia, writing reports on cities and sites few Americans had ever visited. They had the foresight to understand that Saudi Arabia's future was going to require major expansion throughout the country, providing American business with multi-billion dollar opportunities.

A sidelight to all this was that because of the economic boom, there was little available housing, so I was a nomad, house-sitting for people on leave. For a while, I was put in an apartment building that housed stewardesses for TWA. I never got full time housing till late in my assignment. But I was single, I was busy and I didn't really care.

Of course, frequent illness was common in those days in many parts of the region, and Jeddah was no exception. We all came down with "the Jeddah jitters" more often than we would like. We were given all kinds of shots for our protection, some of which are no longer advised. We also were provided with lomotil for frequent use. And, strange as it now sounds, we had salt tablet dispensers throughout the embassy compound.

My worst case of the Jeddah jitters happened when I was house-sitting. I was in desperate straits, barely able to crawl to the bathroom. I managed to make it there. I pulled myself up, opened the medicine cabinet, and there was nothing there. Who were these people? I then glanced over to a side table and noticed a book by Mary Baker Eddy. Just my luck: Christian Scientists!

Tales of "the old Foreign Service" abound for all of us who served in the far reaches of the Arabian Peninsula in those days. I have enough from this one assignment for years of bedtime stories for my grandchildren.

*Q: To get the dates; when did you go to Saudi Arabia and you were there a year doing commercial?*

LAROCCO: I started Arabic in September of '74 and went until June '75, and then I arrived July of '75 in Jeddah. I was the commercial attaché for one year until 1976; then I was the economic officer for 1976 to 1977. I spent the summer of 1976 in Riyadh, which I will talk about later.

Saudi Arabia in 1975

*Q: How did Saudi Arabia strike you when you first went out there?*

LAROCCO: Like being taken somewhere in a time machine. So little in common with U.S. society, norms, values, customs. I had some Saudi friends, but I would consider them acquaintances at best. Saudis were still very uncomfortable around foreigners so it was hard to get a meeting, hard to have a serious conversation with them, hard to ever come to closure on anything. Most of my time, quite frankly, my first year was spent with American business visitors who came in and I would bring in my local staff, none of whom were Saudi. They were Palestinian and Pakistani and other nationalities and we basically had files on companies that we would provide to them. We would give our best recommendations on how to use their time usefully. It was very easy to sell anything at that time because money was falling from the skies. Oil prices had quadrupled and there was so much cash in search of some place to use it or park it. There was no infrastructure outside of the Eastern Province. The streets weren't paved. They were just building everything. It was basically taking a country from the 15<sup>th</sup> century and moving to the 20<sup>th</sup>.

*Q: Something the Saudis appear to have done was basically plowing much of it back into the country.*

LAROCCO: Yes, they were.

*Q: The royal family was doing its thing, but still there was a lot of investment of state money.*

LAROCCO: They were building roads and bridges and schools and hospitals and all the elements of infrastructure aiming for a more modern society. This was a conscious policy, a clear vision. They were bringing in the expatriate labor that would do it. Again these were people who were in a society that was very backward in terms of its position in the world. Bedouin habits and mores reigned. They were determined to end the nomadic way of life for many of their population, bring them into urban life, educate them and move forward.

I recall one failed effort that I was able to see first-hand. In the middle of the desert in northern Saudi, a city was built to house Bedouins. It looked like Emerald City. So many houses. A full service city, ready for inhabitants. The Bedouins were brought to the city.

Rather than move into the houses, they put their animals in them. They chose to continue to live in tents outside the homes.

On the other hand, almost the entire cabinet had PhDs, mostly from U.S. universities, but some from the UK or Cairo. You had a very thin veneer at the top of technically qualified people and you had a leadership that understood the politics of spreading the wealth in the country and that was the only way the country was going to hold together. They were a conquering family. They were not a chosen family (as in Kuwait). It was a tribal society that was brought together struggling to cope with so many demands that were unprecedented to their culture. With the utmost respect, they have proven to navigate these challenges with a good degree of success. Nobody expected them to even survive.

I am trying to give you the view when I was there. It seemed like this place was never going to work. How do you take a 15<sup>th</sup> century, incredibly conservative society and bring it to the 20<sup>th</sup> century? It just didn't make any sense to me. I think they have handled it really quite well, very brilliantly.

*Q: I was in Dhahran in the '50s. I was one of the 15 guys or so who climbed the walls of Riyadh.*

LAROCCO: It was a very different culture in Jeddah from either Riyadh or Dhahran. Jeddah was more cosmopolitan because that was the gateway to Mecca. They had been handling foreigners for more than a millennium.

*Q: At that time, ARAMCO had not been completely taken over. They were making concessions and seeing the future where BABCO, the Bahrain petroleum and Qatar and all were fighting changes.*

LAROCCO: I think the Saudis were wise to choose to set up and work with ARAMCO. Again, I think the Saudis handled it all extremely well and were not taken advantage of.

*Q: Were you concerned on the commercial side of fly-by-night American companies coming in to grab money?*

LAROCCO: We had a good number of them. As I said, the opportunities were endless.

*Q: How did you deal with them?*

LAROCCO: As a commercial officer, I was obligated to treat everyone as best as I could with fairness and without bias, and I did. I would give them honest assessments.

Perhaps my most comical but successful handling of a businessman was a guy who was peddling raincoats. Of course, it doesn't rain in Jeddah. Our staff huddled, and we suggested he advertise them as tarps for Bedouin. He sold more than enough to pay for his trip and pocket a tidy profit.

It truly wasn't hard to sell anything. One guy brought in the gaudiest looking plastic fireplace with flashing lights for the hearth. He took orders for dozens.

This was the stuff of Mark Twain tales. You had some of the best businessmen and some of the worst businessmen. But there was a market for everyone and everything. Everyone wanted to be on the gravy train, and the sharp ones left with fat wallets, regardless of the snake oil they were peddling. The Saudis needed everything. They were not sophisticated. The Saudis did buy a lot of junk that was way overpriced.

My job was not to sell anything. My job was to try to marry up American businessmen with potential customers and that's what I did. I was very clear about no corruption, no bribes, and no money for us, not even a free lunch. Of course, there was no place to buy lunch, so there never was that temptation.

It got so bad that I recall an exhausted, harried American businessman stumbling into my office for an interview. I commented that he looked like he had wrestled with an alligator. He said that might have been preferable to his own evening. He finally found a place that would take him for the night. He was told he would have to share the bed. When he crawled into bed, there were two other men already in it. When the fifth guy got in bed, he called it quits, deciding to sleep on the floor. He paid \$100 for that space. That's how crowded Jeddah was in those days and how inadequate the infrastructure was to handle it.

*Q: Well, they had to have sponsors, didn't they?*

LAROCCO: Yes, they did. It was the law.

*Q: So that took care of some of the problem right there, didn't it? In order to get in, somebody had to sponsor them.*

LAROCCO: It was not hard to get a sponsor if you were in business. Some Saudis companies made all their money sponsoring visiting businessmen. They were not interested in being agents to these businessmen, only visit sponsors.

I constantly warned companies about signing up with a Saudi firm as their agent. This was a near irrevocable arrangement, and some of our most reputable firms made bad choices. This cost them dearly, including in some cases, driving them out of the market. went both ways there because you had to have a sponsor and I would warn companies who would contact me in advance to be careful about that because once you had a sponsor, that sponsor basically owned you. For the fly-by-nighters, I didn't care as much. Nor did they. They could get in the country and sell their wares and most of them were there for a one time deal anyway. But for the really reputable American companies, my concern was the other way around: a serious concern that they would either get the wrong partner so they wouldn't be able to sell their goods at all or that they would never be able to get out of a bad marriage. All too often I would see a Saudi sponsor that was going to take advantage of them who is basically out to get their 10% or 20% or whatever. I had quite frankly, more concern about our good companies getting the wrong partners and

that still happens today, all the way till today in that part of the world. It can kill the opportunities or profitability of even the best U.S. and other foreign firms.

When I was ambassador in Kuwait many years later, even that recently, there were some complaints about local agents. The problem at that time was most often related to the fact that an American firm had developed a trusting, honest relationship with the Kuwaiti in charge. But when that Kuwaiti transferred the business to his son, things changed. This was extremely awkward. There often was nothing that could be done.

There were various commercial disputes when I was in Jeddah, but in most cases there was nowhere to take them. You either wrote it off as the cost of doing business or grabbed what you could get and clear out. But let's be clear: there were enormous profits too. The profit from one contract could more than offset a string of losses.

*Q: Trying to mate sharia law with commercial law was not mentioned in the Koran.*

LAROCCO: Yes, and the development of a commercial law was just beginning when I was in Jeddah.

My second year as an econ officer took me in many directions, including my travels around the country doing some pioneering reporting. But I also did a lot of work reporting on the massive mess that was the Jeddah port. At one point, 220 ships were waiting to be off loaded. The line went out over 30 miles outside the port. It was a catastrophe. I spent a lot of time pleading with the Saudi government in Riyadh to have someone, preferably an American company or one of our port authorities to come in get things organized. The Saudis eventually came around, but even then, the massive backlog and the growing demand to bring in more and more goods make it a multi-year task to organize the port. I laid the groundwork, and others finished the job. I consider the movement to upgrade the port facilities, procedures and regulations a major part of my legacy from that assignment in Saudi.

The dismissal of Ambassador Akins

*Q: Who was the ambassador?*

LAROCCO: My first ambassador was Jim Akins, a petroleum specialist. A wonderful guy. Jim was a proud man, dedicated to his mission, who eventually got axed. Henry Kissinger was still secretary of state, and he came to see the Saudi King who was spending the summer as usual in Taif, a hill town not far from Jeddah. I was asked to go up there and work with the advance people because they knew I knew some of the seventh floor staff and their procedures. I did so, and everything seemed to be in order. It came time for the meeting with the King, when Kissinger suddenly surprised us by saying, "I am going in to meet the King alone."

Akins found this unacceptable. Kissinger did not know the King, while Akins had built up enormous trust with him. There was a waiting time, which is usual when someone

sees the King, but then word came to us that the King was indisposed. Maybe the king couldn't see Kissinger after all. Kissinger's blood pressure went up, especially when he realized that this was orchestrated by Jim. Kissinger had been outflanked. He announced that Akins could attend, and the word came back that the King was ready to see them. We knew that Kissinger was mad, but we did not know that he was going to get even.

It was shortly after that that we, including the ambassador himself, learned from a Washington Post article that Akins was recalled. Fired, essentially. Akins called us all into his office and said, "Just so you know." We already knew, and we truly felt badly for him. But he did what he did, and he must have known that this wasn't going to stand.

Some of the embassy staff drafted a cable to Washington protesting the recall. I refused to add my name to the cable. I never believed in these open type actions that would be dead on arrival, and I make this point when I address incoming Junior Officer classes. Take actions that will have results. Just because you believe you are right doesn't mean everyone else will believe so. If you feel passionately about something, find a way to make it happen. Rarely is a two by four over the head the right way to do this. One would think that diplomats of all people would understand this.

Then they brought in "Wild Bill" Porter who had been an ambassador seemingly since the dawn of the Foreign Service. He was a national treasure. Talk about the American dream. He epitomized it. He had started his career in London as a local gate guard. He moved up to become a political advisor and eventually was naturalized. He then moved directly into the Foreign Service. His career was astonishing. When he arrived in Jeddah, he had not only served as an ambassador all over the world for nearly 18 years, but also served as Undersecretary for Political Affairs at State. Why he came to Saudi Arabia, I will never quite understand. He came there and wore his fishing hat with lures attached to it and brought in a Winnebago to drive in the desert. It was like a retirement job. But he was a genius and a wonderful man, one of the best writers I had ever seen. He was like Moynihan or Richard Parker. Reading his messages made you feel like you were in the room with him when he met with the King or other senior officials.

And speaking of great men, I must mention Edward "Skip" Gnehm. But first, let me catch up on what else was happening in my second year. As I noted, I was first commercial attaché in Saudi, then economic officer. I also did serve for several months as a consular officer when our three consular officers got on plane and went home, disgusted with life in Jeddah. Without any training whatsoever, I managed the operation and learned an enormous amount on the job about visas, tourist and immigrant and American services. My most difficult case was an African-American woman arrested and kept in what could only be described as a horse corral. Saudi prisons were truly hellholes in those days, and we did everything we could to get Americans out of there as fast as possible. So, despite my efforts to avoid serving as a consular officer, I did get the experience, which proved useful later in my career.

Tom Pickering's wild ride from Amman to Yemen, 1976

It was during this second year that I had an unforgettable experience I would like to mention. We received a cable from our embassy in Amman that Ambassador Pickering was planning to drive from Amman all the way to Taiz in North Yemen. Would anyone from Embassy Jeddah be interested in joining his caravan? I immediately signed up. Tom had a reputation for being arguably one of the most adventurous of all FSO's, from driving himself at 100 miles per hour through the streets of Amman to taking dangerous journeys on routes few would ever consider. I was also told he even drove home from the embassy in Tel Aviv to his residence in Herzliya over the sand dunes along the coast. I find that tale a tall one, but others swear to it.

I jumped on the caravan of four wheel drive vehicles in Jeddah and could not believe the blistering pace Tom set in the lead car. Nothing daunted his determination to press on, and we would change blown tires sometimes four times a day. We drove those vehicles as if they were dune buggies. He wanted to keep the pace up, so when the Prince of Najran, in southern Saudi Arabia, invited him for tea, he was not inclined to accept. Of course, this was a command performance. It was truly a slice of the old Arabia, but also extremely useful as the road ahead was not only treacherous and mountainous, but also full of bandits. His armed tribesmen accompanied us to the border, and there was a handover there to armed tribesman contacted by the embassy in Sanaa. It was indeed treacherous going, but we finally made it to the capital city of Sanaa.

Talk about a funky embassy. I recall having to bend over to get in the door (which was common in Sanaa...it was easy to lop off someone's head if they were already in the right position, bent over), and I was greeted by a small scorpion inside the door. I was invited to a qat party hosted by a young consular officer, Mark Hambley, and I was quickly introduced to a Yemeni mainstay of its culture. Let me stress here that the use of qat by Americans was not outlawed yet in those days.

After exploring Sanaa, we went to Taiz, then on to the coast, visiting the ancient and historic coastal towns of Mokka (hence the coffee name), Hodeida (an ugly port city) and Al-Jabr. The villages were much more African in appearance than Arabian. Instead of mountains as the challenge, we had the greater challenge of sabkha, a quicksand-like unstable sand along the coast. It was slow going.

My admiration of Ambassador Pickering was profound, and we would cross paths repeatedly in my career, in Cairo when he was involved in negotiations for an agreement on the peaceful uses of nuclear energy and almost every assignment thereafter. I will talk more about him later.

Riyadh, 1976

My fourth job in Saudi was my posting to Riyadh after the one and only FSO up there unexpectedly had to be removed for personal issues. That's what I was told. I was sent up there for three months to hold down the fort and represent U.S. interests in the capital city. I had two villas, two Pontiacs, and all the Betamax tapes I could ever want. But these villas were not air conditioned, so I had to sleep on my desk in front of a wall desert

cooler, which barely spewed out enough cool mist to keep me from expiring. I had two local employees, a Pakistani and a Lebanese. The Lebanese, George Dabbaghi, a refugee from the Lebanese Civil War, was already quite old, but he was a delight. There was absolutely nothing to do in the evenings in Riyadh at that time...no restaurants, only one hotel, no foreign community. We played hours and hours of backgammon every evening as he sipped his beloved Scotch. I actually thought I was getting quite good at the game. He smiled and promptly beat me badly 20 straight games. I was truly humbled, appreciating the high level of skill required to be a backgammon expert.

Edward "Skip" Gnehm

In any case, I slowly but painfully got around Riyadh making many contacts, leaving the post in pretty good shape. Skip Gnehm, designated our first director of what was to be called "The U.S. Liaison Office," came on board and I returned to Jeddah.

Because the ambassador had a good deal of trust in my judgment, he at times looked for my advice on issues related to Riyadh. As you might imagine, this was more than just annoying to Skip, who felt there should be nothing between him and the ambassador. He solved this problem by inviting me up to Riyadh to spend a few days, and we set out in one of the Pontiacs for the desert region north of Riyadh, arriving first in Buraydah, then on to Hail and Artawiyah, the homeland of the Wahhabis. To us, at that time, it was all historical. We foresaw no connection to what this name would mean in the future. He took the time to get to know me personally, and we worked out all our issues. I never forgot the clear management lesson here: take your issues face-to-face and reconcile them. Skip was one of the best managers in the business.

Forecasting Saudi Arabia's future

*Q: You were a junior officer but you've got big ears. You know, you are listening and absorbing this. What was the feeling toward the survivability of the house of Saud in Saudi Arabia?*

LAROCCO: Few gave it more than ten to fifteen years before it would collapse. Faisal spent his last years picking lint off his thobe (his outer garment), Fahd was smart but no role model for his people, and Khalid was a placeholder. That was the feeling. Give these guys ten to fifteen years, they're gone. They cannot cope with the change. There is no way to absorb this wealth, use it wisely, change the way people live and work. I mean driving was so bad that I remember when I first came back to Washington and I was driving to see my sister in Silver Spring. I was driving from downtown, got a rental car, and was going up 16<sup>th</sup> street which becomes Georgia Avenue. I was stopping at green lights to look both directions and almost caused massive traffic accidents. In Saudi in those days, stoplights or stop signs meant nothing. People were driving their big cars in the desert and the car would smash into a rock and they would just leave the car and go away. The huge inflow of cash to this society was truly wrenching and they simply couldn't handle it in an orderly way.

*Q: Who did you look to take over?*

LAROCCO: In those days? I think basically it was assumed there was a technocratic group of people, including some members of the house of Saud, who would essentially overthrow the royal family and establish some kind sort of oligarchical system. The alternative would be a Wahhabi takeover, either driving Saudi back to a medieval existence or becoming a strict Islamic Republic, a Sunni theocratic version of Iran's Shia theocracy. Of course, the Sunni approach is nothing like the Shia. In the Sunni case, it would likely be a tribal arrangement politically with strong religious control over society. We truly could only guess since everything was in such a state of flux.

*Q: There were religious police.*

LAROCCO: The religious police were still around then hitting people with sticks if they didn't close their shops at prayer time or swatting our female personnel if their clothing was considered too revealing. It was a very, very difficult environment to accept. None of us really believed they could make a transition to the 20<sup>th</sup> century.

*Q: Did you feel when you were the economic officer that they were making right choices?*

LAROCCO: No, I didn't. In those days, no. They were scrambling all over the place. This was certainly true in the first year of my assignment. I will tell you what happened. In the first part of my assignment, they were just buying anything that was coming at them. I remember they put in these temporary flyovers all over the place because they were stuck with that old British model of circles that just wasn't working, so they would put in these flyovers that the Belgians would put up in two weeks. They built cheap buildings, relied on room air conditioners only (an incredible market for Carrier A/C units) and wanted only big cars. This, of course, was also great for GM since Ford was boycotted.

There was no quality control at all, so in essence, there was no quality, only quantity.

America's Role in bringing Saudi Arabia's economy to the 20<sup>th</sup> century

The Saudis, however, were honest enough with themselves to understand they needed help. Just as they had turned to Americans for help with the oil business, which you are familiar with, and had turned to us to help them with their National Guard, they turned once again to Americans to help them get on a better path toward economic development.

On the one hand, a noted Harvard economist came to Saudi Arabia and laid out a game plan under which they would essentially "control" oil prices. The idea, as he explained, was that if they allowed oil prices to skyrocket, consumer countries would rapidly develop alternative energies. Instead, if they raised prices gradually, and occasionally let them fall, consumer countries would continue to depend of fossil fuels for decades. I was truly impressed when I heard this presentation, and so were the Saudis. Of course, he was right, and the Saudis were smart enough to heed this advice.

The Saudis then established what was called the “Joint Economic Commission” which was an unprecedented creature run by the U.S. Treasury Department. They were given authority over tens of billions of dollars’ worth of projects to plan, contract out and supervise, primarily using U.S. engineering firms and contractors, ensuring that a variety of development projects proceeded in planned, efficient ways. I marveled at how well the Treasury Department handled this awesome responsibility with professionalism, integrity and respect for their Saudi clients.

Similarly, you had the Army Corps of Engineers that had tens of billions of dollars for other infrastructure projects. I think the Saudis very wisely decided they couldn’t do it without massive corruption and so many mistakes that it would take them down. Between ARAMCO, the Joint Economic Commission run by the Treasury Department and the Army Corps of Engineers, they got a damn good deal out of us, out of the United States. Saudi costs were minimal for the benefits they received from our brainpower, our skills, our experience and years of our R&D. At the same time, it brought excellent business, jobs and experience to American firms.

The ‘70s were truly a golden age for us economically and commercially in Saudi Arabia. The Japanese, Chinese, South Koreans and others had not yet penetrated the market, so we had a near corner on hugely lucrative business. Contrast that with today when we are the laggards in the Saudi market.

This is a story that as far I know has never been told. I am confident in saying that young Saudis today have no clue what we did for their country not only in the defense field, but getting them on the right path for development, including financially. We have much to be proud of in the story of the development and sustained growth of Saudi Arabia.

*Q: As an economic officer, were you looking at the employment of Saudis or the lack thereof?*

LAROCCO: Let’s be clear: The U.S. was doing this because the Saudis couldn’t. I liked it as a commercial officer and an economic officer because the Army Corps, ARAMCO plus the Treasury were all going to look to U.S. firms to do this business.

Yes, but Saudis were not getting the training, not being employed. They were basically getting the benefits and spending the money. In that era, they became professional shoppers. It was very corrosive, and the Saudis are only now addressing this.

*Q: Did the religious side disturb this?*

LAROCCO: I don’t think the religious in those days really figured out what the hell was happening. Sharia law had nothing to do what was going on, and I pointed this out to the Saudis. They had a desperate need for a separate commercial law. They understood this, and did move, albeit slowly, to address this. A lot of this was just so much new and unexpected coming at the religious, but they were benefiting too. Mosques were being

built, religious schools were being built. They were all getting automobiles so they were beneficiaries along with everybody else and they were shopping too. The system looked pretty sweet in those days to the religious side.

*Q: I was there 20 years before and we thought actually probably the Palestinians, because they were the only cohesive, well educated force. They were flying the airplanes and all. There might be sort of a Palestinian, at least cooperative group, with a group of Saudis or something. But we didn't think the house would come down.*

LAROCCO: The thought of them making it to 1985 was almost inconceivable to us with the way the world was changing. The Far East was now starting to come alive.

*Q: In 1975 where did you go?*

LAROCCO: I went to Tunis for language training.

*Q: How was your Arabic? Was it moving at all?*

LAROCCO: I was told that they really could use me in Sri Lanka as an economic officer, but I had invested so much in struggling with Arabic, and I truly enjoyed Arab culture and history that I didn't want to shift yet again. I had a fabulous DCM named Hume Horan and I said, "Hey, I like this culture. I really would like to finish this Arabic. Can you do something for me?"

I have always used patrons my whole career. He loved that when I said that because he was one of the best linguists in the history of the Foreign Service when it came to Arabic.

He said, "Oh, you like this area? OK."

So he put me on a program to learn ten words a day as he was learning ten ways to say everything in Arabic a day. He was more educated in Arabic than 90 percent of Saudis. Wherever he went, they would gather around him to hear him speak. He was that good. And he would draft diplomatic notes in Arabic on the spot.

I said, "I need formal training and I don't have time. I am working my ass off."

So he got me assigned to language training in Tunis without an onward assignment. I went to Tunis. I was thrilled. Once again, this proved to me that you can beat "the system" and steer your own course...with lots of help, of course. Throughout my career I was a big proponent of getting patrons on your side. Hume was one of the first to fill that role for me.

Let me close this chapter on my first overseas tour by touching on a theme important to me throughout my career: understanding the system and working it effectively. This takes time, research, networking and lots of ingenuity. In my job in Jeddah, it was clear from the start that my work was largely unnoticed and certainly not appreciated at State.

## The “real system” at State:” More Insights

Everything I did was closely scrutinized by USDOC, the Department of Commerce, but no one at State was paying any attention to my work. How could I change this? In studying how to overcome this, I discovered that if someone from outside, like a corporate executive, writes a letter to the Secretary of State (not just anyone at the State Department) lauding your work, that letter would be placed in your personnel file, which was reviewed each year by promotion panels. When my American business clients would ask how they could repay me for my services, I would suggest that they get their chief exec to write to The Secretary. Over the course of my year as Commercial Attaché, dozens of letters were sent to the Secretary. This meant that unlike the usual extremely thin file of a first tour officer, my file was as fat if not fatter than an officer who had been in the service a dozen years.

I also learned another interesting point. I received a terrible performance report (in those days called an Officer Efficiency Report – OER) from my supervisor, a last tour officer who had never made it to the senior ranks in 25 years in the service. He was bitter and resented my independence, connections with the ambassador and DCM, and high praise from the Commerce Department. My report was so bad I wondered how I could recover.

I went to the Ambassador for his advice. Bill Porter, who had made it to the top working the system as well as anyone, told me that as Ambassador, he had the right to append a statement to my EER. I had no idea this was possible. He did write a brilliant statement, tearing down completely all the bad points in my EER and forecasting my rise in the ranks rapidly.

Result? I am convinced that this statement plus the many letters must have truly impressed the promotion panel since I was promoted that year to what is now the rank of O3. To go from an entry level officer to what is now a tenured rank, O3, jumped me way ahead of the queue of my peers. This was another lesson I never forgot when it came to my firm conviction that there is always a way to make things happen. You simply have to find it, and you often won't find it in the pages of the Foreign Affairs Manual.

### Arabic Language Training in Tunisia, 1977-78

*Q: Today is the 10<sup>th</sup> of February, 2012 after a long hiatus with Jim Larocco and we left off, I think you had just left Saudi Arabia. You were taking language training or something?*

LAROCCO: I was training in Tunisia. That was a really wonderful year in Tunisia because I had a great group of colleagues with me including people like Ryan Crocker who we recognized even way back then was destined to become one of the greatest Foreign Service officers of all time. We had too many others to list here, although I would like to mention one officer for whom I have the highest regard: John Limbert.

*Q: I have interviewed John.*

LAROCCO: Few Americans know Iran as John does.

*Q: This was the displaced Beirut school, wasn't it?*

LAROCCO: That's correct. FSI moved from Beirut the year before and so we actually had an inauguration ceremony at the school. As you may know, the school in Tunis is closing in a few months, permanently.

*Q: Why so?*

LAROCCO: For a variety of reasons which quite frankly, I had something to do with but it didn't turn out the way I wanted it to turn out. What I had pushed for was to initiate and expand a program to send qualified and interested people to immersion type programs in various countries. But I also wanted to keep a core staff of professors to basically supervise what was done in these programs while running courses for those who for various reasons could not go to immersion programs in the region.

But with the volatile situation in the region, where can you send officers for an immersion Arabic program?

*Q: I was just going to say, where else would they go?*

LAROCCO: These days you can't. Originally the concept was Sanaa where total immersion is a given and a less dialectical Arabic is spoken; you can't go there now.

Cairo? That's out. Alexandria was another target. That's out. There really are very few places to send people where you can learn the language at an institution and keep track of them.

For several years now, the program has been to send people to the post where they are going to serve and then somehow they are supposed to put together a language program on their own. From my observation, it's not working.

*Q: Find a family and live with them and that sort of thing.*

LAROCCO: No, not at all. They simply go into post housing. It's not real immersion. They are not at an institution where they are immersed in an environment where an educated level of Arabic is used 24/7. That was my intent.

Instead, you don't have a structured program. I have talked to officers who arrived at post and simply couldn't find a program to get into. They had to hire a tutor, often a third-country national. Without a structured program for a difficult language like that, we are wasting time and precious funding. In my view, they would be better off taking advanced language training in Washington, but that is far from the original idea.

Now, I must confess that some of it was my own fault because I had put together demonstration projects to show you could do this. For example, we sent Jeff Feltman, who is currently the assistant secretary of the Near East Bureau, to Yarmouk University in Jordan. He already had a solid base, and I knew he was destined for the senior leadership positions. I was doing this for a third year of Arabic because I felt that two years of Arabic is really not enough. I had three years myself and I felt that was enough that I could do speeches, that I could really do effective dialogues whereas two years is only enough to be proficient. It is that difficult a language.

I felt we should have a solid group of officers that were somewhat self-selected (like Jeff), but also approved who wanted to go that extra length and get to a solid 4/4 level. I mean a real 4/4 level, not an FSI 4/4 but one that they really could work in the culture, do serious negotiations. People like David Satterfield, like Jeff Feltman, like Robert Ford and others have this and can actually do negotiations in the native language. We don't need a whole ton of these people, but we need to have certain people who could do this.

Again, back in 1977, FSI had just moved to Tunis. They didn't really speak non-dialectical Arabic in Tunis, so I would go in at 8 o'clock and do an hour of Tunisian Arabic, then we would do our modern standard Arabic program and then after the Arabic program was over at 3, I would go over and do the post language program in French because French was really the language that if you were a foreigner you were expected to speak in Tunis. They all spoke it, especially the Tunisians in Tunis all spoke French. If they used their 'native' Arabic it was a Tunisian Arabic that was really strange; that if you sat down a Tunisian and he spoke his Arabic with a Kuwaiti or any other 'Gulfi', they would have no idea what each other was saying.

So the Tunis program was very challenging, but it was also at a time when there were labor riots. The street in front of our building was the scene of violence and vandalism during those days.

Interestingly in those days, unlike today, the assignment structure was not very much of a structure, so what happened is when we went to Tunis, we had no idea where we were going to go, which they wouldn't do today. You get assigned years in advance now.

So we went there and Ryan and I and John and two others, Mark Hambley and Dave Robins, were waiting to see where we would be assigned. It was only a few months before we finished the program that we received a message from Washington saying, "Here are five posts. You guys decide among you where you want to go."

The five of us basically got together and said, well, what do you want? Deciding proved to be much easier than what might be expected in a situation like this. We were surprised that we all wanted something different. Ryan wanted Baghdad, I wanted Cairo and some people said, ah, Cairo. What's going to happen there? It's an easy post. Nothing much will happen. We were all delighted with our choices.

I arrived in Cairo in July, 1978 just as the peace process was taking off.

*Q: Who was the ambassador in Tunis?*

LAROCCO: His name was Ed Mulcahy. As was the case in that era and for a long time afterwards, and I worked to change this later when I became the P/DAS in NEA, the people State assigned to the North African states were either refugees from the European Bureau who spoke French who were treating this as a so-called hardship post or people from parts of French speaking Africa who looked at it as a great step up and a nice break. So quite frankly, we had ambassadors there who really didn't think of Tunisia as an Arab country or Arab League member. It was either kind of an extension of Europe or someplace across the Sahara which was quite different from sub-Saharan Africa. None of them spoke Arabic. All of them spoke French. None of them had any vested interest in the long-term regarding these countries. They were way stations along their career paths in other regional bureaus.

*Q: It does represent a problem. You've got Africa with mainly hardship posts and real hardship posts and what do you do to be nice to somebody who needs a break? The European posts are all taken up by political appointees so what do you do with the people who have been DCMs and served their time and want to make ambassador? Tunis has got beaches and they speak French.*

LAROCCO: Exactly, and that was the tradition for many years. When I was P/DAS I changed that. For the past ten years, we have been blessed with FSO's experienced in the region, top personnel who speak the language and can handle crises and understand the contexts. None of these places are backwaters anymore. They are now on the front lines. I am delighted to see the likes of Gordon Gray in Tunis, Henry Ensher in Algeria and Gene Cretz in Libya. This would not have happened in the 70's.

Tunisia, 1977

*Q: What was the situation in Tunisia when you were there?*

LAROCCO: This was a time when Tunisia experienced labor riots. Basically the labor unions felt that they weren't getting a fair shake. We had a curfew every night. Even though we had diplomatic status, we were told that because of a lack of safety we were to be off the roads. That made it a bit difficult during that year and there was quite a bit of violence that was right where we were. Our building was never trashed but there was a supermarket just a half a block away that was completely trashed.

So it was a dangerous situation. It was quite difficult to do things in the evening so we didn't socialize certainly with Tunisians in a way we probably could have in other years. We studied a lot, but in all honesty, we might as well have been in Washington, except for a side benefit of learning some French.

*Q: Were the fundamentalists a factor?*

LAROCCO: Not at all. You have to remember this was the time of Bourguiba and he would start Ramadan by drinking a glass of water up and say, "This is what I think of Ramadan. Go to work, no excuses, go to work."

So what would happen is that many in Tunis would take this to heart, eat normally during the day and then feast all night long. Your average Tunisian gained something ridiculous like four kilos every Ramadan. Very, very secular. The Islamists were totally out of sight when we were there. The labor agitators were a much more powerful force.

Quite frankly, in those days we didn't feel any Islamic influence whatsoever. It was clearly under the surface and as you went further south outside of Tunis, you could see people were much more religious but certainly in Tunis you felt nothing religious at all in those days.

*Q: What was your feeling toward Bourguiba because he went through several stages; one he was a hero, later he was going gaga.*

LAROCCO: He was already going dodgy. Even in that year, by that time most people thought he was a strange old man. He was still a symbol of legitimacy in the country, but he was also getting much more repressive. I wouldn't say there was popular hostility towards him, but the reverence had gone and the basic feeling was hopefully one of these days he is going to move on and we will get new leadership. It was a very strange time. It was a very awkward year.

*Q: Were you feeling Qadhafi's influence? Was he mucking around there or not?*

LAROCCO: Yeah, we did and one of my fellow students there was Bill Eagleton who had been the ambassador in Libya. He had quite a few tales to tell.

We couldn't go over there, but you could feel it in Tunisia and particularly as you got down near the border area.

So again, we had this very strange country to our east and then we had quite frankly an equally strange country to our west in Algeria. The civil war there didn't really take off until the '90s but you could even feel some tension while we were there.

*Q: You are pointed toward Egypt?*

LAROCCO: That's correct.

Impressions of Iraq, 1978: the Middle East "Tiger"

*Q: So you were at language school '75, '76?*

LAROCCO: '77, '78.

One of the nice things we had though, we were given up to three months with funding to and to see if the FSI Arabic we were learning really had some basis in reality. Again, you couldn't get that in Tunisia because of the lack of useful Arabic there. For example, Ryan Crocker chose to be a shepherd with the Howeitat tribe in the Wadi Rum in Jordan and Mark Hambley chose to ride a barge all the way from Cairo to Juba. Now THAT'S total immersion!

What I chose to do was hitchhike around Iraq. What made that so unusual was I got a visa to do that on my diplomatic passport, which for Iraq was unheard of. My passport was stamped with Visa number 1 with full rights to travel anywhere I wanted to for a period up to three months. So I flew to Jordan, and took a group cab, called a servis from Amman to Baghdad. They didn't know what to do with me when I arrived at the Iraqi side of the border around mid-night. They kept me in interrogation for three hours while they beat up another guy in the taxi badly. He was a mess, constantly crying "Subhaan Allah." They didn't touch me but they went through everything I had.

Finally about three o'clock in the morning, they finally let me go. As for the others, I have no idea what happened to them. I arrived in Baghdad in the wee hours with absolutely no plan what to do or where to go. I walked till I found a little hostel at about ten cents a night or whatever, got a cot, and went to sleep.

The next day I started just walking around. I eventually found the Embassy, went in and explained who I was. They knew I was coming, but had no idea exactly when. I had requested no assistance. Quite frankly, they were both surprised and angry that I had unrestricted travel throughout the country. They were restricted in their travel to not more than 25 miles outside of Baghdad. I spent a couple of days with them to get an orientation on the country and then off I went.

I spent over a month hitchhiking around, literally hitchhiking. I slept in a mosque in Karbala, and still have a chunk of the beautiful tiling that had fallen off and was on the ground. I went everywhere, the north, and the south. I lived in the marshes for about ten days which was an unforgettable experience.

*Q: The marsh Arabs*

LAROCCO: Yep. They had no idea what to do with me. They had never heard of America, so I told them I was Tunisian on a study visit. They accepted this. No one ever asked to see my passport. They had heard that Tunisians spoke an odd language, and my language was definitely odd.

If my Arabic was bizarre, theirs was off the map. It was really almost a nativist language that was their own but also a little bit of Persian mixed in there and the rest, a very, very strange dialect. I nonetheless count this as one of the most magical experiences of my life. Their lives were so basic, so human, and so dependent on each other. I did get to meet their elders who did have some pretty good Arabic.

After I left that marsh Arab area I went to Nasiriya. I arrived there in the back of a truck in the middle of the night. I saw a sign for a hostel. I went in there and thought this is a little odd, but I was so damned tired. I chose a cot and went straight to sleep. The next morning I started to go out and there was a guy at the desk and he said, “You gotta pay” like ten cents or whatever. Then he looked at my passport and gasped, “You are an American diplomat?”

I said, “Yeah.”

He said, “This is a military hostel.”

I said, “Oh. I didn’t know. Sorry. I just kind of walked in in the middle of the night, saw a cot and went to sleep.”

He said, “I can’t register you here.”

I said, “Well, that’s OK. But go ahead and take the money, please.”

We started chatting, he served me tea and biscuits, and I enjoyed the dialogue. His Arabic was refreshingly like what Arabic is supposed to be. At least, it was far more intelligible than what the marsh Arabs spoke. Then he started crying. I said, “Why are you crying?”

He said, “You look like my son.” Now here I should note that Tunisians all told me I look Iraqi. Since I had never met an Iraqi, this was one motivation for going there. And indeed I could easily pass for an Iraqi. I blended in just beautifully. He said, “You look like my son and I sent him off to war to fight the Israelis in ’67 and he died. You look just like him.”

So we hugged and he absolutely refused to take my money, had a big lunch packed for me, found a military truck to put me in the back of with soldiers and off I went to the next town. I did find a way to get to Ur, and I was the only person at this most ancient of cities. I could have grabbed anything on the ground, but I felt so respectful and in awe that I just walked around feeling history with every step.

I had so many opportunities to see so many fascinating places throughout Iraq. I was in Kirkuk, I was in Nineveh walking the ancient site there, in Babylon, Dohuk, Erbil, Mosul, Diwaniya...and so many other places. I fell in love with that country and its people.

*Q: Saddam Hussein was in power by this time?*

LAROCCO: Saddam Hussein was not technically in power. He was running the country, to be sure, but not as the titular leader.

*Q: So probably the security apparatus was not the formidable thing that it became.*

LAROCCO: In fact, it was a very calm country. I will be honest with you. I was extremely impressed because there was a discipline there that was not present in any other Arab country I had ever seen. If you got on a bus and you had to stand, you got off the bus. They would only allow people on a bus till all seats were taken. Kind of like when I take the shuttle here, the Coast Guard shuttle from L'Enfant Plaza, you can only sit. No standers. The country was clean, orderly, with a feeling of growth and development. I agreed with others who considered Iraq the 'Middle East tiger' because they had resources, they had industry, they had agriculture, and they had education. They were considered to be like an Asian tiger.

*Q: I remember Walt Rostov who wrote about emerging nations and Iraq was pointed out as having enough water, having oil but not too much, literacy. It was considered the country that really was on its way up.*

LAROCCO: They had a large, educated elite, like Egypt.

I also found that the temperament of Iraqis among all Arabs was closest to American temperament. In other words, they were people who welcome you, accept you. If you betray them, then you are toast, similar to how we react to people. We will welcome you with open arms but don't screw us. In many other societies, you are treated with suspicion until you earn trust.

They have a degree of violence that comes about sort of later on which I think is part of us too. We can be pretty rough if we are pushed too hard in the wrong direction.

I found them extraordinarily easy to be with, in contrast to some other Arabs that require a lot of assimilation to the culture, the habits. I felt they had a certain conservatism which we have, which many of us won't admit. We need our space but at the same time we can be quite warm and helpful. Unlike Levantines, they keep a respectful distance from each other in a crowd. Unlike Gulfies, you can become friends quickly.

*Q: Before we leave there, what about Sunni, Shia, Kurd? Did you come away with a sense that here was a real religious divide or not?*

LAROCCO: No, and I will tell you why. What impressed me about what Saddam seemed to be doing at that time was to build a civic culture, which of course he later destroyed. He was taking apart the traditional tribal system through governance, socialization and education. He was, in my observation, moving a good chunk of the society forward. Everywhere you went in the central and southern regions there were symbols of the new and old Iraq. I could feel that they were being weaned away from tribalism, from sectarianism from ethnic divisions to an Iraqi civic culture. This was being drummed into the children. I was very optimistic about their future at that time.

I didn't feel the same when I was up in the Kurdish area. I must admit that was a whole separate experience; they dressed differently, they acted differently. I did not get the

feeling that the people in Erbil, for example, had any interest in becoming an Iraqi if this meant changing their culture. They were Kurds. Kirkuk is one of the strangest towns I had ever been to in my life. There were a bunch of drunken Russians who were working on oil projects. There were Arabs, there were Kurds, there were Turks, there were Persians and it looked like a great crossroads of cultures town, like Peshawar or one of those border towns that had no clear identity whatsoever.

Obviously, Saddam had to fall back on tribalism just to stay in power. He destroyed so much of that civic culture that I think was growing at the time I visited there in 1978.

*Q: Did you make an effort to stay away from the embassy?*

LAROCCO: Yes.

*Q: I would think you would.*

LAROCCO: I went in there in the beginning and I never went back. I went there for about three days, got to know the people there. I felt very sorry for them because they were stuck. They were watched very carefully on the one hand. On the other hand, they couldn't go anywhere. Yet I could just go wherever I wanted. Quite frankly, I never felt the Iraqis bothered to have surveillance on me. Most people were perfectly comfortable with me. No one gawked. Of course, it helped to look like a local. I rarely had to show ID. That was a blessing.

*Q: In moving through the society, how were women, were they just beyond your ken? Could you chat with them or what?*

LAROCCO: I could chat with them. In fact, they usually chatted with me. If they had a strong Iraqi dialect, I couldn't understand them.

But yes, they were very open and they would talk about the society and education. I would try to get them to talk about Iraq so I could understand it better and most of the time I don't think they ever cared that I was an American or even thought about it. I was a foreigner and I was polite enough to listen to them probably better than their husbands or other Iraqi men.

*Q: While you were doing this, did Israel come up as a subject of conversation?*

LAROCCO: All the time. They had an emotional hatred of Israel. When I came in to the border, there was a poster of Moshe Dayan dressed up as if he was a Nazi. Talk about irony. They had clearly been taught that Israel was Satan. It was really quite extraordinary. They would say to me when they learned I was American, "Why does America stand with Israel? We do not understand this. We think your country, your people, your history is an inspiration, so why are you standing with them?"

I would get this all the time. They would ask if I'd been to Israel. I would say yes and they would say, "What are those people like?"

They all just assumed that Israelis all had two horns and a tail. I would explain they were just like anybody else and they sought the same things: security, stability, prosperity. They simply couldn't conceive of that. They thought these people were out there to kill everybody else in the region.

Their image of Israel was so hostile and emotional I simply could not make a dent in their views.

*Q: How would you respond? Why is America so supportive of Israel?*

LAROCCO: I told them we had a long history together, that we had shared ideals, and that we had people-to-people ties that we didn't have with many of the Arab countries. With some of them we did, but I said certainly with Iraq at that time we had very, very little. I said the Israelis sought out our friendship, sought out our ties and many Americans felt a very a very close kinship, as I did. Arabs should try. They should not expect us to understand or like them by magic. They had to work at it. Not one of the Iraqis I met had ever been to America or met an American before me.

The Iraqis were very smart, not overly curious, but you could engage with them and they would listen.

*Q: What about Saudi Arabia? Was that of interest to them?*

LAROCCO: Yes, they didn't like the Saudis either. The Iraqis didn't like anybody, quite frankly, any of their neighbors. I would say that there were less hostile comments about Syria, but the Persians were these evil people and the Turks were these evil people and the Saudis were just strange, but they didn't see the Saudis as threatening.

I told them I was going to Saudi Arabia after this and they said, "Well, good luck. It is a crazy place."

I said, "Well, you know. I actually lived there for two years."

"You did and you survived?"

I said, "Well, maybe that explains why I am a little strange" and they would laugh. They just thought the Saudis were backwards, were basically sand people, Bedouin. They said, "Well, we have our Bedouins too down south but basically we are a cultured people with an incredible civilization and these people are new to money and they don't have a clue what they are doing. They have no culture was a constant refrain, so the Iraqis really looked down on them; they didn't fear them, they looked down on them as basically people who came out of the Stone Age and all of a sudden had some money, whereas they had oil but they also had industry and they had education. The Iraqis considered

themselves the most cultured people in the region and they had a case to make for that considering their thousands of years of civilization. Ur is considered by some as truly the first sophisticated urban center in human history.

*Q: Where did you go after that? Did you run across Iranians or not?*

LAROCCO: I did and I actually had an opportunity to go to Iran but I didn't have a visa. I was there just looking right over at Iran, right on the Shatt Al-Arab and I went out on a boat. A guy said, "Would you like to go over to the other side?" I thought about it and then I went into Basra and I went to an Iranian consulate. I showed him my passport and he looked at me and he said, "I can get you in if you want."

I thought about it and I thought, "Oh, God. This will be an international incident. Don't be an idiot. So I didn't do it. I did talk to Iranians, however. They all spoke Arabic.

*Q: When you were doing this, how stood things? Had they was our embassy under siege? What was going on?*

LAROCCO: In Baghdad?

*Q: No, in Tehran.*

LAROCCO: This was a one year before the Iranian revolution. I lost my best chance to get there.

*Q: Coming out of this experience, did the State Department seem to think gee, this is a good idea or was it like so many things?*

LAROCCO: The State Department did think it was a very good idea and later on when I took Chinese, I did the same thing. What I did was ride the trains in China for about a month. That was a wonderful experience, actually a better experience in some respects in terms of language when you are in a little train car and you've got four bunks and you are stuck with these people and you have to eat together and the rest. It was indeed total immersion. There was nowhere to escape.

You go out and about and you basically use the language but you need to put yourself in situations where you are stuck. You shouldn't be making all your hotel reservations or anything like that. You should really get out there and force yourself to rely on the language to get through the day.

I think most of us did that. Some of the people who were married were a little more conservative about what they did and some people decided to do very short programs, just a couple of weeks.

Cairo, 1978-1981: Peace between Egypt and Israel

*Q: You went to Cairo, from when to when?*

LAROCCO: 1978 to 1981, so it was my first long tour. I did not do many long tours in the Foreign Service, and that's not even a long tour by European standards. I tended to move around very quickly.

*Q: What was your job in Cairo?*

LAROCCO: My job was as an economic officer in the embassy covering primarily trade, investment, petroleum, but also key economic indicators and their relation to the political situation. For a second tour officer, I was filling an important job in one of the most important and largest embassies in our region. My political section counterpart was Dan Kurtzer. It was an embassy packed with extraordinary people, led by the legendary ambassador Herman Eilts, succeeded by another legend: Roy Atherton. I was really with the A team of NEA. For one not far removed from a career heading toward Latin America, this was not at all on my scope when I joined the Foreign Service.

Life in Cairo, 1978: Married in the Mugamaa

When I got there, they put me in a dungeon, a ground level studio apartment that was as grungy as some of the places I stayed in Iraq. Fortunately, I arrived with my fiancée, so they were obliged to find me a better place once we were married.

My future wife and I had intended to get married as soon as possible in a church wedding, but in Cairo, where Christianity is controlled by the Coptic Church, we discovered that this would take months. So we headed straight to the Mugamaa, the notorious, massive bureaucracy that does licenses, registrations, etc. where people allegedly went in for a routine permit and never re-emerged. It was the subject of jokes, rumors and one of the most hilarious Egyptian films ever made. My future wife (now of 35 years and counting) had just been honorably discharged from the U.S. Army, so this represented truly a major change of life: married, first time overseas, embassy life, Middle East. Wow! The marriage registration at the Mugamaa is suitable for a novella, but I would never put that in print. We successfully navigated the process via all kinds of greased palms (known as baksheesh), and returned to the embassy. "Now give me a better place," I demanded, so they gave us a bigger dungeon.

*Q: You say 'a dungeon'. What are you referring to?*

LAROCCO: It was dark, dingy and dank. At an earlier age when I was into Edgar Allen Poe, I would have enjoyed living there. But as a newlywed, it was hardly romantic. There were no positive adjectives to apply to the place. We had these potential bombs that you call water heaters, the flash heaters. You turn these things on and there's this huge, flame, reeking of kerosene. Nothing seemed to work in the apartment, and the cockroaches were the size of some of the toy dogs they show off at Westminster. The water was brown at best. After a shower, my premature grey hair was gone.

So that's how we started out our marriage and somehow we have lasted all these years. Truth be known, we both fell in love with Cairo. The people we met, the Egyptians, were among the warmest in the world. For a newly married couple, they were so supportive, so understanding, always so positive and jovial. To them, Cairo was nice just the way it was. Rather than fight Cairo, as many foreigners did, we embraced it, in sickness and in health, but mostly in sickness. The few restaurants were actually delightful and there were a lot of young people like us, newly-marrieds. Our favorite activity was to rent a felucca and sail in the evening on the Nile as the city lights sparkled. Cairo at night was magical, and in the middle of the Nile, the sounds of the city vanished. It was quiet, peaceful and so relaxing.

*Q: Felucca being a boat.*

LAROCCO: A boat on the Nile. We would barbecue shrimp we bought at Abu Qir near Alexandria, pack some shami bread and hummus, grab some bottles of vino and spend a wonderful evening with friends.

We eventually did get housing, in fact one of our favorite residences in my entire career. In my never ending quest to beat the system, I managed to get elected to the Housing Board. I then volunteered and became Chairman. From that position, we moved soon thereafter to a beautiful 8<sup>th</sup> floor apartment on the Nile that overlooked the city and was among the best places we ever lived in

*Q: What is the background of your wife and how did you meet?*

LAROCCO: I met her here in Washington. She was quite young. I was a graduate student at Johns Hopkins SAIS. She was in Washington, coming from her home in Michigan, at the invitation of a family friend. She was way ahead of her peers, graduating high school at age 16. She lived in one of Washington's finest mansions on Kalorama St, the home of the Biddles of banking fame going back to the early days of our country, serving as an au pair for the kids at times. Otherwise, she worked days at the same lobbying firm where I was working. We went out to a movie and went back to this mansion on Kalorama Street. I knew immediately this was the woman I wanted to spend the rest of my life with.

Things intervened. I went into the Foreign Service and went to Saudi Arabia. She enlisted in the Army. We corresponded, but didn't get back together till I finished my language program in Tunis. Right after leaving the Army, she came over to join me. We were both ready to marry, and so we did, first in the civil ceremony, then later at the lovely church of St. Joseph on the island of Zamalek.

She picked up Arabic quickly without any formal training because she is so brilliant. It was annoying to me that I had to study so hard and she picked up Arabic in a heartbeat.

It was a wonderful experience for the two of us. We lived downtown, unlike many in the embassy who wanted to live in the foreign enclave outside of Cairo called Maadi. In my view, so many of them missed almost entirely the Egyptian experience, although many of

them had no interest in this messy, crowded city that was exasperating to operate in. My wife and I found the culture mesmerizing. She would bargain endlessly to get the price of a peach down from 4 cents to 3 cents. That's part of the culture and part of the daily entertainment for vendors and customers alike.

Then of course, '78 brought the peace talks.

*Q: When you arrived there, what was the impression of Sadat and Egypt at that time?*

LAROCCO: By the United States?

*Q: By your colleagues and State Department.*

LAROCCO: It was sky high, because remember in '77 he went to Israel and addressed the Knesset. The world was transformed instantly and everything happened at a dizzying pace.

We were working seven days a week, around the clock, because we had so much going on. The whole nature of the U.S.-Egyptian relationship was changing right before our eyes, so the timing for me to be there was just perfect. All of us were doing everything; I wasn't just doing economic work. It was good for me because I was doing political work, doing everything. We were all doing consular work. We all had to pitch in doing everything.

I had a lot of weird experiences taking care of consular things while I was duty officer over the weekends.

Consular services for American citizens visiting Egypt

*Q: Can you mention some of them?*

LAROCCO: I would say the strangest one of all was when I got a call from the local leader of an area near Luxor in Upper Egypt and he said, "An American tourist fell down a well. The peasants are rioting because the dead body is poisoning the well and the wife of this guy is really not interested in doing anything."

I finally got in touch with the lady and she was about 78 years old; her husband was 80. She said, "Well, he lived a good life. I don't want to miss the tour."

I said, "That's your husband and he is dead."

She said, "He's in the ground buried. He paid for the tour, so he wouldn't want me to miss this."

I said, "He is in a well. He can't stay there. He is poisoning the water."

She said, “Well, then, do something.”

I said, “That’s for you to arrange with local officials who are ready.”

True to her word, she kept with the tour, and we only caught up with her later in Cairo. So we were stuck working with the local officials, arranging for and paying for the body to be brought up. Naturally, the locals wanted nothing to do with the body, so when we finally caught up with the lady again, we told her the costs so far, which were minimal, but also said we would arrange for the shipping of the body back to America, at her expense. Where should we ship it? Once again, she was not interested. At this point, my duty week was over, so everything was left in the capable hands of our consular officers.

God watches over fools and consular officers. The services they render can be the stuff of mini-series. I also recall several occasions when Americans wandered off in the desert in search of manna, the Ark of the Covenant, whatever. The Egyptian authorities were always baffled by this sort of behavior. But they were wonderfully tolerant and helpful...as long as we took responsibility for getting people out of Egypt.

Now here’s the rub, which I doubt most Americans understand. To be sure, we will pay whatever expenses are required. But if those served cannot pay, they must sign a promissory note and pay it off before they can get another passport. A passport is NOT a right guaranteed under the Constitution. Permission to travel outside of the U.S. is our prerogative as well the prerogative of the receiving country.

I’m not sure most Americans have any clue of the many services our consular officers provide around the globe 24/7. They only see CNN covering upset citizens stranded somewhere by a natural disaster or some unrest, often situations where we must rely eventually on our military to get in safely with food and supplies, or even help to get people out. Of course, when our Special Forces, go into Somalia to extract an aid worker for an NGO, that gets featured on 60 Minutes. How often does 60 Minutes cover the day in and day out services rendered by our consular officers?

*Q: Sounds unbelievable.*

LAROCCO: Yeah. Egypt has a reputation of drawing all kinds of American tourists of all ages who are determined to do a deep dive into ancient Egypt and its many mysteries, sometimes engaging in what can only be called erratic behavior. But again, I did fascinating and high profile econ work, occasional consular work, plenty of political work involving all kinds of issues and handled countless official and unofficial visitors. There was never a dull moment.

President Anwar Sadat

*Q: Were we seeing a divide between the American impression of how wonderful Sadat was and his people who, obviously a significant number thought differently?*

LAROCCO: Sophisticated Egyptians thought he was this peasant Nubian who was plucked by Nasser so that Nasser would have no competitor. But they also had contempt for Mubarak. They used to call Mubarak “La Vache Qui Rit”, the laughing cow, which was a name for a commonly sold processed cheese. There were so many Mubarak jokes, and some were truly hilarious. As for Sadat, they had little regard for the man. To the people, he was a stand in between Nasser and the next Pharaoh. He didn’t have any of Nasser’s charisma, Nasser’s rhetorical skills or Nasser’s fervor for his ideology. But even an acting Pharaoh is still Pharaoh, and he was from the military, so he commanded their loyalty. That counted most back then, and of course today as well in Egypt.

At the same time, the Egyptians had a refreshingly naïve liking of Americans. The three years I was there, the affection for Americans was palpable and frequent. In all candor, I think much of this was based on the fact that we weren’t like the Russians, who were the dominant foreigners for a generation. They truly hated the Russians, whom they viewed as uncultured drunks who traveled in packs and spent very little money.

When I first toured Egypt in 1975, I witnessed first-hand the behavior of Russian tourists and felt the warmth Egyptians had for Americans. The Russians were everywhere, and because the Egyptian government owed so many billion Egyptian pounds to the Russians, the Russians drew down this debt via tours for thousands of ordinary Russian citizens, enjoying the sun, the warmth, the entertainment and the liquor. I saw so many Russian tour groups who were three sheets to the wind by 10am. It was frightening to me; I can only imagine how the Egyptians viewed this kind of behavior.

Touring Egypt on my own back in 1975 was a dream come true. I encountered no problems anywhere, and the Egyptians beamed when they learned I was American. No, I didn’t drink. Yes, I was fascinated by their culture and history. And, yes, I was prepared to spend money, including on quality crafted souvenirs.

I therefore was not surprised that the Egyptian people seemed delighted to see the Russian special relationship replaced by a special relationship with us. It fit naturally. We were refreshingly naïve. We weren’t the drunken, godless Russians, the officious French or the derogatory British. Keep in mind that when the Brits were in charge, which was still fresh in the minds of those steeped in history, they had a sign outside the Gazeera Club on Zamalek that read: no dogs or Egyptians allowed. I would be reminded of that frequently by Egyptian friends who felt we warm people, just like them, not aloof like the Europeans.

At the same time, after the peace treaty was reached, for a long period of time if you just said you were American or were picked up by a cab, they would give you free rides. It wasn’t that they loved the Israelis; they just didn’t want to fight them anymore in wars that had less to do about their interests and more to do with someone else’s: the Palestinians. Why die for Yasser Arafat, someone far inferior to an Egyptian. They had lost too many in the ’67 and ’73 wars and they were just relieved to be done. A fun phrase in Egyptian Arabic at the time was “yaala beena illa Sina” or let’s go to the Sinai.

Egyptians knew almost nothing about the Sinai, but they were getting it back and that was a wonderful nationalistic rallying cry. It helped Sadat.

I would say for at least a year there was a euphoric relief; but they still didn't want to get anywhere near the Israelis, or the Israelis near to them. From day one, it was clear that the odds on a warm peace were slim, despite the rhetoric coming out of even Sadat. But support for the peace treaty was overwhelming. It was genuine.

It was really a great time to be there. That period from '79 to '80 was a rare period of open relief, joy and goodwill towards Americans.

We also got more visitors than any other post has ever had in history. Eighty eight members of Congress came, virtually the entire Supreme Court, all of our executive branch leadership, mayors, governors, business leaders, academics...all came after the peace treaty was signed.

I was sometimes control officer for three or four delegations in a week.

After the peace treaty was signed, we exploded in work and in size, becoming the largest embassy in the world. I developed more skills as a control officer, also called an escort officer to be politically correct, which proved very useful to me later in my career, especially as DCM and Charge in Tel Aviv.

*Q: I understand that Sadat was a master at dealing with important delegations from the States.*

LAROCCO: He was indeed a master. He wowed them. They were just enamored of him. And don't forget his wife Suzanne. She played a strong role as well. Both charmed our VIPs.

See that picture up here? I love that picture because this was Carl Levin of Michigan who was visiting. He moves so fast that he ran ahead of the ambassador and me. He shakes hands with Sadat, who gives him a quizzical look, and then the ambassador and I walk in together. The ambassador graciously introduces me, and the photos flash and cameras roll. That was the photo that went on the front page of Egypt's leading newspaper, Al-Ahram and was on the evening news, as if I was the senator. All my Egyptian friends asked if I was a senator outside my day job! I love that photo and I still have the original newspaper in my scrapbook.

Ambassadors Hermann Eilts and Roy Atherton: a study in contrasts

*Q: Who was the ambassador?*

LAROCCO: Our first ambassador was Hermann Eilts and then it was Roy Atherton, both amazing individuals, very different, very different people.

Herman Eilts, we used to say, would write a reporting message if he found a squirrel that would talk to him. He had three secretaries. He ordered our communications center to stay open 24 hours a day. The guy was just tireless and ran everybody into the ground. We were totally stressed out workwise, and our bosses were always on pins and needles because Eilts loved to say, "I can run this place with just young officers and local employees." He meant that, and he often would come directly to us in our offices, bypassing the DCM and the section chiefs. In all honesty, it destroyed not only the health, physical and mental, but the careers as well of our section chiefs and the DCM. I won't name names, but it was tragic.

We were in a state of total nervousness all the time under Herman. We were always in fear that he would drop by our office after hours, so we better stay put. He also engineered the workweek so we had to work seven days a week. And when he lost patience with the slowness of the preparation of evaluation reports, he simply wrote them himself. Once again, section chiefs and the DCM were constantly on pins and needles.

Then Roy Atherton arrives and says, "We are going to have our first country team meeting around the pool." He wears a Hawaiian shirt. He changes the workweek and announces his prime directive, "Don't disappoint me."

What a great line. I believe we performed better, quite frankly much better under Roy than we did under Herman because you didn't want to disappoint Roy Atherton. We loved him; we did not fear him. And love moves mountains, a far more powerful motivator than fear. You wanted to do your best but you did it not out of fear but out of this instinct that he was like your father and you just wanted to make sure that he never said to you, "Gosh I wish you could have done better" or "Why did you do that?" We worked much less hard under him but I firmly believe produced a much better product.

Our family: the first foreigners to drive to Israel from Egypt under the Peace Treaty

One of the things he did for me personally was his intervention when our first child was born and her neck was tied up in a knot. The Egyptians wanted to operate on it and my wife and I, since it was our first child, were beside ourselves with concern. We didn't know what to do and so when Roy's wife Betty found out about it, she asked that we talk to her husband. I went to see him, and he said, "You know, we're right next door to a country that's got more doctors per capita than anywhere else in the world: Israel."

I said, "Well, I don't know if we can put her on a plane. She is only three weeks old."

Roy talked to Sadat. Sadat phoned Begin and they agreed that we could go overland. This was truly a test of the Peace Treaty since no one had gone overland before to Israel via the crossing at Rafah; we would be the first. So we drove in our blue Fiat convertible, racing across the north Sinai, accompanied by a huge military escort with sirens blaring. At Rafah, we drove right through to the border point on the Israeli side. The young Israelis were just as uncomfortable as we were, but in the end, after they thoroughly checked the entire car, they closed the trunk, waved and said "Good Reagan!" I had no

idea how to respond, so I just smiled. We drove the entire length of Gaza in that convertible. From today's perspective, that seems inconceivable: a young American couple with a baby in a convertible driving through Gaza. But this was 1980, another time, another world. We found a cheap hotel in Gaza City and enjoyed a wonderful meal as the staff gathered around to take care of our baby. They were beaming.

Our good friend, Dan Kurtzer, was at this time stationed in Tel Aviv, having transferred from Cairo shortly before. He arranged for us to meet with a certain pediatrician wonderfully named Dr. Ashkenazi, who examined our baby, stated that no surgery was necessary, and then prescribed therapy that would make the knot disappear in a matter of weeks. And it did. You can imagine the relief of new parents.

When we drove back to Cairo, there was no military escort in the Sinai. It was the usual, casual Egyptian approach as if to say, you did this before; it worked; you are on your own now. Actually that wasn't so good because the roads weren't in poor condition and donkey carts and pedestrians slowed us down. We got to the Suez Canal, and in those days there was no bridge. There was a massive lineup of about a thousand trucks to take the ferry.

We did the old technique: put the top down on the car and pinched the baby. She starts to wail, and all these truck drivers being Egyptians and always putting babies first, sort of did a Moses thing, parting their trucks in a way that we had a clear path to the water's edge. The truck graciously signaled us to be the first on the ferry, and we crossed in the early afternoon with plenty of time to get back to Cairo before dark. That was one of those great Foreign Service experiences, and a true representation of Arab concern for the welfare of children.

The "fruits of peace": learning first-hand what it means

On a final note, let me say that this whole experience taught me an important lesson: the fruits of peace are for ordinary people, families, parents, babies. When Warren Christopher later spoke of "the quiet miracle of a normal life," I knew exactly what he meant. Our family had done what families should be able to do, but so often cannot be done in times of conflict, tension and war. Peace allowed us to enjoy that quiet miracle of a normal life.

Egyptian identity and culture

*Q: Being in an Egyptian neighborhood, how did the Egyptians entertain?*

LAROCCO: Our apartment neighbors were sophisticated Egyptians, so they spoke French and served continental cuisine. To be frank, in our work and in our social circles, this was the type of Egyptian we encountered. Most spoke French and English, some Russian, only a few limited to Arabic. On the street, it was entirely different matter. It was almost exclusively Egyptian Arabic, which is a very strong dialect. Egyptian cuisine is not high cuisine Arabic. But I fell in love with their dessert, a bread pudding called Um

Ali, and I ate street food regularly. My typical lunch was five falafel sandwiches, at 2 piasters a sandwich. We used to call that “negative money.” It was sooo cheap. Of course, I got sick constantly, but since it was constant, I just accepted it as the price of living there.

The Egyptians have the strongest identity as a people of anyone in the world in my experience, and that includes the Chinese. When the Egyptians were building pyramids, the Chinese were scratching out pictographs on bones. They’ve got seven thousand years of history. They know exactly who they are and are comfortable with that identity. Even the ones that were European educated were still through and through Egyptian. They know who they are. They are very proud of who they are. They have been reshaped many times over the millenniums, but they still consider themselves Egyptian first. Yeah, maybe they’re Arabs and yeah, maybe they’re Muslim, but also Christians, and maybe their socialist, or whatever, but they are Egyptians first and last. Comfortable in their identity, and living in a mild climate in a rich land, I considered the Egyptians perhaps the happiest people I had ever encountered in the world. Don’t ask me to define happiness, but I felt that most Egyptians lived that third Jeffersonian dream which is so elusive to so much of humankind.

One of the things we really enjoyed about Egyptian culture was when we would take the baby out. You had a thousand parents around you at all times. You’d go to the park. Every adult was always extremely attentive to every child, and I mean every child. Certainly no fear of picking up somebody else’s baby or making sure the little toddler was not in trouble. It was just automatic that all children were the responsibility of all the adults who were there. That made it a wonderful place, a very loving place to have a small child. It was really a great experience for us and for our first born. When she was born, at a clinic on Roda Island in Cairo, she had the brightest, shining, inquiring eyes. So the Egyptians named her Nura, or light. Our little family was so grateful to Egyptian love and hospitality, and we always are in their debt.

*Q: How did you find doing the economic work? How were Egyptian statistics and all?*

LAROCCO: Of little value. You could only take them with a grain of salt. Because of these near useless statistics, and because of the concern in Washington over growing unrest related to inflation, I developed a first-hand measurement that tracked the correlation between inflation and unrest.

First, through countless interviews, I was able to determine those items in the market place (about 24 items, mostly food stuffs) most vital to your average Cairene. Then I sent out local employees to gather raw data on prices in representative market places around town. Using a weighted system of importance, we were able to calculate a number that could be tracked week by week. When the number jumped, not surprisingly people took to the streets.

Washington loved this. It was far more useful than the usual Foreign Service anecdotal reporting. You can imagine how the analysts at INR and the Agency kept asking for more and more, scrutinizing our methodology to a fine point.

This political/economic barometer earned me a Superior Honor Award, and I'm sure helped in getting another promotion, this time to O2.

AID programs in Egypt mushroom after the Peace Treaty

*Q: Our aid programs, I think we spent quite a bit of money helping them set up infrastructure, didn't we?*

LAROCCO: Before the treaty was signed, it was a relatively lean team of USAID staff at the embassy. Then in what seemed like the blinking of an eye, we became the largest embassy in the world as our AID mission staff exploded in numbers, as did our military advisers. Hundreds of personnel flooded our embassy, overwhelming our admin section. Almost all the AID personnel were veterans of Vietnam. Most spoke Vietnamese, while none spoke Arabic. Not one. They served some wonderful Vietnamese food in their homes, but they didn't have a clue about Egypt.

*Q: Often that doesn't work very well.*

LAROCCO: It was very, very difficult. It was kind of an "us versus them" scenario, and our little group that had been through it all during the negotiations and eventual agreement, knew the culture, knew how things worked in a largely dysfunctional Cairo, found it very, very difficult to work with these people who were parachuted in. If it wasn't for Roy Atherton, I think the whole thing would have just come apart at the seams. There was an enormous amount of money that was just dumped on the embassy to program and get out the door. We had to find ways to spend \$3 million a day! That's what happens when aid is "political assistance" in every sense of the word. My sympathies went out to the AID professionals who saw very little absorptive capacity in the Egyptian economy for this level of funding.

It seem that every feasibility study would come out saying it's not feasible in Egypt, but you still had to spend the money. I was on the AID executive committee as the Embassy econ officer as projects were reviewed. I would just go, oh, my god. In most cases, the projects were not feasible. It was a roll of the dice if anything could succeed.

Of course, AID was under the political gun, so they had to do the best they could. To be sure, Egypt's development needs seemed limitless, but their absorptive capacity was profoundly constrained.

In the end, in my view, hundreds of millions of dollars, if not billions over the years, went down a rat hole. AID veterans will say, and with some true justification, that you should never try to square the circle of economic development and political imperatives. It cannot be done without enormous waste. Cairo proved that in dramatic fashion.

Visibility was what Washington wanted. AID development economists favored a massive infrastructure project to fix the seriously deficient sewage system. I recall clearly one Washington wag blasting AID, saying look at the Japanese...they built an opera house and everyone sees it. Who the hell sees a sewage system?

*Q: In context, we had committed to give an equivalent amount to Egypt as we were giving to Israel.*

LAROCCO: That's correct. It was considered a sacred component of the peace agreement.

*Q: And to balance it off. The Israelis could take care of things very nicely, thank you.*

LAROCCO: You just gave them a check, they would spend it, do the required accountability, and it would be spent well. Easy. No hundreds of AID employees needed.

In Egypt, we never wanted to give funds directly to the Egyptian authorities. We had no confidence that it would be spent wisely, fairly, and with accountability. So we brought in a huge team to do all the planning and project development, then handing over to a contractor the actual work. Once again, this was a political mandate being carried out. No one wanted to break our laws and go to jail; while on the other hand, no one wanted to be accused of holding things up. So this was the system. Even so, the pipeline of unspent funds grew so fast because even if the funds were targeted and obligated, actually carrying out a project could take years. It just kept piling up. The Egyptians were frustrated because they didn't see a lot on the ground for all this money pledged.

So there was a lot of back and forth with Washington, we want to see more, we want to see more, we want to see more. We want to have visible projects, high visibility. Well, a lot of the high visibility stuff was either really not worth it or was just too hard to do. I felt very sorry for my AID colleagues who in their souls lived, breathed and believed in development assistance, not politically-driven assistance.

*Q: Usually the Chinese, Russians, North Koreans are building football stadiums and stuff like that.*

LAROCCO: That's right. We don't do that and that was anathema to an AID worker who really wanted to help the development of the country.

*Q: How did you see relations with some of the countries around there, say Saudi Arabia? What were you getting from the Egyptians? Did they care much about the other countries around them?*

LAROCCO: Most of my work was with other donor nations who were supportive of the peace process. I had very little to do with any other Arab countries because quite frankly, they were not supportive of the peace treaty. If they favored peace at all, it was only a

comprehensive peace. Hiving Egypt off a united Arab bloc of anti-Israel countries was huge blow to them. They clearly felt that Egypt had betrayed them, that Egypt should never have made peace except as part of a comprehensive peace. They felt the Egyptians had particularly betrayed the Palestinians. They basically shunned Egypt during this period and shunned us as well. I don't recall having any contacts at Arab embassies in Cairo at that time. You just never saw them. They didn't come to receptions, they didn't do anything. They were punishing Egypt for being the one to break the 'three no's' as it was called in those days; no recognition, no negotiations, no peace with Israel.

*Q: Did you see any prospect for significant relations between Arabs and Israel?*

LAROCCO: Initially, yes. Initially, we thought this was going to blossom and develop. Again, the Camp David Treaty, if you read it, is not just a treaty between Egypt and Israel; it is a framework for a comprehensive peace in the region. The whole idea was to move immediately from that peace to a peace with the Palestinians, peace with the Syrians, peace with the Jordanians, peace with the Lebanese and in the end, the entire Arab world would reconcile with Israel.

We did a lot of work in Cairo to support this concept. We actually put together a massive study on regional economic integration involving the Israelis and Arab countries. In many ways, it's relevant today if a comprehensive peace could be achieved. It was so carefully crafted, focusing on the doable, targeting those areas that would boost employment and take advantage of linkages. It was that good; whether it came to tourism, agriculture, science and technology, banking, investment, trade, education, energy, etc., it was all there. Unfortunately, it became apparent within a year or so that this was all a dream. And from that point on, the genuine affection Egyptians had for Americans when the treaty was signed disappeared rapidly.

There were no further peace achievements until I went to Israel. When some people noticed that I was in Cairo from 1978-81, then Israel from 1993-96, the only two periods of any serious achievements for peace in the region, I got the nickname of being "good for peace." People joked that nothing would be achieved again until I went back to the region. I never did.

It's very tragic because indeed the expectations were sky high in 1979. They deteriorated quickly in 1980 and were dashed right after I left Egypt: Sadat was assassinated.

*Q: How did we feel about the Muslim Brotherhood at that time?*

LAROCCO: We didn't pay much attention to them. They were there, but they weren't influential. They were suppressed.

*Q: What about Egyptian young people going to the United States? Were there many for education, that sort of thing?*

LAROCCO: No. They were still more European-oriented in those days. The language to learn was French. Those three years of Napoleonic rule, from 1798 to 1801, had a much more profound impact than the Brits or anyone else, including us or the Russians, so the educated elite had French and were French-oriented in those days. Obviously, over time that has changed, but in those days we worked very, very hard to get more Egyptians to go to the States. Our greatest success was getting Egyptian military to the U.S. for training and education. That continues to this day.

*Q: What was the role of Alexandria when you were there?*

LAROCCO: It was basically a backwater, a city of two and a half million people with no airport, the largest city in the world with no airport. We went up there for vacations because it was wonderful. It was a fossil, frozen in time in the 1940s. I bought a lovely painting, and when I got it home, the back was covered with a newspaper from the early 40s. Of course, it was in French. "Casablanca" was showing at the premier movie theater there. Parisian style cafes, bookshops and restaurants were still hanging on in Alexandria when we were there. We didn't have to cross the Mediterranean for a real change. It was just a few hours' drive north.

President Carter visit to Egypt

*Q: Was this deliberate on the part of Nasser and Sadat and all?*

LAROCCO: Not that I recall. I think if either had some personal connection to Alexandria, we might have seen some development there.

We went up there for some talks, with President Carter coming to meet with Sadat there. This was one of my favorite Foreign Service experiences.

I was designated as the control officer to work with the White House Advance Team in Alexandria as we prepared for President Carter. What happened is Carter came to Cairo and then he took a train to Alexandria. We were tasked with preparing a motorcade to transport him, Sadat and all the officials to the Ras Al-Tin Palace. There were so many people that we needed to arrange a 144-vehicle motorcade. It was expected that as many as 2 million Egyptians would line the long parade route.

Unbeknown to us, the Secret Service, who had no confidence in us or the White House travel team, set up their own motorcade. And State DS had no trust in us either, so they put together their own motorcade. On the day of the arrival, the area in front of the Alexandria train station was a mass of confusion as hundreds of vehicles were crammed in front of the train station.

The White House Advance and I finally got everyone on the same page, moved out the other motorcades, lined ours up with all the right numbers in the windows, and breathed a deep sigh of relief as the train pulled into the station. Millions of people were already in

place lining the parade route. It was going to be grand day, indeed. The weather was perfect. Even Walter Cronkite was there.

Carter and Sadat boarded the Cadillac convertible limo, with several lead and follow cars. As is the procedure, we made sure everyone was in their vehicles before the lead security officer signaled that the motorcade could proceed. We hugged each other when the limo pulled out.

But then everything went wrong. Car number 6, which carried the two foreign ministers, Vance and Mustafa Khalil, took a right turn out of the train station area instead of a left. We learned later that they decided on the spot to skip the long trip to the palace and instead go elsewhere to do some serious work. As you might expect, car number 7 turned right following car number 6, as did all the rest of the vehicles in the motorcade. Our well planned and carried out motorcade of 144 vehicles for this grand parade turned out to be short parade of six vehicles. Our jaws dropped, but there was nothing we could do but cry and cry, and then laugh and laugh.

After all the hoopla from everything related to the Carter visit was over, I got a very nice letter from President Carter along with an invitation to come to the White House at some point to spend a day. I did that, and was rewarded with a photograph of Sadat and Carter, signed to me by both of them. It's on the wall behind you.

*Q: Today is the 9<sup>th</sup> of April, 2012 with Jim Larocco.*

*Jim, we had left, you had carefully organized a wonderful motorcade in Alexandria and that's here we left it and we are going to talk about if there is anything more to talk about that period of time you were in Egypt or move on to Kuwait.*

Just a few more things. First, let me get back to the story of the trip of our young family to Israel.

At that time we also had some friends in Jerusalem and we decided to have our baby daughter baptized in Bethlehem. The reason I mention this story it because we asked our good friend Dan Kurtzer, who is an observant Jew, to be the proxy godfather. He immediately accepted. We all went to the Church of the Nativity in Bethlehem, had the baptism, and he did everything according to script until it came to the point where he was to dip his finger in the holy oil and then draw a sign of the cross on our baby's forehead. He just made a straight line. The priest who was named Father Godfrey otherwise known as Father God, who was legend in those days for his holiness, worldliness and unparalleled knowledge of Jerusalem and Bethlehem, just smiled.

One of the reasons I tell this story is that Dan and I were together many years later for a congressional confirmation hearing, he for ambassador to Egypt, me for Kuwait. He and I sat next to each. When they finished with him, I was disappointed that they were so antiseptic and did not say anything about what a great man Dan is. So when they came to

me, I opened my testimony by relating this story. I wanted it duly recorded that Dan Kurtzer is truly a mensch of the highest order.

Egypt-Israel relations in the immediate aftermath of the Peace Treaty signing

*Q: Looking at the Egyptian Israeli mix, what was it? Was this a two sided thing? Was there anything you could point to? They really just don't like each other or what?*

LAROCCO: They don't like each other. I shouldn't say don't like each other because they have never known each other well enough to like or dislike each other. They don't trust each other. They never have. Let's face the facts: they don't have a lot in common. Egypt is a landed society for seven thousand years. They really are a farmer culture, landed people; not Bedouins, not newcomers. The Israelis to them are newcomers into a very old land. They didn't really recognize the fact that Israelis felt that they had been there all along, at least in spirit for thousands of years. They saw the Israelis as Europeans, not as Middle Easterners; a very different culture, a very different society. The Jewish religion wasn't that big of a deal. They had Jews in Egypt but it was more the fact of the European culture sort of plunked down in the heart of the Middle East.

The also, of course, resented their treatment of the Palestinians. They clearly were not willing to fight for the Palestinians and die as they had previously done twice. They wanted that over with and they wanted the Sinai back. It was a strategic peace.

Quite frankly, for the Israeli government, it was a strategic peace as well. Getting Egypt out of the equation guaranteed them a real peace for a long period of time. That's been the case. "There is no war without Egypt, no peace without Syria," is an age old refrain with a good dose of truth in it. The Israelis understood this well.

The Israeli leadership oversold the peace treaty as something it never was: a peace that would bring Egypt and Israel and Egyptians and Israelis together. Love and peace. Commerce. Political ties. Truly a full normalization of relations. That was never going to happen. So there was a huge letdown and disappointment among many common Israelis, and the Egyptians were blamed for not keeping their part of the treaty. Distrust between the two grew and grew with each passing year, but the treaty has always held because leaders on both sides understand fully its strategic importance. It is peace in the sense of absence of war, and that's pretty damned good in the Middle East.

*Q: I've talked to people who served in the Sinai MFO.*

LAROCCO: The MFO. I was later Director General for five years.

*Q: Who talked about dealing with Israeli military is very difficult. You hate the term because it sounds like a New York prejudice but pushy Jews. They were always trying to sort of push the bounds of trying to get a little more, another gun where they shouldn't have a gun or something like that.*

LAROCCO: We didn't have that at all. This will be later on in the discussion when I was head of the MFO in 2004 to 2009, we didn't have that situation at all. It was very different situation by then. Maybe it was earlier.

VIP visitors to Egypt after the Peace Treaty: a tale of two members of Congress

*Q: Earlier on it was push, push, push.*

LAROCCO: In 2004 to 2009 I didn't have that situation at all. It was much more complicated because of Gaza and Hamas and all the rest of that.

As I noted earlier, what took up so much of our time in the aftermath of the peace treaty was handling the deluge of official visitors. It was absolutely one giant, massive travel agency on top of all the other work we had to do.

I can't talk about some cases; they may embarrass some who are still alive. I will relate two stories that are favorites of mine.

Congressman Steve Solarz, God rest his soul, was a wonderful man and I think he came three or four times. One time I was his control officer and he said, "Jim, I want to stay up all night."

I thought, oh, God that's all I need, but we stayed up all night which meant we went to the casinos. He didn't gamble, I didn't gamble but he just kind of wanted to see what went on. So we stayed up all night and it was about four o'clock in the morning and he said, "Let's go out to the pyramids."

In those days you could just jump in your car and just drive directly to the pyramids themselves, so we wended our way through the donkey carts delivering produce to the markets before dawn. When we arrived, we gasped. It was the most single most extraordinary sight in my entire life. We were standing there in front of the Great Pyramid of Cheops and on one side was the rising sun and on the other was a full moon setting. You just had to believe these guys must have come from outer space. Who designed this? It was so unbelievable to see the two just perfectly framed on either side of the Great Pyramid. The two of us just stood there with our mouths gaping. Of course, neither of us brought cameras. If only we had cell phones in those days...

I will tell you another story about a congressman because it was is just too funny.

There was a senator from the Commonwealth of Virginia, of which I am a resident and a voter, and his name is was William Lloyd Scott. He was voted by legislative aides on the Hill as the dumbest member of Congress. He was so angry that he called a press conference to refute that, which tells you something.

He, like everybody else, decided to come to Egypt in the aftermath of the peace treaty signing. I was his control officer. I received word that he wanted to visit the Suez Canal. I

go to my Egyptian buddies and they say the best way to handle this is to put him on a helicopter immediately upon arrival at Cairo Airport and take him straight to Port Said, where the Suez Canal Authority Headquarters I located. We will host him for a briefing and take him over to the canal so he can see where the canal meets the Mediterranean.

Everything was arranged. He arrives, I meet him at planeside. “Mr. Senator, welcome to Egypt. As I believe you know, we helicoptering directly to see the Suez Canal.”

He said, “Wonderful.”

So we get in the helicopters, we fly up to Port Said. We arrive at the headquarters of the Suez Canal Authority which is right there at the Mediterranean at one end of the Suez Canal.

Senator Scott gets out of the helicopter. He immediately walks over to the Mediterranean and says, “That’s the God-darned biggest canal I’ve ever seen. You guys are amazing. When did you build this thing? Wasn’t it a long time ago? You guys are incredible.

The Egyptians and I looked at each other, held back our smiles, and proceeded on for a briefing. We never took him to the actual canal.

*Q: Here you are, a Foreign Service officer in Cairo and you see the nuances of this relationship between Israel and Egypt and all. It ain’t all great. Can you translate that to official visitors or were you just letting the euphoria sweep over?*

LAROCCO: It was euphoria. This was obviously kind of like Nixon’s opening to China. If you look at the history of the post-war period and you had to pick sort of the top ten events in U.S. foreign policy or global foreign policy, right up there in the top ten has to be the Israel-Egypt peace treaty. Everybody wanted to bask in the afterglow. We had a very good ambassador, Roy Atherton who said, “Listen, this is all good. Keep that in mind as painful as this is going to be. This is all good. This is good for our country. It is good for people to see things first hand, to talk to Egyptians, to talk to Israelis.”

A lot of it was very painful, being on the receiving end. Some visitors were very gracious and very nice and some were not very gracious and not very nice. Some were very high maintenance and some were not. I probably handled more visitors in those two years in the aftermath of the peace treaty than many Foreign Service officers do in their career. In the end, I agree wholeheartedly with Roy Atherton: it was all good.

*Q: There is such an important element within American foreign policy for the Middle East, Jewish groups, not only just AIPAC but others. This is a small group of people who vote and donate a lot of money have a hell of a lot of impact. Coming to Egypt I think they would stand out distinctly in your mind.*

LAROCCO: We had all kinds of people who came. Again, in the aftermath of the peace treaty, it was a very positive glow. It started to get a little bit sour but most, I would say

80% of the visitors came in that first year and that was all positive. Then it started to change. I wasn't there in the aftermath of the Sadat assassination, but I assume things started to get extremely tense. It took a while for Mubarak to build confidence in Egypt and with us and the Israelis.

I left Egypt so ill and so exhausted that I was sent to the State Department doctors for a full examination.

*Q: Could you explain, because I am trying to capture the work the Foreign Service does what can be, let's take this example. What was exhausting for the control officer?*

LAROCCO: We were working almost 24 hours a day because we also had our other work to do in addition to all the visitors. We had all kinds of reporting and bilateral work to do. Again, I give Atherton very high marks as the ambassador for his leadership at this most challenging of times for a mission to do all asked of it.

It's also important to keep in mind that Egypt was very primitive then. The phones didn't work. It was easier to call Washington than to call across the street. We would have to rely on our local employees to literally go to visit people to pin down meetings. The amount of work that went into a visit and then during the visit itself was staggering. No reliable phones, no internet, nothing but our vehicles and shoe leather. You had to space out the appointments because the traffic was so horrible and then to be able to get there and prepare everyone properly for the meetings, very, very, very difficult, very time consuming. It took up an enormous amount of our time. It was exhausting.

Because of the state of hygiene at that time, I was sick to a certain degree every day for the three years I was there. I just got used to gastro-intestinal problems as the price of living in Cairo. The State Dept. tropical medicine specialist at the time, a Dr. Wolf, I recall enjoyed looking into all the organisms I had in my body. He said many would always be with me the rest of my life. They hitched a ride and would never get off. That was hardly comforting, but that was the Foreign Service in many places, not just Cairo.

I was out of commission for several months as I recovered while taking the cocktail medicines prescribed to me.

My onward assignment was Kuwait, which is not what I wanted. I wanted to go back to Tunis and be FSI Director. But that was not meant to be.

Kuwait, 1981-83: Oil, investment and finance

*Q: Why wouldn't you want Kuwait?*

LAROCCO: It didn't sound very challenging, especially after Cairo. But...it was an econ section chief job, and this was big jump for me. I also welcomed the opportunity to go to the Gulf and work on energy and financial issues. I had done energy reporting in both Saudi Arabia and Cairo, but had done little in the financial and investment areas. Since

Kuwait was essentially a “fire and forget” post for officers, with few if any official visitors, I knew I would have time to be creative. And I would have plenty of time to be with my young family. My wife was pregnant with our second child when we went to Kuwait.

*Q: It was a major oil producer at that point.*

LAROCCO: A major producer of oil, a major player in OPEC and a major worldwide investor because it had such a small population and tens of billions of dollars of surplus capital that had to go somewhere. They were way ahead of the other Gulf countries at that time. Qatar was nothing. It was just a sand pit. So was the UAE. I had visited both and was stunned at how little was there, except for Dubai. Bahrain, in contrast, was also quite developed, supported by our long established naval facility and some good urban planning provided mainly by the British. Saudi Arabia and Kuwait were the two big oil producers at that time. Iraq was a mess.

*Q: You were there from when to when?*

LAROCCO: '81 to '83.

To show you the contrast with Cairo, there were hardly any official visitors in my two years in Kuwait. I recall Nick Veliotis, the NEA Assistant Secretary, visiting, but he was not received by the leadership. It was essentially a non-visit, just a chat with our ambassador. Keep in mind what I said earlier: the Arab countries were decidedly cool to the Egyptian-Israeli peace treaty. They blamed the U.S., were in fact very angry with us, and Kuwait cozied up to the Soviets, much to our discomfort.

For a political officer, there was virtually no work to do. For me, it was unlimited opportunities for contact work, vital reporting that would be read in Washington and lots of creativity. After all, were the Kuwaitis going to look to the Soviets when it came to rising power in the worlds of finance, energy and investment? Hardly. They were looking squarely at us.

*Q: Who was the ambassador?*

LAROCCO: Our ambassador was Fran Dickman, who was a second time ambassador, a very capable officer but placed in a difficult position. As I said, the Kuwaitis shunned us politically after the peace treaty. Our ambassador did not have much access to the top levels, and his ability to report on political issues was almost like the tea leaf reading I would encounter by our reporting officers in China. It wasn't a pleasant assignment for him, especially after he had experienced – and he reminded us of it often – a wonderful time as ambassador to the UAE, where political events of a historic nature were taking place.

His disengagement was apparent to everyone. And his talk about his first ambassadorship didn't help either. That bothered me deeply, since you can imagine it did not do wonders

for morale at post. When I later on became PDAS, I stated publicly my opposition to a second ambassadorial assignment unless it was to a post that needed an experienced ambassador, like Cairo. I did not want to see a repeat of what I felt in Kuwait in 1981. At the same time, I wanted to give as many opportunities to officers to become an ambassador as possible. Repeat ambassadorships make this difficult.

*Q: The UAE was fairly new on the scene as an entity, wasn't it?*

LAROCCO: Exactly, so he was a pioneer in the UAE, whereas in Kuwait we had a long representation there.

The collapse of the Kuwaiti stock market

*Q: What was going on in Kuwait at the time?*

LAROCCO: What put Kuwait on the map was several things: first and foremost was its active participation in OPEC. In this regard, my relationship with the then Oil Minister, Sheikh Ali Khalifa Al-Sabah, paid enormous dividends in terms of reporting. Second, the Kuwaitis took the lead in establishing the Gulf Cooperation Council. This fledgling organization was of interest to Washington, even though it was not that active. Third, there was the collapse of the local stock exchange, the Souk Al-Manakh, with nearly \$100 billion dollars involved. It was an amazing story, and I had one of the most enjoyable times of my career reporting this from start to finish. Finally, there were Kuwaiti foreign investments, which were penetrating everywhere in the world, including and especially the U.S. There was great interest in this story and the collapse of the stock market at our Treasury Department.

Let me expand on the story of the collapse of the stock market, because this not only helped to get me promoted yet again quickly, this time to the O1 level, but also led to a difficult experience for me. What happened is that I did a long series of messages detailing everything that was going on. I had some superb sources who kept me fully informed. Despite being highly classified messages, they were leaked to the Middle East Economic Digest. This, even more than the messages themselves, drew everyone's attention in Washington. Fortunately, an investigation exonerated me, fingering a Treasury Department mid-level person who thought the world should know what was really going on in Kuwait. It was through this investigation process that I learned how widely cables are disseminated, how to write them to limit this distribution and how to protect yourself. That lesson served me well over the years, and none of my later sensitive messages appeared in WikiLeaks, as far as I know.

For me it was very scary for a while. I was petrified that I was being investigated and considered as possibly a leaker. In the end, it served me well.

*Q: Could you explain why this was so volatile?*

LAROCCO: I was getting all the details from the senior officials about who was doing what and the prominent families. Again, once you get into names of people and individuals, that's truly the most sensitive stuff. This was implicating a lot of members of the ruling family. Not a royal family, a ruling family in Kuwait and all kinds of financiers that were major investors in the United States and Europe and elsewhere. These messages were read particularly by the international financial community with really great interest. This helped boost the already sterling reputation of the Middle East Economic Digest.

*Q: Were the Kuwaitis creating the bubble?*

LAROCCO: Yes, they created the bubble by doing post-dated checks. They would go down to the stock market and they would buy a stock that let's say was today \$10. They would pay \$100 a share for it. And they would write a check that could be cashed two months from now for that. Everybody got into the fun, and post-dated checks and IOUs were swirling around every corner of Kuwait. At some point, this pyramid scheme had to collapse. It reached the point of being a bubble of 98 billion dollars. The government in the end had no choice but to get involved, trying to sort out and cancel out so many of the checks that had crossed with each other. In the end, the government was stuck with a multi-billion dollar bill and a stock market with little credibility. It was a humiliating fiasco.

Spike in global oil prices

*Q: During the period you were there, what was the oil market like?*

LAROCCO: If you remember, this was the big shock. You had the shock of '73 just before I arrived in Saudi. That was a big thing that we talked about earlier where prices went from 2 to 8 dollars per barrel. In relative terms, that was a huge increase, even though the prices remained low. In this case, prices skyrocketed to 40 dollars and more, and did not come down. In actual terms, this was a huge new burden on consumer countries and consumers themselves. This is when we had the gas lines in America, the crash conservation efforts, the energy efficiency stickers on everything from refrigerators to washing machines. . This was a huge economic and financial crisis for us and was a major factor in our ballooning trade deficit. Between oil prices, Japan's explosion into the U.S. market and inflation rates in the U.S. that were eroding the savings of those on fixed incomes, America was reeling. Ronald Reagan came into office, and his highest priority was to get the American economy back on track.

*Q: People lining up at service stations.*

LAROCCO: Exactly. The Iranian revolution played a role in this, just as the earlier shock was connected to the '73 Arab-Israeli war. OPEC took advantage of both opportunities. I was able to get useful and timely information (some might call it intelligence...in the Foreign Service we are careful about that term) about what OPEC was planning to do. I would send in reports before each meeting. I would send in reports after each meeting, because Kuwait was a major player at that time in terms of how the oil markets went,

particularly because of the turmoil in Iran. And keep in mind that Iran-Iraq war was also taking place on our doorstep. All this contributed to the spike in oil prices.

*Q: In OPEC, I have heard reports that the Kuwaitis were not, let's say beloved in the Arab world.*

LAROCCO: Nor were they beloved by us. The Kuwaitis were pushing for top dollar. We did not have at that time a basic unwritten compact with the Kuwaitis that we did with the Saudis. We had a fundamental understanding with the Saudis on oil and security that dated back to Ibn Saud. We didn't have that with Kuwait. Kuwait was out to get whatever it could get.

Kuwait at that time was very pro-Soviet.

*Q: For God's sake, why?*

Kuwait: a pro-Soviet policy in 1981

LAROCCO: What had we ever done for the Kuwaitis? They were for decades under the protection of the British, and we were a small presence in Kuwait. The British embassy in 1981 was much larger than ours, and they were much closer to the Kuwaiti top leadership. We had our close ties with the Saudis, a true strategic partnership, and that was good enough for us and good enough for the Kuwaitis. As I think I mentioned earlier, we had almost no official visitors during this period in Kuwait.

At the same time, as I noted earlier, the Kuwaitis were furious over our leading role in the peace treaty between Egypt and Israel. Keep in mind that in 1981, there were an estimated 400,000 Palestinians in Kuwait, and they were outraged by the peace treaty. The Kuwaitis, in turn, reflected that outrage. They had no reason to like us.

In addition, the foreign minister, Shaykh Sabah, who is currently the Amir of Kuwait, had a deep distrust for the U.S. I have no qualms about saying the following, because I knew it was true: In his heart, he was anti-American, and I don't think that has ever changed. He kept us at arm's length while he turned repeatedly to the Soviets. I don't recall our ambassador ever calling on him during my two years there.

He and the Russians had indeed developed a very close relationship. Perhaps we will get into this later, but when I was ambassador in Kuwait, toward the end of my tenure, I had a very, very personal one-on-one conversation with Shaykh Sabah about this, looking him in the eye and saying to him that in his heart he would always be anti-American, but in his mind he had reconciled and now clearly understood the importance of the U.S. to the very survival of Kuwait. That was good enough for me. He was very shaken by this statement from me, but he did not rebut it.

*Q: Was this palpable?*

LAROCCO: It was palpable. At that time, the Kuwaitis were deemed “the super power of the Gulf” (much like the Qataris in recent years) because of their independent foreign policy, which was pro-Soviet, pro-non alignment movement. They were very, very independent actors, threw their money around, threw their weight around and were not cooperating with the U.S. at all. Again, just like the Qataris in recent years, Kuwait’s neighbors viewed Kuwait’s behavior with contempt.

*Q: What was our role there? I go back to when I was vice consul in Dhahran in 1958 to '60 so it was pretty primitive in those days. What about our role in the Gulf there, the ground force, our naval presence? Was this anything?*

LAROCCO: The Brits were embedded with the Kuwaiti military, such as it was. Our presence was modest. Keep in mind just how prominent our presence was back then and even much earlier in both Saudi and Bahrain. That was enough to serve our strategic interests in the Gulf. It was truly all about protecting the Saudi oilfields and thereby protecting our energy security. Kuwait was not a major supplier to the U.S. and there was no interest by either side of changing this.

Remember... this was right after the Iranian revolution when I arrived in Kuwait and the Iran-Iraq war was raging. We had no dog in that fight. I think it was Henry Kissinger who replied to a question about that particular war regarding whose side we were on: “Can they both lose?” Perhaps millions died, kids were sent to the frontlines to die, Kurds were gassed...it wasn’t our concern. I look at Syria today and all the handwringing. But we are talking a humanitarian disaster in the Iran-Iraq war affecting millions of innocent people. The world didn’t care. The Gulf countries were concerned but felt safe, knowing our 5<sup>th</sup> fleet was stationed in Bahrain and that we had forces in Riyadh and elsewhere in Saudi Arabia.

Palestinians in Kuwait

*Q: Were the Kuwaitis messing around in Israel, Palestine?*

LAROCCO: As I noted, there were an estimated 400,000 Palestinians living in Kuwait, so they were very, very anti-Israel, very pro-Palestinian. Yasser Arafat was living there from time to time. I recall fund raising at American fast food establishments for the Palestinian cause.

Queen Rania of Jordan is a Palestinian and was growing up in Kuwait when I was there. Palestinians were, for all intents and purposes, running Kuwait. They were the managers in government, the key businessmen, the professionals, the tradesmen. They were everywhere.

Palestinian professionals were among my best friends, and our young family was warmly accepted among the many Palestinian families in our neighborhood. It was indeed awkward because it was a time when the PLO had offices in the hotel across from our embassy and looked down straight on our compound, at times brandishing their weapons.

I recall our Palestinian neighbors giving our newborn son a t-shirt with a map of Palestine on it. Of course, there was no Israel to be found on that map. We indeed had some awkward moments.

Trip to Iraq, Jordan and Israel, 1982

Speaking of my second child, he was born in Kuwait at a clinic. An Indian midwife brought him into this world with my assistance. No doctor, no one else on hand...just the two of us. It was indeed a miracle that I will never forget. We decided it was so cool to have our first child baptized in Bethlehem, we would have the second one baptized there as well. So we got in a car, drove to Basra, toured Iraq for two weeks, revisiting many of the sights I had been to four years previous. It was an unforgettable experience. Just as it's hard to imagine driving through Gaza in a convertible, it's hard to imagine today an American father and mother with two babies in car seats in the back driving around Iraq. Then we went to Jordan, toured Jordan for a week or so, then had a friend from our embassy in Amman drive us to the Allenby Bridge, the only crossing into Israel.

In those days, the Allenby Bridge was nothing more than rickety structure of boards set not so close together about 12 feet above the trickle of water that was the Jordan River at that point. I was going across pushing a stroller, those miserable excuses of strollers that were all we had in those days, with my daughter in it, while my wife had the little one in a front pack. At one point about halfway across the bridge, one of the wheels got stuck in a gap and the stroller started to go over. The Israeli soldier guard started to run towards us to help, as did the Jordanian, but they stopped abruptly, raising their weapons. Talk about a really scary moment. I am going, oh, God, oh, God trying to right the stroller while appealing for calm. I somehow mustered up enough strength to right the stroller. I can only imagine what might have transpired if we went into the gulley below.

We had the baptism in Bethlehem, and it was as beautiful as the first one, again with Father God presiding. We drove back to Kuwait along the thousand mile TAP line road in northern Saudi Arabia. I drove the longest I have ever in my life: 1010 miles in one day. Of course, this was a straight road in the desert with no traffic, so most of the time I had the car on cruise control set at 95 miles per hour.

*Q: Let's talk a little about Iraq. You'd hitchhiked there before.*

LAROCCO: In '77, so I went back, I loved Iraq.

*Q: What did you see when you went back?*

LAROCCO: What I saw was the effects of the war. Petrol was rationed despite this being a leading oil producing country. Basra was battered and bruised, although the lovely spot reputed to be the site of the Garden of Eden near Basra was still there. We enjoyed a picnic there under the palm trees. The drive northwest to Baghdad showed the wear and tear of war. What had been a country on the road to development was now a country

scarred and drifting downward. There were signs of Shia unrest as this war took its toll, especially since it was fought almost like WWI.

*Q: Yes, World War I.*

LAROCCO: It was just like World War I, with pitched battles, charges, human waves of people killing each other. I didn't get anywhere close to that, obviously driving on protected roads, but you could feel that the country was under severe stress. It was sad to me because it is such a beautiful country and had such a bright future just a few years before then.

*Q: What about Jordan? How did you find Jordan as compared to Kuwait?*

LAROCCO: The Jordanians are truly among the most wonderful people on this Earth. They have a naturally conservative bent, with a strong sense of hospitality, graciousness and concern.

We first went to Petra. We each had a baby, I with the older one in a backpack, my wife the baby in a front pack, and we walked through the Sik and around the valley, and then climbed all the way up to the monastery at the top of the hills. We were exhausted and there was a family of Jordanians sitting on a blanket having tea. They said, "Listen, leave the babies with us and you can go off and wander around and see some of the views from the hilltops nearby." From our experiences in Cairo, we felt complete trust in this family. My wife and I just went off and rested on a very high spot with a grand vista, fell asleep and came back two hours later. The babies were giggling, admiring their hennaed hands with all kinds of red squiggles. The scene seemed so natural. We thanked the hosts, shared some tea and headed back down the mountain. The Jordanians are wonderful, wonderful people. We loved it there. I always wanted to be posted to Jordan but never got there.

Kuwait's foreign relations, 1981-83

*Q: Okay, you are back in Kuwait. What were the effects? You had World War I going on a couple of miles up the river. How did this affect you all?*

LAROCCO: Not in the least. Life was...it was as if nothing was going on. I would read the special files each day detailing the bloodshed, but my family and everyone else in Kuwait felt nothing.

Kuwaitis were living fat and contented, making a lot of money with oil prices up because of the conflict, people were doing extremely well and the Fund for Future Generations was soaring in value, moving steadily toward \$100 billion.

*Q: Were the Iraqis making noises about Kuwait and being the lost province and that sort of thing?*

LAROCCO: Oh, yes, always, and the Iranians were also making noises about Kuwait. Both of them were and I think that is part of what eventually drove the Kuwaitis into our arms, but at that time, no. At that time they were looking more to the Soviet Union and practicing an independent policy. Of course, at the same time, our leadership was paying very little attention to the Kuwaitis.

*Q: I was wondering the Foreign Service, we try to put ourselves into the minds of the place where we are. If I were a Kuwaiti and in a difficult neighborhood I would look to the Fifth Fleet or something. If anybody is going to help us in a difficult time, I mean what are the Soviets going to do?*

LAROCCO: Nothing. Keep in mind that the Cold War was still being waged at high decibel. Neither we nor the Soviets were about to lock horns in the Gulf.

*Q: If they moved in there, it would immediately trip the wire of the Americans coming in and they would be on the wrong side of the equation.*

LAROCCO: And we saw what happened eventually. We did save Kuwait. But they never foresaw this day coming. They, like so many others, would never have guessed that the Soviet Union would collapse within a decade. To me it was totally illogical that the Kuwaiti leadership did not see us as their security umbrella, to the ambassador it was illogical, to all of us it was illogical, but that was the way it was.

*Q: We all have these stories yes, it is illogical but it is the Middle East, you know? Were you seeing this as why don't the Kuwaitis get with it?*

LAROCCO: I agree, and we often reminded ourselves whenever we thought we had the region figured out that we were in the Muddle East.

Of course, as the economic guy and not the political guy, I was really doing fascinating work that was being read with interest, with demands for more and more. The Kuwaitis seemed to find gold wherever they looked, whether in the ground or on Wall Street. They had a great relationship with the United States, economically and financially, so things were going swimmingly from that perspective.

On the political side, no. It reminds me a bit of today. I go to Pakistan frequently \. The Pakistanis keep citing the Chinese as their security blanket. I keep asking them what the Chinese have done and what would they do? They are in denial, but just like the Kuwaitis back then, they viscerally do not want a close relationship with us, regardless of what their brain tells them.

*Q: I would think Kuwaitis would look to England because they had helped them out. They sent an aircraft carrier in.*

LAROCCO: The Kuwaitis did look to them. But the Brits had already pulled out of the Gulf, making it clear that the days of a British defense umbrella were over. The Kuwaitis

nonetheless kept a special relationship with the Brits, since no one else was offering to step in to take their place. Our day would come later in the decade.

*Q: They pulled out.*

LAROCCO: Yes, the British had pulled out long before then, and there was a vacuum that only we could eventually fill. Bahrain and Saudi were already protected by us, Qatar was still a sand heap without much and the UAE was...well... I just don't know enough about the UAE about where their heads were. The U.S. was focused on Saudi Arabia, as you know so well.

*Q: I would think the money market would be independent, wouldn't it? That's where they put their money, wasn't it?*

LAROCCO: There had been two financial centers they looked to for many years: Beirut and London. The civil war in Lebanon shifted more attention to London, but also drew much attention to New York. They placed billions in the U.S. in the 1980s. We also sold a lot of products to them. They liked big American cars. At one point, they reportedly had the largest Chevy dealership in the world. Even the Amir loved his Chevy Impala.

*Q: Did you have a connection with our embassy in London? I would think you would be sort of synchronized or something.*

LAROCCO: We established at some point Middle East watchers in both Paris and London. If we had one back in 1981, I don't remember, because I didn't deal with the political issues. Those two positions were focused on political and security issues, as I recall.

*Q: What about at that time with Iran? I assume Iran for you would be anathema, having gone through the hostage business. Were the Kuwaitis flirting with the Iranians or anything like that?*

LAROCCO: Much more than we would like. I'm not sure what has been declassified, so let me leave it at that.

I can say that the Iranian embassy was incredibly active and what pissed us off was that their ambassador had a green card. He had a green card and yet we knew he was running all kinds of operations to harm our interests. This was a painful time to be working on the political side in Kuwait. Between the Palestine Liberation Organization looking at us, the Iranian embassy a stone's throw beyond that, and the Kuwaitis shunning us, my counterparts had a tough slog.

I, on the other hand, had a long Rolodex, as we used to say, listing officials, bankers, investors, energy sector individuals, etc. I got into trouble with the ambassador when I played on the bankers' softball team rather than on the embassy team. Unfortunately, he came to one of the games and I lead off the game with a double. He gave me a very dirty

look and later called me in to his office. I told him the information I was getting from all these young bankers was worth its weight in gold. What would I get from being on the embassy team? Being an econ officer himself, he concurred.

I also was criticized in my efficiency report for working too closely with senior officials who were, according to my rating officer, above my grade; they were the prerogative of the ambassador. I was stunned by this criticism, so angry in fact that I did what one was never supposed to do: write a massive rebuttal, six pages long, which was admissible in those days. There was no limit on what a rated officer could write, but at the same time, it was often referred to as “the suicide box.” Guidance given to all of us repeatedly was to be brief, nice and just answer the questions. I refused to take this guidance, and I detailed all the work I had done on the financial, energy, trade and investment fronts.

Interestingly, the review committee at the embassy wrote a statement indicating, in State Dept. special speak, that the rating officer had been “unduly harsh” in his assessment of my performance and potential. I awaited my fate with some trepidation, so you can imagine my surprise and delight when I was promoted to FS 01. Making this level after three tours put me on a fast track, which is very unusual for an officer focused on serving in the field. Sounds ironic, since we called ourselves a “Foreign Service.” But it was a fact that if you wanted to get ahead quickly, it was best to take high profile jobs in Washington.

*Q: The British embassy?*

LAROCCO: The British embassy was much more prominent than we were. The Iranian embassy was more prominent. The Soviet mission was big. The Palestinian delegation was much more prominent than we were and of course, the Saudis were the big brothers and the Iraqis were there. Even the Indian and Chinese embassies were bigger than we were. We were way down the pecking order, and while this was unusual for us in the world, it made my job so much easier since I could be quite inconspicuous. I had two outstanding junior officers working for me those two years, the year first Andrew Steinfeld and the second Janet Sanderson, and we could be as creative as our minds would allow.

*Q: The Palestinians were eventually kicked out, right? They never were really fully accepted there.*

LAROCCO: Of course, not. They were not Kuwaitis. They never could be more than guests. But I would be careful in saying they were never welcome. I believe that while there was always some suspicion, as there are of any foreigners, there also was a strong bond between many Kuwaitis and many Palestinians. Because of this bond, when Arafat sided with Saddam, the feeling of betrayal by the Kuwaitis was profound. They could never forgive the Palestinians for supporting the invasion and occupation of their country. Despite this, the Kuwaitis did recognize a number of Palestinians who rendered valiant service to them during the occupation at great risk to their own lives. Some were even rewarded with citizenship. At the same time, Kuwaitis would quietly tell me stories of

Palestinians who took advantage of the occupation to torture Kuwaitis and their families. It was, like all wars, a mosaic of bravery, cowardice, untoward kindness and untoward brutality. But Kuwaitis will never forget those who stood by them, especially us, and those who did not.

*Q: How about the Saudis? What was their, did we have much contact with them?*

LAROCCO: The Saudi-Kuwaiti relationship was well known and understood, but visible signs of Saudi influence rarely surfaced. The Saudis were almost invisible, but you knew their hand was there all the time. At the same time, the Saudis cut them a lot of slack, cut them an enormous amount of slack because they had their relationship they wanted with the U.S. The Kuwaitis were relatively free, as long as Saudi interests were protected.

I think the Saudis that I knew had the same feeling about the Kuwaitis as we did. Why are they doing this? Do they really think at the end of the day the Soviets are going to save them? Do they think at the end of the day this game they are playing is going to serve their interests? The Saudis, I think, basically shook their heads over Kuwaiti behavior. But they didn't care enough to do anything about it. That was the Saudi attitude about lots of issues in those days.

*Q: Did you feel there was a major threat from Iraq on Kuwaiti soil or was the war such that this wasn't a factor?*

LAROCCO: It was not a factor and as far as the Kuwaitis were concerned because both the Iraqis and Iranians were slashing each other to bits. Neither had much time to glance in Kuwait's direction.

*Q: This was a little like our policy.*

LAROCCO: Yeah, there were a lot of Americans and others, the world community just let it go on. What did the world community do to stop that war, to negotiate an ending? Nothing. They went on for eight years until they exhausted each other.

*Q: What did you do afterwards? You mentioned the fact that you had an ideal job. Did this translate itself, Foreign Service wise into anything?*

LAROCCO: Very much so. As I have noted, I got on the radar of those in Washington because of my reporting. This was despite being at a little post where no one wanted to serve. I always kept this in mind over the years, and would counsel young officers that wherever you are, you can still get promoted if you demonstrate convincingly you can perform at a higher level of responsibility.

I would like to mention one more thing about this assignment to Kuwait. I also took the time to do something unique: a project that would last my whole tour. I did this because in those days in Kuwait, we weren't bombarded with daily messages from Washington asking us to do this and that. Nothing like today. In fact, we rarely received an

instructional message from Washington. I feel so sorry for officers today who must spend half their day at computers. I had all the time in the world.

So I decided to write an Airgram, as it was known in those days, on the top 50 merchant families of Kuwait. I had a young college intern, Michael Harvey, to assist me. After all these years, I recently ran into him for this first time in twenty years. He is AID Director in Tel Aviv. I am so proud of him. Mike and I went to visit all the top families, talk to the family elders and historians, see if they would give us family trees or describe in as much detail as possible their family history so we could construct histories and notable leaders, past, present and future. It ended up being 200 pages long. To this day, analysts refer to it. Unfortunately, it was never declassified, so even I don't have a copy of it.

Terrorism threats in Kuwait

*Q: You left Kuwait when?*

LAROCCO: I was there '81 to '83. My last six months, we were repeatedly threatened with a terrorist attack. There were two attempts that failed, as I recall. We were increasingly on edge, pleading with Washington to provide us with security. They kept sending out teams to look at us and came up with the nuttiest ideas; building a tunnel under my desk because my office was not connected directly to the embassy. What we wanted was a simple Delta barrier at the front gate. All we had was a drop bar. They studied and studied, sent out teams, including one with a senior officer with one of those wonderful old time Foreign Service names, Holsey Handyside, but we kept waiting and waiting.

It got so scary that I would not wash my car; I would check for handprints to see if someone might have tampered with the engine or under body. I checked with my own flashlight and mirror. As my departure date drew near, I felt obliged to send my family home. I could feel it in my bones that something was going to happen. I was so relieved to put them on the plane home.

I moved onto the compound because there were a few apartments for TDYers in our administrative building. I left Kuwait and when that aircraft lifted off the ground, I heaved a sigh of relief. That's how sure I was that an attack may take place.

It did, several months later. A truck carrying explosives broke through the drop bar, turned left and ignited its explosives at our administrative building. That apartment that I was living in was destroyed. Three local personnel were killed. It was a terrible tragedy that should have been avoided.

At that point, I decided to get out of the Middle East for a variety of reasons. First and foremost, I was increasingly worried about my young children. Security awareness at State was just beginning to reach levels it should have. But it wasn't close to what it should be in my view. Secondly, the world was now focusing on the Asia-Pacific economic miracle. For an econ officer, this was the future, not the Middle East. And

thirdly, remembering “Kissinger’s rule” that officers should not specialize in one bureau only, I decided to look elsewhere.

Congressional Fellow in the office of Senator Max Baucus, 1983-84.

*Q: So what was next after Kuwait?*

LAROCCO: I came back to Washington and took an assignment as a Congressional Fellow for Senator Max Baucus. It was wonderful follow-up to my first assignment in the State congressional relations office. I did that for one year.

*Q: Baucus was from what state?*

LAROCCO: Montana.

*Q: OK, we will pick it up then.*

*Today is the third of July, 2012 an interview with Jim Larocco. Jim, we left this off the last time when we were, you had left Kuwait. This was '83 or so?*

LAROCCO: '83 I left Kuwait.

*Q: Then what did you do?*

LAROCCO: I left Kuwait in '83 and I took a position as a congressional fellow. There was a choice of either a Pearson program or a congressional fellow in those days. I think it still exists. These are two programs where you go off to the Hill for a year. Under the Pearson program, you were assigned to a specific office and you went directly there. I was not interested in that. I didn't want to put a year of my life in the hands of someone who may or may not match me up well with a Hill office. Under congressional fellows' program, you go for six weeks at Johns Hopkins SAIS for a basic course on Congress, at the time taught by the legendary, Fred Holborn, who was a larger than life professor. I had gone to SAIS, but I had never had a course with him. A very eccentric guy, but brilliant. Unfortunately, he has passed on but the guy knew the Hill like the back of his hand.

I had an interesting mix of people in my class, including a young man by the name of Wolf Blitzer. We had a group of about 12 of us, a mixed group from various agencies or academia, and the program was an extremely intensive introduction to the Hill, including lectures and meetings by and with current and former members of Congress. I truly wish all FSOs could get this kind of course prior to entering the Senior Foreign Service.

When we were in the third week of the course, we had to start hunting around for a job on the Hill. They had a list of Congresspersons who in the past had hosted Fellows, but otherwise we were on our own. It was humbling experience. I felt like I was back on the streets of Chicago hawking World's Finest Chocolate bars again, but this time I was

selling myself. But I was free...no cost to a Congressional office. And I had all this experience and education under my belt. How hard could it be to sell that? Well, it was damned hard, and truly humbling. Trying to get past the secretary in the outer office who greets all visitors at times proved daunting. Getting all the way to a meeting with the Administrative Assistant or the Chief Legislative Assistant or the Congressman himself took an amazing sales job. This really taught me a lot about myself that I had thought I left behind once I joined the government for a career job: how to sell myself, how to approach people to ask for things, which became very useful for me later in my career and post career as well.

To make a long story short, I interviewed with about 16 offices. I decided I wanted to do the Senate, so that's where I spent my time. I was started to get discouraged to the point of settling for a particular Senator whose anti-State attitudes were well known when I suddenly received a call that Senator Max Baucus himself wanted to interview me. I honestly knew nothing about him. I had to look him up. A freshman Senator, on the Finance Committee, from Montana, a conservative democrat up for re-election. I had been advised not to work for someone up for election, as it was likely they would not be in Washington much, but I didn't let that influence my casting a net widely.

Max wowed me, as a good politician should. He was calm, warm and friendly, but also had an unmistakable fire in his eyes that led me to believe he was determined to be successful. I only learned later that he wanted to follow in the footsteps of Montana's great legislator and world statesman Mike Mansfield. I'm not sure any pundit has made this connection as Max is now the U.S. Ambassador to China. Mansfield, of course, was ambassador to Japan. How anyone could miss this shows how little history our journalists delve into these days.

In any case, Max and his top aides offered me the Holy Grail of a temporary job on the Hill: a desk of my own, a phone and access to a computer. In addition, I was told that I would work on international trade issues, something near and dear to my heart. I was also delighted because Montana's focus was trade to the Far East, an area I was increasingly interested in serving in. All that pavement pounding paid off. I never informed State that I intended to spend my entire year with Max. Traditionally, a Fellow is expected to spend half a year in an office in the Senate, the other half in the House. In fact, no one at State ever asked me before, during or after. I was not surprised. I was effectively "outside the system," and that suited me just fine.

My first task was to get oriented to the key trade issues for Montana: beef, wheat and forest products. Then I had to see what relevant legislation was wending its way through Congress to see whether there would be an impact, positive or negative to Montana's interests. In addition, I had to learn where Montana's key markets were and where was the best potential for increased trade. Time was precious in the Senate in those days, as things moved quickly, unlike today. I had to do a crash course on all the topics I have noted.

Congress-State relations in 1983-84

*Q: Before we move on, with the other people you interviewed, did you find either a lack of knowledge, a disdain or anything for your Foreign Service experience?*

LAROCCO: Disdain was the attitude toward the State Department prevalent on the Hill. As for the Foreign Service, they often distinguished that from State as an institution. They clearly had met a number of FSOs, and by and large were impressed.

Max did not fit at all the usual impression I got on the Hill. Instead, I felt that perhaps he had wanted to be an FSO himself, or more likely, as I noted earlier, wanted to follow in Mike Mansfield's footsteps and become an international statesman at some point. I will talk more about Hill-State relations later in this interview.

Let's get back to my work on trade. I was very, very active as Max studied trade issues and worked to improve his position as a leader serving his state. Then one day, his administrative assistant asked me to draft a campaign speech for him on trade. I thought, cool. I was not a speech writer, so I was directed over to the Congressional Research Service for guidance. I was delighted to spend time there, and especially to enjoy access to a room devoted totally to speech writing.

I did the first draft, knowing the importance of short, punchy paragraphs and memorable sound bites. We came up with a slogan which was stolen from the famous Wendy's commercial back in the early 80s: 'Where's the beef?' We decided to do a campaign directed at the closed Japanese market to American beef. I dug up a great Japanese proverb: "patience is tied with a slip knot." The idea is that our patience was running thin as the Japanese kept deploying different tactics to keep U.S. beef imports limited. Max's speech was a resounding success and the Japanese took note. More speeches were made, t-shirts were produced with "Where's the Beef" on them, and a trade luncheon in the capital served Montana beef to the Japanese ambassador. It may seem showmanship, but it worked. Not only was Max was on everyone's screen, raising his profile and status for re-election, but also helped pry open the Japanese market.

*Q: What about State and the Hill?*

OK...back to that. I remember the first time I was doing some research on some pending trade legislation, and I had a very, very simple question. We didn't have the research engines we have today, so I thought, let me call the desk officer at the State Department. Either he will have the answer or connect me with someone who does. I made the call, indicating I was on the staff of Sen Baucus, and I had a simple question. He was very rude. He blew me off completely. I was stunned. I thought, oh my God. I can see why people on the Hill don't like State. State is so aloof and treats them so badly. I was calling there to get a simple question answered, nothing sensitive, just informational and I got the door shut on me. I was absolutely livid and I later wrote a memo to the assistant secretary of state for congressional relations, noting my own experience working in that office. Remember, that was my first job in the Foreign Service. I opened by noting that I know how H is geared, because I worked in that office. I stressed that H does a good job, but its

job is limited. There are all kinds of requests made to State, and State is not responsive. The rest of the building is working against the interests of H, the seventh floor and the Secretary. They are working against the interests of the State Department. No wonder these people up here are pissed at us. You've got to change the culture of State so that if a congressional staffer calls up and says, "Hey, can you tell me about this and it's simple and not sensitive?" answer the frickin question. I was later told that this memo did get some pulses racing, and that there guidelines were sent around State on being responsive to Hill calls and requests. But I suspect that was either short-lived or thrown in the circular file cabinet.

*Q: It is interesting because I am a consular officer by background. I had three days to answer a consular enquiry. That's standard. We treated it that way but it didn't translate elsewhere.*

LAROCCO: Part of the problem was that for years, everything had to go through the Congressional Relations Office. This slowed everything down. So many congressional staffers just phoned State offices directly if they had simple requests, not for any formal record. Since that time in the '70s, there have been numerous changes in procedure. Now with email, it's impossible to control contacts between State and the Hill. I hope the State culture has adapted accordingly.

Consular issues are a separate matter. There have been longstanding procedures involving consular officers in the field, the Consular Affairs bureau at State and the Congressional Relations Office. This process has always worked well, with glitches from time to time because certain individual officers don't get with the program, but the process itself is designed to work well and in a timely fashion.

But when it comes to policy issues, there was a lot of frustration on the Hill in terms of getting basic information. They understood if they wanted a policy statement, that's a different story. Then you go to the assistant secretary or whomever or you go right to the secretary of state. If you've got a bill coming up that's got a foreign policy implication to it and you want to know what is Japan doing about this or what is our trade levels, it could be very painful to pry anything out of State. I was calling simply to ask about the Andean Pact. I had no idea what it was and there was a hearing scheduled. Max wanted to get up to speed. I couldn't get anything from State, so I unfortunately turned to lobbying firms. They are always ready to serve the Hill.

Senator Max Baucus

*Q: You mentioned there was an election going on.*

LAROCCO: And he won, obviously.

*Q: How did a Democrat win in Montana? I would think this would be the heart of conservative Republicanism.*

LAROCCO: He again addressed their needs. He really was very much focused on those issues that mattered for the state of Montana, devoted a lot of time to that and he personally went around and spoke to everybody. He was a real Montanan, was proud of his heritage and truly charmed his interlocutors.

*Q: He could do that.*

LAROCCO: He could do that in Montana. He was a bona fide Montanan himself so there was never any question about that. He was just a very thoughtful, likeable guy. He was conservative when he needed to be conservative, and he was moderate or even liberal when it made sense.

When I think of growing up in Illinois and having people like Everett Dirksen and Charles Percy who were moderate Republicans, were very thoughtful, that's what he was as a Democrat. He could have just as well have been a moderate Republican. There was a powerful middle in the Congress in those days, both Dems and GOP.

Keep in mind he always looked up to another great Democratic senator from Montana: Mike Mansfield. Mike made history as a Senator from an isolated state with a small population. It was the American dream.

*Q: When you think of Montana, historically Anaconda and bombs are going off. This is really a nasty during the early part of the 20<sup>th</sup> century, practically a war going on there with fatalities. How did things stand in the 80s? Was there a copper war there or not?*

LAROCCO: By the 1980s, no. Copper was no longer king. Beef and wheat and forest products were huge in the '80s. Copper was definitely down the list and it was neither a major generator of income nor a source of that much employment.

*Q: What about Japan? Japan traditionally has tried to stop rice from coming in because the Japanese belly isn't able to accommodate American rice, a lot of crap like that. Was there essentially a closed gate for beef and other Montana products?*

LAROCCO: In those days, yes, there were strict barriers, but Max's campaign was successful and they started opening up a little bit, not a lot but they started opening up both for selected cuts of beef and for various forest products. They were very careful to open up for products that Montana had a competitive edge for. After all, Montana and our friendly neighbors to the north were both competing for this lucrative market. Max's public campaign embarrassed them, and Japanese do not like being in the spotlight, particularly if it's embarrassing. So Montana directly benefited from his efforts.

Wheat was big for Montana, but so much of the wheat that Montana and our wheat farmers export go through U.S. programs anyway, so that was not a hot button issue like beef and forest products.

*Q: I have talked to people who have said when you are dealing with Canadians, you are dealing with people working in the government who have been dealing with this for 30 years maybe. They know it backwards and forwards and we keep throwing new people in and they often get chewed up.*

LAROCCO: They do get chewed up and we spent a lot of time on legislation related to Canadian forest products. The lumber itself was one thing, but it was all the wood products; the fiberboard, particle board, all the rest of the stuff. I got into that much more than I would have wished. I learned quite a bit about forest products trade and those plucky Canadians were indeed tough and wily competitors. I had never thought of them in this way. Growing up in Chicago, they were only competitors on ice, but even then, all the players we were worshipped growing up, like Bobby Hull and Stan Mikita, were Canadian anyway.

Senate staffers and the mood in the Senate: the days of collegiality

*Q: How did you find, particularly on the economic side, dealing with other the Senate staff and all? Sometimes these people are a power unto themselves.*

LAROCCO: Very much so. I learned that from day 1 on the Hill. There were personal staffers, that is, staffers for senators. Some were really good, some were not so good. I learned who were the really good ones because if I didn't have time to research a bill coming up for a floor vote, I would contact staffers whom I knew were knowledgeable, and would always be clear with Max which staffer I got the information and guidance from. I depended on these Senate staffers more often than I might have liked. But they never steered us wrong.

The committee staff, I felt, were a bit like Foreign Service types. They could be very aloof. Some of them were committed to certain senators, but these guys were in there for the long haul. They were a very different breed.

However, the interesting thing as a Foreign Service officer when I went back to State was that actually working with the committee staff is easier because they do have longevity, they do know the issues better. There is a big distinction between committee staffers and the personal staffers.

*Q: When you are speaking of the personal staffers, you say at the age of 32, you were much older than your average staffer. How did you reach them? I'd assume they probably didn't know the issues very well.*

LAROCCO: Many were gophers and didn't know the issues, but key Senators each had several veteran, politically savvy, Hill savvy, network-plugged in senior personal staffers. The youngsters, who were most dominant in numbers, taught me to be careful and not to speak down and not to be aloof, but to basically try to walk them through issues because I swiftly figured out, based on my own experience and skills, the substance of the issues I was tasked with. Some of these kids really struggled with it. At the ripe old age of 32, I

had to bite my tongue and be very, very careful about treating these 18- 22 year olds. In many cases, they just got kids from Georgetown and other local universities. The vast majority of the people who worked in Max's office were unpaid. That was very typical of a congressional office. The average turnover in personal staffs was eight months, so there is not a lot of continuity. I was quite a veteran by the time I returned to State. This is where your longer term administrative assistants, legislative assistants and office managers keep the place on course and on an even keel.

*Q: I have run across particularly two things; one is a woman, Debbie something, who worked on Central America for Jesse Helms who eventually married a colonel, extremely influential. And then there was another woman who worked in Dole's office who was very much involved in Kosovo, I think. One or two of these people who were dedicated to a particular thing either for ethnicity or what have you.*

LAROCCO: And they can be quite powerful.

*Q: Very powerful.*

LAROCCO: And you can't go around them. I learned that when I was a Congressional Fellow and it helped me later on in both my jobs when I was ambassador to Kuwait and principal deputy assistant secretary. It was really an eye-opener and after that experience I really strongly encouraged Foreign Service officers to take a year and go up on the Hill.

*Q: How did you find the leadership of the Senate during this period?*

LAROCCO: The leadership in the senate was outstanding, but it was more than that. There was a collegiality and a civility that I guess just isn't there anymore. They really were what the Senate was intended to be: the world's greatest deliberative body. It wasn't poisoned darts at all. They were really trying to reach compromise positions, despite a President, Ronald Reagan, who was ideologically far to the right of the Hill. But we all know the story of the extraordinary working relationship between Reagan Tip O'Neill. Despite ideological differences, the administration and the Hill worked together to put behind us the miserable 70s. It's all about personalities, and I think Ronald Reagan was very lucky. In those days, even with moderates like Bradley and Baucus and Benson and all the rest of the great Democrats of that era, they were looking for consensus but willing to compromise to serve our nation, despite being from the party opposing the President. I really admired that. I developed an extraordinary admiration for the Senate.

The House is just not geared to be that way. Never was. There are up or down votes and that's it. In the Senate they really try to work these things out. In the year I was there, there was not a single filibuster. This was pre-cloture. You either filibustered or put things to an up or down vote. You didn't need 60 votes just to proceed with a vote. I find it so hard to accept that the Senate that I knew has descended to such depths. No one would ever call it the world's greatest deliberative body anymore. In fact, deliberation has all but vanished.

Did that mean that they had an easy time with the budget? No, it was never easy. There were lots of late night deal making and lots of nail biting votes. But it did get done. I regret to say this, but I think earmarks were in many ways what made compromise possible. Give me a road in Wheeling and you've got my vote on a pipeline out west. Politics in the Senate was all about deal making. Without earmarks, how can deals be made?

*Q: Would he call an equivalent to a staff meeting or was everybody whispering in his ear? How did he arrive at decisions?*

LAROCCO: It was based on the people he trusted, as is the case almost anywhere I have been involved. Even in my lowly position as unpaid intern, so to speak, I earned enough trust that my views were taken into account. It's all about trust. On some issues he just knew. He was an expert himself, especially on the finance issues and taxes. That was in his wheelhouse. I recall saying to him at one point that I looked forward to him taking over as Chairman of the Finance Committee someday. He smiled, as if that was some far away pipe dream. Of course, he did become Chairman, and held that position for years.

A senator has to know at least a minimal bit or at least know what to do on a whole range of issues. It is very different than the House. You can specialize in the House because there are so many members. The Senate has a quarter of the membership and just as many committees. Senators simply have to be more well-rounded

*Q: You were there a year.*

LAROCCO: Right.

Deputy Director for Pakistan, Afghanistan and Bangladesh Affairs, 1984-1986: The first Afghan War and our relationship with Pakistan

*Q: And then what?*

I had pushed hard for an assignment as Deputy Director for Egyptian Affairs, but didn't get the job. I simply didn't have the connections at that point to make it happen. A colleague, at my grade, with less experience related to Egypt, got the job. He had a patron: the relevant DAS in the NEA front office who was the decider on that position. I learned my lesson. Patrons matter...a lot.

Despite pressures to take something else, constant reminders from HR that time was slipping away, and warnings that I may be "force assigned" at any moment, I decided to do nothing. I wanted to see how the system would cope with an officer who just sat back waiting to see what might happen.

So as of April 15<sup>th</sup>, I had no job for that summer, and I wondered if I had made a very unwise decision. But all of a sudden in one week I got three really great offers. One was

at the NSC, one was deputy director in a functional bureau office and the other deputy director of Pakistan, Afghanistan and Bangladesh, which was part of the Near East Bureau in those days. I learned an important lesson: there are always good jobs coming open as people are shifted around, some drop out for medical reasons, personal reasons, etc. Despite having nothing very late in the process, all of a sudden I had three very tempting offers.

The NEA front office in the mid-80s: masters at their trade

I took the job as deputy director of Afghanistan, Pakistan and Bangladesh from '84 to '86. This was during the Afghan war if you remember, so the timing was good. At the same time, as my first real substantive job in the Department, I was fortunate to learn from masters of the trade: Howie Schaffer, Robert Peck, Arnie Raphael and Dick Murphy.

Howie was truly an expert on South Asia, and this area was new to me. He was more patient with me than I deserved, guiding me through the intricacies of that region.

Bob Peck was a master of the memo. He had been taught this the hard way: from repeated harangues by the hand of Henry Kissinger. He was merciless with me, but just as I learned how to write from my merciless freshman high school English teacher, I learned how to draft memos that could be read quickly, but conveyed everything the reader needed to know, persuasively presenting options.

Arnie Raphael: a bureaucratic wizard

Arnie, the Principal DAS in NEA, was recognized as the maestro of the bureaucracy. He could get interagency concurrence on a policy or plan of action in minutes via phone calls to key people in the network he had carefully built.

*Q: I am told he was the expert on how to work in Washington.*

LAROCCO: Yes, he was. For whatever reason, never apparent to me, he took an interest in me and would call me up to his office and say, "Jim, watch the master" and I would say, "Do what?" And he would curtly reply, but with a wink: "Shut up. Watch and learn."

He would get Poindexter at the NSC, Rich Armitage over at the Defense Department on the phone and say "I have a memo and I know it has everything you want and need in it. I am going to sign off on the memo right now and put you guys down as clearing, OK?"

He'd hang up the phone, slap his hands, smile and say "Done! It's all about networking, trust and decisiveness. You've got to develop networks. If you develop networks of people to work with, you can get anything done. You need to do the substance, of course, you need to understand what's important to others, but without those networks, whether it is here in the State Department, interagency and the Hill, you will struggle. This is how you do it."

Those two years with Howie, Bob, Arnie and Deane Hinton, whom I will talk about later, were the greatest in my career in terms of learning. I learned on the one hand how to write and secondly, how to work the bureaucracy.

At one time Arnie said we needed to do a multiyear aid program for Pakistan. I said, “What do you want?” He said, “ We gotta have Pakistan totally on board for the Afghan war. We need billions over a period of years to keep them with the program. ” So I sat down with Undersecretary for Security Assistance Bill Schneider’s office young genius, Ralph “Skip” Boyce, one of the best econ officers in the business. The two of us quickly drafted a five year, 4.1 billion dollar program for Pakistan, and put it all together under a cover memo. Sent it up to Arnie.

Arnie said, “Get Skip over here.” Arnie made a few key changes, including adding one more year to the length of the aid package, and then activated his network. Voila! In a matter of minutes, after a few phones calls to his network, which included key Hill contacts, we had a cleared memo ready for the Secretary to sign. He then called his buddies on the Hill again to be absolutely sure. He got no pushback at all. He was THAT good.

Several more points about Arnie, rest his soul. Before his time, NEA was overwhelmingly male. Conventional wisdom up to that time was that it made no sense to send females to the Middle East. Arnie changed that. It wasn’t easy, but he aggressively recruited some of the Department’s finest women to come to NEA. And indeed they were extremely successful diplomats in the region, as he predicted. This took real guts on his part.

Raphel’s loyalty oath

I also want to note that he made sure everyone in NEA was taken care off. It was, after all, “The Mother Bureau,” and he truly wanted all of us to feel as if we were a family with a clear responsibility to work together. Loyalty to “the Mother Bureau,” was a big deal.

For example, he orchestrated a superb follow-on assignment for me – DCM Muscat – which I knew required some of his fancy footwork. When he heard that I turned it down in favor of going to Beijing, a story I will relate later, he was stunned. He summoned me to his office, had me approach his desk, stared me in the eyes and gave me a lecture on loyalty to the Mother Bureau. He reminded me of how well I had been taken care of by NEA over the years, all the investment the bureau had done in my professional development. He finally asked if I would change my mind. I said no. He then pulled out a piece of paper and asked me to write the following words and sign it: “I will return to NEA, the Mother Bureau.” After writing it, I looked up at him. He was dead serious. I was totally disarmed, so I signed it. And I never forgot that I had made this pledge. Arnie was indeed a very special manager of people, resources and policies. His untimely death in Pakistan was felt by all of us who knew him.

Deane Hinton, U.S. Ambassador to Pakistan

In my job in NEA/PAB, I got to work on so many high profile issues, but especially those related to Pakistan. I got to meet one of the other giants of the Foreign Service, Deane Hinton, who was our ambassador in Pakistan.

A few stories about Deane, since I'm sure he passed away long before oral histories were done. When I arrived for my first visit to Pakistan, no one was there at the airport to meet me, as I was promised. So I grabbed a cab and told the driver to take me to the embassy. Not long after we entered Islamabad, we got in an accident and from my old Middle Eastern days I knew it's best to get the hell outta there. So I grabbed my bags and just ran away from the cab. Sure enough, a crowd swarmed around the cab, there were fights and I was relieved I was safe. There I was wandering around Islamabad. I didn't have a clue where the embassy was and no taxis or taxi stands were in sight. I had no local money. I wandered for about an hour or so, and then I saw an American flag in a compound. It happened to be the AID mission, and they arranged for me to get to the embassy.

In my welcome packet was an invitation for dinner at the ambassador's residence for visiting NEA Assistant Secretary Dick Murphy. Since I came separately and for an orientation visit, nothing whatsoever connected to the Murphy visit, and since I assumed the Murphy dinner would be large affair, as would be expected in Pakistan, I decided to skip it, especially since the Political Military officer at the embassy, who was my control officer, invited me to a smaller dinner at his home with some Pakistani politicians. This seemed perfect for my first visit. And it was indeed a fascinating and educational evening.

I had never met Ambassador Hinton, so I had no idea that he would make a federal case of my absence. According to embassy personnel, he ranted and raved for more than a week at every staff meeting about this. When I came back to Washington, I got frantic phone calls from the DCM saying that Hinton simply would not let go of this issue. I must call and apologize. This seemed so odd, and I was so busy, I shrugged it off.

Then I received a hand written message from Hinton, nearly illegible, but eight pages long. He blasted me for my discourteous behavior unbecoming an FSO, unacceptably disrespectful to an ambassador. Since he stressed the lack of respect and discourtesy so strongly, I decided to write a polite letter in response, noting my regret at his distress, but noting my own distress that day at not being met at the airport and my subsequent misadventures that led to my poor disposition that evening. The next phone call I received was from an anguished DCM who said Hinton was now on the warpath about MY distress. Talk about a 180 degree turn of events.

The next time I visited Islamabad, Hinton hosted a private lunch for me and after extending mutual apologies, we had a good laugh and a delightful meal. We developed a wonderful relationship. We would exchange phone calls from time to time after that,

much to the distress of the DCM, and Hinton relied on me, as he said, to be “his scout, sniper and spear carrier in the Washington interagency battles.”

The most important lesson I learned from Deane Hinton was related to his tenaciousness. He would fight like hell for what he wanted, often to the discomfort of the Department. One time, he and I together put all we had into an issue. I phoned him with the bad news that we failed; our position had not been adopted by the 7<sup>th</sup> floor. I said that if he wanted, I would give it another try. He said no. I was surprised when he responded that he was convinced I had done everything possible. He was pleased with what I did. He said that when one is in the right, one should fight to the finish. But once a decision is made, salute smartly and move on. No sour grapes. No recriminations. Move on. I never forgot that.

Deane often felt that Arnie moved much too fast to a compromise solution when compromise was not the best approach. He resented that. I did my best not to get in the middle of this. I respected both of these mentors. I always felt that if there was a middle ground to get something done, Arnie would find it. But I also felt, like Deane, that early compromise, when one is right, is a disservice to our country.

I can't resist telling stories about Deane Hinton, who was indeed larger than life.

Bill Schneider led an interagency delegation, myself included, to negotiate the implementation of the new multi-year assistance program noted above with the Pakistani foreign minister, the famous Yaqub Khan. He was a brilliant diplomat, whose English was so advanced it humbled us every time we met with him. He used so many words we didn't recognize...and he used them correctly. As a footnote, I recall being at a meeting in New York at the UN as a note taker for a Secretary Shultz meeting with Yaqub Khan. After the meeting was over, Shultz turned to Mike Armacost and commented: isn't he brilliant? He then asked Armacost if he understood a certain word Yaqub used. Mike said no. I later looked it up, and indeed it was used perfectly in context.

The talks were in the second day and going badly, deteriorating over some minor points. An impasse had been reached. All of sudden, Deane Hinton shrieks, seemingly frothing at the mouth, and collapses out of his chair. Everyone gasped as we rushed to his side to pick him up and take him to another room to be attended. The meeting broke up and everyone was buzzing. What the hell happened? Was Deane OK? There was feeling of some guilt over this, and the two leaders of the delegations went to a side room with a few aides and later emerged with an agreement.

The next day, I saw Ambassador Hinton, and he took me aside. What did you think of yesterday, he asked with a twinkle in his eye? Are you OK, I replied? Of course I am. I put on that show to get these idiots refocused. It worked, didn't it? I was stunned, and I must admit I never gave any thought to behaving this way. But Deane could pull this off.

The first Afghan War

*Q: What was the situation in Afghanistan and what were we doing?*

LAROCCO: That was a CIA war, pure and simple. It was not a State Department war.

*Q: Were we plugged into the CIA operations?*

LAROCCO: Very strongly, because we had to be the public face and the diplomatic and policy arm of this war. Policy was carefully orchestrated by the very strong Mike Armacost, then Undersecretary. Our desk officer, Phyllis Oakley, was a force unto herself, playing a huge role in terms of diplomacy, both official and public. My admiration for her performance knows no bounds.

Keep in mind that this was a war we all believed in: low cost, cloak and dagger, defeating the Communists. It fit perfectly into Cold War Doctrine. There were absolutely no downsides...or so we thought. Fast forward nearly 20 years and it's a different story. Last year, I was invited to be in the audience for an interview that Charlie Rose did with Hillary Clinton and Henry Kissinger in the Ben Franklin Room on the 8<sup>th</sup> floor at State. Charlie asked some very profound questions, including: if there was something they could have known or could know (in the case of Hillary), what would it be? They both answered what they really wished they could know was the effect of a decision twenty years hence.

Kissinger said, words to the effect: "You look back at Osama bin Laden. We trained him. We equipped him. We made him what he was. We simply didn't consider the fact that this man would then become our nemesis and come back to haunt us and change our entire set of priorities." At that time we never could have imagined this. No one did. It never came up. The war against the Soviets in Afghanistan was a dream come true. It was all upsides, no downsides.

U.S.-Pakistan relations

My role was dominated by working on Pakistan issues, which of course mainly related to the war. But not all. At the same time, we were struggling with the nuclear issue. This period is a prime example of clashing priorities, and both were high profile, high priority, high importance: working with the Pakistanis to defeat the Soviets while pressing the Pakistanis on their nuke program. As is the case on so many clashing priorities like this, part of the battle related to the Hill, in this case The Pressler Amendment. The Hill, and rightly so, was deeply, deeply troubled because of the Pakistani nuclear program. We were fighting crosscurrents. It was a fascinating example of the tug between interests; on the one hand, defeating the Soviets. We couldn't do that without working with Pakistan closely. On the other hand, they were developing a nuclear program that was anathema to our longstanding non-proliferation policy. What's more, we viewed their nuclear program as destabilizing, not stabilizing the region. And we viewed it as fueling further proliferation in the region. Trying to balance that was very difficult.

*Q: I am interviewing by telephone Ed Abington. He is talking about the horrible results of the embargo that was put on because of the Pressler Amendment.*

LAROCCO: That was after my time.

During '84 to '86 the height of the Afghan war we put together this big aid program. The nuclear stuff was out there. We spent a lot of time on that. We had a nuclear trigger problem, all kinds of nuclear-related nightmares, but the full extent of the work of A.Q. Khan, not only for the Pak nuke program, but for proliferation, was not on our screen. Once again, if we only knew then what we later learned.

As a result of what the Pakistanis perceived as our “walking away from them and the region” once the Soviets were defeated, and then our singular focus on the nuclear issue with sanction put in place, our bilateral relationship with them has and likely always will be one of profound suspicion and distrust. At the same time, our shared geostrategic interests keep bringing us back together. As some of my Pakistani friends like to say, it's a marriage with frequent separations, but divorce is simply not possible.

*Q: What about the politics within Pakistan? Was there anything besides just keeping an eye on it? Was anything going on?*

LAROCCO: The military role in governance was troubling, which has often been the case. Some pundits say that Pakistan is an army with a country. It has no identity of its own (unlike Egypt, as I described earlier as having arguably the strongest identity in the world). Some wags described Pakistan's identity as “not India.” I found that both misleading and insulting, but I could never myself come up with a way to describe, even in a full paragraph, what the Pakistani identity is. And it wasn't something I could feel, either.

Once again, keep in mind that these were the days when our prime directive – contain Communism, especially the Soviets – made defining policy and strategy quite easy. We always put that first, so the nuclear issue and governance, human rights, religious freedom, narcotics flows...all were there, but on the back burner.

In many ways, one could say that this was the best time to work in national security and foreign affairs agencies because the world was not fifty shades of gray, like it is today; it was very black and white. If it was anti-Soviet, it was damned good. It was the right thing to do irrespective of other issues, whether it was a military dictatorship or a nuclear program or whatever. And with zealous supporters on the Hill for the Afghan War like Charlie Wilson and Dana Rohrabacher, we did not have to worry about Hill opposition to any of the other issues...until the Afghan War was over, and this was well after my time on the desk.

*Q: Was Benazir Bhutto a problem at all for you?*

LAROCCO: Benazir wowed me like she did so many others. I had dinner with her, if I remember right, up at Harvard. She was charming, articulate and I must admit very attractive...with those big, dark hypnotic eyes...as everyone had told me. It was hard not to like her. She knew exactly what to say, even if her actions at times exasperated us.

*Q: Were we concerned about developments in the tribal areas?*

LAROCCO: Not like we are today. Not like we are post 9/11. They were viewed as an asset, not so much a problem. The tribal areas were our staging ground, our supply point, our training areas, and our launch pad for the Afghan War. It was an area of opportunity, not an area of concern. It presented all the advantages then for us that are disadvantages for us today.

What's that old phrase: one man's freedom fighters are another man's terrorists? Osama bin Laden and other mujahideen were our freedom fighters at that time. We knew they were bad guys, but we also knew they were OUR bad guys who got the job done. It was all operational and tactical, supporting a clear strategic goal. The end justified the means, something that has gotten us and others in trouble throughout history.

It was military general turned government leader Zia Ul-Haq who truly cultivated the fundamentalists (whom we call extremists). He allowed them free rein to operate and grow, setting up their own schools as the Pakistan government did precious little for education, take control of social life in communities, destroy the Sufi philosophical underpinning of the Pakistani version of Islam. Some of this was related to his prime directive of thwarting India, so once again, in his case, it was the end justifying the means. Pakistan is today paying a very high price for Zia's strategy.

*Q: The mujahideen were sons of bitches.*

LAROCCO: To coin a phrase. They were tough guys, to be sure, but they were on our side, in our game plan. And they got strong funding from the Saudis as well. It was a cheap war. What was there not to like?

U.S.-Bangladesh relations

*Q: What about Bangladesh? It often gets lost when one thinks about the situation in Afghanistan and Pakistan. You had this rather nasty situation there for a long time.*

LAROCCO: It was calmed down by then, so Bangladesh was one of those countries that a newly tenured Foreign Service officer could essentially manage our relationship. I thought it was one of the best desk jobs in the State Department for a younger officer. No one looking over your shoulder. I, myself, spent very little time on it, and rarely did it reach the level of the DAS, and never can I recall it going to the assistant secretary or above.

I did visit Dhaka and fell in love with the Bangladeshis. I was one of those grad students in Washington in 1970 when Bangladesh independence was all the rage. So I knew a bit about Bangladesh and had always wanted to go there. I was not disappointed. They are among the gracious people on Earth.

My one substantive experience with the Bangladeshis involved our textile negotiations. I was called in by our DAS, Bob Peck, who said USTR had called and wanted to know if we had any special insights on what the Bangladeshi bottom line was in these negotiations. I said I didn't, but I would check. I called in the Bangladesh ambassador and I said I need to talk to you about the upcoming textile negotiations. Can we talk about it?

He said, "Sure. Let me check with Dhaka on this."

We met, and he said that the Bangladeshi bottom line was simple: don't hurt us. We are a poor, helpless country. Be nice to us.

That seemed odd. Most countries had massive briefing books, starting positions, fallback positions and bottom lines. Be nice to us? What the hell was that? Actually, the more I thought about it, it was pretty clever.

Don't hurt us.

What a great negotiating position! What kind of briefing books to prepare in response to that?

*Q: Sort of looking very sad eyed.*

LAROCCO: Very sad eyed. Like my beagle at supper time. It's irresistible, even for hardened trade negotiators.

I went over and talked to the USTR guys and said, "They are basically leaving it up to us to do it. They made it clear. Their only request was not to hurt them."

USTR ran some numbers by me, and I said that I was absolutely sure the Bangladeshis would say fine.

The Bangladeshis probably got more than they would have otherwise. I think USTR decided to be a bit generous as they caveated their offer by telling the Bangladeshis not to come back for years. The Bangladeshis kept repeating, OK, OK, OK. In the end it was the easiest negotiations I have ever seen.

The funny part about it was that USTR insisted on hosting a dinner to celebrate the agreement. I understood that an U.S. industry group was paying for the event. It took place at the Metropolitan Club, with industry representatives present. No one, however, checked on Bangladeshi eating habits. The Bangladeshis, few of them tipping the scales

at more than a hundred pounds, accustomed to simple diets of rice and vegetables, were confronted with a big plate of prime rib that look like it belonged on The Flintstones tables. They just stared at it. They simply would not even cut into it. I bet it was more animal protein than they would digest in a year. It was a tragic cultural faux pas, placing both the hosts and guests in embarrassing positions. This taught me the lesson that I believe we all know by heart today: research dietary and other customs before you host foreigners.

*Q: At one point weren't there two women leaders who really*

LAROCCO: That's today...Khaleda Zia and Sheikh Hasina.

*Q: There is absolutely nothing between the two except hatred.*

LAROCCO: Poison darts day in and day out. It would be wonderful stuff for a mini-series. They would literally stab each other in the back if they could. Now they do it every way they can, politically, verbally or whatever. They try to make each other miserable. It is amazing that the country can progress with this battle that goes on. They are fortunate that they have the Indian economy surging and the Chinese pricing themselves out of the market. The country progresses despite a dysfunctional government. That's certainly something we Americans can understand.

*Q: Did you have Sri Lanka or not?*

LAROCCO: No. We had Pakistan, Afghanistan and Bangladesh. Right next to us was the NEA office that handled India, Nepal and Sri Lanka, which was good experience. Outstanding officers like Nancy Powell were there then. Nancy is now ambassador in India.

India-Pakistan relations

*Q: I was wondering when you were there was there much discussion consultation between our interests in India and Pakistan?*

LAROCCO: Every day, and I hope someday the cables from Islamabad and New Delhi will be declassified. The rhetorical battle between Ambassador Hinton and Ambassador John Gunther Dean was classic Foreign Service rivalry, entertaining beyond measure, while exasperating to the sixth and seventh floors at State and in the interagency community. These were two of the elephants of the Foreign Service, two incredible ambassadors, two larger than life personalities. . There's nothing more entertaining than dueling ambassadors who expect their missions to march in step with them. They would send in these long, long messages that essentially translated into saying the messages from the other post were sheer rubbish. It was so much fun because they were just brilliant writers, brilliant analysts, each advocating for their countries.

One of my fun memories was what happened on the occasion of a chief of mission conference in Washington. John Gunther Dean and Deane Hinton were both there. Deane was in my office talking to me. The Xerox photocopier had broken down in INS next door, so John Gunther Dean came over to our suite to make a Xerox copy of something. Deane Hinton spotted him, that twinkle came into his eye, he grabbed my letter opener and tip toed in the direction of John Gunther.

All of us in the office couldn't help but watch. He approached John Gunther from behind, stood up tall, raised the letter opener and appeared to be on the verge of stabbing him in the back. All of us gasped. Instead, he tapped John Gunther on the shoulder, gave him a wide grin and said "how the hell are you, old guy? Have to do your own copying? And on this side of the Durand Line?"

It was so hard for any of us to keep a straight face. It was the theater of the absurd. They were both intellectual and policy giants. The professional animosity between them was just unbelievable, probably good for the Foreign Service in a way and good to get these people to advocate the way they did. It kept Washington on its toes, forced to analyze, to think. In many respects, our relationship with those two countries was a zero-sum game, and still is. Almost everything we do for India is viewed with suspicion by the Pakistanis and vice versa. We do have to take this into account, and these two ambassadors never let Washington forget that.

*Q: I did a long set of interviews with John Gunther Dean and the thing that struck me was that here was an overseas operator. He really didn't have much time in Washington and he didn't have you might say a support mechanism which I think maybe in the long run did him in.*

LAROCCO: I think that's true. John Gunther Dean didn't build the networks in Washington the way Arnie did. In a way Deane Hinton, having been assistant secretary and other positions in Washington, had a better network inside the Beltway, and also keep in mind that at the time, the Afghan War put Pakistan front and center, while India at the time was still officially a leader of the non-aligned but also cozy with the Soviets. Hinton won most of the battles.

*Q: Why don't we stop here and we will pick this up when you moved from your job dealing with Pakistan and Bangladesh and Afghanistan and moving on to China?*

LAROCCO: The next two years were language training.

Mandarin Chinese language training, Washington and Taiwan, 1986-88

*Q: Today is the 28<sup>th</sup> of August, 2012.*

*You are off to study Chinese. You want to talk about your Chinese learning experience and why China? Then we will move on.*

LAROCCO: LAROCCO: We have to go back to 1984, before I took the job at NEA/PAB. As you might recall, I think I told you about the incident in Kuwait and that that I had been involved in a number of close scrapes for many years when it came to terrorism. While in Cairo, I had a 24-hour guard at the door of my residence because I was targeted for assassination. I was one of only a handful of Arabic speakers at post (amazing for an embassy that was the largest in the world at the time) and you can imagine what it was assumed I was doing. Then there was Kuwait. We had two small children and we were thinking of having another. The Middle East was waning. There was nothing going on at that point in the mid '80s, so I tried to hunt around for other jobs because I remembered when I came in to the foreign service, Henry Kissinger had established this GLOP as a requirement.

*Q: The Global Outlook Program*

LAROCCO: Yes. Officers were expected to have some experience in at least two geographic regions of the world, not just one as had been so often the case. So I thought I have done my Middle East stint, why don't I look for somewhere else? It is a rather strange story but what happened is I was invited to a wedding reception on the ship, the Dandy, which still operates from Alexandria. My wife and I were invited and it was somebody we knew whom we had met in Jerusalem, a Foreign Service officer. We went to the reception; we got there on the ship. You are pretty much captive, you can't escape. We didn't know anybody other than the host.

*Q: This is sort of a sightseeing boat.*

LAROCCO: It is a sightseeing boat, a dinner cruise sort of thing. In this case, it was a wedding reception cruise so I think they had rented most of the boat, if not the whole thing. We saw a couple sitting next to each other at a table all alone. They had long tables and they were next to the window. What the heck? Let's just see if they are alone as well and interested in sharing this captive ride together. We sat down across from them and we said is it ok if we sit here? Yeah, they said, we don't really know anybody here. They happened to be Foreign Service officers and it turned out this guy had some Middle East experience. His name was Chris Szymanski. He is now retired, a very brilliant guy. At that time, he was Deputy Director for China Affairs at State and well known as a person who could work the bureaucracy well, especially on assignments.

It turned out that he heard of me as well regarded as one of the best econ reporting officers. I was surprised but also flattered. How had he heard of me? I was impressed. Chris and his wife Jeannie were a delightful couple; unfortunately, she died very young. We had a wonderful conversation and he said, "Come by on Monday and I want to offer you a terrific job."

I said, "Really, where?"

He said, "China."

I said, “You’re kidding.”

I consulted with friends and they commented that China is a communist country, very secure. No terrorism, no unrest, no trouble. It would be perfect change and open up a very important part of the world, especially economically, to my career. So I go in to see him on Monday morning and say, “Remember me from the other night?”

He said, “Oh, yeah” and he says, “How would you like to be economic minister counselor in Beijing?”

I was shocked, truly, replying, “I don’t know anything about China, number one. Number two is I don’t know Chinese. Number three is I am only an 01. That job is a double stretch, two grades up from me and across the senior threshold as well. How can you make this happen?”

He said, “You really don’t know Chris Szymanski, do you?”

I said, “I guess not.”

He said, “If you want it and you say yes today, it will happen.”

I said, “You really can do that?”

He said, “Yeah.”

I said, “OK, I’ll take it.”

I said, “This is amazing.”

He said, “Stop. Didn’t I just tell you I can do this?”

I said, “OK, Chris. But if it is not going to happen, don’t lead me down the garden path, please.”

I thought, perfect; Communist country, nothing happens there. China is an interesting country, why not? I will do Chinese and I’ll have Chinese and Arabic. That’s pretty cool.

So it happened. I went over to FSI to begin two years of Chinese Mandarin training. I realized that at the age of 37, learning a super hard language, as both Chinese and Arabic are rated, was going to require long study hours. Even though we had two small children, my wife also took Chinese along with me. Just as with Arabic, she picked it up much faster than I did.

*Q: My wife took Serbian with me and she would launch into the conditional which I never got.*

LAROCCO: It was helpful to have both of us do that.

It was so difficult. I recall not getting to bed before 2 in the morning many nights, trying to decipher this very, very difficult painful and difficult language.

Reshaping how Chinese is taught by FSI: the brilliance of Tom Madden

*Q: You were taking Chinese from when to when?*

LAROCCO: From 1986 to 1988, so I did my first year in Washington. We had a young director of the Chinese program named Tom Madden. He was only about 33 years old but a brilliant linguist. I went to him and said you are teaching this all wrong. He looked at me for a minute, and surprisingly didn't tell me to go back to class. Instead, he said, "Talk to me about this."

I said, "As a Foreign Service officer, we are not going to sit around reading Chinese newspapers. That's not going to happen. I explained to him that when I was in Cairo, I developed the ability to gist the four major daily newspapers in 20 minutes, briefing the ambassador on key stories when he started work. He found this invaluable. Previously he had depended on press summaries written by our local employees, who didn't always catch the timeliest ones and translated in English that was more literal than readable. The ambassador was really only interested in a five minute summary of what mattered. He loved my brief summary, which focused on only that.

I said I also found this useful in my own research, reporting, analysis and contact work. My Egyptian interlocutors would be amazed when I mentioned an article that was in one of the dailies that morning.

Tom looked at me and said, "You did that?"

I said, "Yeah, it's not hard to gist a newspaper, because as far as I can tell, there is a 'journalistic style' in every language, in every country. I asked him to give me a Chinese newspaper. I started circling word repetitions and sentence patterns, even though I had no idea what these Chinese characters meant. He got the point. If you learn these patterns, they become second nature. And while you still need a solid vocabulary base, newspapers tend to have limited use of vocabularies in the news sections. Even the op-eds tend to fit a pattern, at least a logical pattern, so it is not hard to gist.

I commented that teaching us word by word reading would never work in Chinese, because it was so damn difficult to learn so many characters and words. You don't need that. You don't do that in English. What makes USA Today so appealing is that you can gist the whole things in a matter of minutes.

Tom, a young linguist who was truly dedicated to making the instruction of Chinese as effective as it could be, said, "This is really interesting. We will experiment with this."

Tom instituted the practice of daily gisting as a key element of the reading program the following year. As far as I know, it is still practiced. I said, “Start out with headlines. Just give people headlines and say learn these headlines and learn to understand what they mean because almost all headlines are the same, particularly for the same newspaper because they all have an editor who does the headlines so you know what the pattern is going to be.

Tom and I worked together the two years of the program since he moved to Taipei for my second year of Chinese. I so much enjoyed working directly with him to reshape the whole Chinese program, which I consider to be a legacy I am truly proud of. He also consulted closely with me on developing modules of spoken Chinese that would fit the needs of FSOs. Tom was a genius, and he used his talents to lasting effect. I have no idea if he was ever rewarded for his pioneering work which has benefited more than a generation of FSOs, but his name should be enshrined in a Hall of Fame at FSI.

Years later, when I came back to Washington for a third year of Arabic, I found that the Arabic program was still using the miserable texts we had used decades earlier. The program, under the direction of a person who had no knowledge of Arabic, was in a sorry state. There were some outstanding individual teachers, as there had been in my day, but no rigorous program that offered the student more than the student him or herself put into it. The successful students were mostly those who set their own standards, sought opportunities for development on the outside and were determined to succeed in learning this super hard language no matter what.

Let’s keep in mind that the average FSO beginner of a super hard language like Arabic or Chinese is 32 years old, already well beyond the age where the brain can absorb knowledge. It must be reasoned. The vast majority of those being taught these languages will never go beyond professional level proficiency. While Chinese instruction, as designed by Tom Madden, did a superb job of getting most officers to a true level of proficiency, I never thought that the Arabic instruction was effective in this regard. It has been easy to point to the best of the best in Arabic skills, such as today’s Robert Ford, but they are true exceptions. So many go through the program and do not get beyond the most basic usage of the language, far from professional proficiency.

Tom also computerized the Chinese language program, which was a huge step forward. This was way back in 1986.

My second year was in Taipei, living and studying in the mountaintop rural suburb of Yangmingshan. It was an idyllic life, with our family living in a modest housing together with so many other families. It was small town America, and my children say it was the happiest years of their childhood. We also made lifelong friends in the Foreign Service.

*Q: What was happening on Taiwan when you were there? Were you absorbing anything the situation there that played into your outlook later?*

LAROCCO: Very much so. That year in Taiwan had a tremendous impact on me personally and professionally. I got very much involved with the AIT, volunteering to help out and spending time with officers there. This was a time of major political transition, away from the hard line policies instituted by Chiang Kai-shek and his KMT autocratic party of Chinese transplanted from mainland China. CCK, the son of Chiang Kai-shek, was changing Taiwan to be a fledgling liberal democracy with Taiwanese participating and determining governance. The dream of one China had not disappeared, but the reality of a Taiwan moving rapidly forward on its own had to be acknowledged and accommodated. This was a political shift of tectonic proportions. I really got to know some Taiwan leaders, even while I was doing language study. That had a major impact on my returning to Taiwan to be the deputy director of AIT after Beijing.

I also convinced Tom Madden to emulate what we did in the latter part of our two years of Arabic: go out on our own to test our Arabic. I was the guinea pig. I flew to Hong Kong, then to Guangzhou in the far southeast of China and boarded a train for Shanghai. This was the beginning of a month long train adventure rivaling Paul Theroux's "Ride the Wild Rooster." It was terrific because you would be in a car with four bunks and you'd be there with three Chinese. Initially, they would just stare at you as if you were parachuted into the car from another planet. Being darker skinned, plenty of body hair and a large nose, I fit the image of the classic foreigner of their derogatory term "da bizi."

But it never took long for the ice to break. That was always at meal time. We would all sit on the bottom bunks, two abreast across from each other, and a porter would pass out plates of rice, vegetables and cups of tea. Of course, my skill in getting the food to my mouth would invariably generate snickers, and when we all settled in to enjoy our tea, discussion would start. I had lots of questions to answer, which was exhausting, but I would also have plenty of time to sit back and try to figure out what they were saying in their slang and dialects to each other. This was a month of no English, and it served me well.

*Q: I was going to say, how did this play out?*

LAROCCO: It taught me that they could understand me speaking Mandarin but when they would reply back it was a struggle for me. They did their best to speak simply to me, but it didn't always work. The longer the conversations lasted, the better it was, since I am convinced that my brain was fighting to translate the Chinese into English, which is truly exhausting. Eventually, the brain gave up, and the language would be inputted directly, without translation. It was during those trips that I even would start dreaming in Chinese. The brain had probably formed some new connections, bypassing the natural tendency of someone of my age to translate everything heard first.

*Q: I have a grandson who is right now starting a term at Eastern Shanghai University or something, a part of NYU. I told him to be sure to get a Chinese girlfriend and make sure she doesn't speak some peculiar dialect.*

LAROCCO: The worst, at least to me, was the Sichuan. I remember being at a banquet in Beijing with Deng Xiao Ping as the keynote speaker. I am sitting there listening to him and I turn to the Chinese next to me and said, “What is he saying?”

He smiled, replying, “It’s hard to understand. He is speaking in his Sichuan dialect. The tones differ, and this can cause quite a bit of confusion to those not used to it.” I then asked him what he thought of the dialect. He said, “Oh, it’s very grating. We can’t stand it but we can understand it.”

Beijing, 1988-1990: Economic Boom, Beijing Spring, Tiananmen  
Economic Minister-Counselor

*Q: You were in Beijing from when to when?*

LAROCCO: From July of 1988 to July of 2000. I served there as the Minister-Counselor for Economic Affairs.

*Q: What was the situation when you arrived?*

Economic Reporting: forecasting our growing trade deficit

LAROCCO: At the time of my arrival, Deng Xiao Ping had presided over ten years of reforms and these reforms were starting to bear fruit. The economy was beyond take off and moving at a startling pace. I found myself in charge of an economic section far larger than any in the Middle East. We had 12 of us. What an extraordinary group of people. It was truly an honor to lead such a group, almost every single one of whom had more experience in that region than I did. I approached my job with confidence, determination and high expectations for all of us, but I also had the humility of a newcomer.

I would stand our reporting during those two years against any other post’s reporting at any period. From a bold, comprehensive energy report that forecast China’s situation and outlook for the first time, to nothing-held-back labor reporting that required the highest standards of diplomatic contact and reporting skills, to reporting on China’s financial situation, myriad trade issues, intellectual property rights...the list goes on and on and on.

The report that stands out above all others, however, is the one I am most proud of. We all came together to produce a report that forecast what America’s trade deficit would be with China in the ten years ahead. Now...keep in mind that when we wrote this report, our annual trade deficit was only \$2 billion. As you might imagine, this drew scant attention in Washington. In our report, we presented a chart projecting annual deficits over the next ten years, with our trade gap surpassing \$100 billion, a 50-fold increase. The shock in Washington was profound, with many dismissing our report as sheer fantasy. But some were deeply disturbed, recognizing the financial, economic, job-related, investment and technology concerns.

For our record of reporting and analysis, we received a group Superior Honor Award. I cherish that award more than any others I received in my career.

Another “honor” that I cherished almost as much as that award involved our Post Inspection by a team from the Inspector General’s office. As part of the inspection, each section of the embassy was asked to rate other sections. The inspectors, conveying their final conclusions, told me that our section received nothing but perfect 10’s from every officer in Beijing. They had never encountered anything close to this. They themselves found the work of our team outstanding without any exceptions; all our officers were first rate, we worked closely with all the other sections in the mission as well as the consulates, and our work as one team was seamless.

Negotiating China’s entry into the GATT

Our team also was constantly engaged in negotiations on a variety of issues. The most important and high profile were talks related to China’s accession to the GATT, now called the World Trade Organization (WTO).

*Q: The Global Trade Organization.*

LAROCCO: Exactly. The ‘General Agreement on Tariffs and Trade’ it was called then. I’m not sure whether it ever became public knowledge, but we actually reached an agreement with the Chinese. Timing, however, could not have been worse. The talks took place during the period known as the Beijing Spring, and an agreement in principle was initialed in the study of my apartment in the area of Beijing known as San Li Tun. The day after the agreement was initialed, we were scheduled to meet again at the Ministry of Foreign Relations and Trade, not far from Tiananmen Square. We never got there. The demonstrators had come out in force and the roads were blocked. Buses were burning and it was clear that the situation was rapidly deteriorating. We turned our vehicle around, swung by the airport and got the U.S. team out on the first plane available. Because of the impact of Tiananmen on our bilateral relations, those talks did not resume until well after I departed Beijing. That agreement, painstakingly reached, sat on the shelf.

*Q: Let’s stick to the trade thing. What were we after, what could we do about this growing trade disadvantage and all?*

LAROCCO: That was all contained in the agreement. It was a very elaborate agreement that required them to obey the rules of the GATT/WTO, that there would be dispute resolution, that they would adopt a clear commercial law, that they would adopt all kinds of transparent, enforceable and enforced regulations and procedures that are consistent with standard international practice. This was truly far reaching for a nation not governed by the rule of law.

It represented, in my view, a dagger in the heart to Communism as an economic philosophy if carried out. I am sure the Chinese understood this, but saw this as the key to

a bright future. Communism as ideology was already something from the past for so many Chinese.

Whether or not they would actually carry out what they promised is another matter, but it laid the framework for what I thought to be an effective transition period. There was also a grace period, recognizing that you can't just turn around a massive aircraft carrier like China overnight, and there was sequencing and a timeline that was a part of this agreement, basically a ten year transition period which I thought was reasonable. All this, nonetheless, would require some very difficult, bold and risky decisions on the part of the Chinese leadership.

Ambassador Winston Lord and Betty Bao Lord

*Q: Who was the ambassador while you were there?*

LAROCCO: Winston Lord was my first ambassador. He left as Beijing Spring unfolded, and was replaced by Jim Lilley. These were very, very different people with markedly different backgrounds. They were both an honor to work for.

*Q: I had a very long interview with both Winston and with Jim Lilley.*

LAROCCO: They were two of the best ambassadors I ever served, two of the most different people I ever served, both wonderful bosses, incredibly bright, very, very different styles, totally different experiences. Winston Pillsbury Lord was an heir to a fortune and was classic upper class, intellectual, best and brightest, who chose public service as truly a service. He did not need to work, but he did so with a clear view to serving his country. As you know, earlier in his career, when I was on my first assignment, he made a name for himself as Kissinger's policy planner. He was the youngest person in the inner circle by far, but his intellect was recognized early on and throughout his career.

To be frank, many if not most of the embassy staff found him aloof, hard to relate to and not particularly engaged with embassy and staff. He was, in all honesty, operating on a different plane of existence than the rest of us. And his wife, Bette Bao Lord, was a star in the limelight even more than he was.

He was a sports buff, however, and this provided some common ground with him for a number of us in the embassy.

One story in this regard: it was the time of the Olympics in South Korea, and Lord did not want to miss some key events which were shown on TV. One evening, he hosted at his residence a dinner party with 180 guests, with the guests of honor a visiting American group of young business leaders.

The dinner went on, and at one point, I was called away from my table to see the ambassador. I was escorted upstairs, and there he was in front of the TV. I was

incredulous. Mr. Ambassador, I commented, I can't believe you're up here. I have seen you present downstairs throughout the dinner. Did you just come up here now?

He said no...he had been upstairs watching the Olympics all evening. He said his trick was not to have a head table and not to seat himself anywhere. During breaks in the action, he would come downstairs and circulate throughout the area, greeting guests, doing grip and grins, offering toasts. Everyone, including myself, thought he was sitting somewhere out of our line of vision. It worked. The dinner party was a complete success, everyone was happy, and Lord did not miss the Olympics prime time action.

*Q: My interview with him went beautifully. How did you find his wife, Bette Bao Lord?*

LAROCCO: She wrote Spring Moon. She was brilliant.

I must confess that one of the things I enjoyed the most in my foreign service career was when an embassy put on a major representational event. Betty Bao wrote the book on unforgettable events, and I observed her at work carefully, learning as much as I could.

When she laid the plans for the celebration of the 10<sup>th</sup> anniversary of U.S-Chinese bilateral relations, most of the people in the embassy were aghast. It sounded like Barnum and Bailey meet Kung Fu Panda. Hardly the stuff of professional diplomats. I was enchanted. People dressed in panda outfits danced in procession to kick off the events, there was a ping pong match involving the ambassador and foreign minister, a professional Chinese ping pong player and me. I volunteered, never afraid to embarrass myself. That was the point. The Chinese were meant to win. Again...it was the image. A lot of people thought we were crazy. It was a smashing success.

This event paled in comparison, however, to what I consider the best single public event overseas I was ever involved in. Under the leadership of one of the best USIS officers I ever met, McKinney Russell, the grand ballroom of Beijing's only first class hotel at the time, The Great Wall Sheraton, was furnished with giant screens for the Presidential and general election of 1988. The event ran around the clock, and thousands upon thousands of Chinese, eager to witness democracy in action, arrived to be handed a sample ballot and a folder in which they could follow the election as it was being tallied. I cannot describe the look of wonderment and excitement in their eyes. They were tasting democracy and they loved it. To this day, I am convinced that this one event was an important spark in the Beijing Spring that followed not long afterward.

Another spark was something my wife and I talk about to this day: the staging of "The Caine Mutiny" in Beijing. Think about that plot: mutiny against authority. Chinese flocked to see it, glued to the dialogue and the plot. You could see how troubled and uncomfortable they were by the play as they filed out in silence. But their wheels were clearly spinning. This was exposure to the world of ideas outside their comfort zone. And they liked it.

I was particularly grateful to Winston Lord, because only two weeks after my arrival in Beijing, and despite the fact that I was a newcomer to the region, he appointed me in charge of the annual conference of key officers at China posts: Beijing, Shanghai, Guangzhou, Shenyang, Chengdu, with participation by Hong Kong, which was an independent mission at that time. I was stunned and honored. I recall walking into the conference room facing more than 200 years of China experience, me with only two weeks. I sat at the head of the table, welcomed everyone on behalf of the ambassador, and introduced the topics for discussion. It was a baptism of fire, and oh so useful for me for the rest of my tour. I got to know all the key officers, a good share of the best Sinologists in the business at that time, and they all knew that I was blessed by the ambassador. When an ambassador has your back, you have instant credibility. I was in the China Club, thanks to Winston Lord.

*Q: Was there any transference between your Arabic experience, your experience in the Arab world and China?*

LAROCCO: Only on a personal basis, not on a professional basis. In those days China had absolutely no interest in the Middle East. Even their oil relationship was still kind of a budding relationship. Arabs to them were just completely alien so it was personal.

But just like in Kuwait, I decided to do a project. While I was studying Chinese, I had written a monograph on “Muslims in China” (zai Zhongguo de huaijiaotu). I had been surprised how little had been written about the estimated 40 million Muslims in China, and I decided to do some first-hand research during my tour. My interest was handsomely rewarded, as from Guangzhou to Xian to the far western reaches of China, Muslims had been present for over a thousand years. I encountered some beautiful mosques, Qurans and other representations of their religion. But most fascinating to me was the mixture of Arabic and Chinese calligraphy. Two of the greatest calligraphic traditions and arts came together in Xian. I was in awe.

The opaque Chinese political situation

*Q: Was the Chinese leadership as opaque as the Soviet one had been?*

LAROCCO: Yes. I developed an appreciation of why so many of the Sinologists were regarded as tea leaf readers. They had to micro analyze every statement that was made, every movement of one official from here to there. It was extremely opaque.

We had some brilliant analysts in the political section in those days, including the legendary Don Keyser. They were so steeped in the intricacies of Chinese leadership dynamics that I marveled whenever they spoke or wrote. They could take one event or movement of seemingly a minor official and come up with all kinds of implications.

Don was trained in the CIA, and he never gave up his love of his manual typewriter. He rarely spoke, so we all had to wait patiently for his think pieces to emerge. He would sit

down at that typewriter and pound out a 40-page piece of analysis at one sitting. I never encountered anything like that in my Foreign Service experience.

The ambassador and DCM left Don alone to do his work. No one would dare bother Don when he was absorbed with his thinking or writing. On the interpersonal side, Don was challenged, and I have always lectured young officers that this skill set is the most important in the Foreign Service. It was Don's interpersonal deficiencies that eventually stopped any rise in the ranks of one of our finest analysts.

I always chuckle when I recall the annual reporting requirement, which in those days was worldwide, of identifying young, up and coming leaders. It was a mission-wide exercise, and our internal specialist, Lauren Moriarty, made some valuable contributions. I chuckle because in those days, young and up and coming in China meant leaders in their 70s and even in their 80s. I think the youngest on our list was 59. That was China back then.

So yes, it was extremely opaque. There were lots of educated guesses as to what was going on in the hidden chambers of governance. There was no way to become a serious educated guesser without decades of trying to decipher this puzzle. So I kept my mouth shut and read what others wrote. It reminded me of when I was a first tour officer in Jeddah and each weekend, we would go offshore to scuba or skin dive in the Red Sea, anchoring at a reef perhaps 10 miles out.

I recall the first time I went shelling, that is looking for shells. I searched and searched for hours and came back to the boat each time with nothing. Our ambassador, Jim Akins, was an experienced sheller, and would finish each dive with bags of marvelous shells. It took me a full year of shelling before I instinctively knew which rock to turn over to find the beautiful cowries, which coral to look behind to find the spider conches. You simply had to have the experience. This was clearly the case in analyzing Chinese leadership dynamics.

There are so many similar examples throughout the world: experience matters. This is why I believe so strongly in a professional foreign service in which regional experience is melded with the experience of tradecraft. There is no substitute for this experience and skills, no short cuts. We deny this reality at our own peril as a country.

Dealing with the Chinese culture in the late 1980s

*Q: How did you find relationships with Chinese officials as contrasted say with Arab officials?*

LAROCCO: There is no comparison. Arabs are accustomed to dealing with every type of human being. They dwell at a crossroads of world culture and they themselves have the blood of just about every race flowing through the veins. They have survived these millenniums by their social skills, and moving into the Arab culture is so easy it can be off-putting for more introspective Americans. The first time you meet them they not only ask every possible question about you and your family, but even such things totally off

limits in conversations between Americans like how much money do you make. They don't care about our way of measuring a person: education, job experience, etc. They dive deep into your being, your heritage, your family, your beliefs...right to the core of your soul. It can be discomfoting to many Americans, and I would estimate that at least 50 percent of embassy personnel at each of the posts I served at in the Arab world avoided contact with Arabs as much as possible.

Before going to my first overseas post, I received excellent area orientation on Arab culture, including learning appropriate answers to the inevitable question, "Why have you not embraced Islam?" The two acceptable answers are: "My father is Roman Catholic, and I cannot dishonor my father." I found most Muslims seem to consider Roman Catholicism legitimate and orthodox, true People of the Book, although not true believers. At the same time, their respect for fathers is well known. The other acceptable answer is: "when Allah chooses to call me..." They are disarmed by this response, because there simply is no rejoinder. It is not for any human to second guess God.

It was very different with Chinese in those days. There was a huge wall, not even a glass ceiling, more like cement Great Wall that I could not get past, blocking more than an acquaintance relationship with any Chinese. This was one of the reasons I actually was relieved and happy to leave China and go back to the Middle East, where all races and colors are accepted. If you didn't look Chinese or have their habits, you were a barbarian or a foreign devil (or better put, ghost. You simply aren't real.)

It was hard enough to talk to them, even in Beijing in those days, because they simply could not accept that this big nose, hairy foreigner could speak their language. I recall going into the Beijing Friendship Store, not far from Tiananmen, and noticed that they had Mao Tai on the shelf. That's their high end liqueur. One never knew what would be available in the Friendship Store. I went to the counter and said in slow, clear and I'm sure totally understandable Mandarin, "I would like to buy two bottles of Mao Tai." The lady gaped at me. I repeated my line. She just stared. After a long pause, she found another lady and I could hear her say to the other, "I think that big nosed foreigner said to me, I want to buy Mao Tai. Can you believe that?" They both stared at me, and then walked away. I ran after her and asked again. In exasperation, she replied that they didn't have any. I pointed to the bottles on the shelf; she stared back at me, and responded again that they didn't have any. I left in total frustration, but this wasn't the only time something like this happened.

Beijing was beginning to be accustomed to foreigners in those days, but the hinterland was not. I recall that I made the mistake of wearing shorts when I went biking in south China with a friend. We were cycling through the city to get to the White Mountains. When we stopped at a red light, a young Chinese came up to me and plucked a hair off my leg. Ouch! I cried. He just stood there staring at the hair on my legs. He was incredulous. I never wore shorts ever again in China, regardless of how hot it was. Even in Nanjing, a very large city, I found myself looking at a store front window. When I turned around, I saw a large group of peasants, obviously in from the countryside, gathered and staring at me. I am sure they talked about this strange being as the highlight

of their day in the big city. I wonder where they thought I came from. China has leaped forward from their isolation as the Middle Kingdom, although I imagine there are still huge rural areas of China that have not seen many foreigners.

My professional relationships were excellent, and I found the Chinese easy to deal with during negotiations. I once asked a Chinese official, who understood foreign culture well and had a good comprehension of English why this was. He said there is an old Chinese proverb: one Chinese is a dragon, three Chinese are a mosquito. The second part of the proverb is that one Japanese is a mosquito, three Japanese are a dragon. The message here is obvious, he said. Despite what you may think, we Chinese are individualists, like you. Bring us together and we have to settle for the lowest common denominator. The Japanese, in contrast, are impossible to negotiate with except when you get them alone.

Armand Hammer compares the Chinese and Russian character

Speaking of the Chinese as a people, one of the most memorable events I had during my assignment to China was when Jim Lilley asked me to join him for a special evening with Armand Hammer, arguably the most high profile interlocutor between the West and the Communist world for half a century. He was in Beijing and was being feted by the Chinese leadership. Only Jim and I were allowed to join. The small banquet and entertainment, a young Chinese dancer, was like nothing I had ever experienced. It was the top of Chinese cuisine and culture, and I never would have enjoyed this without this invitation.

Later in the evening, we went back to the Ambassador's residence for a night cap. During the conversation, Jim asked Hammer how he felt the Soviets and Chinese would fare over the years. Hammer replied that Russian character was such that their ideal was a table, a deck of cards, bottles of vodka and good friends talking philosophy and politics. Their future was limited and we should not fear their ever truly being our competitors. On the other hand, the Chinese ideal was a plot of land to grow crops, a shop to sell wares, a job to put their heart and soul into. The Chinese would shock the world with their industriousness, and they would become the drivers of economic growth and development. That said, he also saw nothing to fear from the Chinese. They have a hard enough time holding their country together. They simply don't have the will or capacity to be overly expansionist. I never forgot those words, and they still serve as a useful guide nearly 25 years after they were spoken.

We had three children which always drew a crowd whenever we ventured out. Three children, and the Chinese considered them little dolls (similar to how many westerners consider young Chinese). Everywhere we went people would crowd around. My little boy, taking after my wife, had blond hair and hazel eyes. He was always the center of attention. He was pawed so much but never complained. Our youngest was only two weeks old when we came to Beijing. Since we all had to take Chinese names, she was named Lu Meihua. The meihua had a double meaning, combining the words for America and China on the one hand, while also meaning beautiful flower. She had almost almond

eyes, which do run in our family, so unlike the rest of us, was more readily accepted. Just as in Egypt with our first born, every Chinese was a parent for her.

My wife learned Chinese so quickly, spending a great deal of time in the shop where Beijing opera costumes were sewn, joining the seamstresses. When we left Beijing, we left with a magnificent collection of dresses she was able to procure, including classic costumes.

We attracted so much attention as a family of 5. The Chinese were clearly envious that my wife and I had three children. Of course, they could only have one. At the same time, one thing that eventually drove us up the wall was the constant surveillance on our family. Our phones were permanently monitored, and we couldn't even get a dial tone until whomever was doing the monitoring got himself engaged. We knew this was going on, and one time I got so exasperated waiting for a dial tone, I screamed into the phone that my daughter needed immediate medical attention and I must call a doctor now. Give me a fricken dial tone! For the first time, I heard a voice on the other end. Mary's sick, he said? I said yes. Not only did I get a dial tone, but a bunch of Chinese showed up out of nowhere to assist. I honestly feel they loved our family, and I truly pitied them for living in such a police state.

One time, when they were really angry at me because they suspected I had something to do with a Chinese dissident, they surgically removed the fan belt from my car. It was actually quite well done. When I came downstairs to drive to work, I turned on the engine and the light came on signally trouble. I opened the hood and saw the fan belt was missing. I then noticed that it had been thrown into the bushes nearby. I could tell you all kinds of stories of Chinese harassment of embassy officers during this period. It was annoying, it was exasperating, and definitely not worthy of a great nation and people. I understand this kind of harassment took place in the Soviet Union as well.

Beijing Spring, 1989: let a thousand flowers bloom, then snuff them out

*Q: You didn't find yourself people going after you and wanting to know about the United States?*

LAROCCO: During Beijing Spring, it was constant. My son and I would ride our bikes around town, and we passed group after group of people sitting and talking about what was going on.

*Q: When was Beijing spring?*

LAROCCO: Beijing spring took place essentially between March and June, 1989. It was a period of about two and half months in which Beijing completely opened up to discussion and ferment. It was so refreshing, so unexpected and so quickly crushed.

*Q: How old was your son?*

LAROCCO: My son was 7 years old.

The two of us would go out and ride all around all the neighborhoods and occasionally we would stop. I would see a group of about 30 people sitting around talking and they would be talking about what is democracy. I remember some of the conversations.

The most painful one was when we stopped our bikes and there was a bunch of young people. They said, “You’re an American?” and I said, “Yes, I’m an American.”

“Please explain your judicial system to us.”

I thought oh, my God. I can’t do it in English. How can I possibly do this in Chinese? Our judicial system is extremely complex. I would never think of myself as being able to explain it in English. You really need a constitutional lawyer, you need a practitioner. You need a panel of legal people to really explain our judicial system, not even just one person. But certainty for me as a non legal person, it was painful.

What I tried to do was basically not talk so much about our judicial system but to talk about our Bill of Rights. I spent some time trying to develop a presentation about our constitution that I could talk to people on the streets. This was so exhilarating and so amazing to see these people so genuinely interested in democracy and participation and freedom of expression, freedom of being able to do all sorts of activities. They were still very much interested in order, no question about that. Order and stability are very big to Chinese because how else do you hold a country of a billion people together? But they clearly wanted more say about their lives and they wanted more freedoms. They were feeling this was possible and it was very encouraging. We did this every night for months. I must say that the weather that spring was delightful, perfect for outdoor congregation.

I remember the Sunday before the Tiananmen crackdown. Our whole family went to the Square and we spent several hours talking with the students in their makeshift tent community. I filmed it, and I cherish that film, always troubled by what may have happened to those eager kids with such high expectations.

At that time, you could feel the tension nearing boiling point. Something had to happen.

*Q: Prior to the Tiananmen crackdown, what was it like in Beijing?*

LAROCCO: It was increasingly tense. Initially, it was this euphoria of Beijing Spring. It was sort of like the initial euphoria of Arab Spring, so to speak, but as things went on it was very clear that something was going on behind the scenes. There were clearly in the upper levels some major clashes taking place. We weren’t sure if Zhao Ziyang, who was the seeming standard bearer of the demonstrators, could succeed or not. But as always, it was opaque.

*Q: Was the political section coming back and saying, how the hell do we know?*

LAROCCO: You know how the Foreign Service is. We never reply how the hell do we know? We do the best that we can and I think our political section and our other sections did the best we could recognizing the lack of access to the inner halls, the lack of a probing media, domestic or international, the lack of anything resembling what we have today in the world.

Our guys did the best they could at documenting the tensions, laying out the possibilities, doing this with literally both hands tied behind our backs.

*Q: That's what they wanted.*

LAROCCO: Of course.

I had certain third country nationals that I worked with who were in the business community who really gave me a lot of insights which particularly the year after Tiananmen I was able to do a tremendous amount of reporting that nobody else could do.

*Q: Why would they have something that we didn't get?*

LAROCCO: Because they had a presence throughout the country. They had a longstanding presence that we didn't have. They had people everywhere. These people from a third country, which I must leave nameless, and with whom I developed a very close relationship were able to feed me tremendous amounts of information which I believe to this day is what helped me to cross the threshold, to join the senior Foreign Service. My reporting was eagerly gobbled up. Keep in mind that in the period after Tiananmen, we were almost totally cut off from contacts with Beijing officials.

At this time, our ambassador was Jim Lilley, one of the best of the best and it was very hard for him. One of the good things he did after Tiananmen was to tell us to get out and about the country because the rest of the country was not like Beijing. They had not felt what Beijing had felt and while we were shunned in Beijing. Many of the people who just by the very fact of knowing us, coming to our houses and talking to us, were banished to the West, which was very painful to us. Just by knowing us they were punished severely. That's hard to handle, and I will always be troubled by this.

We went out to the provinces, where indeed it was a very different story. We were welcomed with open arms and feted. They had heard little about what happened in Beijing, and if they did, they simply didn't associate with it. They were eager to get to know us better, to do business and to expand relationships. This people-to-people, face-to-face diplomacy made us all ambassadors of our country. It was exhilarating, especially in view of the total cold shoulder we were experiencing in Beijing. It also generated pioneering reporting on key areas of China that were previously only touched on in cursory manner.

Tiananmen Square, June, 1989: a special case of crisis management

*Q: You arrive in China, you get to know people and then Tiananmen and then China spring, and Beijing Spring is beginning to bubble. Was the embassy aware? Were you saying something is going on? Was your radar, the embassy radar focusing? What the hell is this all about?*

LAROCCO: Our radar was totally focused on what was going on. We couldn't avoid it. It was right outside our doors, whether at home, while shopping, in the parks or at the embassy. At the same time, I would say that we were a bit naïve. On the day of the Tiananmen crackdown, we had Boy Scouts camping out at the embassy. They were there as tanks rolled down the street just outside the compound. While I and others faulted the RSO and our intel, I must confess that the notion that a government would run over and deliberately shoot down its own people was very difficult for us to comprehend. I can only speak for myself, of course, but keep in mind all the terrorism I had experienced. While most of expected a crackdown, we did not expect the killing and harsh actions on the scale that took place.

For all the terrorism I had been around in the Middle East and doing everything I could as I told you to protect my children from this, they saw and heard firsthand the crackdown taking place from our balcony and it has affected them the rest of their lives like nothing else they experienced in all their years overseas.

There was nowhere to escape so we saw the tanks going down the streets. We saw people thrown onto the backs of trucks and taken off. We saw people shot at. We heard gunfire all the time.

All of our local employees left because they were actually employees of the PSB, run by Chinese security. So all of our 300+ local employees were gone. With our families evacuated, we Americans were on our own.

*Q: Was that a Chinese order or American?*

LAROCCO: A Chinese order. We were outraged because these were people who we really depended on to keep the embassy operating. All of them were ordered to go home. I can tell you certain stories of certain Chinese who in fact, defied that order, but I don't want to do that because I can't be sure that even to this day they would be safe from recrimination.

*Q: I can understand but I am wondering why? Was this sort of stick it to us?*

LAROCCO: Yes. And it wasn't just this. The PLA – Chinese Army -- shot as many as 600 rounds into an apartment complex where our Americans lived. I don't know how much of that story ever came out. We were truly outraged, but the message was clear: get out. There was a Chinese 'ayi', as she was called, a maid who saved the lives of American children by throwing her body over them as the bullets raked across the room above them. We moved the families out as quickly as we could.

I have never told anyone this before, but I must confess that I simply could not resist going down to Tiananmen and seeing what was going on in the city. The night the Tiananmen crackdown started, I was hosting a dinner at my home. We got the word that the military had moved into the square. I immediately ended the event and drove one of the guests home. I drove as close as I could to Tiananmen, seeing everywhere I drove burning buses, fires, tanks and people running. It almost reminded me of the scene in *Gone with the Wind* driving as Atlanta was burning.

The following morning, I and some other officers were summoned to the embassy for a meeting with the ambassador. I took a roundabout way, skirting Tiananmen, going around it but coming right to the edge of the square. At the first roundabout west of the square, twisted, charred, burning buses were literally piled up, bulldozed into this strange sculptural Tower of Babel. It was scene I will never forget.

Beijing was the turning point in the handling of crises and evacuations by the U.S. government. To begin with, Washington just didn't know what to do. We were playing it by ear. They told us to refer to the Emergency Action Plan, but this was a massive, unwieldy document written in unintelligible bureaucratize. You might as well be reading the phone book. It was useless. Things were happening so quickly, and we simply had to make it up as we went along. Washington did not understand. They said the Swiss got out quickly, as did the Japanese. Of course, the handful of Swiss in the country pulled up in their Mercedes and boarded a plane. The Japanese, so orderly, all came to their embassy with two bags, boarded buses and were hauled out of the country in waiting Japanese charters.

Americans? We don't behave this way. We don't like to be ordered around, especially if danger is not readily apparent. We're tough, right?

All of us at the embassy took our turn at the phones, pleading with Americans to assemble at this place or that so we could get them out of the country. Let's face it: Americans don't want to be told what to do and so many said they felt safe and they didn't want to leave, especially if they had to pay to get out. So often only a handful of Americans would be there at the pickup point. And so often, hours later we would get frantic calls from those who did not show saying that there was gunfire around them. Please get me out. At that point, streets were blocked and we could not get through. But here's the bottom line: No Americans were killed, despite the confusion and what seemed to us (and the Americans we served) a very painful operation.

I am so grateful to this day that Jim Lilley was our ambassador. He was a man who had run unpredictable and risky operations for decades. He knew immediately what to do. He was always calm, in charge, and always knew exactly what to do. He called in about a dozen of us, said we would be his team during the crisis. We looked at each other, detecting immediately that we weren't the recognized hierarchy of the embassy. But Jim knew each of us well, our strengths, our character, our reliability, and to be frank, we all knew and trusted each other to do our part.

Jim put me in charge when he went back to our apartment for the night to catch sleep. I would be there all night and well into the day before I could go home for a few hours' sleep.

In those days, we had to have the phone off the hook 24 hours a day for Washington to talk to us. They constantly peppered us with the same questions: what's the body count? Is the resistance holding up? How many Americans have you evacuated? How many Americans are still left? This constant quest for information at times proved exasperating as we were working tirelessly to get people out of harm's way.

One evening, late at night, when it was impossible to gather any data, I became truly exasperated at the list of endless questions and the demand for immediate answers. I held the phone up to the window, then pulled it back and barked into the phone: did you hear that? It's tank fire. And it's right outside our compound. You can expect no further answers for the time being. We will let you know when we have any. I then took the phone and shoved it into a desk drawer and closed it.

I give a lot of credit to Robert Kimmitt who was the undersecretary at the time and was running the operation back in Washington. He was a level head and made sure we got the help we needed, especially charter aircraft to get Americans out. After the crisis was over, he ordered a full after action report which resulted in a new, more user friendly manual and procedures. It was the first usable template for crisis management in the modern era and served well in future crises. All of this was under the always helpful leadership and guidance of James Baker. When I reflect back on the crisis, we had the perfect individuals in charge: Baker, Kimmitt and Lilley.

I would like add a footnote to all this because I think it says something important about the Foreign Service. To many, the image of a Foreign Service officer is a man in a pinstripe suit wearing wingtip shoes sipping a martini at a gala reception of elite. That may have been common in days gone by, but it was far from the reality of the Foreign Service I was a part of. From Beijing to Beirut, Cairo to Chongqing, the Foreign Service was demanding, challenging and conducted often under the most difficult working and living conditions. This is not a complaint. I loved this environment. But it was not at all reflective of the image I thought the Foreign Service was before I joined, and not the image my friends and relatives back home had.

Then came Tiananmen. I must admit that I joined the Foreign Service for adventure, excitement, travel, crisis, cross-cultural experiences. When Tiananmen started to happen, my juices went into overdrive. I truly felt alive. I believed that all the training I had received, throughout my life, prepared me for this moment. Perhaps Jim Lilley saw this in me and others he chose as key members of his team. He had himself been in countless situations like this, and he was truly unflappable, ready for anything.

What I learned during the Tiananmen crisis is that our basic instincts come to the fore during a super high intensity crisis like that one. Some of our finest officers, especially

Chinese speakers, froze in place, unable to move. I recall the most fluent Chinese speaker with years of experience in China before joining the service, an Ivy League education, all the right training and background, whimpering in my office. I was stunned. I wanted to say, "Get a grip. We need you. American citizens in distress need you. Our country needs you. This is your time. Snap out of it. Let's go!" But I didn't. So many thoughts flashed through my mind, of Patton in Sicily, of stories of soldiers excelling during training only to freeze and drop their weapons when thrust into battle, of those in sharp contrast with little to commend them stepping forward and performing heroic acts.

While I would never presume to compare Tiananmen with the heat of battle, it prompted basic instincts to show themselves. Some underperformers in the day-to-day work of economic reporting and contact work leapt into action, pulling us all forward with them. On the other hand, some of our embassy stars in the normal working environment went missing, holed up in their apartments, not answering our calls.

The Foreign Service is a profession, but one that needs all types of personalities. We need the tea leaf readers as much as we need the crisis managers. We need the masters of traditional tradecraft as much as we need the intrepid "expeditionary diplomats." The martini-sipping, reception-going smooth as silk diplomat, a master prier of information from the European elite, is a needed FSO as is the civil affairs diplomat in a helmet in Kandahar. We are all FSOs, and we are all needed.

As for the person whimpering in my office, I consoled and had him/her escorted to the airport to be evacuated with the families. I never reported that behavior, and this person returned to post after the crisis and performed admirably as one of our finest reporting officers.

*Q: What was happening in Guangzhou and other major cities?*

LAROCCO: Not much. They were basically quiet. The only other city that had unrest was Shanghai. But Shanghai, in sharp contrast to Beijing, had a very enlightened and charismatic mayor who took a very different attitude. He did not clamp down, but he maintained order. He later became a hero for his handling of the situation there. The rest of China, for the most part, was shielded from the events of Beijing. Hong Kong, of course, was a very different matter, but that was outside our purview.

*Q: Looking at it, say when the shooting had died down and the revolt or whatever you want to call it had been suppressed, what did this tell us about the leadership of China?*

LAROCCO: The leadership of China was determined to preserve the Communist Party at all costs. Full stop. That has always been uppermost in their minds, and it remains so to this day. They were determined to preserve the Communist Party and they saw this as a threat and they were going to put it down at whatever cost. How many people died, I have never seen an accurate figure. How many people were exiled, I have never seen an accurate figure on that either. It was brutal and meant to punish severely and leave a lasting lesson. They replaced a number of leaders in their usual quiet way. Keep in mind

that these leaders were also Communist Party members. So it was done mostly outside the spotlights. This led then to all kinds of dissidents who either fled the country or went to prison, some of whom became symbols of the repression. They have always received our morale support, and have always been a wedge in our relationship with the Chinese leadership. You may recall Hillary's troubles regarding a dissident during her visit to China.

Chinese dissident Fang Lizhi claims asylum at our embassy

I would like to mention one other key event that took place during the Beijing Spring. Winston Lord was still ambassador. Near the end of his tour, President Bush came to China. We had meetings and I was the note taker for the meeting with Li Peng who was unintelligible in any language. In those days, we were required to write up the meetings as verbatim as possible. After the meeting was over, I went back to the embassy, despondent over my task of trying to make any sense of what Li Peng said. Even though I was invited to the gala banquet for Bush, I had to skip it. I was the only officer at the embassy that evening.

I was deep in thought tapping out my report when I got a call from the Marine at Post 1. "There is some guy here at the gate, some Chinese guy and he needs to talk to somebody." I went down there. I thought, what do I do? I don't want to blow this thing. I invited him in. It turned out to be the well-known dissident Fang Lizhi. He showed me his invitation to the dinner, and I knew he was on the list of invitees. He then told me he had repeatedly been stopped by Chinese security officers and prevented from reaching the dinner. He wanted to lodge a formal protest on the one hand, and requested an embassy escort to the dinner as well.

We didn't have reliable cell phones in those days. I tried to reach people and I couldn't. It was in the middle of the banquet, and I assumed phones were turned off. I sat with him for a period of time, which turned out to be the right thing to do. I listened carefully to his protest, his desire to attend the dinner, but I had no vehicles that could transport him to the dinner and I had no idea even at what point the dinner was at. I said, "I need to get your story. Stay here." He was smoking cigarettes endlessly and very, very nervous. "Just stay calm." I sat there and talked with him until I finally was able to contact a political officer at the dinner who knew Fang. He rushed back to the embassy. By that time, the dinner was over, so Fang was extremely disappointed.

As it turned out, Fang Lizhi ended up staying with us as a guest of the embassy, as both we and he feared for his safety. He was hidden from view, and we did a damn good job confusing the Chinese as to where exactly he was. He was with us for a full year. Bill Stanton was his guardian, and I don't know whether Bill has ever written anything about his year with Dr. Fang.

There were plenty of recriminations after this event and it became a cause celebre of the media back in the U.S. Some in our government blamed us at the embassy for inviting dissidents at all to the formal state banquet. Why did we do this? We let Washington

handle the press inquiries, but we made it clear to Washington, quietly of course, that there were no secrets here. Everything was clear. I was at the meetings in which a suggested guest list was prepared. A decision was made by our country team to recommend including some notable dissidents. This was sent to Washington and fully approved. Ambassador Lord took some unfair heat for this incident, but he handled it deftly.

Midway through my second year in Beijing, Jim Lilley called me in and said he had developed a great trust in my management and judgment, and hoped I would stay in the China field. These were important times and my experience in Beijing would be helpful. I was honest with him: my heart was really in the Middle East. Jim wouldn't take no for answer and arranged with his good friend, Stan Brooks, then director of AIT in Taipei, for me to return there as Deputy Director. This would be my first real DCM job, and I had just crossed the threshold. It was indeed too tempting to pass up. So I accepted.

I left Beijing after two unforgettable years. Despite the drama, I believe it was also very much on the positive side for my kids. They got to see so much of China, from the Harbin ice festival to the Karst Mountains of Guilin, the far western ancient crossroads of Kashgar to Nanjing and Shanghai. My wife was adored; the Chinese consider Audrey Hepburn, with her angelic face and small features, a goddess. They said my wife looked just like her. My kids were beloved everywhere they went. Cute aliens, I guess. And my children had matured overnight via Tiananmen.

China's commercial environment in the late 1980s

*Q: I want to go back to China now. Let's talk about the commercial relationship. Were we concerned that we were delighted in China opening up and all but my God. These guys may be our great commercial rivals.*

LAROCCO: Not in those days, no. We sent in long reports on this, signaling that this was going to happen and we should seize the reins now to seriously discuss all this with the Chinese or we were going to be swamped with imports in the decades ahead. How can you compete with 20 cents an hour labor? And the quality of their products was rising every day.

But American companies seemed hypnotized by the thought of a billion consumers, even though the purchasing power of those billion was far less than that of the people of one American city. Our government viewed China more as an opportunity than a challenge. And all those American companies who were flocking to China to manufacture products for the American market were raking in millions in profits.

At the same time, we could see Chinese reverse engineering our technology and stealing everything they could get their hands on, from technology to processes to intellectual property. Once they made it their own, they cut out our companies. It was not long before the combination of this, their burgeoning exports and their closed market to our products

sent the trade deficit soaring. By the time we really faced up to the challenge, their holdings of dollars was unprecedented. This was long after I left Beijing.

*Q: Were other countries seeing the same thing?*

LAROCCO: The Japanese saw it in spades, but there was little they could do about it except to limit the pain. The Japanese were rushing in to invest and diversify. They saw that their days were numbered as manufacturers so the only way they could continue with their standard of living was to invest. As we now know, the standard of living of Japan hasn't changed in 20 years. They have been okay in terms of standard of living because they were not expanding in their population, but they were not okay for the long-term future because they were not expanding their population. Too many old folks, not enough coming in behind them. China faces that same prospect, as I will talk about later.

*Q: With the Chinese picking up manufacturing, reverse engineering, was there something within the Chinese society that wasn't producing new products? After all, you think about paper and fireworks and etcetera which they had done centuries before but it doesn't seem to be*

LAROCCO: There was very little innovation in China. They were master copiers of everything. The Communist ideology had really beaten down a lot of individual initiative in terms of innovation and was not encouraging it. There was nothing to get out of it. If you personally came up with an innovation, it was immediately taken away from you so you got no benefit out of it. So why do it when copying was easy and profitable?

Recall that conversation with Armand Hammer. He didn't say they would innovate. He said they would produce. This is exactly what's happened. Since they have been unleashed economically, they are producing on a scale almost unprecedented in history. They have brought more people out of poverty than any country ever. It is amazing, the hundreds of millions they have brought out of poverty. But they are not yet innovators, and I think many of those who are innovators are fortunately coming to America which is good for us.

*Q: Did you see any profit to the United States by the flow of Chinese students and many are staying?*

LAROCCO: It had started already back then. The Chinese saw this as win, win, win for them. They saw it was a win if these people went to America, got a really good education and came back. They thought it was a win for China if they stayed in America, because they consider Chinese overseas their bridge to these nations, their "Huaqiao." That's what they are called in Chinese. These are bridging people so they saw them as Chinese transplants, people who would always be Chinese first in their hearts. They also saw them contributing to the American economy, and that was eventually going to help them too.

There are Chinese students who are absolutely the backbone of so many of our universities. I recently heard the figure of 200,000 Chinese studying here. I have no idea if it's true, but I wouldn't be surprised if it is.

*Q: What about Americans? As economic counselor did you still, were you covering the commercial side of things too?*

LAROCCO: No. My predecessor and the commercial counselor had a very bad relationship, but I developed an excellent one with Lyn Edinger, my commercial counterpart. Keep in mind that I had worked for USDOC as commercial attaché in Saudi Arabia, so I knew his line of work. We agreed on what he would stay out of and what I would stay out of, how we would cooperate in overlapping areas, and it worked seamlessly. Our section advised countless business people, but it was solely on financial, investment, macro and micro economic issues. We steered clear of any advice regarding selling their products. To be clear, we strongly supported American business and our commercial interests, but we did so hand in glove with the commercial section.

A good part of being head of the economic section or having an economic section is in fact business support. There is a difference between supporting business and business promotion. Really what the commercial section is engaged in is business promotion. We were really not that. We were giving business support. We were giving companies a kind of analysis that they needed to make informed judgments, whereas the commercial section was introducing them to partners, promoting their products, doing all that sort of stuff.

*Q: I was wondering if you were getting a sample of the American attitude of business people coming over to China looking for markets or for production and all.*

LAROCCO: We got involved when they ran into problems because if there were problems, it was our job to negotiate those problems. If they had problems with intellectual property, that's when we got involved. If they had problems with various commercial laws and disputes, we got involved in that, all kinds of investment problems and things like that so, yeah. We were acutely aware of the obstacles and the difficulties that they were facing in China. It was a very tough market. China was not a society governed by rule of law, and the very notion of resorting to law for redress in a commercial dispute was an alien concept.

On the other hand, if you just came in and said I want to build a Nike factory and I want to employ 12,000 people, wow. They treat you like a king. It was all jobs growth; it was all producing, bringing in hard currency. They loved direct investors who brought in money to build plants.

What really angered me as an American was, for example, selling them airplanes. They wanted offsets. Well, if we buy your airplane, then you must invest in producing this or that here and, oh, by the way, you must buy eight million pairs of surgical gloves. Say

what? This is how the Chinese bargained. It was the price of doing business there. It was maddening for many U.S. firms.

*Q: Were you able to use congressional visits to point out to Congress what was happening to them in their home districts and all?*

LAROCCO: Yes, but we did not get as many congressional visits as I would have liked. That I found very disappointing. I don't know what it is like today, but I would say a good share of the congressional visits in those days were related to just getting to know China or were focused on human rights. Very few, if any that I can recall, were focused solely on economic issues.

*Q: So often it's said that it is a unique experience for government officials to sit alone in a car with a congressman for hours, maybe and have a chance to talk to him and explain the situation.*

LAROCCO: I agree, and that certainly was the case during my assignment to Cairo. But once again, my work with Congressional visitors was limited during my two years in Beijing. We had a handful before Tiananmen and very few the year after.

China and human rights

*Q: How did you find Chinese officials when you raised human rights questions?*

LAROCCO: Extremely defensive. They basically said we didn't understand. We didn't understand how important stability was for them. We didn't understand how this was their mission and their goal and their responsibility to provide what they said were the real human rights. Real human rights were not what we said. The real human rights were the right to a job, the right to eat. They said in your culture you define human rights as letting people starve to death as long as they can speak out freely. We don't see it that way. We feel that real human rights are economic rights, not civil rights.

So there was a fundamental disagreement about how you even define human rights with the Chinese. The Chinese were very, very consistent in saying that. How much they believed it, I am in no position to judge. Having listened to them, I can see why they hold their views, since if they don't feed those billion people, heaven help us all.

I am trying to characterize their point of view. For myself, China will never become what it aspires to until full rights are granted to all, especially in the area of freedoms and political participation. I could foresee the death of Communism Party rule, but what would replace it? We still don't know the exact answer, but I have always believed that political participation would have to open up over time and rights promulgated and enforced.

China's future as it looked in 1990

*One last question; did you see China sort of shaking off Tiananmen, was there any lesson there for the Chinese adjusting or was this just something they put down and went on their merry way?*

LAROCCO: Tiananmen will never be forgotten. They have tried every way they can to bury it, but it is always there. I think it is something they know has always been latent.

I eventually was ostracized by the China club because I concluded that China would never forget Tiananmen, would open up to political participation, but could not do so as one entity. As had happened before in its long history, I predicted that China would break up into several entities by 2050. Political change would be one factor in this break up, the differences between regions, which can be profound, demographics, relationships with the outside world, etc. This notion was completely anathema to Sinologists at that time, and I suspect is still so today. But I stand by my prediction.

Let's be frank: Once you give people sustenance, they want more. Once you educate them, their eyes are opened. Once their eyes are opened, they want more rights, more say. They indeed have something to say. The path China is on makes profound change toward more political participation in governance inevitable, and I feel it fits the Chinese character and identity so much more than Communism did. Communism was an aberration, a denial of the Chinese character as described by Armand Hammer. Their identity has been tampered with for nearly a century. It will not be denied much longer.

Now, let's be clear: what I am saying may also be a forecast for the kind of change that is unstable. I think we need to be prepared for that. I don't think we are.

*Q: Well, too we are looking at technology and the fact you can't suppress things. God knows the Chinese are probably more wired than any other group sadly in the use of this. We are talking about cell phones and the various ways of communicating which can no longer be controlled by a central government.*

LAROCCO: You can't control ideas. The ideas are all there. Try as they as hard as they try, they can't do it. It is inevitable the change is coming.

*Q: Today is the 3rd of January, 2013 with Jim Larocco. We are coming to the AIT period. You were there from when to when?*

LAROCCO: We are skipping a year. From the summer of 1990 to the summer of 1991, I was in the Senior Seminar. Let's talk about that.

#### The Senior Seminar, 1990-1991

*Q: How did you find the Senior Seminar?*

LAROCCO: I was very fortunate to get into the Senior Seminar. I had turned down senior training at the War College when I was nominated for that in favor of going to

Beijing. In turning that down, technically you are not supposed to be eligible for the Senior Seminar.

What happened is I managed to see the director general of the Foreign Service at that time, Ed Perkins, a wonderful man and I basically said, "Listen, I am here in Beijing. I am doing my duty to God and mankind and all that and my father is dying and I would like to be closer to him. One way would be the Senior Seminar where I know I would have some time to be with him. Ed replied "Ok, consider it done."

My father did die that year, and I spent more time with him and he with my kids than we had spent for so many years. It was indeed a godsend, and I will always be grateful to Ed Perkins.

As for The Senior Seminar, I didn't know anything about it other than it was a program for senior officers from the branches of the military and a variety of civilian national security agencies. I discovered that the concept was brilliant. They brought together about 30 of us, 15 from the State Department, 15 from other national security agencies and the military. After an offsite which served to introduce us to each other, we set off on a ten-day trip around Alaska, an experience that bonded us as quickly as any activity I have ever seen with a group this large and disparate. We were indeed a diffuse group of over achievers, sure of ourselves, not always sure of or open to others. Suddenly we were thrown together. Alaska was the perfect percolator, and within ten days, we bonded for life. We share emails to this day and plan get together.

Just think of the payoff on this investment: more than twenty years after that seminar, Pat Kennedy and Johnny Carson are still serving at State, Larry Pope is Charge D'Affaires in Libya, Tex Harris is active with AFSA and I am at the Pentagon. Even the retirees within our ranks remain very active. For the investment, the payoff has been outsized.

*Q: Larry worked for me in Saigon.*

LAROCCO: Larry is in Tripoli as we are talking. These are just a handful of the amazing people who were in my Senior Seminar class.

*Q: Your class was from when to when?*

LAROCCO: This was starting in August of 1990 and ran until the end of June, 1991.

*Q: I went from '75 to '76.*

LAROCCO: The whole concept, especially with our group of people who were very active and didn't like to be told what to do or how to do it, was that we set the agenda of topics, we do all the preparatory work for our programs and we conduct them. After all, we were senior officers. We didn't need to be spoon fed. We should serve ourselves.

I selected to do a program on health care in the U.S. My partner was the irascible Tex Harris. Together we put together a program that covered virtually every problem that remains unresolved today. We were all stunned back then. Why wasn't this being taken care of? Why weren't we addressing spiraling health care costs? This was 1991, after all. America could solve anything.

Can you imagine if someone told us this issue would still be front and center twenty years later? I wouldn't have believed it. We covered all the issues, and they couldn't have been more obvious if someone hit you over the head with them. Just think if our leaders had taken in on then. It would have been much less painful. And it gets more painful and politically poisonous by the day.

For those of us who had spent so much of our adult lives overseas, re-learning about our country was so useful. FSOs are at times criticized for losing their connection with America, suffering from clientitis, being out of touch with the state of America and what matters to Americans. We traveled the length and breadth of this most marvelous of countries and learned first-hand what was on people's minds. It was one of the most fascinating years of my life, and certainly among the most educational. At the same time, this knowledge truly helped me put everything in perspective when I went back overseas.

At the same times, the mix of interagency cultures was also valuable. The most important of these was our exposure to the military. We visited military bases around the country, talked to recruits, those in basic training, young officers, NCO's, went to Miramar, to an air craft carrier off San Diego, did paratroop training at Bragg, received up-to-date briefings everywhere we went. It was priceless exposure that served us so well in our futures.

*Q: What would you say was the big difference between the military running it and civilian?*

LAROCCO: You have very detailed schedules, up to the minute. Everybody was in their little pecking order. If you read my bio sketch which you can get to via Google, you may note that I have inserted that I reached the personal rank of Career Minister, which equates to Lt. General. Why would I include that? To be frank, I got so accustomed to having military officers obsessed with knowing my personal rank everywhere we went that I just got used to always including it. Eliminate the guesswork for them. In all honesty, how you are treated by the military does indeed depend on rank.

In addition to our Alaska trip, we also went to Ottawa, learning so much about how our Canadian allies view their situation and the world. We also went to Moscow and Tbilisi, viewing the new Russia and one of the newly independent States, Georgia.

I deeply regretted the decision by the Department to end the Senior Seminar, a program I consider that has paid so many dividends over the years. It was an investment with a very high yield, and there is no comparable program existing in our interagency community. Networking, as I have always underlined, is so important to understanding and getting

things done. This produced an unbreakable network of colleagues and friends. Our government needs more of this to govern efficiently and effectively.

The War to Liberate Kuwait, January and February, 1991

LAROCCO: Let me mention one other more thing. While I was in the Senior Seminar, I got a phone call just after I returned to Washington from our trip to San Diego, Camp Pendleton and Miramar. The NEA PDAS, Jock Covey, was on the line and he told me to report to the State Department Operations Center at 11:45pm. "What's this about?" I asked. I can't tell you, he responded. But you will go right to work at midnight. Be there early to check things out. Just come and it will all become clear.

So I arrive at quarter to midnight and was oriented to the Task Force facilities and personnel working in this part of the Operations Center (Ops Center). I was informed that we have just launched military operations to liberate Kuwait and that I would serve as Director of the Ops Center Task Force starting at midnight, and do so each evening till the war ended.

I nodded, and then asked the obvious question: what am I expected to do?

Well, here you've got a logger to keep track of everything going on; you have this expert and that expert and this liaison to the CIA, and that guy for the Pentagon, etc. There was a separate consular affairs task force in an adjacent room, so I didn't have to worry about that.

I had a deputy who was decidedly unhappy that I was made director. He had been serving there for some time, knew all the ropes and had expected to be named to the job. Lucky for me, he knew everything, so I was prevented from screwing anything up as I got up to speed.

As it turned out, it was a wild evening. Phone calls came in from everywhere around the U.S. and the world. Every kind of issue you can imagine came up. And it continued night after night. Perhaps one of the more unusual was getting a call from a member of Congress who was holed up in a shelter in Tel Aviv as SCUD missiles were falling. He just wanted to talk. I told him to talk fast; he needed to put his gas mask on.

From 7-8am, toward the end of the shift, we prepared a full report. At 8am, I went to the NEA daily senior staff meeting, handing out the report, providing an oral briefing and answering questions. It was useful reconnecting with The Mother Bureau. Some mornings I was called up to the 7<sup>th</sup> floor to brief, especially if there had been events with a media or Congressional angle that had to be dealt with quickly.

I did that every day for the duration of the war. So while the other senior seminararians were off on a sabbatical, I was doing the midnight shift in Foggy Bottom. I wouldn't have changed places with any of them. A thorough knowledge of the Ops Center, one of State's premier offices, helped me for the rest of my career. It seemed that NEA always

had a task force running up there, sometimes two, so it was good to know what it could and couldn't do.

*Q: This was your turf. What did you feel about the leadership that you were seeing there?*

LAROCCO: For that period it was excellent. I was very impressed with the State Department leadership. Again, I was fortunate in the sense I felt there was a turning point in State Department crisis management during the Beijing mess. I was put on night duty, not at my desire but Jim Lilley put me on night duty in Beijing so I already had a feel for Washington's needs in a crisis, but I also had first-hand experience with what overseas posts are going through in a crisis. Working with personnel in the Ops Center who were doing this day in and day out was natural to me. At the same time, State carefully selects among their best and brightest mid-grade officers to work there. Once again, I met people I would deal with the rest of my career, and I raided their bureaus to get them to NEA. I knew how good they were.

And of course, the end of this was the wonderful liberation of Kuwait, a country where my son was born, I had served in and would be going back to as ambassador. Life takes us in interesting directions.

I also worked very closely with POLADS. It was the first time I had worked closely with Central Command, which was a relatively new command in those days. Gordon Brown was the POLAD there, and he had been my boss my second year in Jeddah. This made a connection with CENTCOM easy. Once again, building relationships pays off.

I honestly felt the Department handled its piece of the Gulf War exceptionally well, and that the leadership of the Department, the Pentagon, the White House, CIA and CENTCOM were indeed owed a debt by the Kuwaitis, those in the region, our own country and our allies.

I recall at the end of the war being part of an after-action VTC, then over to the CIA for a briefing and discussion?

*Q: VTC being?*

LAROCCO: Video teleconferencing. That's what it was called in those days. I had regular video teleconferencing every day when I was running the Operation Center at the State Department with the CIA ops center and with the DOD ops center and with others. When the war was over I was invited over to CIA for a big session and a briefing.

I remember I was sitting in a large room filled with people in a high state of excitement. Everyone was patting each other on the backs, boasting about this huge victory.

I raised my hand and said: There seems to be a clear assumption that Saddam is done. What if he stays?

They looked at me like I was out of my mind. They all started laughing and said he has been humiliated. He is an Arab. He can't stay. They won't let him.

I said, "What's your plan B if he does?"

They said, "But he won't" and that was that. Again, all laughter and I thought boy, I hope they are right, but I know Arab culture enough to know that the fact that he's left standing is victory enough. He can declare victory. History is replete in that region with losers who emerge as winners. They have stood up the enemy and are still standing up. Unfortunately, my skepticism proved well placed.

Once again, think of Henry Kissinger and Hillary with Charlie Rose talking about the consequences of decisions. It truly seemed the right decision at the time to limit our military involvement to liberating Kuwait. That was a clear mission with a clear commitment of resources and a clear exit plan. We had the full support of the international community, including massive financial support.

At the same time, the analysts were unanimous: humiliate Saddam and his own people will topple him. It's hard for to conceive of President Bush the senior going on to Baghdad. It was not the mission. He had committed to all our allies, friends and the UN that we would stop at the Kuwaiti-Iraqi border.

*Q: Including Egypt and Syria.*

LAROCCO: Including Egypt and Syria. They never would have supported us if we had said we were going to go to Baghdad. I think that it is easy to say in hindsight that we should have finished off Saddam, but then what? Who would be in charge? Us? At the time, it made no sense and even now it makes no sense to me, especially considering our experience in running Iraq. I liked to draw people's attention to an interview conducted with Dick Cheney, then Secretary of Defense, after the war. He was asked why not go on to Baghdad. His response: we would have been drawn into a quagmire that would have bogged us down for years with no exit. He sure was right. I'm not sure what changed his mind 12 years later.

The one failure was not sending in experienced negotiators and lawyers to negotiate an armistice. Schwarzkopf had no instructions and admits he wasn't sure what to do. He was waiting for detailed instructions and they never came. He expected the State Department or the White House to parachute in a negotiating team and they would do their little Versailles or whatever they would do. In the end, it was a poorly negotiated armistice, giving Saddam ample wiggle room to stay in power. He had carte blanche to subdue the uprising in the South, using even attack helicopters.

Taiwan, 1991-1993: Deputy Director at our unofficial embassy

What is AIT?

*Q: Back to Taiwan and AIT; could you explain what it is and then how it operated at the time you were there?*

LAROCCO: The American Institute in Taiwan, AIT, is an embassy in everything except its name. We have unofficial relations with Taiwan. It is the only country where our foreign relations are regulated by an act of Congress. Our relationship is enshrined in domestic law, the Taiwan Relations Act. This legislation spells out the relationship, but also reaffirms a one China policy, so it is seemingly contradictory in the sense that we state that there is only one China, and Taiwan is a part of China, but at the same time we deal with it essentially as a separate leadership and government in every aspect.

AIT has the same type of officials as there are at any embassy, but since it is not an embassy, the titles of the officers and their sections can be different. For example, the consular section is called the Travel Affairs section. The ambassador is the director. We all had tourist passports only. We did not consider ourselves diplomats, although we were treated as such, and we had the full range of diplomatic immunities

We couldn't issue visas there. The visas actually had to have a Naha, Japan stamp on them but we did all the work. Our office at the time was one of the larger visa mills in the world. We were processing tens of thousands of visas.

*Q: Were the Japanese cooperating to give exequaturs and all that?*

LAROCCO: Oh, yeah, we didn't have any problems. All this had been negotiated over the years.

What proved troublesome for so many of us is that we had to resign from the Foreign Service and the State Department before serving in Taipei. It was, in truth, a fiction, but it was nonetheless real. Let me explain. We did formally resign, it was processed, and then we were placed in a separate file at State that treated us identically to our State counterparts. There was no end to the accounting problems this created. A friend was settling on a house right when he was transferring and of course, when the loan company called the State Department to verify his employment they said oh, no, he resigned last week. His loan was denied.

But I faced no end of grief over my pay. The State Department, being as antiquated as it was in those days in terms of computerization, had decided that it was too costly to computerize AIT accounts. I was double paid for my first six months out there. That sounds nice, but it in fact created a seemingly endless nightmare. I lost so much money trying to sort this out. I was desperate to settle this before W-2 time. I would have had to pay so much more tax for the year I was double paid, and then, of course, would have had to pay all the income back that I paid taxes on. I would then have to file an amended W-2 the next year. Try explaining all this to the IRS. I probably would have been audited the rest of my life. So I flew back to Washington on my own dime (many thousands, in fact), all the way from Taiwan, and I had to find and sit down with a person in payroll and work it all out, with pencil and paper (yes...with pencil and paper). I waited around till it

was processed manually, just to be sure. In the end, we did not agree on the amount, which left me with a big loss, but I had reached the point where I simply didn't care. I wanted it closed out.

While AIT was mishandled badly by Washington, which simply didn't care about our little aberration of a post, it was without question the most smoothly functioning post in the field I ever encountered in my career. Why? We were all lumped together under one authority, no separate agencies, which can make coordination at most embassies difficult. The line of authority was crystal clear. There was only one chain of command. To be sure, some officers, from agencies you can guess, but also from the military, who were accustomed to reporting to and taking instruction from either or both the Pentagon and military commands, chafed initially under a system of full control by the chief of mission, in this case, the Director of AIT. But once they got into the rhythm of our work, and the clear value added of one mission, one set of goals, full coordination between sections, even they began to feel we were all in sync serving our country. It was one team.

The country team concept is a work of art when it works, the single best mechanism in our government. Washington coordination never reproduces the efficiency of the coordination of a smoothly operating country team. But...the separate lines of funding and authority of a country team can never come close to what we had in Taipei.

I understand that over the years, this one team, one authority, one funding source for AIT has been eroded by inspectors, who found it too odd and suspicious. It makes me cry to think of this wonderful world shattered.

*Q: Who was the boss?*

LAROCCO: His name was Stan Brooks. He was a true Sinologist, one of the best in the business. This was his retirement post, his last assignment. He and his wife Claire were among the finest human beings I ever encountered in the Foreign Service. They were odd combination that somehow meshed: he a Wyoming native who enjoyed the simplest of lives, she a proper Bostonian. He knew every nuance of Chinese culture, and he taught me so much that I could never have learned from books.

*Q: Did you and your colleagues ever feel that this, despite the promises that you'd be rehired and all, feel that you were sort of left dangling out there?*

LAROCCO: We were left dangling, which could be very bad administratively, as I have already noted, but it was marvelous from a creative point of view. We had few looking over our shoulder. We were the other China, the other place and we didn't really fit in well with the way Washington did business. We were left to our own creativity, and we had an extraordinary team of over-achievers. I truly felt we were unleashed to do things we could never do elsewhere. The very concept of micromanagement from Washington was completely absent. We knew the policy, we knew the constraints, we knew the opportunities and we seized them. It was truly the most creative time of my career from a management point of view.

For example, I wanted to modernize our facilities but I couldn't go to the State Department for money to do that so what did I decide to do? I decided to put in a \$75 visa fee. I didn't have to go back to the State Department to do that and we ended up with a good pot of money. We could keep these funds rather than send them all back to Washington. We put it in a capital building fund. I was able to do all kinds of modifications and modernize our place, put in some security protections desperately needed, add a small cafeteria and improve our physical plant. We did full accountability of our expenditures so there could be no question as to waste, fraud or mismanagement.

This retention of visa funds put us way ahead of our time, and may well have been an inspiration for Mary Ryan, who as director of Consular Affairs years later, was able to put in place a way for consular-related earnings to be retained by State to pay for improved consular upgrades.

Later on, the State Department finally caught up with all this and said you can't do that, but this was after my time. I don't know how they justified clamping down because technically again, we weren't reporting to the State Department, we weren't reporting to any government agency. We were reporting to this office called AIT/Washington which was in the Hyatt Hotel in Rosslyn.

Again, they created this fiction but then they left us dangling. I saw that as an opportunity, not as a problem. On the policy side, there was no issue there. Our policy direction came to us directly out of the Taiwan office at the State Department. No fiction, no games. And because we had a U.S. law that governed what we did, we knew what we were doing every day. There were no questions about our relationship with Taiwan and everything fit into place very nicely.

Taiwan: A roaring Asian Tiger experiencing its own political spring

Our relationship at the time was particularly focused on economic and commercial opportunities. Taiwan was the Asian Tiger roaring the loudest, expanding faster than anyone could catch up with from a reporting point of view. Our economic section did a masterful job capturing these rapid changes, while our commercial section was the best I ever encountered anywhere. Once again, unleashed from Washington restrictions, they could be very creative advancing the interests of our firms.

At the same time, Taiwan was undergoing fundamental political transformation. Democratic institutions and processes were being created right before our eyes. I had one really fun time when they realized that almost everybody who was running for their legislature and even the Presidency had American citizenship. By Taiwan law, they were ineligible to run with foreign citizenship. They went through this ruse of renouncing their citizenship. They all flew up to Japan together, marched into the consular section, renounced their citizenship and came back. We had coordinated all this with the consular section there. Quite frankly, my understanding at the time was that this renunciation was

not necessarily conclusive, and I must say that none of the spouses of any of these candidates ever renounced their citizenship.

This was indeed a Taiwan Spring that was not crushed, but left to blossom and spread. It was intoxicating.

*Q: Was this fun or troublesome?*

LAROCCO: It was absolutely fun. The only troublesome part of it was a lot of people running for office were Taiwan nationalists, independence advocates and we had to be very, very clear in all our statements that we supported staunchly a one-China policy. These advocates, who had carefully studied our democratic history and institutions, and who knew our own revolution and independence from the British, believed we would be natural supporters of their quest for self-determination. To be frank, many of us did empathize with them, but we could never, ever show it. This was totally against U.S. policy, so we had to be rigid.

This in time drove a strong wedge between us and many in the Taiwan independence movement. This did make for very uncomfortable situations, including strong statements by us that on the face of it, seemed to be anti-democratic and against the very values we tried so hard to promote in Taiwan and throughout the world.

What made this doubly painful was that Taiwan was democratizing quickly and peacefully. China, at the same time, was doubling down on its strict control of governance by the Communist Party. The contrast was profound. So why were we seemingly standing up for an anti-democratic regime?

The contradiction was not lost among the Taiwanese, and we did pay a price for this in terms of the enormous bond of trust that had been so carefully nurtured between us and the citizens of that island. Keep in mind as well that this was a time when the economic and commercial opportunities Taiwan offered our businesses was equal if not greater than what China offered. Not only were our firms advocating for a stronger U.S.-Taiwan connection, but many U.S. states opened offices in Taipei, doing their best to advocate for their companies.

I personally had no problem fully embracing our policy. After all, I had served on both sides of the Taiwan Straits, and I believed that our policy was tried and true. I would talk with the Taiwan Independence Party people regularly, and would be very clear with them. Good luck. You are running for election, and I wish you well, but you will not get us to support your stand on a free Taiwan, independent from China. We do support you as a candidate in a democratic environment to run for office. We have no problem with that and we hope to maintain a good relationship with you.

*Q: You were there from when to when?*

LAROCCO: '91 to '93. It was indeed a time of profound change, and Taiwan was bursting out in all directions: politically, economically and commercially. I was very fortunate because I was able to develop some strong contacts with the leadership, sending in countless messages from the long conversations I had with them.

### Life in Taiwan

To be frank, many of these messages came while I was having fun. Taiwan was a golf crazed society at the time, and courses were opening everywhere. All the top political leaders, government officials and businessmen did lots of their wheeling and dealing on the golf course. My predecessor had strongly encouraged me to tap into this, and I inherited his membership in an elite group of leaders called The Tigers. They included all the top people, and I was the only foreigner. We played as many as four times a week, and when you are together for five hours, you pick up an enormous amount of information. Playing that much, I also got to be quite good. In fact, I was good enough that if a key leader in my foursome had a slice or a hook, I would duplicate that just so I could walk down the fairway with him.

At that time, drinking, in this case hard liquor was rampant in Taiwan, and it was in all honesty very painful for me but a necessary part of the job. I had grown up in the Italian tradition of having wine with dinner even at a young age. I learned to always drink with food, and to do so moderately. I particularly enjoyed wine, but would drink beer socially.

I had quite a capacity, I must admit, but Taiwan tested those limits. I recall one of the early events was when my wife and I joined Stan and Claire Brooks for dinner with the Governor of Taiwan. They did consider themselves a province of China, so they had a Governor. Please don't ask me to explain what this all meant in reality. In any case, he was old guy who somehow was spry and charming at age 74 despite drinking legendary amounts of alcohol, which added to his legendary status. Stan had a bad cold that evening, which was an acceptable excuse for not drinking. Governor Lin then turned to me, saying that since I was 30 years younger than he, and since my boss wasn't drinking, I must drink 3 rounds of the white lightning (Kaoliang) we were using for toasts for every 1 he drank. He raised his glass twelve times during the meal, although I certainly lost count before the evening was over. It was painful, indeed.

As the number of occasions of serious drinking added up, I finally found a way, which I'm sure I didn't invent, of beating the game. I would arrive at the restaurant 10 minutes early and slip the designated server twenty dollars to serve me a beaker of water with kaoliang rubbed on the outside for smell. When it came time for the first toast, instead of raising my small glass, I would raise the entire beaker, challenging the others to match me. I would down it all, turn it upside to show it was empty (the traditional ganbei), and would immediately be praised with shouts that I indeed had "ocean capacity" (jiuxian). This actually worked most of the time, and I was able to keep my wits while others faltered.

Regarding family life, it was wonderful. The schools were among the best in the world, and we sent our youngest, who was five, to a Chinese military pre-school. She was accepted, in all honesty, because as I noted earlier, my wife had diminutive facial features while our youngest daughter had inherited the almond eyes. I never went to that school, but my wife said most people assumed from looking at our daughter that my wife was probably married to a Chinese man. In any case, it was a great experience for her. Unlike our previous time in Taiwan, when we lived in an American compound in the hilltop suburb of Yangmingshan, we lived this time in the downtown residence of the deputy director. And I mean downtown. It was like living in a suburban style house, a rambler with a nice sized yard and a garage, but we were surrounded by massive buildings, one more than 30 stories. It was truly odd, but our young family loved that old house and yard, and we were steps from the heart of the burgeoning metropolis of Taipei.

### The saga of an Inspector's Efficiency Report (IER)

Let me end my story about this assignment on a difficult note. I left Taipei a few months before an inspection. I was in Tel Aviv, extremely busy, as you will hear, and heard nothing about that inspection. Then about six months later, I receive in a brown, Dept. of State official envelope, what's called an IER (Inspector's Efficiency Report) about me, and I was devastated. It was full of accusations with the conclusion that I had committed all sorts of mismanagement. I was furious, since none of the accusations was true. I was even more furious because the writer of the report had never even contacted me. It was all based on whomever he spoke with. And let me be clear: I was a tough manager, always demanding, and I had my share of people who did not look at me kindly, to speak in diplomatic terms.

I threw the IER in the trash and decided not to let it bother me. I simply had too much work to do in Tel Aviv. About a month after that, I got a phone call from the OIG office asking if I had seen the IER. Yes, I replied. I was told that I must sign it and return it. I said I threw it away. The caller was livid, and said another copy would be sent to me and I should sign it and return it. I said I would never sign this document. It was full of untruths, lies and false conclusions. I received a new copy, and then I started to receive daily phone calls from the OIG harassing me, telling me I must sign it...or else. Or else, what? I responded. Just sign it, I was ordered. I refused. The calls kept coming. I was stunned at the harassment, something I never expected from the Department. Eventually the phone calls stopped when they finally understood I would not sign it.

A year later, I was visiting Washington while on leave and stopped by HR to see my personnel file. The IER was there, unsigned. I immediately went to Rosslyn to visit the Grievance office, told them the story of this IER and said that I would hire a lawyer to press the department for its removal and seek compensation. The grievance officer was clearly uncomfortable with my story, and perhaps had heard a similar story or stories in the past. I hope not. In any case, she pulled out a form that I should sign waving any further action on my part if the report was removed permanently from my file. I agreed, but only if she accompanied me to the HR office, removed the report and shredded it in front of me. That happened, and I felt I was made whole. It was a useful lesson to me that

I passed on to other officers: if you have a clear grievance against a personnel action, don't hesitate to seek formal resolution if informal resolution doesn't work.

## IER's and AFSA

As much as I detested IERs following that incident, and in fact I got some excellent ones subsequently, I mourn the end of them, which was a decision of the Department and AFSA not long ago. Why? Because IERs, as subjective as they are, are independent snapshots and can be useful in adding to the portrait of an officer. At the same time, they are grievable. Due process is available.

These days, assessments of officers by the OIG in the course of a post inspection are put directly into inspection reports which are posted for full public consumption, unlike IERs that are in personnel files only. These public reports offer no due process if they unfairly or inaccurately characterize an officer's performance. On the face of it, they violate an employee's right of due process. I don't see the current AFSA leadership doing anything about this, because it was AFSA that wanted the IERs abolished. They never thought that in doing so, they were creating a separate problem that in fact could seriously harm an employee's career while denying that employee the right to make their case heard. When AFSA fails to protect employees, it is not carrying out its very reason to exist.

DCM and Charge D'Affaires, Tel Aviv, 1993-1996:  
Peace, more peace, terrorism and assassination

An unexpected rapid move from Taipei to Tel Aviv

*Q: So you left Taiwan for Tel Aviv when?*

It was three-year assignment, but I only stayed about 20 months. I got a phone call from the State Department, in this case from NEA front office DAS Dan Kurtzer alerting me to an opportunity in Tel Aviv. I then immediately got a call from the PDAS, Mark Parris, who asked if I could report to Tel Aviv to be DCM right away

I said, when is right away? Tomorrow, he said, but we need you there soonest. I saluted smartly, and immediately prepared to leave.

What happened then is the director general of the Foreign Service, Genta Hawkins Holmes, understandably was against this action by NEA without a full bidding process. HR kept telling our admin chief in Taipei that I had no authorization to leave Taipei and absolutely no orders to go to Tel Aviv.

We had a wonderful admin chief who clearly understood the reality of Department regulations (regs, as we called them). There are "the no regs" and "the yes regs." And guess what? They are the same regs. He asked me to sign a promissory note that I would pay back everything if it turned out I had to return to Taipei, but he said he was sure it

would all work out, despite the firm HR objections. Needs of service can justify anything, he remarked.

I flew straight to Washington, leaving my family behind in Taipei till I could get orders and the kids finish school. I went to talk to the head of assignments in personnel for senior officers, who happened also to be an NEA friend. He smiled, said he could absolutely not support me, but then sat me down at a computer terminal with a technician to write orders.

So I co-drafted my orders and set off for Tel Aviv. I took over immediately as DCM, with a former ambassador to Tel Aviv, Bill Brown, brought back to serve as Charge D’Affaires till an ambassador was nominated.

I had to hit the ground running, working even my very first night hours after arriving as I faced a crisis involving one of our employees who had killed an Israeli in a traffic accident and had only partial immunity. I immediately ordered the person sent home on the first available flight, which was around 6am. The next morning I got a call from the Israeli Foreign Ministry formally protesting my move, but adding that what I did made their lives easier. They were grateful I did so. I got off on the right foot with the Israeli MFA and that close relationship lasted throughout my tour.

To finish the story of my arrival in Tel Aviv, it was several months later when I got a call from Genta Hawkins Holmes and she said what are you doing out there in Tel Aviv? I said I was serving as DCM.

She said, well, you know this is all wrong.

I said that I was just doing what I was told to do.

She said, oh well, now that you are out there, do a good job. To make things right in the system, I need you to submit a formal bid for the job so we can panel you. I did so. Once again, it proved to me that there is the system, and then there is “the system.” This understanding served me well when I was PDAS in NEA years later.

*Q: The job you were bidding on was what?*

LAROCCO: DCM Tel Aviv.

So I had to go back so they could get the system all properly in order. I had to bid on the job I was already out doing.

*Q: Let’s go back to what caused this.*

LAROCCO: What caused this was Bill Harrop, who was an outstanding officer but had run afoul of the new administration related to several things. I never got the full story. I was too busy to be concerned about it, and strangely, no Israelis ever raised it with me,

nor did anyone in the embassy. I guess it was a thing of the past by the time I arrived. The DCM, interestingly my predecessor as Econ Minister Counselor in Beijing, Kent Wiedemann, was truly an East Asia specialist, with no experience in the region. He left of his own volition, sizing up the situation, as I was later told. I never found out why and how Kent ended up in Tel Aviv in the first place.

*Q: He made this statement which is quite in line with what we said. We can't support every tsunamic request from every country and everybody's got to tighten their belts, including Israel, which didn't sit well with the Jewish lobby.*

LAROCCO: Perhaps that's true. I don't know. I didn't hear much about this and didn't pursue it. I jumped into this job after the fact and had no time to think about it.

*Q: It was the Clinton administration early days, and they were very nervous.*

LAROCCO: In any case, I was confronted with an embassy that was rife with problems. The list seemed endless

*Q: What had happened? Obviously, a lack of control.*

LAROCCO: I have learned that from the military side. At the end of the day, lack of command and control is almost always responsible for situations like this. Strong, solid, ethical leadership or the lack thereof makes all the difference. I devoted much of my first year dealing with the OIG and cleaning up messes that I had inherited, some of which had gone unresolved for many years. At the same time, I had to deal with serious morale problems left over from the Gulf War. Those who stayed in Tel Aviv when the scuds were falling around them deeply resented the fact that the State Department would not evacuate them, even to Eilat. They were bitter, and there was nothing I could say or do for them. I breathed a deep sigh of relief when the last of them departed post since their bitterness spread throughout the mission

Overall, despite my high expectations for a post in such a lovely setting on the Mediterranean in a lovely country working on high profile issues, I had never seen morale so bad with so many issues poisoning the situation. And this applied to the locally hired staff as well. I decided I must sit down and take this one issue at a time. I must say that there were so many issues that would truly burn your ears off. There were almost too juicy to be credible. For the protection of those involved, I will leave it at that. But I got to see and deal with just about any issue under the sun. After the tour in Tel Aviv, managing anything else seemed downright easy.

The changing leadership of Embassy Tel Aviv

My assignment to Tel Aviv, which lasted three years, was like four separate tours. The first six months, with a temporary Charge, peace talks beginning, and a huge array of administrative problems was a time when I rarely slept. The next six months, I served with a wonderful ambassador Ed Djerejian, but he only stayed six months. I was the

Charge for over a year, and I served my final ten months as DCM under the brilliant ambassador Martin Indyk.

Bear in mind that the embassy leadership had undergone rapid change the two years before my arrival. That pattern continued the three years I was there.

#### Bill Brown

Bill Brown was a wonderful officer during an eventful time. As Charge, he was there to hold the fort till an ambassador came. He did his best, although it became clear from the moment I arrived in Tel Aviv that U.S.-Israeli relations were on such a plane that they were handled directly between Washington and Jerusalem. They were accustomed to do this over the years and expected to deal this way, and that was not about to change. This made it a painful at times for the ambassador, since it was hard to chase down and stay up-to-date with what was really happening. Bill was Charge for about six months.

#### Ed Djerejian

I think Ed Djerejian, who had served as ambassador in Damascus and NEA Assistant Secretary, fully expected this to change with his appointment as ambassador to Israel. That was not going to happen, but he also understood that his close relationship with Secretary Baker was not matched by his relationship with Warren Christopher. In any case, he informed me even before his arrival that he would be leaving the job to go Rice University to direct the Baker Center. He confided this only to me and his office manager. To this day, I marvel at the fact that this remained a secret the full six months he was at post. How no one even guessed this when he never moved into the ambassador's suite at the residence, never received a full shipment of household effects, never brought a car, etc. was downright amazing.

Ed was such a wonderful leader, who received so much devotion and affection from the entire mission, that his departure came as a real shock. I called an "all hands meeting" to inform everyone. Some even cried. It was a move never signaled to the staff.

I will relate one particular event that will always stand out in my mind about Ed and his leadership. Once again, it involved an embassy inspection. In preparation for the inspection, I and our outstanding Admin Counselor, Bob Manzanares, drafted a lengthy report to the inspectors assessing every section in the mission, warts and all. We singled out several sections as needing major help. We also listed all the areas where we felt inspectors could do us some good.

This particularly involved our near constant presence in great numbers in Jerusalem to handle the huge groups of official visitors mainly related to the peace process. Keep in mind that 1993-1996 was the only period other than 1978-81 that peace talks accomplished something significant. Coincidentally, I was in Cairo that earlier period, and now I was in Israel for this period.

We thought we had laid out everything, making the inspection easier and hopefully providing solid results. You know the old saying on the two biggest lies in the Foreign Service. They both involve the arrival of inspectors: “we are pleased you are here,” the hosts say, as the inspectors respond, “we are here to help you.”

The second part of this old adage proved true, much to our disappointment. The inspectors totally ignored our thorough preparatory cable and delved into sections and issues of little importance to the priority tasks of the mission. In the process, our already low morale was made worse. What’s more, they didn’t even bother to go to Jerusalem to see our situation and needs up there related to visitors.

I was livid when I saw the draft inspection report. I was called in to join the ambassador when the chief inspector provided an oral summary. About ten minutes into the presentation, I stood up and delivered the most passionate, no holds barred, brutally honest criticism of the entire exercise. I could not hide my anger. Our post was drowning in work, our people had no time for a personal life, and if the inspectors were not here to help, they oughta get on a plane and go home immediately.

I sat down feeling relieved that I had said this. I had to. It wasn’t for me; it was for our staff and for our vital mission. I honestly didn’t care if I was fired on the spot. There was one of those storybook loonnngg silences in the room, and then Ed spoke. You know, X (I will leave out the name of the head inspector), Jim is absolutely right. He then very dispassionately went through our situation and made clear he would fight this report as written. I wanted to go over and give Ed a huge bear hug.

In the end, the inspection report was completely redone. Our post was lauded for its work, which was nice, but none of the issues we had pointed out in our preparatory analysis was addressed. That was tragic.

An interesting sidelight was that I received an odd IER. I was “criticized” in the IER as being too strong a leader, too decisive, a wheeler-dealer who got things done. When it was presented to me, I responded “guilty as charged,” and signed the IER immediately. I was comfortable seeing this criticism in print for promotion panels to see. And I was not surprised when I was promoted later that year to MC (Minister-Counselor) rank.

Jim Larocco, Charge D’ Affaires

Ed departed, and I was informed that it would be a long time before an ambassador came on board. I would likely be Charge a year or even longer. Knowing as I did that a Charge has all the responsibility but may as well wear a sign around his/her neck “I am not the ambassador”, I decided to set a tone for my tenure as Charge immediately. I used my “loss of confidence” authority to send a number of people home. They were all guilty of one or another unacceptable behaviors or performance. This action sent shock waves through the mission. At my first country team meeting as Charge, I made it clear: zero tolerance on my watch. You see what I did with the others. Stay clean and do a good job and we will all get through a year that promised to be the busiest yet. Peace talks between

Jordan and Israel were now in full swing, so there was a revolving door of official visits, reports to write and bilateral and multilateral issues and events to coordinate.

Management issues

*Q: Were there sort of proven cases of malfeasance?*

LAROCCO: Oh, yes.

*Q: What were these?*

LAROCCO: I would rather not say.

I think at one point, we had as many as six individual OIG investigations ongoing. We also had many cases of unacceptable personal behavior, most I prefer not to describe. Interestingly, these were many of the same personal issues I had encountered when I was in Cairo. Perhaps it was the extreme work load and/or the pressures everyone faced both at home and in the office. I and the admin chief and later Martin Indyk all tried to get our arms around this. We never did nail it down precisely. I also think a major factor was that expectations were so high among those coming to post, including myself. Work and life never measured up to these expectations. I had everyone departing post fill out a confidential questionnaire for me, and I would say that upwards of 70 percent were happy to be leaving.

I recall that when Martin Indyk arrived, he simply would not accept that morale could be low in Israel. After all, it is a beautiful country with so much history, so much culture, beaches, mountains, desert...so many places to visit on day trips. Only the far reaches of Israel, like Eilat, required an overnight trip. He was sure it could be fixed. He tried so hard, arranging free movie showings, happy hours, etc. He truly tried. When I left, he was still trying, but I'm afraid that getting morale to a level we all would be more comfortable with remained elusive.

There is another factor, and I hesitate to mention it, but I must. Unique to embassy Tel Aviv was the reality that we had large number of staff who were, what I would call, observant Christians who came to Israel seeking to live and work in the Holy Land. The same applied to a large number of observant Jewish American staff. The reality of Tel Aviv in those days as well as today was that it was a bustling, secular, Mediterranean city... Since our embassy was on the beach, you simply couldn't avoid the roller skaters in bikinis, the beach attired picnickers and the general atmosphere of Tel Aviv which was overwhelming secular. To our observant religious at post, it was downright hedonistic. This was a huge disappointment to those coming to live and breathe and walk and work in the Holy Land. It didn't seem very holy. I'm not quite sure exactly what they were expecting.

At the same time, the pace of activity in Israel, whether it's work or just living, is intense. Life itself is intense there. Every day brings stunning news, nothing mundane as we

experience in America. And with the massive influx of Russians during the mid-1980s, one was almost better off with Russian than Hebrew in our area of Israel.

Add to this the reality that we had to go up to Jerusalem, where almost all the government offices were, as often as twice a day, and that so many of us had to stay up there during official visits, quite often for days at a time, we ended up being separated from our families, even on weekends. I found it predictable for the majority of our American staff that they would arrive with soaring expectations, only to see them whittled down steadily over a period of the first few months. By their third month, many had reached a deep hole in their morale and had to decide how they would dig out of it, or not. Many never did.

I must confess that despite my almost limitless and unwarranted optimism, I also reached that point, but not for almost a year. I realized that I had not taken a break, and even when I was with my family, I was always on the cellphone. And these were the days when we had those big, bulky, unreliable phones. I made the executive decision that I would observe Shabbat, the Sabbath, just as so many Israelis do. I would leave all except the most urgent to the duty officers, and I would spend my Saturdays taking my family to one site or another around Israel. I must say that this was the tonic I needed, and we explored all corners of the country. As small as Israel is, and despite more than two years of Saturdays venturing around the country, there were still places on our list we never got to. It is that rich a country.

*Q: This is so often true. Paris is not high morale.*

LAROCCO: I've heard that as well, but Tel Aviv was the worst I had ever seen. It had a long reputation as the divorce capital of the Foreign Service. That was clearly the case while I was there. Too many families broke up during the three years I was there. By and large, I found most Foreign Service families during my career to be quite stable. This was an aberration.

*Q: I would think when you are throwing in sort of Orthodox Jews and fundamentalist Christians, these aren't high divorce groups.*

LAROCCO: Indeed, don't forget the Mormons. But even among these groups, there were divorces. Keep in mind that Tel Aviv had many...how can I say this?...pleasurable distractions in addition to the pressure cooker work environment. It was not hard for some to stray. Things happen, to paraphrase a slang expression.

As the DCM, I was the officer in charge of what was called family advocacy. The ambassador was supposed to be shielded from this. I adhered to this rule, and I must say I dealt with some very difficult cases. I did my best to make very difficult situations as painless as possible, but I was no trained counselor, and I looked to a variety of people to assist. My prime task in these cases was to make sure these situations did not affect the work of the mission. In some cases, I sent people home, where they could get appropriate professional help. But in family advocacy cases, it is essential to get the family to recognize the problem and accept the need for professional care.

*Q: What is family advocacy?*

LAROCCO: They are family problems. We had one case of a teenage boy attempting to kill his mother with an ax. We had children getting into all kinds of trouble and not properly handled by their parents. We had a rape victim. All these cases were extremely sensitive and had to be handled with maximum discretion and tact. I think the Foreign Service was wise to vest this responsibility with the DCM, who is generally low profile and geared toward management. You don't want the ambassador to be involved in delicate, personal issues like this. Then you work with the admin people and counselors, including professionals outside the embassy. As long as it doesn't affect the employee's work, you do your best to sort it out at post. At times, you have to call on the regional psychiatrist or other specialists.

This, of course, is very important at overseas posts. Of course, this isn't relevant in Washington. People sort out their personal problems with their local doctors, counselors, ministers, whatever. While I knew we had to address these issues and not let them fester, I also always kept in mind that issues like wife swapping, non-traditional sexual behavior and other behavioral issues rarely reach the screens of managers in Washington. As long as it doesn't affect the employee's work, I would do my best not to let the rumor mongers run wild with their stories. At the same time, when you are overseas, you have to be careful that errant behavior is not used to blackmail officers. This is a reality that must be taken into account. This is why every time news came to me about someone, I immediately went to see them and have a come to Moses conversation. If I was convinced they were telling the truth, whatever the reality, I would do my best to protect them. If not, I would make it clear that I reserved the right to take action to protect the interests of our mission. This was delicate stuff, to be sure. And it was not uncommon in Tel Aviv.

*Q: People, particularly when you've got husband/wife issues and all and these are probably the most delicate things of dealing with and all of a sudden someone is coming from the outside saying stop that. They can take off like a sky rocket.*

LAROCCO: We had one case involving spouse swapping among three families. All had kids. The long knives were out in all directions. We had several agencies in that case bringing in their OIGs because of allegations made directly to Washington by the aggrieved parties. Once it involved the OIG, my own role was limited, but still important. Some of my most sensitive conversations via secure telephone calls were made to the OIGs.

Despite the high personal stakes for all, or maybe because of these high stakes, I found this work among my most important. State had invested a lot in these people, and I felt it was my responsibility to find ways to get back on the right course. And then there were the children. In the end, I believe we succeeded in the majority of cases of resolving these issues to the benefit of the families as well as the mission. But it required the highest levels of tact, sensitivity and firmness.

*Q: I have served in different posts and I found when I served in Saigon an awful lot of people who went there to get of a marital situation or something like that.*

*Was there any particular reason why people would go to Tel Aviv for either fun or extracurricular activities or something? Or did it just sort of happen?*

LAROCCO: In the case of Tel Aviv, I felt people were not coming to escape. They were seekers, whether it was a good job, a religious experience, a nice climate, a fascinating country. I don't recall anyone going there to escape something else, except perhaps those Europeanists who were choosing Tel Aviv as a "hardship assignment" to escape being sent to Nouakchott or some other notable hardship post.

Much to my disappointment, we had few Arab specialists. I truly felt it was important that those stationed in the Arab World get the Israeli perspective as well.

I had spent time in Israel, as I related earlier, on a kibbutz, so Israel was not new to me. I knew exactly what to expect. But that earlier experience was not a professional experience, it wasn't dealing with both Arabs and Israelis on some very tough issues. In Tel Aviv as DCM, I was responsible for Gaza. I went there often and had many contacts and friends there. Debating Israelis in the morning and Gazans in the afternoon sharpened one's talking points like few other experiences.

Again, this was a very difficult assignment for a lot of Foreign Service officers. I tried to get more NEA people into it because I wanted them to learn about Israel. Also we needed people who knew the Arab side of things as the peace talks progressed and we became more involved in the important work of bringing Palestinians and Israelis together. For the six months that Ed and I were the front office, we had this unprecedented situation of Djerejian and I, Djerejian as ambassador and I as DCM, both of us advanced Arabic speakers and neither of us Hebrew speakers. That's never happened before and never happened since. I must say in all honesty that our experiences in the Arab world made us very popular with Israelis who wanted to know more about Syria, which Ed had great knowledge of, or the Gulf or Egypt, which I was familiar with.

In the end, I absolutely loved managing, no matter how long the day and evening was, no matter how frustrating or challenging the issue was. Speaking in military terms, I felt I owned the embassy. I had ownership; I was responsible for the conduct and performance of the mission.

In this regard, among the countless experiences I had, one of the most memorable for me was during a Clinton visit to Tel Aviv. He was speaking at a large gathering, and the White House advance, which I knew well, arranged for my wife and kids to be positioned back stage for a photo with the President. He walked off the stage, accompanied by then Foreign Minister Shimon Peres, whom I knew well, and an advance man steered them in our family's direction, with a White House photographer ready to snap some photos. Peres turned the President and asked if he could join the photo. He added that the

President should know that I was the person who made all this work. I was truly proud to hear those words, and that photo is one of best keepsakes on my wall.

#### Shimon Peres and the power of the word

Peres was one of the giants of this period, whose life parallels that of Israel itself. He was a semi-tragic figure, never quite able to translate his unparalleled visions into political leadership that could make these happen. That was for Rabin during the period I was there. But Peres was ubiquitous, whose strength as an articulator of policies and programs was needed by Rabin, the leader willing to take risks for peace and able to translate that willingness to action.

Peres was a master wordsmith. His sound bites were unforgettable. They sometimes had nuggets of wisdom, but most of the time were just plain fun. I loved his line when he was addressing a group in Scandinavia: I bring you greetings from the chosen people to the frozen people. He could disarm a foreign audience like no Israeli since Abba Eban. Aaron Miller, on the peace team, kept a file of Peresisms. He would reel some off to lighten things up at times.

One evening, I was hanging around the Knesset, which was not uncommon for me, and I happened to notice Peres sitting in his office alone. I walked in, which was totally permissible at the Knesset in those days, sat in front of him and said: Clinton is coming. Do you have a good sound bite I can suggest he use? He scratched his head, rejected a few lines, and then said: I have one. How about "Let's turn the promised land into the land of promise?" That was vintage Peres.

The Knesset to me was democracy in action, but so much richer than our own Congress. After all, Israel is a parliamentary system, and the Prime Minister, as leader of the majority party, is totally in the mix 24/7. The Knesset cafeteria in those days was a wonderful place for us to hop from table to table, talking with factional leaders and their supporters who were debating this or that issue. There was never a question of denying us from the embassy access. I can recall on a number of occasions welcomed into party meetings as if I were one of them.

#### Netanyahu's view of the prerequisites for peace

When I was Charge, I had access to both parties. When I was DCM, I mostly dealt with the opposition party, in this case the Likud. To be honest, they were not treated well by Washington, especially the peace team. They were shunned because they simply would not embrace the peace process and were looking for every opportunity to thwart progress. But these were formidable political actors, strong leaders, sharp minds and representative in many ways of a majority of Israelis. The coalition supporting Rabin had the votes in the Knesset, but I never felt they had the hearts and minds of the majority of Israelis.

I recall one day going to see Netanyahu. He was alone in his office, and I was alone. He was fuming over his treatment by the peace team during the visits of our senior leaders,

when he would be kept waiting or wouldn't get meetings till late at night. I made no comment, simply listening to him vent.

I turned to the peace process, and he launched into a monologue about how misguided it was. At one point I asked him directly: will you ever support peace with the Palestinians, and if so on what terms? I will never forget his response. First, Israel must be economically secure. We are not now. We are a struggling economy, stifled by the powerful labor union Histadrut, miserable financial and tax policies and total lack of competitiveness with the international market. We must not make peace until we can stand on our own, with a vibrant economy that is the real guarantee of economic security.

The second condition, he continued, is population. I feel we must have a Jewish population of perhaps 8 million before we can be secure as a state with a Palestinian state side by side with us. That is a sufficient population to enshrine our identity and our majority.

Third, we must have a presence in the Jordan Valley. That is our most vulnerable border. We can never abandon that area.

Netanyahu pulled out a map that showed a Swiss cheese like Palestinian state, with settlements or outposts breaking up much of the contiguity of a Palestinian state, particularly on the west bank. I never got the impression he had an emotional attachment to the settlements; in his view, they were strategic.

Netanyahu's clout, as far as the U.S. was concerned, was at its lowest ebb at the time, so his views were considered irrelevant. What he thought didn't matter to analysts in Washington. So much has happened in the past twenty years since that conversation, including the peace treaty with Jordan, so I have no idea where Netanyahu's red lines are now. But Israel has certainly achieved one of his objectives: an economic vibrancy and sustainability that is a marvel of the modern day. And he was instrumental in making that happen.

The embassy and the peace process

I arrived in Tel Aviv just a short time before the Oslo Agreement was announced. We had the Jordanian peace agreement. We had constant high level visitors working on so many aspects of the peace process all the time. We had the peace team itself seemingly there every other week. Secretary Christopher came 22 times. It was non-stop action from my arrival till my departure, the day Netanyahu was inaugurated as prime minister. It was a fascinating historic set of bookends, framing arguably the most vibrant and successful era of peace talks in the region.

I note this because while we at the embassy were not directly involved in the talks themselves, playing instead a support role, we did provide what I thought (and our senior visitors acknowledged) was an important substantive role. Before each senior level visit, we did extensive consultation within the embassy and fanned out to a wide array of

contacts to put together a “scene setter,” focusing on key domestic issues, personalities and trends that we felt should be taken into account by the visitor as he or she prepared their own points for use in meetings.

In the case of Warren Christopher, he personally related to me how he looked forward to these pieces. He noted, on arrival from Damascus one time, that he was so impressed with our scene setter that he had put it on his lap and read key parts of it to the Syrian President, Hafez Al-Assad, so he would understand the many pushes and pulls on Rabin, the Prime Minister of Israel. Understanding the many complexities of the Israeli scene is simply hard to gauge reading *The Jerusalem Post* (the only English language daily newspaper those days).

I said, thank you very much sir. I appreciate that. We’ve got a great team in our political section that puts these things together and I will pass this along to them. I was particularly referring to the principal pen of these pieces, Andrew Steinfeld, one of the best contact officers and drafters I encountered in my career. He had served his first tour in Kuwait under my supervision, and now we were back together in Tel Aviv. His wit, intellect and ability to disarm Israeli interlocutors made him an invaluable member of our team. When I conveyed Christopher’s words to Andrew and other members of our team, it was a powerful shot in the arm that you get in the Foreign Service that is so important. That gave them even more incentive to go out and really beat the bushes so we could put together a scene setter that really showed what the currents were going on in Israel at the time.

Someday, I hope a historian of that period gets access to these scene setters via the Freedom of Information Act. I think these messages conveyed better than any other documents or media reports the lay of the land politically at the time when the march toward peace was uncharacteristically successful.

*Q: When you were there, what were the currents that were going on?*

LAROCCO: Rabin was challenged by Netanyahu, challenged by the settlers. Politics is always, always the national sport in Israel. These guys have to have ice in their veins, the thickest of skins, the quickest minds and the skills of a Machiavelli to navigate the tortuous waters of Israeli politics. The long knives are lurking around every corner. Among all the politicians of that period, Rabin was the master. He could turn lemons into lemonade at the blink of an eye. I was able to spend a great deal of time with him, time I will always cherish.

Yitzhak Rabin and a leaked reporting message about him

One story about him, although I have many. When I was Charge, I wrote in a long message about Rabin going into a period of deep depression after there had been a string of terrorist attacks which left many innocent people dead. Those bent on destroying the peace process were out in force. The political pressures on him were only one element that weighed him down. He clearly had some grave doubts whether the path he had

chosen could succeed. Arafat had proven to be an untrustworthy, corrupt and unwieldy peace partner.

When Rabin was in Tel Aviv at the Defense Ministry, which was quite often since he lived nearby, and where as Defense Minister he was clearly most comfortable, I would hang out in his outer office. I was allowed to, and this provided me an opportunity to talk to so many Israeli leaders, military and civilian. No one seemed to mind that I was there. I was part of the furniture. One could feel the depression that spread outwardly from Rabin's office at that time. So I wrote a long message about this, concluding with a recommendation that a presidential visit may be the best way to break out of this impasse.

The cable was leaked to The Washington Post. I got a call from the NEA front office and they said, just stay calm. We are going to stand by you. I must confess that I was nervous, not from what might happen to me, but more a sense of betrayal by my Israeli interlocutors.

Days passed. I got a call from Rabin's office, from Eitan Haber. "Jeem...Jeem...Jeem," he said, "What did you do? The old man is so disappointed in you." I truly felt rotten.

Two more very long days passed, and I received another call from Haber. He said that the old man wants to see me. I gulped. Every Thursday, Rabin would move down to the defense ministry in Tel Aviv, so it was just a short ride over to The Kiriya, as it was called. I first went to the office of his director, Eitan Haber, who shuffled his papers and did not break into his usual grin. I had grown such admiration for Haber, and now I felt like he was leading me to slaughter. We sat there in silence. The phone on his desk finally rang after seemingly an eternity, and he said let's go.

We go in there. It is just Rabin and Haber and Rabin is at his desk. Rabin has his reading glasses on, which never either fit him or his image. He could never look studied or professorial. He always looked most natural to me in his shirtless t-shirt that he wore on hot evenings during the summer, a cigarette in one hand, a drink in another. He was a man from an earlier Israel, a working class Israel neither accustomed to nor comfortable with any wealth or show of wealth, but the right man for the challenges and opportunities of this time period.

I sit down in front of him, and once again there was an eternity of silence, with both Rabin and Haber bearing glum and gloomy expressions. All of a sudden Rabin and Haber look at each other, bursting into laughter. I am startled, looking around me. Did something funny just happen that I missed? Finally, Rabin looks at me and says, Jim, did you really think I gave more than a passing thought to your leaked message? If so, you really don't know what it's like to be prime minister of Israel. I have arrows shot at my heart, my back, my head, everywhere all day and night long. I would never survive or get anything done if I was affected by this. It goes with the job.

Eitan and I thought you should suffer a bit, feel what it's like. If nothing else, we got a good laugh out of it at your expense, but also with you learning something. We get plenty

of arrows from your country as well, and your masters in Washington all too often think they are always doing us favors when in fact they can also make our jobs more difficult. I know they think we can do the same. None of this is out of the ordinary. It is the ordinary, the usual. It's business. We wouldn't have done this if we didn't like you, he said with that awkward but disarming Rabin half smile that he could never hold for more than an uncomfortable moment.

I said, Sir, that was a cruel joke.

He said, "Okay, I understand that but it was a lot of fun for us and you made an old man smile for a few days. I don't get that often enough."

Rabin and Tom Lantos

Another favorite Rabin story of mine related to one of our VIP visitors, for which he had so many, and for which I have enough stories to amuse my grandchildren for decades.

In this case, the larger than life Tom Lantos was the main character. This was not the first time I was "control officer" for an official visit by Tom. The previous one was in Beijing, and it was a remarkable story as well. I will never forget the luncheon I attended with Ambassador Lord, Tom and his wife, Rose, and senior Chinese officials, who were the hosts. The topic of Tibet came up, and the Chinese, as they always did, talked about civilizing these backward people. Tom countered strongly but politely regarding Chinese treatment of the Tibetans, but the Chinese would not back off their party line. Finally, Rose exploded, delivering an emotional tirade against Chinese extermination of the Tibetan culture. To be sure, this left a deep impression on the Chinese, and if they had not understood the importance of this issue to Americans before this, they did then.

Tom was truly a passionate defender of rights and freedoms. A refugee from Hungary, he had never forgotten what he had gone through and what other people were enduring throughout the world. He was an old world gentleman, dapper, erect in his stance, polite to the point of disarming even his roughest interlocutors, and a liberal in the classic meaning of that word, not the political one. Freedoms and rights, and protection of those freedoms and rights, were emblazoned deep in his soul.

But...he at times would come out with some of the most unexpected comments. I escorted Tom in to see Rabin. It was a small gathering, just Tom and me, Rabin and his aide. Rabin had just returned from a trip to Oman to see the Sultan, an unprecedented visit that seemed to auger a thaw in Israel's longstanding isolation in the region. This topic came up in the conversation, and Tom commented out of the blue that it seemed to him there was a natural affinity between gay Arab leaders and Jews. I stopped taking notes. Rabin turned bright crimson, as anyone who dealt with Rabin would recognize when he suddenly was switched on. He turned to look at Tom, and in his inimitable style simply said "Ohhhhhhh?" in an elongated rising, highly accented tone. I honestly don't recall anything else from that conversation, but I can never forget that comment.

## Rabin and the fruits of peace

Another memorable moment for me with Rabin occurred when I was the Charge, Secretary of Defense Perry was visiting, and I hosted Perry for a dinner at the ambassador's residence. I was not living there, but we used it for this special event. Prime Minister Rabin was there, and his mood had turned dark. There had been some devastating Palestinian terrorist attacks and many had died. The peace process with the Palestinians was under severe attack by opponents.

In my welcoming remarks to the dinner guests, I told the story that I related earlier in this oral history about bringing our baby daughter to Israel for medical treatment in 1990. I noted that we were the first to drive from Cairo to Jerusalem following the signing of the Camp David Peace Treaty. I said that this taught me what exactly peace is all about: ordinary families, mothers and fathers and children and babies able to live normal lives, sleeping without fear, moving about freely. Without peace, my daughter would not have received the wonderful treatment in Israel that saved her from surgery. When I sat down, Rabin grabbed my hand, noting that he was deeply, deeply touched. And as he was leaving the dinner, took me aside saying how as a grandfather himself, he understood exactly what I was saying. He said that he would never forget this story as he tried to make peace a reality for future generations of Israelis.

In 1995, Rabin invited me to attend his birthday party in his office with his staff. As the only non-Israeli, I indeed felt very special. You can see that photo up there on the wall, with the personal words he wrote to me. This was his last birthday party. He was assassinated later that year. I will always cherish that photo.

## The Clinton administration and Israel

*Q: I interviewed a long time ago Jim Dobbins. I got the feeling from him that he was sort of repeating the regular line, the sort of older line, that you can't give as much to other countries and this resonated particularly within the American Jewish political, AIPAC and all that how dare you challenge the fact that we can get any money we want or something like that.*

*You had the feeling that the Clinton administration was new and it didn't, it was very worried from its Jewish slant and Jim was gotten out of there in a hell of a hurry.*

*Did you get any feel for the Clinton administration and the Jewish side of our relations with Israel?*

LAROCCO: I believe that the Clinton administration came into office feeling that some serious repair work needed to be done in our relations with Israel. Trust was always there, but this trust needed to be cemented. Without that trust, peace had no chance.

*Q: On the settlements, I think.*

LAROCCO: There were a variety of issues, including the settlements. The issue of conditionality to the loan guarantees was still a lingering issue of trust for some. When Clinton came in, there was the belief that they needed to restore an element of trust with the Israelis because that trust had been broken; at least that was my understanding of their assessment of Bush and Baker policy. It wasn't that long after Clinton became President that the Oslo agreement was announced. Again, it was reached without us. The two sides had taken a very bold step for peace, so it was a golden opportunity to build trust, rewarding not just the Israelis, but also the Palestinians. It was an extremely active time.

At that time, the Israelis were of two minds; they truly wanted to stand on their own, to be self-sufficient, and to wean themselves of our economic assistance. They felt they would never be competitive in the international market until they had to sink or swim economically. They also felt that eliminating economic assistance would bring them status as a developed country and in fact remove some of the frictions in our relationship.

At the same time, they believed that they would always need our military assistance, especially technical assistance and access to our best technology and most modern weaponry. Rabin and his top defense officer, David Ivry, were unequivocal about this.

So our whole aid approach was changing even as the amount of our assistance grew. Keep in mind that our aid program with Israel was already long standing by this time. Kissinger's Sinai disengagement pact negotiated twenty years earlier began our annual multi-billion dollar aid packages to Israel. That was bumped up more with the Camp David Peace Treaty.

The Oslo Agreement between Israel and the Palestinians, summer 1993

*Q: Today is the 28<sup>th</sup> of February, 2013 with Jim Larocco. I would like to talk about your impressions of the peace negotiations. This Oslo thing, did we know that it was simmering?*

LAROCCO: Keep in mind that I transferred during the summer from the Far East. I had no current knowledge on what was happening in Israel. But...I must say, during that summer, neither I nor the Charge was made aware of any progress in talks that we all knew were ongoing in Oslo. From our understanding, the talks were solely exploratory, unofficial and with no participation by third countries, other than the Norwegians. There have always been unofficial talks, often called "Track II talks", to distinguish them from official talks, called Track I. Few of the Track II talks ever resulted in breakthroughs. Why should this be any different?

The Oslo talks involved well known individuals on both sides. They were dedicated to finding peace, but there was complete deniability to anything they said or pledged. They were empowered to a point, but no further. The seniority of the people on the Palestinian side was higher than the seniority of the Israeli side, which is normal because again for

the Israelis they needed a greater degree of deniability, while the Palestinians needed a much higher degree of credibility to be taken seriously.

The time was ripe for a breakthrough. Arafat was essentially trapped in Tunis with few prospects for breaking out of his treadmill there. Rabin was ready to take risks for peace. As Ed Djerejian used to say, “the biology is right.” By this he meant that old leaders who have been through hard times have not only all the history in mind, the options in mind, the risk in mind, but also have the credibility of their people. They also are into legacy, and if they are to take the plunge, this would be it. That was partly a factor in the case of Rabin and Arafat. This was also the case between Rabin and Hafez Al-Assad, and I am convinced to this day that peace between Israel and Syria had a realistic chance in those days of success until Rabin was assassinated.

So the agreement was pulled together by August of 1993 and brought to Rabin and Arafat for approval. They both agreed. Both sides knew that they needed a guarantor, and arbiter of sorts, someone to turn to, someone to implement, someone to blame. The U.S. was the only country capable of playing that role. That led directly to the famous handshakes on the White House lawn, awkward and difficult as they were.

*Q: Since this agreement essentially was done elsewhere, in a bureaucracy you get something like this, quite often you get an awful lot of dog in the manger sort of response. Your agreement and I didn't have a hand in it so it won't work and I am not going to play ball or did you find a great sigh of relief, thank God we got something going?*

LAROCCO: Relief, yes, but only briefly. There was no time except for a brief high five. There was so much work to do, and the peace team and all our bureaucracy swung into overdrive. Keep in mind this was a big change from Bush 41 to Clinton. We hadn't had a Democratic White House for a long time. You had 12 years since the time of Jimmy Carter. This was truly a whole new team that had come in. There were a handful of Carterites, but it was Clinton's team that dominated. From Tony Lake and Martin Indyk at the White House to Dennis Ross, Aaron Miller and Dan Kurtzer, it was an unprecedented team of powerful minds with enough energy to power a small city, maybe a large one. They were tireless, never short of ideas and determined to make this work.

They also clearly understood that they had to play all those roles I just noted. It was a long list of tasks. And there must be more. Dennis, as I recall, was so foresighted in understanding the Israeli need, and I would even call it craving, for some kind of recognition in the region. The launch of the multilateral track involving Arms Control, Refugees, Economic Development and Cooperation, Water and the Environment was truly far sighted. I always believed that having agreements on paper is necessary, but until you can translate those agreements into on the ground work, people-to-people, government-to-government, institution-to-institution, nothing will endure. In this case, neither Camp David nor Oslo had a real built-in mechanism to do this. I will talk about this later.

At the same time, Oslo was simply a framework agreement. The meat had to be put on the bones, there was still a lot of equities to trample on and a lot of risks that both Rabin and Arafat had to take to make this thing happen. Only through U.S. leadership would this be possible.

The White House had everyone's back. And President Clinton always made that clear. That was truly important not only to the peace team, but to Rabin and Arafat as well. The peace team proved determined and tireless. I give them an enormous amount of credit for the success that was achieved. Clearly, the Oslo Agreement was full of holes and was more a vision and a framework than a real process. In the short run, it was problematic but successful. The long run is another story, still being played out. But one thing is clear: Oslo failed in achieving the kind of peace it promised.

I will never forget the occasion when Rabin informed Bill Brown and me that Oslo had succeeded. We were in his office on a Thursday evening, only he and Haber were there, the lights were dim, he was in his t-shirt, drink and cigarette in hand, and we were just shooting the breeze. At one point, he lectured us on the Camp David Treaty, how he had memorized it, how it was in fact a blueprint for a comprehensive peace, how little of it was implemented and how tragic this was. It should never be forgotten. Rabin was at his passionate best, more reflecting to himself than lecturing to us.

He then told us that agreement was reached in Oslo, and the Israeli ambassador in Washington would be informing the White House shortly. All our lives would now change forever. There would be much work to do.

Rabin was sincerely a man of peace and who came to this via his personal experiences with war. He was an Israeli patriot of the highest order. He was willing to take risks, but never if that would jeopardize the security of his country. Peace in his mind was precisely designed to enhance security in the long run. To him, it was not an option; it was the only answer.

He told us that we shouldn't think of this just as an Israeli-Palestinian agreement. He told us it was what should have happened after Camp David, but never did. These talks must be accompanied by efforts with Jordan, Syria and Lebanon. There would never be the peace and security the region needed without Israel being at peace with all its neighbors.

I remember that evening so vividly. He would sit there drinking his glass of scotch and smoking these horrible cigarettes, wearing an ill-fitting, old fashioned tee-shirts, the sleeveless type tee-shirt that were so common in ethnic Chicago when I grew up.

From that moment onward, I had so much respect for that man because he really did believe in it as a strategic choice for the future of Israel that was necessary and that was worth devoting the rest of his life to achieving. He really wanted it to happen and suffered tremendously every step of the way in trying to achieve that goal. He paid for it with his life.

Again, I give the peace team and President Clinton himself enormous credit for all the hard work that was done at this time. We at the embassy just facilitated visits back and forth and communications, in addition to our constant stream of reporting on the domestic political and economic situation in Israel. Otherwise, it was really the work of these guys that translated this agreement into a reality which, among other things, brought the return of Arafat, the establishment of the Palestinian Authority and a degree of self governance that was a radical change for the Palestinian people.

It seems hard to believe now, but the expectations and hopes of the Palestinians in the West Bank and Gaza were sky high. In a poll, nearly 90 percent of Palestinians saw a brighter future ahead, and a similar percentage repudiated the use of terrorism as a legitimate form of resistance.

I say this in contrast to what I experienced in a recent visit to Jerusalem. I was at Al-Quds University in Abu Dis conducting a seminar with faculty and students. Near the end of the seminar, a young Palestinian student asked the following question: Mr. Ambassador, you have been around the peace process for more than 30 years. Will this all the same 30 years from now? I was devastated by this question. In the 90s, the Palestinians could taste peace, and they wanted it immediately. Their primary criticism was the slow pace of translating peace on paper to peace on the ground. With this question, there was a total absence of urgency conveyed by this young man. It wasn't all about Peace, Now. It was about Peace Someday, perhaps never. I took my time before replying, and did my best to convey hope. It was not easy, and the young man was clearly not convinced. Nor was anyone else in the audience. They had accepted the status quo, and I found that deeply troubling.

The peace team

*Q: The team of Miller, Ross, Indyk and all, these are people who are, they were all Jewish and they were all sort of part of the you might say the established pro Israeli group in Washington. I may be wrong on this but did you have the feeling they were really sincere and trying to give the Palestinians self-rule?*

LAROCCO: Their sincerity, their commitment to peace was without question. This was not a game; this was the real thing. The members of the peace team had a commitment to peace in their soul that I must confess I never had. I was a professional diplomat, sworn to uphold our policy, and I considered the peace process as essential to regional security and conflict prevention. But I was not going to live or die based on the vagaries of the peace process or lack thereof. I believed that U.S. interests could be sustained without a comprehensive peace, and that belief has been borne out through history. I never joined those who cried loudly that this was the last opportunity for peace, and woe be to the world if this round failed. I hear the same thing regarding Kerry's latest peace efforts. I just don't buy it. I do believe it is essential to keep trying, to build hope, but at the end of the day, the parties themselves must be the true crafters of an agreement and be willing not just to sell it to their people, but to carry it out and be vigilant in enforcing the terms.

Let's be frank: FSOs are at times derided for our lack of enthusiasm regarding certain policies. The reality is that we are left with sweeping up the residue of broken dreams, dashed hopes and poor policies all too often. It fosters not only a natural skepticism, but also the very necessary careful thought to what we may have to do if and when things go wrong. Political types who come on board with every new administration have all kinds of dreams, many of which will either never be realized or will fail. Someone has to be ready on deck to prevent things from going overboard. If Kerry's efforts fail, it will be FSOs who must deal with the aftermath on the ground. I know those out there now are keeping this in the back of their minds. The same applied to Libya, and applies to Afghanistan and Iran.

When it comes to foreign policies, it's all too often our career FSOs who are left holding the bag after political leaders move on to something else, our military withdraws or any number of policies or programs goes sour. When Oslo was successful, we didn't cheer; we started planning our role. When Oslo ran into trouble, as it often did, we started planning how to staunch the flow of blood. In all cases, it is natural for us to plan for "the day after."

To be sure, there were some who felt the peace team leaned too far in favor of the Israelis. If one kept in mind that it was essential to keep the trust of the Israelis every step of the way, these might have viewed the peace process and how it was carried out differently. This was tough going, to be sure, and the peace team was tireless. Rabin was prepared to take historic risks, and it is essential to stand with him, support him and make clear to one and all that we would do our best to minimize those risks. History will judge what mistakes were made, and peace team members like Dennis, Martin and Dan have already provided their views on what went right and what went wrong. But I believe that in those years, 1993-1996, they gave it their best shot, and I will always admire them for that. At the end of the day, as James Baker used to say, we can't want peace more than the parties themselves. Ultimately, no matter what we did, the substance of the peace was in their hands, not ours.

Arafat in Gaza, 1994

*Q: I am not sure about the timing but here in Washington, just watching the daily news, it seemed like there was a calculated Israeli campaign to weaken whatever you want to call it security forces of the Palestinians.*

LAROCCO: Again, keep in mind that before Oslo, the West Bank and Gaza were under Israeli control to the extent of a civil administration running Palestinian affairs. There was no such thing as a real Palestinian security force.

A key task in the preparation for Arafat returning to the Territories, as they were called, was preparing for the Palestinians to take over their own security.

The embassy in Tel Aviv, in those days, was responsible for Gaza and the consulate in Jerusalem was responsible for what we did with and in the West Bank. Arafat originally

located in Gaza, and one of the tasks I had to do was to help coordinate the supply of equipment to the new security forces. There was surplus equipment in Europe, so my first thought is this would be easy. Wrong. The equipment had to be transferred from the control of European Command in Europe to Central Command in Egypt, and then brought overland to Gaza. I never did get an explanation of the economics or politics of why it didn't come directly from Europe to Israel, then to Gaza, which would have been much quicker and cleaner. Just one military command to work with: EUCOM. Coordinating between two military commands was like working with two empires. It required much more diplomacy than I ever imagined. The experience we had coordinating between two rivals – the Palestinians and Israelis – came in handy. In the end, it was done, and just in the nick of time

*Q: And you are talking about stuff.*

LAROCCO: Talking about stuff and moving that stuff. It was like being in the TV Show "Mash," and many of us felt like Radar bargaining for trucks and other equipment. There was fortunately several weeks to work this out, and I recall much arriving the day Arafat arrived in 1994. I was down there quite a bit in Gaza and coordinating with the initial designated commander of the Palestinian security forces, Nasser Yusuf, who I just communicated with yesterday. He's in Jordan now.

Everything looked good. Nasser struck me as a pretty decent guy with the respect of his men. His forces, however, were in Jordan, and they never came to Gaza.

What we didn't anticipate was that Arafat was going to govern the same way he had governed in the refugee camps: divide and rule. Within a month, he had created so many different security organizations that everyone was confused. Instead of what had seemed to be a unified command under Nasser Yusuf, within a month Yusuf was virtually neutered. His authority had vanished. Arafat cronies were brought in to run separate security organizations. We needed a program to identify all the players, who played what position, who was back up. Arafat played each off the other, at times favoring one, then shifting to another. It was how he kept order in Beirut refugee camps, and he simply used that same template in the Territories. You can imagine how difficult this was for the Israelis, for us and for other donors.

Arafat's employment scheme was to place as many men as possible in the security forces, especially the police. As I recall, the numbers swelled to over 50,000. But how to pay for them? I remember clearly the priority Washington put on helping Arafat in this regard. When the time came to transfer money to them, the route was the embassy. I refused to support this program. I received several angry phone calls from Washington telling me to make it happen. I was reminded that I did not have the authority to stop this. I reminded them that my name or someone else's at the embassy had to be on the transfers. I would not authorize this.

In one of these calls, which involved a member of the peace team, I explained that I had no intention of going to jail. There was absolutely no accountability for these funds, and

we had already seen one check provided by a donor nation taken within minutes to a money changer and end up in Europe. No accountability, no funds transfer.

The transfer of funds was delayed as Washington scrambled to put together a program of accountability, turning this over to a private accounting firm, Coopers and Lybrand, as I recall. Arafat hated this, seeing “his money” watched so carefully. In the end, he was pleased when we bowed out and turned over the willing Norwegians the burden of paying for Palestinian security forces. Several years later, a Norwegian official audit revealed that tens of millions of dollars could not be accounted for. The Norwegian foreign minister, one of the legends of the peace process, Tarye Larsen, was discredited. It was sad, but predictable. I can only imagine if we had looked the other way as he did how many Americans might have gone to jail.

Another factor that caused enormous strain within the Territories was that Arafat and his cronies had not lived there for decades. They were outsiders, and this parachuted in ruling class was deeply resented as local authorities, who had never left Gaza or the West Bank, were pushed aside. Not only did they resent being cut out, but they witnessed and suffered through enormous waste, fraud and mismanagement clearly condoned if not demanded by Arafat and his cronies. He quickly set up monopolies of key products and services, drawing even greater wealth to him and those in his favor, most of whom were returned refugees. It was deeply corrosive, and all of us knew it.

I remember one time when I was with a member of Congress and we were sitting with Rabin. The member of Congress said, “How can you work with this guy? He is just totally untrustworthy, totally corrupt”, speaking of Arafat. Rabin looked at him and said, “My friend, you don’t make peace with your friends. You make peace with your enemies. You can’t choose those enemies and their leaders. I have to deal with what I have to deal with. Is he corrupt? Is he this, is he that? I have to deal with what I have to deal with, but peace is more important.”

I thought that was a great answer. Discussion shifted immediately to a new topic.

AID and the Palestinians post-Oslo

Just like in my days in Cairo in the aftermath of Camp David, there was a rush in the aftermath of Oslo to do aid projects in Gaza and the West Bank. This was at times just as painful as those days in Cairo, as the push for projects often conflicted with either the absorption capacity, the need or the priority.

For example, Washington wanted to build high-rise buildings in Gaza. They were high visibility, Washington argued, so let’s move on it. They will be a visible symbol to all that America cares. To many of us who knew the situation, this was terribly misguided, but it was not unethical. There is a big difference. I did oppose that decision but did not take a firm stand the way I did regarding the transfer of money for the police. In the end, it was not a symbol that America cared. Instead it was a symbol of American support for Arafat’s cronyism. There was never a transparent process on who would occupy the

apartments, and we got what we should have expected: Arafat picked them, and they were cronies. Common people felt betrayed.

Our misguided AID program was corrected through the tough leadership and hard work of NEA DAS Toni Verstandig. I had enormous respect for how hard she studied the needs of the common Gazans and reshaped the AID program to fit those needs. She listened when I described the sorry state of our AID program and flew out to see for herself.

I took her down to a city north of Gaza City and said, “Look at this lake.”

She said, “Lake? This is a cesspool. These kids are all playing around it. It is getting into their water and they are all getting sick. Let’s drain this lake and put in a new water system.” And we did. It was an enormous success. We would tease Toni by calling the cesspool “Lake Verstandig.” After it was drained and the entire water system upgraded, the incidence of disease went from high to nothing, and the people in the community were truly grateful for what we had done.”

*Q: I remember talking to a water expert at FSI that came by. He was saying that what the Israelis were doing, I am not sure of the time. This was when the Israelis were dominating in Gaza all the sweet water was going practically in one direction.*

LAROCCO: Gaza and the West Bank have always suffered from water shortages. So has Israel. This is an issue that requires constant attention. Always has, always will.

In those days back in the 90s, AID, in my opinion, correctly focused to a great extent on the water issue in terms of water distribution, water purity, cleaning up the water waste. I thought that was an unbelievable winner. We got enormous credit for really changing their lives because they could see that their kids were healthier, they could see that the water was better for both for drinking and washing. It was a real success.

Again, on the security side, what Arafat did with the security forces at the time was impossible to undo, impossible to reorient.

*Q: Were they disciplined? It sounds like they wouldn’t be a disciplined group.*

LAROCCO: They were very disciplined in carrying out Arafat’s priorities.

As for our assistance, regardless of the project, we ended up never transferring money directly to the Palestinian Authority. There simply was not sufficient accountability. Arafat continually groused about this, but we had no choice. Our laws were clear and we would abide by them with no exceptions. So money went through a variety of institutions, contractors, suppliers, whatever. They got the money; they produced the product or service. We always had full accountability, even if the project was a poorly done or the end result, as in the housing project in Gaza, was a disappointment.

*Q: What was your opinion impression of the sanctity of NGOs dealing with the area? Were they involved in diverting money or were NGOs pretty good?*

LAROCCO: We dealt only with NGOs with a proven track record that we could trust. Once again, we allowed no wiggle room.

Always the U.S. government has had a tenuous relationship with NGOs. I have explained this to people by noting that NGOs are values based, mission-oriented. They have values and they will follow them no matter what. They don't have to compromise. They are there to help children or to advance women's rights or whatever. That is their basis for existing. That's how they raise funds. They are values-based organizations so they see no need to compromise on political issues or interests.

When you are there not only promoting your values but your interests, there will be times when you have to compromise. Governments do this every day. It causes frictions with NGOs who view any government with suspicion. There were indeed times when we had a difficult relationship admittedly with some NGOs.

What happened, and this is not unusual in developing countries, because there was limited capacity to use our funds and difficulties with accountability, the pipeline of appropriated but not obligated funds built up enormously with the Palestinians. Money was not spent that was obligated or appropriated or authorized for the Palestinians. In the rush to demonstrate our support for the peace, all kinds of money, significant money was pledged, not just by us, but by many countries. Remember, this is a small population in tiny areas. Gaza is about the size of Washington, D.C.; finding feasible projects was not easy. They just didn't have the capacity. They didn't have the institutions to work through and the accountability issue made it difficult to actually go forward with a lot of projects.

It reminded me of the aftermath of the Camp David Treaty when I was in Egypt. I recall once the AID Director there, at the start of the meeting saying, "Gentlemen, we have to find ways to spend \$3 million per day." I was stunned, but this was a correct statement if we were to spend the money appropriated. I would have chuckled if it wasn't so tragic a situation. Feasibility study after feasibility study had the same conclusion: this or that project simply wasn't feasible. Washington howled that things weren't happening. But how could they, if the economy couldn't absorb this shower of new funding. The flipside of this was Egyptian grouching that we promised so much and produced very little. I was always happy I never worked for AID. They were an easy target.

*Q: This introduction of massive assistance I would think the embassy would be spending a significant amount of time checking on things.*

LAROCCO: Yeah, we did.

I will never forget Dani Pletka, a staffer on the Foreign Relations Committee, who informed us she was coming to Tel Aviv to review our AID program. She came out,

expressing deep skepticism about our program. She was sure she would find grounds to conclude there was fraud.

I said, “Fine. Why don’t you start out spending time going over our books? I would like to know if you see any thing. I’ve got our top accountant at AID, he will open all the books and answer any questions you have.”

She did that and came back to me two days later and said she was impressed with our solid accountability. “I can’t find anything in this.”

I said, “That’s because it is not there. We are clean.” But, I added, the fact that we are clean does not in any way mean that we are spending the money wisely. That’s a different story. Having solid accountability is different than spending the money efficiently or effectively, serving our interests, Palestinian development and humanitarian needs and the peace process itself. If you have any advice to improve our AID programs, we would welcome it.

She took the time to go to Gaza and I admired this. She was dead serious in investigating on behalf of the Congress and the taxpayers. When she came back, she acknowledged the difficulties of finding the best uses of funds or even finding any uses. The Palestinian aid program would always be problematic, but it was a politically-motivated program, and would endure.

*Q: I remember going back to the 1950s when I was in Dhahran and we were looking at the influence of Palestinians in Saudi Arabia and it was tremendous because these were the educated people. Coming back to your time, logic would say that the education had fallen off, going down, the technical expertise. How was it?*

LAROCCO: No, it was a shock the first time I went down to Gaza. 95% literacy. I went to the Jabaliya refugee camp where at that time 70,000 people were crammed into an area less than the size of Foggy Bottom. I visited homes that were so small, only dirt floors and 12 to a room. But all the kids were going to school and everybody was literate in that entire community. This was something I never forget. The Palestinian commitment to education was unparalleled in my experience.

*Q: How did you find the schools? Were they getting a hate Israel indoctrination through the school system or not?*

LAROCCO: I didn’t go into the schools so I can’t answer that question. I know there have been a lot of allegations back and forth on that. I haven’t ever really looked into it. I just have to be honest with you about that. That was not something I went into, nor was I ever asked to.

*Q: What about Iranians?*

LAROCCO: Even at that time, whenever we received a threat assessment from the Israelis, and that was often, the Iranians were at or near the top of the list of enemies. I recall standing near Peres at a press conference in Jerusalem when he announced that the Iranians were 3 to 5 years away from a nuclear weapon. That was 1994.

But we were so absorbed in the peace process that Iran got scant discussion. You can talk about other times but at that time, '93 to '96 when I was there, Iran was on the screen but in small letters. Keep in mind that as the Oslo Agreement was being moved onto the next stage, Oslo II in 1995, at the same time negotiations were going on in a very, very serious and significant way with Syria and with Jordan.

Rabin, Christopher and peace with Syria

We in the embassy thought that an agreement with Syria was going to happen in 1994. We thought it would be reached as soon as August of 1994, or about a year after the Palestinian agreement. It seemed that all the pieces were there. I recall standing on the tarmac with Peres when Christopher's plane departed, returning the peace team to Washington after shuttling between Jerusalem and Damascus. He was nearly in tears. "One more shuttle might have done it," he sighed. "Why didn't he stay and get it done?"

I recall raising this in one of our evening get-togethers with Rabin in his Tel Aviv office one Thursday night. He dismissed the likelihood of a peace agreement with Assad. I was startled and asked why. He said the following: Warren Christopher is no James Baker. He recalled that Baker was persistent, tough and in charge. He would have a book on his lap, always open. Rabin said this was unnerving. If the discussion reached a point where Baker felt he could come to closure, he would slam the book shut. This, Rabin said, made him (Rabin) feel like he was no longer talking with James Baker; instead, he was speaking to the Secretary of State of the most powerful country in the world. With this in mind, it was hard to say no to Baker, and it was also easy to go to other Israelis and blame "the Americans." Rabin said if this was Baker's treatment of Israelis, they knew that Baker would do the same with other Arab leaders. And they knew that these leaders would react the same: acquiesce and blame "those Americans."

Rabin said that unlike Baker, Christopher accepted no as an answer. It was too easy. And if he could say no, so could Assad...so could Arafat...so could any other leader in the region. Peace will never come with Christopher, Rabin concluded. And it didn't.

Peace with Syria didn't happen in August 1994, as we hoped and even expected, but King Hussein of Jordan was ready. Some Israelis speculated that Hussein was deeply concerned that Syria would get all the attention of a peace agreement, and Jordan would get the scraps and scant attention following Syria. Whatever the reason, peace talks moved swiftly between the Israelis and Jordanians. A peace agreement was reached and signed with great fanfare on the Jordan-Israeli border at the Wadi Araba.

It was a heady time, with hopes and expectations still riding high. Peace seemed to be spreading rapidly, and the multilateral talks seemed headed to bringing the region closer together. I must say, and I think I have said this already, that I truly felt these multilateral talks were an inspired concept, bringing Arabs and Israelis together, underwritten by the U.S., Europe and others and pointing toward the day of significant benefits throughout the region from a comprehensive peace.

Attention shifted after the Jordan agreement back to Syria. Rounds of talk again brought the parties close, but it was clear that the assassination of Rabin set things back. Even with the assassination, there was a commitment to continue by all parties, with the view that the expected ascendancy of Peres to the prime ministership in elections in the spring of 1996, an agreement would be finalized. Keep in mind that in the latter months of 1995 following the assassination of Rabin, Peres held a 25 point lead in the polls over Netanyahu. His victory seemed certain, but that lead melted away month by month.

I left Israel the day Netanyahu was inaugurated prime minister in 1996.

Terrorism in Israel, 1994-95

*Q: How did the embassy and you receive the news of Rabin's assassination?*

LAROCCO: Before I directly answer this question, it's important that I take some time to describe the situation in Israel and the territories building up, at least in my view, to Rabin's assassination.

It wasn't long after the Oslo Agreement that those who opposed this agreement, on either side, Palestinian or Israeli, took up their pens, their microphones or their weapons to sabotage it. In the streets of Jerusalem, in particular, but also in Tel Aviv, odious posters of Rabin began appearing more and more. Rallies against Rabin, Peres and the peace process became increasingly large and vocal. I recall seeing in a suburb of Tel Aviv a march by Israelis opposed to the peace process with several men carrying a casket with Rabin's name on it.

Terrorism came to Tel Aviv in 1994, not far from the embassy, and this wasn't the only time terrorists struck in our area. Just a few months before the Rabin assassination, and shortly after Martin Indyk arrived as ambassador, an attack on nearby Dizengoff Street took place with some of our staff in the area. It occurred around lunch time, as I recall.

There were many other attacks throughout Israel, and of course there was Israel settler attack near Hebron that I recall killed something like 29 Palestinians. Baruch Goldstein was the perpetrator.

I believe I related earlier in the discussion the dinner I hosted for visiting Secretary Perry with Rabin present. This was at a time when the peace process itself seemed in jeopardy because of the increased terrorism. Rabin went into a funk for several weeks. When he came out of it, I happened to be accompanying a Congressional visitor for a call on him.

The visitor pressed Rabin on why he doesn't press the pause button on the peace process until the situation calms down. Rabin responded that this is precisely what the terrorists want. They want Rabin to be reactive, to act as if he's terrorized by them. Rabin then said words that have been repeated by others, but which I will never forget: I intend to take on the terrorism as if there is no peace, and to work for peace as if there is no terrorism. These were powerful words, sending clear messages to all parties who had a stake in the success or failure of the peace talks.

I also remember the pressure we felt from the Israelis against our travel advisories. Now let me be clear: this is not unique to the Israelis. Any countries that take in significant revenues from tourism chafe at our travel advisories. I recall the day after a stricter one came out from the State Department, I was at reception attended by the Mayor of Tel Aviv, Ronni Milo, and in his unprepared remarks, and he talked about how safe Tel Aviv was, and then singled me out and the American Embassy for misleading foreign guests who were thinking about visiting Israel. I was stunned by being singled out this way in front of other diplomats and the media. Ironically, the very next there was a terrorist strike in downtown Tel Aviv. We never heard another complaint from the Mayor's office, and over time, the Israelis learned to live with our travel advisories, as all countries do.

#### Ambassador Martin Indyk and the assassination of Yitzhak Rabin

As for the evening Rabin was assassinated, I was at home. Martin Indyk called me and said, "Rabin has been shot. Please come over to the house. We need to talk to the White House. There will be other things to do." I went over to the residence; Martin said he must go to the hospital to see Rabin and his wife Leah, telling me to stay on the line with White House. Rabin died before I saw Martin again.

I had a pit in my stomach. The week before, Martin and I went over to Rabin's residence to consult on talks related to Oslo II. Peres was phoning in from the talks during the conversation. Why I went with Martin I don't recall. Martin normally took the political counselor with him.

In any case, the meeting broke up, and for some reason, I took longer than Martin to get out the door, trailing him by a minute or so. As I was at the door, Rabin came up to me, grasped both of my hands in his, looked me in the eye and said "goodbye, Jim." At the time, I was spooked. This had never happened before. Rabin was short on ceremony, and courtesies were not his forte. That evening, I related this event to my wife, saying I couldn't get this out of my mind. I never saw Rabin again. He was dead within the week.

The Rabin funeral was only a few days after his assassination. In all honesty, despite the massive number of senior-level U.S. visitors, including Presidents, Secretaries of State, so many members of congress, governors, mayors, etc., it all went smoothly. There was no advance from the White House and State. We were seasoned handlers of VIPs, so they simply had to put themselves in our hands. No second guessing, no redundancy, just get it done. I must add that all the VIP visitors understood our limitations and helped each

other. There were some particularly poignant moments as younger congressmen helped older ones climb Mount Herzl together for the ceremony. The love and respect for Rabin was deeply felt.

This was the busiest time of my life. I don't think I got more than three hours sleep per night for over a year. I loved it. It was exhilarating. I would remind people in Tel Aviv the attention we get from Washington is unequalled anywhere at any other post in the world.

*Special section: Carving the world among military combatant commands: a disservice to our vital national security interests*

*Q: Let's go back to our military relationship with Israel crossed lines of European Command and Central Command. You might explain what we you are talking about.*

LAROCCO: This is a good time to go through this complex and important issue.

I think there is a popular misconception that while our civilian departments are like islands floating in a highly bureaucratic and faceless sea, our military is a seamless machine free of bureaucracy, free of stove pipes. It is a team working together to protect America with an efficiency and effectiveness unparalleled in military history.

First, let me be clear: I join so many American citizens thanking God every day for our military and the men and women who put their lives on the line every day so we can enjoy the quiet miracle of normal life. Few people in the history of humankind have enjoyed what I have enjoyed throughout my life. It isn't a miracle; it is constant vigilance, hard work, technological superiority and commitment from our political leadership across the generations and party lines to do all that is necessary to keep us safe.

But...I cannot avoid the conclusion that I know so many books and articles describe in great detail: our military is a highly segmented, stove-piped, disjointed, massively redundant and bloated structure that makes civilian equivalents look like models of structure and efficiency.

There is so much to focus on, but let me deal solely with what used to be called the CINCs and are now referred to as the Combatant Commands, and specifically the regional commands. Each of these is an empire unto itself, dividing the world with artificial lines and crossing them only rarely.

In the case of Israel, despite being located geographically in the Middle East, it comes under European Command (EUCOM). To its north (Lebanon and Syria), east (Jordan and Iraq), south (Egypt and Saudi Arabia), all come under the jurisdiction of Central Command. To show that Israel is not alone in this curious line drawing, Egypt, one of the leaders in Africa, is not in AFRICOM, but rather lies in CENTCOM. In fact, it is the only country in Africa that is not in AFRICOM.

My first encounter with these empires, their lines and the separateness came with the supply of surplus military equipment, which was so abundant in Europe after the fall of the Soviet Union, to the Palestinians arriving in Gaza from Tunis following the Oslo agreement. The equipment had to be transferred from Europe, under EUCOM, to Alexandria in Egypt, under CENTCOM, to Gaza, which was theoretically under EUCOM, but which had heretofore had zero contact with EUCOM except via the Israelis. It was a nightmare making sure CENTCOM and EUCOM worked together in the transference of the equipment.

Let's be clear: Israel was in EUCOM for political reasons. Our military, with the fall of the Soviet Union, "pivoted" away from Europe to focus increasingly on the Middle East. Our military posted tens of thousands of forces at dozens of facilities throughout the Arab world. And this is in peace time. Those states, in those days, and others in CENTCOM, like Afghanistan and Pakistan, wanted no contact with Israel, and the very functioning of CENTCOM was predicated on a total, complete absence of any contact whatsoever with Israel and Israelis. It was such a huge redline, with no exceptions, that as an American, I found totally un-American and contrary to our vital interests.

I recall raising this directly with the Commander in Chief of CENTCOM more than ten years later, and he was unequivocal: no contact with Israel. I countered strongly that my own experience, serving in the Arab World as well as Israel, demonstrated to me how vital it was for any Americans understanding our own interests as well as those of the region, that we maintain strong contacts with both sides. This argument fell on deaf ears.

Only with the ascendance of General David Petraeus as combatant commander of CENTCOM did this start to change. I give him great credit for this.

But the dysfunctionality of the artificial lines goes on to this day. I will provide a few of many examples. When I was Director General of the MFO, our mandate was monitoring the security annex of the Camp David Treaty. Our beat was Israel and Egypt. Since all the American troops were stationed in Cairo, they fell under CENTCOM, which did a superb job ensuring they had all they needed in terms of support.

When terrorism struck for the first time in Sinai, in 2004, I went to CENTCOM for force protection upgrades. They responded immediately, and I was truly grateful for that. But when it came to receiving vital information about events and trends, I kept being told that the exigencies of the wars in Afghanistan and Iraq precluded their paying much attention to the Sinai. In fact, they paid almost no attention, which was probably not expected under the circumstances.

Since I was stationed in Rome, and the EUCOM HQ was in Stuttgart, I decided to go there and see what they had, asking as well if they could pay attention to us and pass timely information. They didn't have two wars to fight. I was immediately told that I could not even talk to EUCOM about the MFO without a memorandum of understanding

(MOU) between CENTCOM and EUCOM allowing this. I was stunned at this level of segmentation and bureaucracy. I eventually got that MOU, but it wasn't easy.

I later inquired whether, in the case of an emergency in the Sinai involving mass casualties, we could call on one command or the other for immediate support. This did not go over well with either. They simply would not commit to provide for our emergency relief in a timely manner. When I followed the news on EUCOM's reluctance to support emergency needs in Benghazi, I was not surprised.

One particularly vivid example of dysfunctionality: Despite the so-called pivot to Asia and focus in that huge sea expanse on our Navy assets, anti-piracy has its best manifestation in the CTF-151 that falls under NAVCENT in Bahrain. Many countries, including China, participate in this task force that for years has focused on counter piracy emanating primarily from Somalia.

I recall chatting at a conference with a U.S. Navy commander working with that task force. I commented to him that I was surprised to see so many pirates working near the shores of Sri Lanka and southwest India. He laughed, saying the pirates knew exactly where the lines between CENTCOM and PACOM extended through the Arabian Sea and Indian Ocean. They would slip into PACOM waters and watch from a distance as the task force stayed on the CENTCOM side of the line. I shook my head in disbelief. Lines in the ocean? How absurd can you get?

Just think of the implications of these lines. PACOM extends from the vast expanse of the Pacific Ocean to the border of Pakistan and India. New Delhi is as far from PACOM HQ in Honolulu as it is from CENTCOM HQ in Tampa. Of course, it is much closer to the CENTCOM forward HQ in Qatar.

How much can PACOM really pay attention to India, and how well can it grasp the situation if it doesn't have Afghanistan and Pakistan within its scope, knowing their leaders? The flipside of this applies to CENTCOM. How can they get their arms around the AfPak issue without consulting closely with India? I raise the question here: has any CENTCOM commander ever been to New Delhi? I am not aware that any has. No PACOM commander would allow it. If I am correct, this is a gross disservice to our vital strategic interests.

I don't even want to get started on AFRICOM. Originally, it was referred to derisively and dismissively as "AID with guns." Now it has morphed into an important kinetic command as violent extremism has spread from the Mediterranean all the way to the Horn of Africa. But how can you deal with Libya (in AFRICOM) without dealing with Egypt (in CENTCOM)? Or the Horn of Africa, without dealing with the other side of the Red Sea, which is CENTCOM? The JTF in Djibouti is supposed to square this circle, but keep in mind that AFRICOM must depend so much on both EUCOM and CENTCOM assets. It remains an orphan, and a weak one at that.

Now overlay all these Combatant Command (COCOM) artificial lines over the lines at State and DOD, which don't coincide either. It is a bureaucratic nightmare begging for someone to fix, but the iron rice bowls have been hammered so thick that every attempt has been aborted. I keep hoping that if nothing else will force a serious review and remake, it will be the demands of budget cutting. There is so much duplication of effort costing taxpayers not just billions, but tens of billions of dollars every year that can be saved. Every year. That piles up fast.

At the same time, eliminating this duplication and stove-piping will save millions of man hours not just in actual work, but in contacts between officers all the way up the chain. And our top policy makers and appropriators will not have to try to sort out the naturally competing demands of each commander.

Israel, 1993-1996 (continued)

The list of what might be improved goes on and on, but I cannot conclude this section without saying that I suspect our bizarre military segmentation wonderfully confuses our enemies. At the same time, however, it confuses our friends. We cannot afford that, especially at a time where the level of distrust in America's role in the world, or lack thereof, has risen to a level not seen since the post-Vietnam era.

Embassy relations with the Consulate General in Jerusalem

*Q: How did you find relations between the embassy and our consulate general in Jerusalem?*

LAROCCO: There was long established rivalry, competition, grudge...whatever one might call it that I knew about, but never expected to be as difficult as it was. In many respects, it was much worse than the Islamabad-New Delhi rivalry, probably because the Arab-Israeli divide was felt much more deeply and emotionally in Washington and throughout U.S. politics. To be sure, those in the consulate, dealing 24/7 with the Palestinians, were engulfed in non-stop complaints from the Palestinians about their status, treatment by the Israeli and lack of U.S. understanding or regard for their plight. The ConGens documenting of all this was outstanding, and they repeatedly garnered awards for reporting and analysis. We never received any, even though I felt our reporting and analysis was as good as or better than the ConGen's. But...I also recognized that Washington did not have the degree of longstanding direct connections with the Palestinians that they had with so many Israelis, so they often ignored our messages while hanging on every word of the ConGen's.

To be frank, the ConGen felt like they were a bit of an orphan in the scheme of State Department bureaucracy, and they were. They were (along with Hong Kong) an independent post in terms of their substantive work, a freestanding consulate without an embassy. But, administratively, their funding came through us. You can only imagine how deeply their resentment of this was. In addition, their beat was the West Bank and Palestinian Jerusalem. We had Israeli Jerusalem and Gaza.

Since the Israelis were in charge of all the territories before Oslo and even after Oslo controlled all border crossings and security, all complaints conveyed to the ConGen had to be sent to us for handling. The ConGen was not allowed to deal directly with the Israelis. There were days when I would get a raft of calls from ConGen officers which required me to call my Israeli contacts to resolve a difficult situation. And that included stopping our ConGen officials from going places they had been cleared by the Israelis to go.

This dependency on me, controlling their funds and solving many of their daily operational problems, put me in a special spot. I thought I was giving them a fair shake, but I know they resented me (and especially my power) deeply.

When Ed Djerejian came on board as ambassador, he was coming to us from the job of Assistant Secretary of NEA. In this capacity, he had overseen the process of picking the Consul General in Jerusalem. He selected a good friend, Ed Abington. The expectations were high that the problems between our two posts would disappear because of their friendship. No such luck. That's when I realized that it was indeed institutional.

It only got worse when Martin Indyk became ambassador. The suspicion and distrust between him and Abington was profound. I worked closely with the Deputy Consul General to ensure that there was no breakdown in funding streams or handling Palestinian and ConGen operational problems, and while once I believe this worked well, my guess is that ConGen officials at the time, like John Barger, Maura Connelly and Paul Sutphin might respectfully disagree.

But the troubles at the senior level of contacts, reporting, analysis, handling VIP visitors, and other issues that were the purview of Martin and Ed bounced back to the point they were at when I arrived in Tel Aviv. I must admit that navigating between serving my ambassador faithfully and resolving differences with Jerusalem added to my gray hairs.

One of my fondest memories in the Foreign Service, however, was related to this personal and institutional rivalry. On my second to last day of service in Tel Aviv, a young, brilliant officer in the embassy who handled the Palestinian economic account and had bridged as well as anyone the divide between the embassy and ConGen, wrote a script for a drama aimed to drive me totally up the wall. This officer was Jeff Feltman.

He knew I would be preoccupied with the many administrative chores I had to do before leaving post, so his timing was perfect. He had Martin and Ed and many other of the officers in Jerusalem and Tel Aviv participate in this three-act play, which was carried out over a period of hours. The two office managers in our front office were also in on the script, as was the ambassador's special assistant, so this was a complex and complicated ruse played on me.

I was faced with a barrage of phone calls all presenting me with intractable problems, from a political officer whose vehicle broke down at a border crossing to the ambassador driving unannounced for a meeting with Arafat.

The script was so perfectly acted out that at the point where it seemed our two posts were about to go to war, I was left speechless with everyone screaming at me as phones were ringing off the hook. I finally got Ed Abington on the line who delivered a devastating indictment of Martin and then Martin, a person not inclined to hyperbole, ranting against Ed. I was speechless. It just so happened that at that very moment I had \$13000 in cash in my hand from the sale of my car. I was desperate to get this outta my hands and to the embassy cashier to arrange a wire transfer to my bank account.

With Ed on one line demanding action by me, Martin on the other demanding action by me, I was speechless and frozen in place, something quite uncommon for me. After a very long pause, Martin said, Jim, this was all a joke. To be honest, and I recall that moment vividly, I didn't believe it. The play acting and script were that good. Then Ed jumped in and said calm down Jim; Martin is here with me and not headed anywhere. I remained dumbstruck for what seemed like a very long time, but when I noticed our two office managers practically falling off their chairs laughing and our special assistant smiling broadly, I finally came back to reality. I had been punked, big time. And masterfully.

I cherish that script in my scrapbook. Among other things, it demonstrated the genius of Jeff Feltman, who the department wisely pushed up the ranks to the top quicker than anyone of his generation.

But did the relationship between the two posts get any better after I left? Not really. It was indeed institutionally ingrained.

Years later, under Condi Rice, the ConGen finally was given its administrative independence and Gaza responsibility as well. That has provided the ConGen with important sustenance. But I imagine the substantive rivalry endures.

*Q: Basically the consul general in Jerusalem is ambassador to a hostile power.*

LAROCCO: He's a representative to a non-state authority. It's a bit like AIT in the sense that he or she represents U.S. interests to an authority that is not recognized as having sovereign status. The U.S. has always aspired to be an honest broker to the two, and while many will argue this is not possible because of deeply rooted special relationship with Israel and Israelis, the Palestinians to this day recognize that we are the only power that can get them what they aspire to. It's a unique set of circumstances, and while there are some unwritten, recognized rules of the game, there is still a good deal of ad hoc-ery in how we carry out these relations.

Rahm Emmanuel predicts Netanyahu victory over Peres

*Q: Was it '96 you left?*

LAROCCO: '96 I left. I left the day Netanyahu was inaugurated as Prime Minister.

A few months before that, in the run up to the Israeli elections, we still believed Peres would win, even by as much as 8 points. Keep in mind that following Rabin's death, he held a 25 point lead in the polls. As the months wore on, that lead eroded slowly but steadily day after day.

I recall that Washington, favoring Peres strongly, sent a young Democratic political guru by the name of Rahm Emmanuel to provide an independent assessment. The visit was totally unpublicized and I accompanied him on a number of calls. I remember clearly that just before his departure, I asked him for his thoughts on the election. Peres will lose, he said. I was startled. Why? I asked. He said that Peres leaned too far for Jewish Israeli votes and had been portraying a hard line that both the Israeli Arabs and those in the center were uncomfortable with. He's trying too hard, Emmanuel noted, to capture the center right. It won't work. He forecast that Peres would likely lose by a narrow margin, perhaps 2 percent or less.

Peres lost by 2 percent of the vote. I remember that Martin held a country team meeting the day before the election. He went around the table asking for our guesses. We were completely split. Martin himself felt that Peres would win, perhaps by an even larger margin than the 2 percent many Israeli pundits were forecasting. Martin, I and others stayed up all night following the vote. Peres held a strong lead in the early results, but that lead kept narrowing. After midnight, it had vanished, and Netanyahu's margin was clearly insurmountable.

Peres once again was a tragic figure, and when Martin and I called on him a few days later, he was all alone in his dimly lit office. He blamed the Arabs for their low turnout. He had lost by about 29,000 votes, as I recall, and that could have easily been overcome if more Israeli-Arabs had come to the polls. Rahm Emmanuel called it correctly two months before the election.

A special tribute to the late Ron Brown, Secretary of Commerce

While I have countless stories to tell about those three eventful years in Israel, there is one that I wish to relate because I am sure it has never been revealed. As I have noted, we received literally thousands of American VIPs during those three years. Among them, while I was Charge, was the Secretary of Commerce, Ron Brown. I knew nothing about him, and was bracing for a prima donna based on his obnoxious advance team.

Brown arrived with a full agenda of commercial work, but just before his arrival, there was a terrorist bombing that left a number of young Israeli soldiers dead. Ron said he would like to visit one of the families, if possible. I contacted the Prime Minister's office, expecting a no answer in view of the sensitivities, but instead they offered a family down south not far from the western border with Gaza. Ron immediately agreed. I recall the

ride down there with him as most enjoyable. I could feel immediately that he had a way of empathizing and sympathizing that made anyone he was with feel special, like you were the only person in his universe.

We arrived at the modest home, and were escorted in the living room. We sat on a couch, across from the mother and father of the young soldier who had died. Ron stayed quiet, they stayed quiet, and the silence was so discomfoting. Who would break the ice? And how? Ron did, and so touchingly. He noticed a scrap book on a nearby table. He asked if he could look at it. Rather than just take it, he pulled a chair between the mother and father and went through it page by page, picture by picture. The feeling in the room was like nothing I had ever experienced. His connection with these grieving parents was profound and intimate.

At one point, he pointed to a photo of the young man with a young lady. The mother said this was her son's fiancée. They were to be married in three weeks. It turned out that the young lady was also in the house, and she came out to meet with Ron. Once again, there was an instant rapport. It was so hard not to become overwhelmed with emotion, feeling the scarring pain these parents and this young lady were enduring. Terrorism at that moment seemed like the devil incarnate to me.

Ron and I went on to Jerusalem for meetings that day. We said nothing in the car on the ride there. Our emotions were too high.

Late that evening, after meetings concluded and a formal dinner had concluded, Ron asked if I would take him to the Western Wall to pray. I told him we cannot take VIP visitors there; it's off limits because of the high political sensitivities. It was simply too volatile. He just stared at me for a while, and I simply couldn't say no to him. OK, I will take you there, but we must do this as inconspicuously as possible. No photos, no talk, just go to the wall, say your prayer and we will go back to the hotel. He agreed.

We went to the wall plaza and I showed him where to go and what to do. I gave him a kipa to wear. I always carried one with me. He quietly walked to the wall, prayed for a while and then headed back to where I was standing. As we chatted for a minute, a man came up to us dressed in religious garb. He said he thought he recognized Ron from photos in the newspaper the previous day. Ron acknowledged who he was. The man grasped Ron's hands and said: so many VIPs from countries come here for the photo opportunity. I know what they are doing, and I detest them. They do not respect what this means to us. You came to pray. Just to pray. I admire you for this gesture, and being the only here to see and recognize your act, convey the sincerest thanks of all my brethren. I will pray for you all the years of my life. Ron simply bowed in respect.

My few days with Ron Brown were enough to hit me hard when he died in a plane crash a year or so later. I always remind myself of him when I pass judgment on politicians and leaders whom I really don't know but think I do from media reports. We truly don't know these people from the media. I sincerely believe that Ron would have gone on to do truly great things had he lived. We lost an American treasure.

During one of the many Christopher visits, the team from Washington was assembled at Martin's place for a late night discussion after a day full of meetings. Before they started the session, Martin asked me to stay outside the meeting room. I was a bit miffed, but Martin had an inexplicable twinkle in his eye. About ten minutes later, he emerged with the Secretary and his counselor, Tom Donilon. I was asked by Christopher what I wanted to do for my next assignment. He said you did a good job here. You are up for an ambassadorship. What would you like? Without hesitating, I said, Kuwait. They all laughed. Why do you want to go to Kuwait?

I said that I knew Kuwait, I liked it, it was a key strategic ally, but just as important, it was country where the ambassador does not have to worry about phone calls between Washington and the leaders. Nobody in Washington calls anybody in Kuwait, so I will be the full and complete envoy handling the relationship. I will be extraordinary and plenipotentiary in the original meaning of those words applied to envoys. They laughed. If that's what you want, so be it. Thinking fast on my feet, I noted that it would not be open for another year, so I have another request: I want another year of Arabic. On the one hand, I need some time to decompress after Tel Aviv so I can be with my young family, but I also need to refresh my Arabic and take it to a higher level. Donilon said he would ensure this happened, and it did.

Arabic language training, FSI, 1996-1997

*Q: Today is the 18<sup>th</sup> of April, 2013 with Jim Larocco.*

*At the end of the last interview, you said you wanted to go to be ambassador to Kuwait because you wouldn't get bothered there but you insisted on a year's Arabic before going. You said that's another story.*

*Could you give me the dates of when you went to Arabic and then let's talk about taking Arabic?*

LAROCCO: First of all, let me remind you of my written pledge made to Arnie Raphael to return to NEA, The Mother Bureau. I had done so, dropping everything in Taiwan on a moment's notice and going to Tel Aviv. I never left NEA after that.

I left for Washington in the summer of 1996. I went there for a third year of Arabic.

*Q: You say "there"?*

LAROCCO: FSI in Washington. Since there was no formal program for a third years student of Arabic, and since I was slated for an ambassadorship, several Arabic professors worked with me to design a special program. The first two months were very intensive, pushing aside the deeply engrained Chinese Mandarin and the much less engrained but more recent Hebrew. The next two months saw my level soar, and the final six months got into advanced dialogues and speech making. This experience convinced

me that a third year of Arabic should be offered to those who have the time and are slated for clear advancement to the senior levels, if not already there.

My ambassadorship in jeopardy: Why patrons and mentors are so important in careers

But...the start of my Arabic program was interrupted by a phone call from Tony Quainton, then Director General of the Foreign Service. He said that the D Committee, which selects ambassadorial nominees to be sent to the White House for consideration, had chosen me for Yemen. Congratulations.

I said, "Excuse me? Did you say Yemen?"

"Yes...Yemen."

I said, "Well, thanks but no thanks."

He said, "You can't do that. You can't say no."

I said, "Yes, I can. I do not accept this offer. Yemen is not Kuwait, which is what I was promised. "

He said, "If you say no, then that's it. No ambassadorship. "

I said, "So be it."

I was rather despondent, as you can imagine. I told my wife, I didn't tell my kids.

I went to FSI, went to class every day, wondering about my future but not sure what to do. At that point with no assignment, there was no future.

About two weeks later, the phone rang at home, and it was Martin Indyk. He said he heard a rumor that I didn't get Kuwait.

I said, "Yeah."

He said, "What's the story?"

I told him.

He said that the Secretary promised you that you were going to Kuwait and so did Tom Donilon. I said, "That's true...but Tony Quainton and the D Committee said no.

He said, "Let me see what I can do about this."

I said, “Thanks, Martin, you don’t need to do this. I didn’t ask you to do this.” Knowing Martin, one of the finest gentlemen I ever worked for, I knew he would leave no stone unturned. But what could he do? The D Committee had already decided.

Several weeks later, I got a phone call from Tom Pickering, who was the Undersecretary for Political Affairs, who was someone who kept popping up during my career, as I may have related earlier.

“Jim, Martin talked to me about this. I am going to see what I can do.”

“Thanks very much, Tom. I really appreciate this.”

Months went by and I concentrated on my Arabic. I was not upset. I accepted that my fate was in the hands of two people I so admired: Tom and Martin. I couldn’t ask for anything more. They were among my strongest patrons.

*Q: There is always a corridor intelligence system in the State Department. Had somebody with good political credentials or something been sent up for Kuwait?*

LAROCCO: No, the explanation given to me was that the original candidate for Yemen, a good friend of mine, had very poor Arabic. It made sense to switch me with him since my Arabic was solid and getting better. In Yemen, you drown without Arabic. In Kuwait, you can get by with poor Arabic. I must confess that there was logic to this switch, but I had asked Christopher for Kuwait, not Yemen. In those days, Yemen was truly a backwater of no strategic consequence, unlike Kuwait.

It wasn’t until March of 1997 that I received another phone call from Tom Pickering. In Tom’s always professional but occasionally light style, he said “Guess what?”

“What?”

He said, “You have a choice.”

I said, “I’ve got a choice? What do you mean I have a choice? I don’t have anything. You are saying I have a choice?”

“Yes. If you still want to be ambassador to Kuwait, we worked it out so you can be ambassador to Kuwait. We got the other guy a different job.”

I said, “So he’s going to Yemen?”

He said, “No, he can’t go to Yemen. He doesn’t have sufficient Arabic but we have another person who will go to Yemen and this guy is going to a good job. The officer selected for Kuwait will now take a front office position as a DAS in NEA. It’s a perfect shift.”

He then said that he had something else to offer, something truly needed and important. “What’s that?” I tried to sound interested but I was already excited about returning to Kuwait as ambassador.

He said, “We really need somebody to be assistant secretary for OES. I have done that before and trust me, Jim. It is a great job.”

I said, “Tom, I don’t know anything about oceans and environment and science and all this entails. I am sure there are better people out there to do this job.”

*Q: Oceans? It is sort of the environmental scientific thing.*

LAROCCO: Oceans, Environment and Science.

I told Tom that all my training pointed to my doing an excellent job in Kuwait. I know the country, I know the leaders. They are unique in the region, but I understand what makes them unique. I am following two class acts in Skip Gnehm and then Ryan Crocker. Everything is teed up nicely. The Kuwaitis are expecting a seasoned officer. They will be a little nervous about getting somebody coming out from Israel, but that should be okay because they know me.

They had previously refused to give approval to Brandon Grove to be the U.S. ambassador to Kuwait since he was coming directly from Jerusalem.

*Q: Once you served in Israel you were wiped out.*

LAROCCO: That had been the tradition. I think this piqued Tom’s interest. Of course, as someone who had done just about every job in the Foreign Service, he had also been ambassador to Israel. So Tom said, “Okay, consider it done.”

About a month later I get the word that my nomination was sent to the White House. Friends over there said it would move swiftly. They knew me.

Now...let me close this chapter with an important lesson, one that I lecture to junior officers, middle officers and any FSOs that will lesson. While it’s important to have “mentors” to succeed in the Foreign Service, you also need “patrons.”

What had just happened to me illustrated this perfectly. My world had collapsed, but Martin and Tom took the initiative to bail me out. If I had been on my own, my career might have ended right there and then. Mentors tell you what to do, patrons make it happen. It’s all about networking and building trust.

1997: Working for Tom Pickering on reforming the State Department

I completed my Arabic course, and it became clear that nominations were going to take a long time to go through the full process to Senate confirmation. I took some leave back in

Chicago, and then one day I got a call from the Executive Secretary of the State Department, Bill Burns, someone I knew of but really didn't know, and he asked me to come work for Tom Pickering while I wait for the confirmation process to run its course.

I said, "Doing what?"

He said, "Reform the State Department."

This sounded intriguing, and I had nothing else to do, so I said yes.

I reported to Pickering's office, and he said that he would meet with me every day at 5pm to review reform issues. He would include Bill, Skip Gnehm, then Director General, the Resource Management chief (who I believe was Craig Johnstone) and Pat Kennedy, the chief of the administration bureau. They didn't come every day, but Bill did most of the time.

Our first meeting was a session devoted to some longstanding issues, but I also raised the idea of making the office a formal one, so others would pay attention to us. I knew that this was vital in working the bureaucracy. Tom immediately agreed. The designation of P/R was made, the P standing for the Office of the Undersecretary for Political Affairs, the R obviously meaning reform, we were given an office space and I was provided with three assistants, all like me.

We had one desk, a phone, a file cabinet. Otherwise, we sat on the floor like in the movies, tossing around a tennis ball as we brainstormed. I felt like I was working for Bill Gates or Steve Jobs rather than for the stodgy State Department. We were on the cutting edge of change. No big studies, as had throughout State's history ended up on shelves gathering dust. We were going to identify issues, recommend solutions, get decisions and then make things happen. What a novel idea for a government agency.

At the start of the next working day, I provided a memo for all participants, divided into three sections: Old issues, Pending issues and Future Issues. Tom and Bill especially liked this, because they wanted to move as quickly as possible on as many issues as we could identify, seeing this not as a gab exercise but a real exercise at reform. The Department had files and files of reform efforts with massive studies but no follow up. It was time for action. With this one-page work agenda, we could see whether issues agreed upon had been carried out. Follow up was essential. Our work was about results, not just ideas.

Our memos became longer and longer as we came up with long list of items, ranging from moving Canada from Europe to the Western Hemisphere Bureau (a sort of "well, duh" issue, but much, much more complicated to carry out than one might think) to achieving Secretary Christopher and then Albright's vision of a "universal presence," to reshaping language training for the super hard languages (my particular passion) to the authorities and responsibilities of chiefs of mission, and many, many more.

We had great fun coming up with options on carrying out the Secretary's vision of a universal presence (that is, a State Department presence in every country). This flied in the face of the severe budget constraints of the mid-90s and pressure from some to consolidate and create "regional posts."

I decided to go to the experts: the Directors of the Executive Offices of the Regional Bureaus. I was not disappointed. I ran many ideas by them, and they knew exactly what wouldn't work, what would work and what might work. Among other things, one day as we were tossing around a tennis ball, we came up with a wonderful concept. We decided it had to have a catchy name so it might grab Tom's imagination, so we drew up a concept paper on what we called "The American Presence Post." Tom and the others loved it, and this idea moved quickly.

As things turned out, a high rolling political ambassador, Felix Rohatyn, got credit for this idea. In truth, he did translate the concept into reality, so I applaud him. But like so many stories of success or failure, there is a back story. And now you know it.

*Q: Explain who are the EX people? Admin and personnel, right?*

LAROCCO: They are the ones who really know the structure of State Department and how to get it to do what the leadership wants (or how to cleverly kill something that is misguided). The better EX Directors are masters of their trade, worth their weight in gold.

They helped me so much in my quest for language training reform, which also was something Secretary Albright expressed strong support for. She felt a pressing need for better linguists on the job.

We also started a program in Farsi because we discovered that as the decades of broken relations with Iran stretched on, the number of experienced Farsi speakers in the Department was dwindling quickly. As of today, we have enough Farsi speakers to provide for an embassy, should that day come.

*Q: In approaching this, was there the equivalent of sending out questionnaires or was it corridor stuff or just throwing the tennis ball around? Tom Pickering he is going to change the State Department. Did he come up with ideas that you worked on?*

LAROCCO: Tom and Bill were both ideas people. They had plenty of their own, and they knew immediately whether they would run with our ideas. We drew heavily from them as well as previous studies. It was amazing to me that Tom and Bill could devote an hour a day to this. That's when I got to know Bill Burns. I didn't know Bill before this. Bill loved the ideas, the organization of the ideas, the action plans and the fact that things were getting done. He and I and others had seen so much invested in previous reform efforts that saw few results. This was a results-oriented operation with no bureaucracy, no long drawn out meetings where nothing was done, no papers that were wordsmithed to death, no clearances that would water down an idea till it drowned.

This exercise, which lasted about five months for me, convinced me that despite the unwieldiness of the bureaucracy and the knee-jerk response of most that something couldn't be done, things, many things in fact, could be done if you have the right network of people, good and convincing ideas and clear plans for implementation. And, perhaps most importantly, we always matched the mission with resources. If the resources weren't there, we never moved the reform from the pending file. I contrast this with the QDDR, which I will talk about later, which never matched mission and resources. That was its Achilles heel.

I drew on my experience during these five months in everything I did as PDAS in NEA a few years later.

Reforms put in motion

*Q: You talked about "universal presence." How was that carried out?*

LAROCCO: We had studies that recommended abolishing or cutting way back on certain missions. After consulting with Ex Directors, who were I'm sure far more honest than their front offices about what was really needed and what wasn't, we did support closing down a number of consulates, especially in Europe. But some were in major commercial cities, so in some cases, we argued for smaller posts, only handling unclassified material. In other cases, we argued for an American Presence Post, generally one officer, unclassified only, ensuring that the city and region knew there was an American there who they could go to. That person had to rely on the embassy staff for support.

Finally, there was the Virtual Mission, something that I was familiar with, since we dabbled with this in China, where there are over 100 cities with more than a million people. In this case, a website made it appear that a post was there, when in fact there wasn't. It was only a website. Occasionally an officer would come to the city to handle issues, but there was no permanent presence in these places. This was certainly not ideal, but it was cost effective and required no costly security, as any permanent presence, however small, would require. Once again, we were matching mission with resources. We were being completely realistic. And we made it happen.

*Q: Were there any problems in administration, real problems that would come up that you felt you really couldn't get a hold of?*

LAROCCO: Of course, State funding was a massive constraint, always has been, always has be. So many good ideas simply cannot be pursued because of lack of funding. But that's the way it is. No sense bashing your head against the wall when the money ain't there.

Reviewing the authority and powers of an ambassador

The one that bothered me the most, that bothers me to this day is that Tom asked us to focus on a survey carried out by Stape Roy of ambassadors, asking them in various ways the straightforward question: do you feel you have all the authority you need to carry out your job? The answer was stunning: most did not. The issue here was the large presence, at times a large multiple of State's presence, of other agencies at embassies. Many ambassadors felt they did not really have much control over them. These ambassadors felt overwhelmed.

I don't want to put words in Pickering's mouth, but basically you know Tom. He was aghast. We knew how he made every agency toe the line wherever he was posted, including the large and diverse mission he ran in Moscow. He simply couldn't believe all these ambassadors did not understand the authority they have as envoy of the President, extraordinary and plenipotentiary. Of course, that authority does not apply over combatant commanders and those under their authority, but it does for everyone else.

We studied the letter every new ambassador receives from the President of the United States spelling out their authorities. This was first done by Ronald Reagan, precisely to make clear these authorities. In the end, we concluded that not one word of the Presidential letter need be changed; all the authorities were there in writing. The issue was not authorities; it was the relative weakness of our ambassadors. We decided then to focus on ambassadorial training to be sure the letter was reviewed in detail. But I must say that when I was PDAS, I saw too many ambassadors not exercising their authorities, and this often spelled dysfunctionality in a country team.

I said, "Tom, I hate to say this but I don't see anything structurally wrong. I think the letter is clear. Ambassadors, quite frankly, should not have to appeal to assistant secretaries or to you or the White House or anybody for help. They should just do it. The reality is maybe we are not doing a good job of picking ambassadors." I didn't really have to say this to Tom. He already knew it. But he wanted confirmation from an independent source.

*Q: I have never been an ambassador but sort of from corridor knowledge and all one of the things if you've got somebody from another agency or even in the State Department who is getting out of hand, the ambassador feels, he or she does not always feel that they will get much backing from the State Department, either within the State Department or dealing externally with either disciplining or doing something or getting rid of that person.*

LAROCCO: They shouldn't have to.

*Q: It is all very nice but the powers that be in the State Department have to be on board to this concept too.*

LAROCCO: I disagree. The power is there. Our top ambassadors never miss a beat. They are in charge, and they know to cultivate strong relationships with leaders of the various agencies in Washington. They know that if they leave this to the representative of that

agency at post, they will never get the degree of control they must have. There is really no reason in my view why this shouldn't work.

Let's be clear: funding comes from the other agencies, the person at post is rated by that agency and that person goes back to that agency for guidance, priorities and instructions. The system itself is designed to stovepipe. In Washington, if the NSC does not function in the role it is intended to, we have warring bureaucracies and dysfunctionality. The same goes for the field. Ambassadors must carry out their roles with the country teams. They often rely on the DCM to do most of the work, but at the end of the day, they must take charge.

A smoothly functioning country team is indeed a work of art. And it's not that difficult. It starts with a strong ambassador who provides the leadership and a strong DCM who provides the management. Keep in mind that this is not Washington; we are not talking about massive agencies with thousands of personnel. At most posts, it's less than a few hundred, at some much smaller.

I have seen a number of papers in recent years arguing that Washington should use the country team model. That's wishful thinking, even though that's what the NSC is supposed to be and do. It can be led, but managing this unwieldy monster is simply in the too hard to do category. I've never seen it done effectively in my career.

I remember when I was ambassador in Kuwait there was a major brouhaha over DEA agents acting up in Pakistan. Secretary Albright was crystal clear in a message to all ambassadors: the activities of other agencies are your responsibility. Take charge. If they act up, it's on you.

I agree with that.

Some ambassadors were going back to her saying what the hell are you doing for us? At the end of the day State can't do that. The ambassadorial letter from the President empowers the ambassador. While the ambassador as a matter of course reports to and through the Secretary of State, the powers of the ambassador do not come from the Secretary; they come from the President.

*Q: It would be interesting to say if the ambassadors do try to exercise this authority over other agencies to find out how much backing they got.*

LAROCCO: Once again, you're missing the point. It's not about backing. It's about the ambassador taking charge. When I was ambassador, the number of people working for other agencies in Kuwait dwarfed the number of State officers. I took charge, but not by simply stating I was in charge. In fact, I never said that to any chief representative at post from another agency. Instead of talking air, I made sure I had solid relationships with their bosses back in Washington, and their bosses' bosses. I also made clear that if they had a problem with their bosses, I would have their backs. I would personally argue their

cases, personally protect them in necessary. I not only had authority, I had responsibility. That's what an ambassador must do to be truly in charge.

When I was Charge D'Affaires in Tel Aviv, that was one of the things I was really concerned about as I took up this role for more than a year. . What if all these other agencies are acting up? What did I do? I'm not the envoy of the President; I'm not extraordinary and plenipotentiary. I have no real authority vested in me. But I am the Charge, and that means I must be in charge.

The first thing I did after I became Charge is that I went around Washington and met with all the agency heads and said, I need your help. If you stand by me, I will do my best to advance your mission, help your people in Tel Aviv and protect them as necessary.

The reality is that State has a long list of equities with every other agency, as they do with State. All of a sudden an ambassador comes in with an interagency problem at post and wants help. Where will that fit into the equities? Why cash in a chit for this person who can't manage the problem in the field or directly with the agency? It's truly up to each and every ambassador to take charge and solve issues themselves. Dumping something on Washington is almost always doomed to failure.

I had a problem with the FBI at one point when I was in Tel Aviv. They did not inform us that they were in country. And without informing the Israelis, they went into the West Bank and arrested someone. Both the Israelis and Palestinians contacted me outraged. The Israelis took immediate action, taking the FBI guy into custody. I went to the highest level to get the guy released, and then went immediately to the Justice Department insisting that we must be informed and provide country clearance in advance for any presence of their officers. They understood and appreciated my quick action to get the person released. You can imagine the uproar if this had surfaced in Washington. Everything was worked out after that, including having a Justice officer eventually posted in Tel Aviv.

Ambassadors have the authority, but they must learn how to exercise it effectively: how to empower themselves, how to truly be the envoy, extraordinary and plenipotentiary of the President. You just don't sit back and wave around your scepter. You have to work the system constantly, building up trust with the various agencies, building the contacts.

State can be very suspicious when you do this, and there are times they truly resent it, but they also appreciate when you use your network to solve problems that otherwise they would have to deal with. Earning trust with other agency leadership means that agency representatives at post know that you can pick up the phone and call their big boss in Washington and say, 'Oh, my God. Somebody is acting up.' A good ambassador doesn't need to make those phone calls because the people at post knew he could make those phone calls. They won't act up.

*Q: I see what you are saying. You're saying exactly what so many ambassadors said. You won't stand by us. They can't. State is one among equals. It is the White House that sits*

*above it. State can't win those battles against other agencies. They are not going to, that's the reality.*

It is a conundrum but quite frankly, I have always felt the greatest institution that exists in the entire U.S. government is a good functioning country team at an embassy. A good functioning country team at an embassy is a work of art.

Tom Pickering was the model anywhere he went. His country teams were truly effective. Ryan Crocker was the master during my era. No one disputed his authority. In his case it was even tougher because in Iraq and Afghanistan, Ryan was there with a lot of generals who he did not have authority over.

In that case, by force of personality and the knowledge these generals had that Ryan could pick up the phone anytime and have a receptive audience from their bosses, they were prepared to work closely with him.

I can give you many examples of dysfunctional country teams that have harmed our policy. Keep in mind that host countries know immediately when a country team is in sync and when it isn't. They, just like the agency, will bypass the ambassador. I see this today, going on today. I have visited 42 posts in recent years during my extensive travel. I observe carefully each country team, and it pains me to see dysfunctional country teams. There are far too many. As my military friends like to say, so much either good or bad comes back to "command and control." I say Amen to that.

*Q: In the first place we've got our own professional problem of the FSOs that are ambassadors but then we have a significant number of political ambassadors who may bring something or may not bring something. Many of them come from businesses where you can fire people. Did you see a problem here, a dysfunction between the political and non political?*

LAROCCO: Depends. I was able to work things out with Martin Indyk. He arrived in Tel Aviv with some very misguided preconceptions, but learned quickly and truly valued the work of the professionals at post. There must be this trust between the chief of mission and the staff. Martin worked hard at that and became one of the Foreign Service's top advocates. All of us will never forget his strong advocacy.

Later on as P/DAS, it was clear to me that some of the political ambassadors were good, some were not. Some of the FSOs were good, some were not. I have known a lot of really good, top notch political ambassadors that were able because of their connections with the White House to actually do more than any FSO could do and at the same time paid attention to their mission and did the needful to help out the commercial officer, the cultural officer and all the rest.

Then there were others that just kind of checked out and did whatever they felt like doing. They were basically immune from any real scrutiny by assistant secretaries. That's when it got difficult because again, assistant secretaries or even secretaries of state have a

limited authority over ambassadors at the end of the day. The ambassadors are envoys of the president of the United States.

It is an interesting question. When it comes to political ambassadors, criticism of their qualifications and performance is fully justified and deserved, but there are also numerous examples of outstanding political ambassadors.

Ambassador to Kuwait, 1997-2001

*Q: I had some very good ones, like Ellsworth Bunker. So you spent your five months working for Pickering?*

LAROCCO: Yes...and then I reported to Kuwait as ambassador, where I stayed for nearly four years.

*Q: This was from...*

LAROCCO: It was from late autumn 1997 to the summer of 2001. This was at a time when tensions were building with both Iraq and Iran, terrorism was taking its toll all around us, the Saudis were kicking our military out of their country, and we were scrambling to define our policy toward the Gulf and how to implement it.

*Q: The Kuwaitis, the ruling elite, probably spend more time out of Kuwait than in Kuwait. Maybe I am wrong.*

LAROCCO: Kuwaitis? Some spend the long, hot summers away, but quite frankly, I was surprised how many stayed around most of the time. Perhaps the Gulf War had an impact on their absenteeism.

*Q: How did they sort of justify women not getting the vote?*

LAROCCO: On the very traditional view that was common throughout most of the world until the 20<sup>th</sup> century. It's hard to describe all the reasons for denying women the vote, but the bottom line in the case of Kuwait was that it simply wasn't done. Tradition. Full stop. Is that truly different from us in the 19<sup>th</sup> century?

One of my key goals as ambassador was to advance women's rights, even though in Kuwait, they were far advanced than in Saudi. I felt it was time to move to the next steps in terms of economic, social and political rights. I spent a lot of time with Islamic fundamentalists who were strongly opposed to women's suffrage. I thought I made a lot of inroads even with them saying listen, here's the way it works. If you feel so strongly that you are in charge of the women, they are going to vote the way you want, right? So your one vote counts for two votes or if you have four wives, you get five votes. They would laugh and say, "Actually, you are right. We get more votes."

I said, "Yeah, you are going to increase your voting power."

If you take a look at studies in the United States, it shows very clearly that when women first got the right to vote, they largely voted the way their husbands did. Over time, that diverged, but it took a while; it took a generation or so before husbands and wives, fathers and daughters started voting differently.

*Q: I always say the women got the vote in the United States and Warren Harding became president.*

The situation in Kuwait in 1997

LAROCCO: My time in Kuwait was very busy, as I expected, although nothing resembling the frenetic pace of Tel Aviv. This was a blessing and allowed me more time to get out and about the country as well as spend plenty of time with my family and their friends.

Much of my substantive work was in the economic and commercial area. While commercial deals were still lucrative, luring Kuwaiti investment dollars was the main draw.

On the political front, Kuwait was experiencing a family feud between the two main branches of the ruling Sabah family, the Jabers and the Salems. Navigating through this crisis took special tact, since I had close contacts on both sides. I will talk more about this later.

On the military front, we were preparing for action. In 1998 we had the 4-day Desert Thunder operation into Iraq that the Kuwaitis thought -- or better said hoped -- would not be limited, but would go all the way to Baghdad. It was limited, and disappointed our hosts. There is a lot I can't talk about that I did during my time in Kuwait, a lot of sensitive work there that I did. All in all, I felt it was just a wonderful ambassadorship. Again, I got to do everything. Only one phone call was made between a senior U.S. official and the Kuwait leadership in my four years. Phone calls like this happened constantly between U.S. and Israeli leaders. I was delighted not to ever have to catch up on what was happening. I was always way ahead of Washington.

I will describe this phone call because it is somewhat comical. I had warned one of Secretary's Albright's chief aides not to make the call. I was put down harshly, saying it was not my business to stand in the way of an important phone call like this. I said I was not standing in the way. I was simply saying it was a mistake to call the Kuwaitis. They won't respond. The Kuwaiti leaders themselves told me never to call them. They wanted face-to-face meetings, quiet meetings, and preferred that messages unless absolutely urgent be conveyed through their aides.

In the end, I could not convince the aide to skip the call from the Secretary and simply provide instructions for me to raise with senior Kuwaitis. I did get approval to be with the

senior official when the call was made. I did that for my own protection, since I was confident that the call would not go well.

The call was made, and as I expected, the Kuwaiti on the other end of the line grunted to every comment, every request. After the phone call was over, I got a very angry call from the aide, saying what the hell was that??

Well, I warned you. Here's answers you want: The first grunt was a yes, the second grunt was a polite no, the third grunt was a maybe, the fourth grunt was let me think about it and I will get back to the ambassador. That's the interpretation of the grunts.

The other person said we are never going to call again. This was an outrage. I sighed.

I knew the Kuwaitis from my previous tour, and understood their way of thinking, particularly about their relationship with the U.S. It was an uneasy one made easy by their understanding and acceptance that their country depended on us for their very existence. Without our guarantee, they expected to be swallowed up by either Saudi Arabia or Iraq. They never truly feared Iran, since they knew that Saudi Arabia would never let Iran take them over. But...to prevent this, the Saudis would make them their full dependency. It was a precarious existence for the Kuwaitis, but they knew how to survive and did so remarkably well. Their main weapon of deterrence was our two air bases and our land forces base.

The Kuwaitis rely on consensus for most decisions, so they are very slow in coming to any positions. Recognizing this, the Kuwaitis never ever wanted us to come to them asking permission to do something. Just do it and keep them informed. If someone later questions what happened, the Kuwaiti leadership would simply say that the Americans did it. Blame them.

I recall numerous occasions when I would get formal instructions on this or that. I would simply respond that the Kuwaitis concurred, and then inform the Kuwaitis. Washington was amazed how quickly I got responses, when they often had to struggle for days to get answers from other countries. I would always inform the Kuwaitis, and they never once questioned my judgment. I knew their interests, and if I knew an instruction may be coming that could indeed cause difficulties, I would get it revised before it came as a formal instruction. It was a system that worked unfailingly.

I say this to emphasize the importance of having ambassadors who understand the culture, the society, the political dynamics and the nature of the U.S. relationship with a country. When I was PDAS, in looking at ambassadorial candidates, I always favored those who had served in a country earlier in their careers. I can't think of a single case where an ambassador who knew the country well did not succeed. It was a recipe for success.

And since you raised the issue of political ambassadors, I often find there is a correlation between those who know the country they are going to and success. Take the case of

Norm Eisen, currently ambassador to the Czech Republic. He was a bona fide political operative, a friend of the President, but he also happens to be of Czech descent, speaks the language, knows the country, knows the culture and understands as well as anyone the history and priorities of U.S.-Czech relations. There are few if any FSOs who could match his qualifications and none for sure who have his White House connections.

In contrast to Norm, there are political ambassadors who barely know the name of the capital city, much less the culture, the society or the political dynamics. We here often about these, but rarely about the Norm Eisens who are out there representing their country with distinction.

*Q: Let's talk a bit about Kuwait when you got there. In the first place, the type of government it had and then the population.*

LAROCCO: Kuwait was an unusual emirate. It is an emirate, not kingdom. The Kuwaiti ruling family, the Sabah, go back to around 1776, interestingly. They were a chosen family, not a conquering family. They got the short end of the stick. When they drew straws or looked in their cups at tea leaves, the Sabah family lost. They had to stay home to take care of the women and children, run local affairs while the other families plied their wares east, west, north and south. They prided themselves on their sea trade and made names for themselves throughout the Greater Indian Ocean region.

As a ruling family, not a royal family, they were true servants of the people for hundreds of years. This changed with the discovery of oil, since the state became the primary source of wealth, not the merchants. Suddenly, the Sabah rulers were transformed from servants to the first among equals and eventually above – well above -- all the other families. Eventually, the power of the merchant families was neutralized, although the Sabahs made sure all the key Kuwaiti families and other groups were well taken care of. It is a welfare state with a capital W. The dependence of Kuwaitis on the largesse of the State is near complete. This holds Kuwaitis from leaving, since there is no American dream that can come close to what they can get in Kuwait as an entitlement.

*Q: Oil was discovered about when?*

LAROCCO: Back in the '30s, but World War II held back development until the late '40s. By the early '50s, Kuwait was the largest oil producer in the Gulf, and modernization moved swiftly in the '60s and '70s. I recall first visiting Kuwait in 1975, coming from Jeddah, and I marveled at how modern this city-state was. I recall first visiting Qatar and Abu Dhabi in 1977, and both were vast stretches of sand, undeveloped and uninviting. I truly wondered then if these heaps of sand could ever amount to anything. In my wildest imagination, I could never have conjured up the skylines of Doha or Abu Dhabi or Dubai. They are miracles of the past twenty years. But Kuwait was first, and held that spot for decades.

We think we have a dysfunctional government that can't agree on anything. Can you imagine what we would be like if all decisions were made by consensus? That was

Kuwait in the 1990s when I was ambassador. Kuwait, which prided itself on its parliament, over and over and over again faced gridlock. Kuwait languished while other countries in the region leaped far over it in terms of development.

*Q: Was there no way to break the power of the Sabah, perhaps the merchant families?*

LAROCCO: The merchant families have very little power any more. They eat from the same trough.

*Q: And the Bedouin?*

LAROCCO: The Sabahs have aligned with the Bedouin families, who they believe they can control, as opposed to the educated merchant families. This doesn't always work.

The third group, which I found the most interesting while I was ambassador, and remains so in my view, is the Islamists. They do exercise a good deal of influence, and I would say that the Sabahs pay more attention to them than others. Of course, they do their best to buy them off money wise, but they also have to buy them off when it comes to social issues as well. There is no going around the Islamists.

You have not mentioned the occupation of Kuwait by the Iraqis or the war of liberation. The war left Kuwait devastated, not just the landscape, but the people as well. They all bore deep scars. There was not a Kuwaiti family spared in that war. As for the physical damage to the country, the Kuwaitis had a choice: they could either build a modernized Kuwait, a new Kuwait, or rebuild the old Kuwait. They chose the latter. I found this decision fascinating, and would love for a sociologist or anthropologist to explain. They wanted to go back, not forward. There was no talk of a "new Kuwait." They wanted Kuwait to look as much as possible as it had before the war.

What was remarkable was how fast they re-established their wealth. Keep in mind that the Kuwaitis had built up enormous sovereign wealth before the war, with funds perhaps totaling perhaps \$100 billion. The war and rebuilding wiped that out. But in a matter of years, the funds quickly piled up again. They were back on their feet and the welfare state thrived just as it had before the war.

Now they have hundreds of billions, as much if not more gained from investments rather than energy exports. The Kuwaitis have always been clever traders and investors.

*Q: What is the political system?*

LAROCCO: The political system is easy to describe but that description does little justice to how things actually work, or don't work as the case may be. I do want to underline yet again that Kuwaitis seek consensus. That may have been easy when you had recognized leaders of families, with a clear pecking order of stature, responsibility, respect and authority. The current diffuse system makes consensus impossible. Compromise and tradeoffs, the tools of any sustained system that has various interests vying for power and

influence, has been essential to Kuwait holding itself together. This, combined with the constant fear of takeover by other powers in the region, is a powerful incentive to work things out, even if that seems to always end up with the lowest common denominator.

The parliament, which is constantly needling the government, calling for what they like to call “grilling” of cabinet officials, makes life so miserable for the rulers that like clockwork, either the cabinet gets reconstituted or the parliament is dissolved, with new elections held. It has been a regular ritual since the liberation of Kuwait in 1991. And just like clockwork, if it appeared that the Amir was tempted to go around their constitution with exceptional actions, I would be instructed to remind Kuwait’s leadership politely but firmly that we expect the constitution to be respected. That was about the only time I would ever get a call from the NEA front office.

*Q: Let’s talk more about the time you were there. Why would the government fall?*

LAROCCO: Over a variety of issues, but most of the time it would fall over allegations of corruption. Let’s face it: there was a fine line between dividing up the patrimony, the way Kuwait operated, and corruption. I found it hard to tell the difference. But every now and then, some action by a minister would be labeled corruption, and the long knives would come out in the parliament. I’m sure this was exasperating to the leadership, since everyone had their palms out, including and especially in the parliament. I had to assume that they would pounce on a minister because he somehow wasn’t playing by the unwritten rules, namely he either greased the wrong palm or greased it too much.

*Q: I have to say my oral histories have tempered a bit over the years. Why can’t they be like us?*

LAROCCO: Like us? What are we these days? I used to describe our system as one of majority rule, with compromise the basis for successful governance. But now we are in an era of super majority rule. You need 60 votes in the Senate just to get to a vote. What do you call a system like that? And where can I point to consensus or compromise? How do you describe a legislature, the representatives of the people, who cannot deal with an economic crisis, but instead defer to an unelected group of elites known as the Federal Reserve Board to stimulate the economy and prevent collapse? How will this period be described by historians? What model are we setting for the rest of the world?

I feel great sympathy for our diplomats trying to explain the state of our democracy to foreigners as an ideal or model. It’s a fruitless task.

In the Kuwait case, seeking consensus is not only difficult because of the different groups, such as the Bedouin, the merchant families and Islamists, but also because it is a split country on religious lines, with perhaps 65-70 percent Sunni Muslim, 30-35 percent Shia Muslim. Complicating this mosaic is the reality that a good number of ethnic Persian Kuwaitis are Sunni, not Shia. It is far from being a homogenous society. For a city-state, it is a study in contrasts. Perhaps the closest parallel I was able to draw from was Venice. That city-state thrived and survived for almost a thousand years despite an

enormous diversity in its tiny land space, with a system of governance not all that dissimilar to what Kuwait had. The bottom line for Venice was no different than Kuwait: live long and prosper, with the emphasis on the latter. And just like Venice, they do prosper.

Islamic fundamentalists in Kuwait

*Q: Being next to the Eastern Province, the seed bed of Wahhabis and all, how about this fundamentalist movement there?*

LAROCCO: The Eastern Province was not the seed bed of Wahhabis, but another area of a Sunni-Shia mix. As few acknowledge, that province was originally part of the Kuwaiti dominions. The Brits, in their eagerness to curry favor with the Saudis, drew the lines so this area would come under Saudi control. They did this by calling a meeting of the tribal leaders but telling the Kuwaiti leadership that they need not come; the Brits would take care of all their interests. They screwed the Kuwaitis, but somehow did so without jeopardizing British interests and influence.

The Wahhabis were in the Nejd, the heartland of Saudi Arabia in the north. The light coming from there cast a long shadow, encompassing Kuwait. The fundamentalist movement was extremely strong when I was there and growing every day. I spent a lot of time meeting and discussing with the fundamentalists, and while most were simply religious, not political, some were moving in an alarming direction, embracing what has become to be called “political Islam.” It’s not homogenous, but it’s predicated on political influence, control and even domination.

I was particularly concerned with very sizeable donations from Islamic Societies (charities) and individuals going overseas, and discussed my concerns at length with the Kuwaiti leadership. This was before 9/11, so I was doing this on my own, without any instructions.

I was convinced from before my arrival that I must engage with the fundamentalists. With this in mind, I announced on my arrival in Kuwait that no alcohol would be served in my residence. This allowed for strict fundamentalists to come for lunches, dinners, receptions and cultural events that otherwise would not have come. .

I also surprised many fundamentalists by going to their diwanias, a unique Kuwaiti institution in which extended families host weekly open houses. Anyone can walk in and will be received as a guest. All diplomats with contact responsibilities take advantage of this open invitation, and I made the rounds to each and every of the 50 top diwanias at least three times per year. Some I attended as much as bi-weekly, especially if I knew some key leaders would be there or they were hotbeds of for political discussion.

I recall the first time I went to the diwaniya of the most prominent Sunni fundamentalist in the parliament. He had earned his stripes, having been tortured by the Iraqis during the

occupation, and he was highly respected for his integrity, unshakeable ideals, patriotism proven during the war and a strict interpretation of Islam.

I entered the diwaniya room and was escorted to the host, who stood and shook my hand, but rather than being seated next to him, as was usual, I was taken to a position on the room-long bench type seating against the wall at 90 degrees from him. Two older members of his family sat on either side of me. I made no mention of this clear decision to put me far away from the host. I engaged the two long enough to finish my tea, then gave my salutations and said I needed to move on to the next diwaniya on my schedule.

I returned the following week, and was seated again along the wall, but a bit closer to the host. The next week I was placed as close as they could put me to the host along the side. After receiving my tea, the host addressed a question to me about women's right to vote. He opened his remarks by saying Kuwait would always be in America's debt, and no Kuwaiti, especially him, would ever forget that. But why is America, and especially me, interfering in Kuwait's internal affairs, and especially related to a social issue that America could never hope to understand?

I responded that America believed in democracy, and I would never apologize for defending democracy. This comment caught him by surprise, placing him on the defensive, not me. As a parliamentarian, how could he rebut that? He gathered his thoughts, and we began a spirited debate. Seeing this breakthrough, but wanting to show for the first time my discomfort over where I was positioned, I begged his indulgence and said I needed to move on.

The following week I was seated next to him and the place was packed. There were some journalists, and I told the host I wanted all my discussions in diwanis to be personal, not official, and as ambassador, it was extremely difficult to avoid being official. He laughed, and had the journalists escorted out. The next few weeks were wonderful, and soon I got more and more requests to come to fundamentalist diwanis. I recall I had to be out of the country for a week, and my host phoned the embassy to express disappointment that I had not come. My local political assistant explained that I was away, promising I would be there the following week.

I also recall showing up unannounced for the annual book fair hosted by the most prominent Islamic Society, an organization avowedly anti-American. My arrival threw everything into chaos. It was as if the sea had parted as I walked down aisle after aisle of books, occasionally stopping to flip through some related to foreign policy. After about fifteen minutes, the head of the Society showed up with an entourage, and escorted me into the exhibition center's offices. He said he was completely embarrassed by his failure to receive me when I arrived, but delighted that I showed his group such respect. He then escorted me for almost an hour, going stall by stall throughout the exhibition. When I left, he had his aides fill the trunk of my car with books, pamphlets and magazines.

My presence made front page news, and when the Society published a slick magazine about the fair, I was on the cover. The Foreign Ministry called me in to discuss this? Waz

up, they wanted to know? I explained that I sought dialogue and engagement. It was the right thing to do. They consulted with each other, and then responded that it was probably a good thing to do. Keep it up. This should lower tensions and lower the temperature of the anti-American activists.

Why engagement is so important

In truth, I didn't have ambitious goals in changing the hearts and minds of these folks. They were dug in. But at the very least, I wanted these groups to see that I, as an American, did not have two horns and a tail and could talk rationally and respectfully. I would defend our interests vigorously and without apology, and expected them to do likewise. I must say that I also enjoyed it. I like passionate people, and they were certainly passionate, all with the spark of righteousness in their eyes and fires in their bellies.

I recall that early in my career, Hume Horan, my first DCM, commented to me that the old adage that "you have to drink the tea" in dealing with those in the region was wrong. The adage should be "you have to drink the tea, enjoy it and be perceived as enjoying it." I never forgot those words.

I am a person who believes strongly in engagement, if that is not already obvious from our discussions these past two years. I believe the upsides in almost every case outweigh the downsides. It's essential to get to know each other as individuals, what is the context, what motivates them, what are their mindsets in order to avoid demonization and dehumanization. And they need to know where we are coming from, why we do what we do, what motivates us. That's step one in engagement.

Step two is familiarity, developing empathy, not sympathy. I can empathize with someone while still finding what they believe and say odious and unhelpful to our interests.

Stage 3 is understanding not just the meaning of what each is saying, but the context and what I like to call "texture." Once there is understanding, the likelihood of mistakes being made diminishes. Understanding is a powerful tool in preventing conflict from moving toward kinetic action. In the end, you may still fundamentally disagree with each other and continue your war of words, but this kind of war is far preferable to the kinetic one.

Of major importance to me was talking with Kuwaitis about terrorism. It hadn't been "discovered" in America quite yet, but the terrorist acts in the region were front and center, felt by all of us. From Al-Khobar to Yemen to Nairobi and Dar es Salaam, our region was aflame. Our embassy in Kuwait was viewed as one of the top three targets, and a number of attempts by terrorists had been thwarted. On arrival at post, I had focused on protecting our mission as job 1, and I took a lot of heat from our community because of the extensive protections we put in place.

Embassy Kuwait a top target for terrorists

Our embassy compound was new. We had abandoned the old compound downtown, which was totally unsecure, as I noted earlier when I was stationed there. Our new compound was in an undeveloped area outside Kuwait City, with one side adjacent to the sprawling Bayan Palace Compound of the rulers, another a huge vacant area that was not going to be developed, and two sides with new residential homes, but with a setback of about 200 yards. This arrangement led me to focus on perimeter security, since we could easily keep bad guys at a safe distance. We added layer upon layer of perimeter security, and I am convinced to this day that terrorists, including Al-Qaeda, who had us under surveillance, eventually concluded we were simply too hard a target. I felt this immediately when I saw two soft targets in East Africa, Dar es Salaam and Nairobi hit.

I wanted to make everyone working and living inside the compound feel comfortable and secure, and we worked hard to provide that environment, including plenty of recreational facilities and activities. I was therefore not surprised that when a dozen housing units were built on the compound, there was a long line of families and even singles who wanted to grab them. Over the years, we added more and more units, and this process continued after my departure.

We also had a scare from reports that Kuwait would be hit by Iraqi trainer aircraft dispersing anthrax. It reached hyper proportions. It was truly as frightening as any horror novel. I opted to receive the anthrax inoculations, and encouraged everyone at post to get them as well.

There was an even more vocal backlash to my appeal than there had been over my security upgrades. I brought out the State Department Director of Medical Services, and he gave a very persuasive presentation, using some very graphic photos of anthrax victims. I was the first in line to get my first shot. I then held a town hall meeting which was packed. I addressed head on the questions on security and anthrax. I spoke from the heart. I said that throughout my life, I had always tried to think of consequences, of what might happen based on my decisions. In the cases of security and anthrax, my decisions were easy ones. I pictured myself after an incident taking a phone call from a loved one in the U.S. who asked me the toughest question of all: did you do all you could to protect my loved one? I knew that I could not provide 100 per cent protection, but I had to be able to answer that question with a clear conscience.

After that town hall, I was never questioned again, and an amazing 70 per cent of our embassy community took the anthrax series of shots. I had made it clear to all that anyone who was truly fearful should consider going home. There would be no questions asked, no second guessing, no hard feelings or recriminations. My experience in Beijing had been instructive in this regard. Some people simply are not cut out for intense situations. Some did leave, but they were few in number.

As for myself, I had no choice regarding my security. It was downright oppressive. Everywhere I went was pre-checked, guarded and monitored. I had a lead car, follow car, and a fully armored vehicle to ride in. In those nearly four years, I was never once

allowed to drive. I hated it, but knew I was a prime target on the one hand, and also had to show an example that I myself practiced the highest levels of security. In reality, however, I had no choice. The RSO mandated all this protection, and one has to be very sure to overrule an RSO. I would only do this when I was convinced I was right and when no one else from the community was watching or listening. The integrity of the RSO is vital to any mission.

I am convinced to this day that the security that we put in place in Kuwait is why we were not hit when we were considered one of the top targets and Dar es Salaam and Nairobi were hit. They were soft targets. They gave up on us and went elsewhere.

Living in Kuwait: high morale

Despite these security concerns, I can say in all honesty that this was the highest morale mission I served in during my career. I believe that just as Tel Aviv had such low morale because expectations were so high for people coming to post, Kuwait had such high morale perhaps because expectations were so incredibly low for people coming to post. They found Kuwait a wonderful place to live. All amenities were there, it was a clean, comfortable city, with excellent shopping centers, laid out California style. All the American fast food restaurants were there. Housing was excellent, our admin section was the best organized I had ever seen in responding to work orders, and our local staff was first rate. We also drew a lot of support from the American military, and this added significantly to our quality of life. We had a very busy calendar of social activities at the embassy compound, so there never was a shortage of things to do. And Kuwait itself had such a large expatriate community, that people found clubs or groups for virtually any activity.

My passions were mountain biking up in the Mutla' Ridge area and golfing at The Ahmadi Golf Course, a sand golf course with oiled sand for greens (they were called "browns) and a tarmac for the fairway. We carried around a square of artificial grass which we could hit from if we landed on the tarmac. If you went off the tarmac, you were doomed to the most god-awful terrain, with rocks and sand and lizards and brambles. While a great tee shot could take your ball 400 yards to the brown, a bad shot could lead you to oblivion. I never saw anyone shoot par on that course.

It was so hot in Kuwait – the hottest capital city in the world – that we would have to head to the golf course before dawn, teeing off at the faintest of light. By 7:30am, the sun temperature (keep in mind there was no shade for a normal shade temperature reading) was already approaching 120 degrees Fahrenheit, so we would finish wherever we were on the course. It was still great fun, and we could play a round and get to work by 9.

Mountain biking in the sand was always an adventure. My guards knew where all the land mines were left over from the war, and there were millions of them, so we kept to the well-worn trails. Biking on sand is a learned science, and while it can be a muscle buster going uphill, flying down a sand hill uncontrollably is exhilarating. I recall one time I hit head on a boulder concealed in the sand. I went flying headfirst over the

handlebars, landing on my helmet. I emerged from the sand with blood flowing from my forehead. My guards were aghast, until they saw me smiling. Let's do it again, I shouted. They were not amused, but they were relieved.

Many of our staff took to the sea, sailing and scuba diving. Others jogged in the early morning, others played tennis or squash, many swam at our pool or pools in Kuwait, and indoor activities included everything from card clubs, mainly bridge and poker, to darts and family get togethers for kids' games.

We had so many memorable all-nighters, from round-the-clock work related to Operation Desert Fox, the Y2K fiasco, the Bush-Gore elections, the Marine Balls, Super Bowls, Halloween parties, etc. It was a wonderful family post, and the single folks all joined in, including and especially soldiers away from their families. They didn't need to go back to America to see America. It was right there at the embassy.

Kuwait was an ideal place, in my view, because unlike so many countries, where you have to adjust dramatically to the culture, this was unnecessary in Kuwait. I think of Cairo, where I liked to say that to survive and thrive, you had to become 80 percent Egyptian. Even in Rome later on, I felt you had to become 60-70 percent Italian or you would grow to loathe the place. In Kuwait, you could be 100 percent American and do just fine. Because South Asians had replaced the 400,000 or so Palestinians who were expelled from Kuwait following the war, English was dominant. Even the Kuwaitis had to all learn it, and many learned English before they learned Arabic.

On the other hand, if you wanted to wade or even immerse yourself in the local culture, the Kuwaitis warmly received you. A good number of us took advantage of the diwaniya open houses, as I noted earlier. Kuwaitis pondered over what they called their duality – their izdiwajiya – namely having one part of their character firmly rooted in their local culture and traditions, but also a solid basis in Western education and culture. They were completely comfortable with this, especially since they recognized it was necessary for their own survival and success.

#### Working with the military: Operation Desert Fox

During my time, our post more than doubled in size. The challenges of Iraq, Iran, and terrorism were growing by the day. Our military presence was the fastest growing. Interestingly, while the three bases were under the authority of the CINC, our senior military representative was stationed at the embassy and reported to me as well as the CINC. His staff in the embassy was fully integrated into the country team. This was unique, and it worked so smoothly I was grateful to Skip Gnehm who set up this system in the aftermath of the war. Ryan Crocker, his successor and my predecessor, had to fight to retain it, and I had to as well. A lot depended on the key personalities working well together, and I must say that I felt our troika – myself, the CINC, Tony Zinni, and our commander at post, P.T. Mikolashek, never had any problems we could not work out swiftly and to everyone's satisfaction. I am confident in saying that all three of us knew

each other's priorities, and we went beyond our own briefs to advance each other's interests.

I also worked very closely with Tommy Franks, who was the ARCENT Commander at the time, namely the commander of Army forces. His HQ was in Atlanta, but he visited often. While he was clearly uncomfortable with my relationship with General Mikolashek, and suspicious of me (and I of him), we eventually developed a good working relationship, which was essential during Desert Fox.

*Q: What was Desert Fox?*

LAROCCO: Desert Fox was a four day operation, major attacks into Iraq to reaffirm and strengthen the no-fly zone in southern Iraq. For months, the Iraqis had been taking provocative actions, and it was decided that they must pay a price for this.

*Q: Who was doing it?*

LAROCCO: Iraqis. They were shooting more and more at our planes that we were operating in the no fly zone so we decided to take out a lot of their air defenses and other facilities. This was the forerunner of shock and awe. It lasted four days. I think people, and clearly some of the Kuwaiti leaders, were hoping we would take down Saddam once and for all, but that was not the intent of the program. I think it was actually very successful in terms of setting the Iraqis back on their heels, a foretaste of what we were capable of delivering. We were able to continue our no fly zone operations largely unimpeded after that period, until we eventually went to war.

Kuwaiti relations with their neighbors

*Q: How did the Saudis feel about the Kuwaitis at the time? Was there much Saudi influence?*

LAROCCO: The Saudis were the big brother, still are. If you asked Kuwaitis at the time, and I did, most would not want to talk about Saudi Arabia. It was the name that could not be named. I developed a particularly close relationship with some, and when probed, would sigh and say, that if you ranked the threats against Kuwait, Iraq would be number 3, Iran number 2 and Saudi number 1. All three believe we belong to them, the Kuwaitis would say, but the Saudis covet us most. And if we had a choice, it would have to be the Saudis. They would leave us alone as long as we toed the line. As things are, when the Saudis cast an eye in our direction, we sit up and pay attention. We always look to them first, but we also have to balance this with the reality of trying to maintain some kind of non-threatening ties with Iran and Iraq. It isn't easy, although it's made easier with the U.S. as our biggest brother.

They understood that the U.S.-Kuwaiti relationship was a strategic one that served both our interests. The relationship had no binding roots, only interests, which is why they had

to always keep their antennas up regarding their neighbors. How this little city state has endured for so long is a story of geo-politics and strategy deftly handled.

I like to tell audiences that for their homework, they should look at a political map of the world of exactly 100 years ago. Then look at a political map today. It is startling how many borders changed, how many new countries have emerged, and new ones keeping popping up. Think of Kosovo and South Sudan.

If my audience is interested in the Middle East, I ask them to look at a political map of the region 100 years ago, then at a map showing the changes after the Ottoman Empire collapsed and Sykes and Picot drew new lines. Despite all expectations, those borders have endured...for nearly 100 years. That surprises many people. At the same time, they are equally surprised when I predict that those borders will change, perhaps dramatically, in the next 20 years. This always generates lots of discussion, with sensitivities running high. I never mention what might happen, because so often, people in the region conclude that this is some sort of American plan or conspiracy. But they know exactly which borders are not sacrosanct, including internal ones in various countries. Those borders separate ethnic, political and religious groups in countries like Iraq, Syria, Lebanon, Yemen and even Jordan.

*Q: What were the Iranians doing in Kuwait back then?*

LAROCCO: They were running all types of operations that kept us busy watching them and trying to counter them. The Iranians were extremely active there, and the Kuwaitis did little to stop them as long as things were done relatively quietly. It was a tough situation for the Kuwaitis, and they had to rely on us in some cases to even keep them informed. The Iraqis had been pushed out, and the activism that characterized their presence in Kuwait before the war was gone. They had no presence, official or unofficial. The Kuwaitis had full diplomatic relations with the Iranians, and I would say that the relationship was “correct,” neither warm nor cold. Officials traveled back and forth, delegations met, business people interacted. It was active, but not warm.

*Q: What about the United Arab Emirates? Did the Kuwaitis feel one with them?*

LAROCCO: Not at all. The UAE was a friendly country, a country taking off, while Kuwait was standing still and a country much more conscious of their neighbors, all three of them, breathing down their neck. The UAE’s obsession was Iran, and whenever I went down there, it was Iran 24/7. They no interest in Iraq whatsoever, except for the positive role the UAE saw Iraq playing as a Sunni-controlled country that thwarted Iranian ambitions.

They had less to bring them together than one might expect, but also nothing to make them enemies. This was not the case with Bahrain. The leaderships were kin, descended from the same roots, and both shared “a Shia problem,” Bahrain much more acute than Kuwait. Interaction between the two was warm without any sense of competition. The

Bahrainis were so dependent on Saudi Arabia, and this actually made the Kuwaitis feel better about their own situation.

The Kuwaitis detested the Qataris, who they felt were acting too big for their dishdashas. Kuwaitis rarely get angry in the presence of an American, but one of their most senior officials called me in one day to blow off steam about the Qataris. Hamad bin Jassim, then foreign minister of Qatar, had flown in for a few hours to “lecture” the Kuwaiti leadership, my interlocutor said. He noted that at one point, he turned to Hamad and warned that Qatar’s behavior would one day be put down harshly by the Americans. And the Saudis would pile on. According to my interlocutor, Hamad smiled at this, commenting that he had the Americans and Saudis checkmated. The Americans would allow Qatar to say and do anything it liked, no matter how much it drove us up the wall, because of the massive air base and command and control center the Americans had established there after being kicked out of Saudi. At the same time, with the Americans so deeply embedded in Qatar, the Saudis couldn’t do anything.

Is that true, my Kuwaiti interlocutor asked? I simply responded that our actions, or inactions, would provide a clear answer to that question.

Oil, investment, finance

*Q: How much did you get involved with Kuwait in oil politics?*

LAROCCO: For both of my assignments to Kuwait, which totaled six years, energy issues were always a major issue. Oil prices, in particular, were always on the minds of our leaders, and we would not hesitate to weigh in with the Kuwaiti leadership before every OPEC meeting. I recall several quiet visits to Kuwait by then Energy Secretary Bill Richardson, who you may recall from this oral history had worked with me way back in 1973 in the Congressional Relations Office at State, who jawboned the Kuwaitis on oil production levels and OPEC policies. Bill was a master at backroom, one-on-one politicking.

We also carefully and meticulously recorded Kuwaiti exploration, production and export of all energy products. They were not the swing producer, Saudi was and remains so, but they were important. And from time to time, they would have an active oil minister who would play a key role in OPEC discussions.

Keep in mind that with the fall of the Soviet Union, the only thing close to a real existential threat to us was and remains to this day a cut off of significant oil supplies. This in fact would be a threat to the entire global economy. And so much energy trade flows from the Gulf. If that were cut off, oil prices would soar to almost unimaginable levels. Even as we become increasingly energy independent, the price of oil is not in our hands. It is a world price, and if there is one barrel of oil too many in the market, the price goes down, one too few, the price goes up. And that marginal barrel is produced and shipped in the Gulf. Our energy independence will not diminish the importance of our strategic interest in a stable, secure Gulf region.

At the same time, we at the embassy spent a lot of time tracking Kuwaiti sovereign investment, especially related to their sizeable investments in the U.S. The building we are in right now – the U.S. Coast Guard Headquarters – is not owned by the U.S. Government. It's owned by Kuwait. The extent of Kuwaiti direct and indirect investment in the U.S. is enormous, whether as part of their sovereign investments, institutional investments or individual investments. Kuwaitis for years have been earning far more from their investments that they have from their oil exports.

I was always very active pressing for them to continue their investment in the United States. We want those petro dollars back here in America, whether in direct investments that create jobs, or in property like this building, which may never have existed without their funds. Our dollars have been flowing out from our country for decades as our consumption demands have skyrocketed for essentials as well as desired commodities and goods. If the day comes when the countries who take in our money see no reason to send them back, whether for products and services or in the form of investment, including our Treasury bills and various bonds, we will see yet another global financial crisis.

Of course, since the Kuwaitis did have billions of surplus dollars, I often received instructions to do some tin cupping with them for this or that cause. The Kuwaitis rarely responded with a yes, much less a knee-jerk yes. They analyzed every request and often said no. They were not an easy sell when it came to handouts.

#### Gulf War POWs and MIAs

I was also dual hatted as the U.S. lead negotiator on Gulf War prisoners of war, in which case I went to Geneva three or four times a year for various meetings chaired by the ICRC..

*Q: What was the prisoner of war issue?*

LAROCCO: The prisoner of war issue related to the unclosed files on POWs/MIAs from the Gulf War. There were hundreds of Kuwaitis who were taken to Iraq and never returned, dead or alive. There were a number of Saudis as well. There was an American pilot named Stryker who was shot down in one of the first sorties. He was listed as MIA since his remains were not found. It was known that he had ejected, but it was considered unlikely that he had survived the ejection. The reality was that the likelihood that any of the people we were talking about were POW's or MIA's was remote, but as long as they were unaccounted for, their loved ones kept hope alive. I spent a great deal of time with the organization in Kuwait that worked with these loved ones, and the emotions ran deep.

#### Jimmy Carter and the Kuwaiti POW families

I must relate perhaps the most moving occasion related to these families. Jimmy Carter and his wife came to Kuwait, primarily on a mission to seek Kuwaiti funding support for the Carter Center charitable works. He and I spent three days together, and we spoke at

length about many topics. I came away with the impression of a man deeply contemplative, a mystical, religious man who cares about people with a passion, but struggles himself to find answers. I had never met anyone quite like that except in books on medieval thinkers. He seemed to have walked out of an earlier era, much, much earlier.

I suggested he visit the families of the Kuwaiti MIAs, recognizing his natural ability to bond emotionally and sympathetically, especially with the less fortunate. We went into a room with a selected group of families, who related their heart-wrenching stories. He listened attentively, and then it came time for him to speak. He spoke of his brother Tom who had been MIA in the Pacific during World War II. He was declared dead, his family mourned. Then, thirteen years later (if my recollection is correct), he appeared out of nowhere, returning to Georgia. You can imagine how wide the eyes of his Kuwaiti listeners became. They cried, they smiled, they hugged. The room was electrified with emotion, hope and encouragement.

It was only after this unforgettable encounter, when we were back in the car that Carter told me the rest of the story, namely that Tom's wife had remarried during the period of his absence. She was young, of course, and he had been declared killed in action by our authorities. It was only natural that she would move on with her life. There was really not a happy ending to this story.

I relate this because to the Kuwaitis, the POW/MIA issue was a top priority. They wanted the cases closed, and they were getting no cooperation from the Iraqis. Neither were the Saudis. The Kuwaitis were able to get the ICRC to oversee the talks primarily by generous donations to the ICRC. Let's be frank about that. The talks were held 3 times per year at ICRC facilities.

Interestingly, the way the table was arranged was as a square, with a wide gap in the middle separating the four sides. At the front of the room sat the ICRC representatives. To the left, that side was occupied by the Kuwaitis and Saudis. At the far side, opposite the ICRC, were the British and other Europeans. Curiously, on the side across from the Saudis and Kuwaitis, were the Iraqis and us...the Americans. Yes...we and the Iraqis were seated next to each other on the same side.

This arrangement thrust me into frequent conversations with the Iraqis, and we got to know each other well. To be honest, while progress was nearly indiscernible from any of our rounds of talks, what little progress was made was thanks to my private discussions with my Iraqi counterpart, an Iraqi Ministry of Foreign Affairs Undersecretary named Riyadh Al-Qaisi. We developed a relationship of trust such that at the end of one meeting, I announced that rather than the lengthy and tortuous time we would usually spend writing up the minutes, Al-Qaisi agreed to draft the minutes himself as the rest of us went to lunch along the lake. It was a glorious day, as Geneva can experience in the summer, and all the other delegates were stunned at this announcement but delighted. Hardly a word was changed from his draft. Once again, the lesson to me was clear: engagement may not lead to agreement, but it does lead to at least better understanding.

In this case, it led to a much more calm and professional set of discussions, and eventually to the point of missions to check out certain sites in Iraq where it was believed the remains of our pilot and some Saudis were possibly located. The ICRC was delighted.

I got to know Geneva and how the ICRC (the International Commission of the Red Cross/Red Crescent) works. I have a great admiration for this organization and its people. They take on the toughest jobs, doing their best to keep their mission focused on the humanitarian issues, but always fully cognizant of the political context. They can be tough and unbending, as their mission and values dictate, but they always endeavor to keep their activities as much as possible out of public debate.

At one point, the Kuwaitis got the approval of the United Nations to hold a hearing on the POW/MIA issues. I was asked by the Kuwaitis to accompany them to New York and to testify, acting in a personal capacity as a “friend of the plaintiff”, so to speak. I sent a message back to State Legal laying this all out and requesting permission to play this role. I saw no conflict of interest, and State Lawyers agreed.

Our week in New York introduced me to the UN, some of the key officials there at the time, as well as key representatives of countries. We met with Kofi Annan, who displayed an insincere interest, the French representative, who brilliantly played up to the Kuwaitis as he wriggled around French support of the Iraqis. And then there was a long meeting with the Russian UN representative, Sergey Lavrov. He was one of the most polished diplomats I had ever met. He epitomized that old saying that a diplomat is one who can tell you to go to hell in such a way that you look forward to the ride. He was smooth as silk, never getting trapped despite a barrage of allegations from the Kuwaitis. His answers were all plausible, and you almost had to slap yourself into reality to escape his entrancing narrative. I knew then that his career would place him center stage for Russia and the world.

I was a featured speaker at the UN meeting. The room was filled, and the questioning of me was tough. I had decided to stay focused on the humanitarian side of the issue, answering all questions by deflecting them to a humanitarian angle. I was surprised how well this worked. There was simply no way for even the most hostile questioner to avoid agreeing with me. In the end, the committee decided to launch an investigation, to see if it was possible for the UN to make a statement or play a role in this issue.

The Kuwaitis were delighted, and I had pocketed for future use a nice education on dealing with international organizations. This served me well when I was later Director General of the MFO.

The 10<sup>th</sup> anniversary of the liberation of Kuwait

The capstone of my time as ambassador in Kuwait was the tenth anniversary of the liberation of Kuwait. You see that photograph over my desk with George H. W. Bush, Colin Powell, Schwarzkopf, Scowcroft, Tommy Franks, all of these other military officers? They all came at the invitation of the Kuwaiti government for this

commemoration. It was a truly moving and unforgettable event. I was able to convince Powell and Bush that we would have a big ceremony at the American Embassy, which is not an easy thing to convince somebody to do.

That ceremony and related activities, including the opportunity to spend time in my residence with President Bush and his delightful wife Barbara, Powell, Scowcroft, Schwarzkopf and others, all in the context of triumph and gratitude, was one of those unique Foreign Service experiences. I must mention the exceptional work of our young Public Affairs, Officer, Susan Ziadeh, now ambassador to Qatar, who orchestrated the events magnificently.

The Kuwaitis, contrary to what you might think, are not big on ceremonies. They are still desert people who love sharing tea with family and friends, just chatting. The idea of a sit down meal at a table western style is a form of torture for them. When they host an event like this, it is formal, quick and quiet. There is none of the Chinese boisterousness (wonderful conveyed in the Chinese double word *rere naonao* – literally translating as doubly hot and noisy, that is to say, a fun environment to spend an evening). It's quick, businesslike, done.

The Kuwaiti leadership tribute at the Bayan Palace included invitations for just four of us to lunch. We expected this to be an intimate lunch, so we were surprised when we were escorted into a large room with a table seemingly a mile long. The Amir was in the middle, Bush across from him, the rest of us arranged in close proximity. It took me awhile to realize that the table contained virtually every adult male in the ruling Sabah family. I then realized that all the Sabahs were arranged in order of seniority. There were key elders I had never met who were seated close to the center, and some of the younger Sabah ministers waaaayyy down the table. I never would have guessed the pecking order on my own, but there it was, all arranged before my eyes. I memorized as much as I could and wished they had taken an official photo. But they didn't. And we were not allowed to bring cameras with us.

Before I departed Kuwait, I did a long analytical piece on the Sabah family. This was prompted not only by this event but also the major shakeup going on within the family. I will talk about this later.

*Q: Was this the time there was an alleged plot to kill the president?*

LAROCCO: No, that was many years prior, in 1985. I am talking about February 2001, the tenth anniversary of the liberation of Kuwait. As you may recall from our earlier discussion, I was director of the task force on the Kuwaiti war of liberation ten years earlier. For me this was really quite an honor to be in Kuwait at this time.

Arafat and the Kuwaitis

*Q: What about the Palestinians?*

LAROCCO: They were gone.

*Q: I mean, really gone or were there residues?*

LAROCCO: There were residues, but very small residues. When I was in Kuwait in the early '80s there were as many as 400,000 Palestinians. They did all the professional work, from engineers to teachers to project managers to key officials in banks, the bureaucracy and even the oil business. So when I came back, I was shocked. We had one Palestinian locally hired employee still working at the embassy and there were some Palestinians I had known before who were given Kuwaiti citizenship for their loyalty during the war, but keep in mind that many Palestinians cheered the Iraqi troops and some allegedly aided and abetted the mistreatment of Kuwaitis at the hands of the Iraqis.

I do recall that just before departing Israel, I paid a farewell call on Yasser Arafat. At the time, 1996, his office was no longer in Gaza. It was now in Ramallah, not far from Jerusalem. I walked into his office which was full of strap hangers, petitioners and aides. He motioned me to come behind his desk and sit next to him. I did. He grabbed my hand and held it for the next twenty minutes as he alternated his work with conversation with me. I am definitely not into holding hands with another man, and Arafat's hand, like the rest of his skin, was gecko-like, translucent, spotted, puffy...as yucky as you could possibly imagine.

Over the years, I was accustomed to male hand holding and kissing. Arafat was regarded throughout the Arab World as "Malik Al-buss" or King of the Kiss. He kissed everyone, and all over their heads, from forehead to nose to cheeks. I never ceased to be stunned and amused watching him. But holding my hand for twenty minutes...I deserved a plenary indulgence after that.

When I mentioned to him I was going to Kuwait as ambassador, he flew into a rage. "My taxes, my taxes, my taxes," he shouted, wagging a finger in the air. He instructed me to get the tax money the Kuwaitis owed the PLO for years but never paid. Keep in mind that Arafat at one point lived and worked in Kuwait, and the PLO was always very active there, until the war. Arafat himself had sided with the Iraqis, so the Kuwaitis were not about to reward him with anything. He was dead to them, to use a phrase from The Godfather. I made no commitment to Arafat to get "his taxes."

*Q: One can understand the Palestinians overwhelmingly seemed to support the Iraqis but*

LAROCCO: Indeed they did. They chose poorly and paid the price.

*Q: But you wipe this class out, you are taking away all your skilled people running things.*

LAROCCO: Again, that's yet another explanation why they essentially had a moribund economy after the war while the rest of the Gulf was booming. They lost a huge chunk of their productive class of experienced, skilled, hardworking people, delighted to be

making a decent living in Kuwait. It was win-win. The Palestinians were replaced by Egyptians and South Asians, neither of whom came anywhere close in ability to the Palestinians. I believe this indeed held the Kuwaitis back.

*Q: Are they making a point of either dividing the expatriate group up to keep them from getting together or are they being able to insert trained Kuwaitis?*

LAROCCO: They do have trained Kuwaitis, but keep in mind that it is a relatively large economy compared to the number of Kuwaitis. They overwhelmingly depend on expat labor. It was true 30 years ago when I was first there, 15 years ago when I was ambassador and still true today. Of course, this is no different from any of the other Gulf States.

*Q: I lived in Dhahran for two and a half years and that's what we were doing in Saudi Arabia.*

LAROCCO: Americans are no different than other expatriates in these countries. You come there; you can make a lot of money if you are working for the right employer. But you are always no more than hired help, either highly paid hired help or not so highly paid.

*Q: Was there an exodus, not exodus but group of Kuwaitis going to get educated in the United States?*

LAROCCO: Exodus is not an appropriate word. Many Kuwaitis were educated overseas, and this was a long tradition. The UK seemed to be the favorite destination, but a good number were educated in the U.S. as well. The Kuwaitis wisely sent their students to smaller colleges in smaller cities. They learned English much faster there and they had fewer distractions.

*Q: Did you have any feel that this educated group of Kuwaitis was bringing back with them sort of American ideas, vis-a-vis women?*

LAROCCO: Yes. You simply cannot come to the U.S. without absorbing a good deal of our mindset, our culture, our way of life. I have always felt that there is simply no substitute for bringing people to the U.S. The wild misimpressions people have of us cannot be dispelled by lectures or concerts or visitors or movies. Just bring them to Washington and take them to Pentagon City. They will see every race, creed, color of American, they will see families enjoying life, and they will feel a sense of freedoms that is simply not duplicated in their country or almost all others. Seeing our melting pot firsthand leaves lasting impressions, almost always very favorable. It also usually leads them to try to emulate some of our best practices.

We kept a list at the embassy, as best we could, of all the Kuwaitis who had been to America. It was a long list. They were our target audience. As I said, telling America's story to the world to a Kuwaiti, or almost any foreigner who has not been to the U.S. is

like trying to teach us about a remote country we have never visited. You simply can't feel it, breathe it, smell it, and understand the mindsets, the habits and the context. By bringing together Kuwaitis who knew something about us, we could build on that, updating them on changes in America, debating policies, talking about our bilateral relationship.

That's where embassies play a role that is so vital. We keep engaged with those who know something about us. We don't let them fall back into the conspiracies and misunderstandings about who we are, what we stand for and how we go about our relationships.

Engagement. I keep returning to this word since it has also meant so much to me when it comes to serving my country.

Kuwaiti women and their rights

*Q: How about women going to be educated?*

LAROCCO: Oh, yes and among the smartest Kuwaitis were women. They drove cars, they owned businesses. They were some extraordinary financiers and investors. While I, as a man, was limited in my outreach to Kuwaiti women, I developed excellent contacts with many prominent Kuwaiti women during my years as ambassador.

Do you see that silver Kuwaiti dhow, or boat, on my shelf? If you look closely, you will find the first names of nine Kuwaiti women. They gave me that as a farewell present, all coming to my residence to express their gratitude for the work I had done to help move closer to securing their political and economic rights. This did not happen during my time there, so I felt I didn't deserve this. But I treasure it, especially now that they have secured many of the rights we fought together for.

*Q: Did China play any role?*

LAROCCO: At that time, no.

*Q: Where was China getting its oil?*

LAROCCO: China was getting oil from Kuwait and the rest of the Gulf, but in those days, while its thirst for energy was growing fast, it was still limited. The Taiwanese were just as active as the Chinese during my time in Kuwait. The Japanese were the most active of the three. The Japanese had the contract for the production of oil in the Saudi part of the neutral zone. Texaco had the contract for the Kuwaiti area. I was very close with all the oil companies, including the European and East Asian companies. It made sense. These guys had so much inside information about what was going on in the sector and even in other areas of importance to my understanding of the situation in Kuwait.

*Q: With the embassy you have this protected embassy but how about your officers? Could they get out and do their work? Was this a problem?*

LAROCCO: I had the finest team of officers, and they blanketed the city-state. The Kuwaitis welcomed us, and we had a political officer at the parliament every day, our economic and commercial officers rarely at the embassy as they interacted with the bureaucracy and with all the private firms, Kuwaiti and American. One of our junior officers even learned Kuwaiti Arabic fluently. He was a darling of Kuwaiti society.

Keep in mind that in those days, we didn't receive page after page of instructions and demarches every morning when we came in. And even when we did receive demarches, most of them we just faxed over to the foreign ministry. We had such a good relationship that often we knew exactly what the answer would be and did not even need to consult. I believe I talked about that earlier regarding my own relationship with the leadership. It wasn't that much different for our section chiefs and mid-level officers.

When I think now of the team I had, not just from State, but also from the other agencies, I know I made the right decision to choose Kuwait when the opportunity presented itself to be ambassador. I won't mention names from other agencies, but I know I already mentioned General Mikolashek. All our military commanders at the three bases in Kuwait at the time became not just excellent colleagues, but also good friends. I must confess that the friend part came about because oddly enough, all of us were practicing Catholics. What are the odds of that happening? One commander baked the bread for communion, another prepared the readings, and I did the music. I even composed some sacred music to be sung at mass, something I had always wanted to do. It was wonderful for my family and other families. We had a community spirit at our masses every Saturday afternoon, which was when we did Sunday mass, since Sunday was a full working day, and even Friday was at least a half day most of the time.

*Q: When you talk about clubs and all, I found that our time in Dhahran all sorts of things going on. These were sort of home grown which made them more fun.*

LAROCCO: Exactly. There was something for everyone. The Brits were the best at forming clubs for this or that, organizing concerts and plays, and they welcomed our full participation. We were best at organizing sports, from softball to biking to water activities. There was never a shortage of things to do.

*Q: You left in 2001?*

LAROCCO: 2001

*Q: Whither?*

LAROCCO: I was supposed to finish in 2000. I had planned to go to Northwestern University in Evanston, Illinois where I was born, serving for several years as a diplomat-in-residence. My plan was to retire, and then take a position NU had offered to me. All

was lined up, my pack out date was one week away, I had gone through months of farewell diwanias and dinners and parties, and then all of a sudden the nominee to succeed me, a colleague of mine from the Senior Seminar, ran afoul of then Senator Jesse Helms. I was told he would not get confirmed, and since I was “serving at the pleasure of the President,” and since that pleasure was for me to stay another year, that was that. So I stayed that fourth year, a very eventful year that it included the 10<sup>th</sup> anniversary of the liberation of Kuwait and a leadership crisis in Kuwait.

### Kuwaiti leadership crisis

I talked about one but only referred to the other in our earlier conversations. The crisis occurred when the Crown Prince, who had been deteriorating for years, became less and less able to fulfill his duties. It was also clear that he, as the leader of the Salem branch of the Sabah ruling family, was not going to succeed the Amir. What occurred was a power play by the Jaber branch of the Sabahs, almost castrating the power of the Salems. As you might imagine, there was enormous pressure on me and some very senior Americans, who I will leave out of this, to intervene. After all, the Salems had been known to most favor the U.S. liberation of Kuwait and stand with us throughout and afterward.

I decided that it made no sense whatsoever for us to intervene in any way, even verbally, in this family dispute. I believe it was the right choice, even though it was painful, since many of the Salems had become good colleagues. My council to other Americans was heeded, so this transition took place with minimal fanfare and no scars between us and the new lineup of Kuwaiti leaders.

As I also noted earlier, I wrote a long analytical piece on the Sabahs, including the prospects for the future of what took place. When I returned to Washington, I was called over to the CIA and presented with a certificate and medal to honor my contributions to their work in Kuwait and their understanding of the Kuwaiti situation. I had no idea before this that the Agency did such things. Both the certificate and medal are here in my office.

### Stirring the pot in Washington: the issue of Foreign Service secretaries

Before I get back to talking about my departure in 2001, I must mention one more thing that occurred while I was ambassador. A cable came out from Washington noting that after due deliberation, it had been decided to reject the appeal of Foreign Service secretaries, or office managers as the proper term, to allow a select few to reach the rank of FS-3. Now keep in mind that this is the level of a mid-ranked Foreign Service officer, one I had achieved after my first tour in Saudi. I was outraged by this, since I knew so many Foreign Service officer managers who had enormous responsibilities, had the experience and skills of an executive secretary for a CEO, and wielded considerable authority within a mission or on the seventh floor in Washington.

In response to that message from Washington, I sent a long cable with a global address indicator, meaning it went everywhere, to all diplomatic posts. I not only argued about

the wrongness of the decision, but also noted the distinction between Foreign Service secretaries in the field, especially in hardship posts, from civil service secretaries in Washington. The response from Washington was instantaneous: they wanted my head on a platter.

To be honest, I was prepared for the consequences. I had written what I believed in, and if this stirred up the pot to a boiling level, so be it. I went home that evening – a 30 second walk from my office – expecting to be recalled as ambassador and sent packing. That evening, very late Kuwait time, I received a series of phone calls from a number of senior officials in Washington. The most important one was from Undersecretary Pickering. Once again, he had intervened in my career. In this case, he told me to continue to go about my business. Kuwait was an extremely important account and I should not miss a beat. This matter was internal to State and will stay there. My relationship with the Kuwaiti leadership made my staying focused vital. I appreciated that, as you might imagine, but he made no promises as to how my problem would be resolved.

I later was asked to return to Washington and was escorted in to see the Secretary. She clearly had her talking points, but only dwelled on them briefly, dressing me down as only she could (although not as roughly as the legendary Kissinger tirades). Most of our time together, she groused about the Kuwaitis not supporting us enough in international forums. I made no response other than to say that I would work on it, which was the right answer. If I had told her the truth, namely that the Kuwaitis would respond favorably to every request we made on the security front, but would always side with the non-aligned in international forums, which were their long-standing tradition, she might have gotten even angrier.

I was then escorted into the office of the Undersecretary for Management, Bonnie Cohen. We were alone, and the large office was dimly lit. We sat down, and she just stared at me. She said, you know, Jim, you are one of those bright and productive officers who break crockery. Now go back to post and don't break any more. I saluted smartly.

I later met with Pickering and the Director General, Skip Gnehm, who had sworn me in as ambassador. The latter was truly an emotional meeting. All I can say is that Skip assured me my record would stay clean and that I should stay focused. He kept his word. Mentors, patrons...mentors, patrons...I can't emphasize enough how important this was during my career, and how important I personally believe it is for all FSOs, from entry to retirement, and beyond.

#### Reshaping Employee Efficiency Reports (EERs)

I took advantage of this meeting to press an important issue to me that I had been working on for years. I had repeatedly found that Employee Efficiency Reports, EERs, too often were poorly written and in fact reflected a disconnect between the rater and the rated officer. I don't know how many times officers would come in to me as DCM in Tel

Aviv and say that their report did not convey what they had done, did not reflect their priorities, did not capture their strengths and their achievements.

I was sick and tired of hearing this, so over the years I did considerable investigation. I concluded that far too many supervisors were the culprits, either too preoccupied or too dismissive of EERs to write accurate, well-written reports. I therefore decided as ambassador to Kuwait to require that all officers draft their own work requirements, not wait for a supervisor to do this, negotiate and sign them, and then write a first draft of the supervisor's statement on their achievement by the end of the first quarter, discuss it with the supervisor, prepare an updated draft at the end of the second quarter and so on. This put the onus on the officer him or herself, but also forced the supervisor to sit down quarterly and review the officer's performance. All too often these kinds of discussions never occurred at all during the course of a rating period.

I discovered that all of our reports were in superb shape, ready to go in final on April 16, only one day after the end of the rating period. All of our reports were in on time in Washington, and they were flawless. The first year I did this in Kuwait, we had the highest rate of promotions globally. I felt I was on to something big.

I presented my conclusions to Skip, who reacted initially that this was against the regulations. I said I understood this. But please look at the reports, I pleaded. When officers write about what they did, that's what they write about. They leave out all the fluffy, nauseating adjectives describing their performance. They simply give the facts, tying them clearly to the skills sets.

I believe this approach was instrumental in the decision by HR to have officers above a certain level, write an initial full-page statement describing their work performance in their annual EER. I consider this an important contribution I made to eliminating so much of the misunderstanding I had experienced in these reports, misunderstandings that often held back good officers unfairly. The supervisors responsible for the misunderstandings and the poorly written reports never paid any price for that.

*Q: Back to your final departure from Kuwait*

In early March of 2001, a successor was nominated. It was printed in the Kuwaiti newspapers, just like the announcement the previous year, and as you might imagine, after the experience of the previous year, no one believed it. This didn't bother me, since I didn't have to endure months of farewell parties.

At that point, I still wanted to go back to Northwestern, but that offer had evaporated. Northwestern was understandably not keen to face the prospect of what happened the previous year happening again. Since I had decided as a matter of principle that I would never again seek to be an ambassador, since I felt strongly that second or third time ambassadorships should be limited to only the most senior missions, I applied to be director of AIT.

The Middle East was in the doldrums, as the second Palestinian intifada had ground so much to a halt. I saw the Far East as the land of opportunity, the Middle East as the land of problems, so why not go back to Taipei? HR dithered and dithered and dithered over this, since the incumbent director wanted to stay even though senior leadership in Washington was insistent he move on. Week after week I got the same answer from HR: I was the candidate, but we can't move forward until the incumbent's departure is confirmed.

Then one day I received a phone call from Bill Burns, who was ambassador in Jordan at the time. He told me he had been selected by the new Secretary of State, Colin Powell, to be Assistant Secretary for NEA, and Bill wanted me to be his Principal Deputy Assistant Secretary. I was stunned. I had no inkling that Bill would call on me to do this. He knew so many officers, why me? He then told me that the Secretary had given him full authority to assemble a new team, and in addition to me, he had already confirmed that David Satterfield would be the DAS for Israel, Egypt and the Levant, and was working on Ryan Crocker to be DAS for the Arabian Peninsula and Iraq. He asked if I might call Ryan and nudge him to accept.

I must say that Bill Burns, as I may have noted earlier, is not someone who it is easy to say no to. Unlike Baker and his slammed book, Bill wasn't into drama. He didn't have to be. He somehow created an atmosphere in which you simply did not want to disappoint him. It was an amazing ability he had, and it was most effective in one-on-one conversations. He conveyed a sense of integrity and sincerity unmatched by anyone I had ever met. He also conveyed a sense of caring, really caring, about you and what you were saying, that totally disarmed his foreign interlocutors. He was the finest diplomat I had known after Tom Pickering, although their styles were very, very different.

I told Bill I would get back to him. If I would say yes, I would see what I could do to persuade Ryan. I admitted that it would be a great team: four ambassadors experienced in the region. I couldn't recall a front office like this in any regional bureau.

I called HR again expressing a sense of urgency on the AIT job. I got the same answer: we are working on it. I checked again a few days later, and finally concluded that enough was enough. I called Bill back and said yes. Bill being Bill, he assigned me a bunch of work related to my new assignment, which placed me in awkward position with the incumbent P/DAS, someone I highly respected who had done an excellent job for months as Acting Assistant Secretary.

My saying yes to Bill took place on a Friday. On the following Monday I got a call from HR saying they were ready to move forward on me for the AIT job. The road not taken. I have absolutely no regrets, since my years as P/DAS in NEA were the most eventful of my career, far surpassing in workload, demands and daily decisions even the 24/7 work I had as DCM and then Charge in Tel Aviv.

*Q: We will pick that up the next time. This would be 2001?*

LAROCCO: Summer, 2001.

Principal Deputy Assistant Secretary, Near East Bureau (NEA), Washington, 2001-2004

*Q: We have just left it where you have accepted the job of P/DAS for NEA. A P/DAS is 'State Department-ese' for the principal deputy assistant secretary for the Near East. P/DAS stands for the number one and this is with Jim Larocco.*

*Jim will now explain to us what the P/DAS for Near Eastern Affairs does and could I have the dates too?*

LAROCCO: I was the P/DAS from June of 2001 until June of 2004. That's a long stretch for a P/DAS. After my departure, there was a different P/DAS every year for the following four years. In fact, our front office team of Bill Burns, Ryan Crocker, David Satterfield and I stayed together for a long stretch. Ryan was the first to leave, called to Iraq to put together an Iraqi interim governing council following the establishment of our Coalition Provisional Authority.

The P/DAS job in NEA is arguably one of the most challenging, grinding, unrelenting, and thankless but rewarding jobs at State. I would be presumptuous saying so myself, but when I was promoted to the rank of Career Minister (CM), which was totally unexpected, I asked several of the panel members how I could be considered against my peers who held much more senior positions. I was told that the panel considered my job one of the most challenging, equal in responsibility and higher in pressure and challenges than almost all others. I was told that in the voting, I had ranked second, so I was not even on the cusp for selection to CM.

*Special section: The crisis in the Foreign Service*

I must say that I am like the vast majority of FSOs, who in the words of Richard Nixon, receive far too many "psychic rewards." He said this in response to a question why there was no move to raise our pay. With Nixon in the White House, I entered the Service with a starting pay of \$11,000, which was at the top end of entry level officers.

Some took offense at his remark, but to be honest, so many FSOs I have known viewed what they were doing not as jobs, not even as careers, but as a lifetime profession, a noble profession like membership in an elite guild of the Florentines, specialized, arcane, skilled and unique. We were in many respects the embodiment of Renaissance ideals in the modern age, enlightened not through ideologies, but through reason, empirical knowledge and tested experience.

I know this sounds odd in the modern age, but I honestly feel that the art of diplomacy has never changed: there is no substitute for skill, the human, cross-cultural touch, and repeated experiences tested and applied in personal encounters, whether with individuals or groups. It's about engagement, building relationships, building networks of influence and most importantly, building trust.

The very notion that we can conduct our diplomacy successfully through cyber space or via untested politicos or posts populated with first tour junior officers is absurd and downright dangerous to protecting and advancing our nation's interests.

I am deeply concerned about the current state of our diplomacy, and during the past ten years, repeatedly weighed in with State leadership to recognize the dangers. To begin with, the onset of two wars that have sucked up our people and resources for more than a decade spurred the highest rate of new hires in a generation. Unfortunately, much of that hiring took place from 2003-2007, a period when our economy was still offering fat salaries to the best and brightest young people coming out of college and grad school. The number of applicants for the Foreign Service was down, but most disturbingly was the quality of the applicants. I recall a meeting I had at my request with the Director General appealing to him to curb hiring, as this would have a long-term impact on the service. He readily admitted that not only had the standards of hiring been lowered dramatically, but in a stunning remark, commented how appalled he was that those applicants simply couldn't write.

But hiring went on. When Hillary Clinton became Secretary, I sent a long message to one of her aides, citing three areas I recommended she focus on. One was restoring our nearly vanished role in international economic and commercial affairs, which was such a prominent feature of our diplomacy when I joined in the 70s. Some of our greatest officers during that period were giants in international economic and commercial diplomacy. In the decades that followed, our roles had been taken over by Commerce and Treasury. State had a far back seat. While I never got a response to my message, I was delighted to see that in her first speech as secretary and in her first actions, she put great emphasis on restoring State's active role in advancing our economic and commercial interests.

My second recommendation was to put a temporary halt to new hires. The economy had collapsed in 2008, and I fully expected that not only would there be a huge jump in the number of applicants for the Foreign Service, but that the quality would soar to its highest level since the economic downturn of the 1970s. It was a repeat of my own experience in joining the service. I further recommended that the tenuring process be tightened to ensure that those who underperformed in their first few tours were indeed weeded out rather than be pushed on and up for an additional 20 years in the Service.

That recommendation was not followed, and from visiting countless posts, I must admit there is a huge swath of now mid-grade officers who bear no comparison in terms of skills to the junior officers who have been hired in the past four years. In recent years, we are indeed attracting and hiring the best of the best. But they report to supervisors who cannot serve as mentors or patrons.

In pleading for rigorous usage of the "tenure board" to weed out as many of the sub-performers as possible, I argued that this would provide a clearer path for these new wonder kids, many of whom were experienced and mature, in their late 20s, early 30s,

many with multiple years of overseas experience, either in the military or jobs abroad, with several languages already under their belts. My recommendation again was not followed. I fear that the service will be saddled for a generation with the officers I reluctantly but must honestly denigrate. My hope is that the outstanding junior officers hired in the past four years will be recognized for their skills and potential and leapfrog the subpar group into positions of responsibility.

My other concern relates to the mass exodus of experienced officers of my generation, the baby boomers. There are only a few of us left, and statistics I have seen show that the vast majority of FSOs today have no more than three assignments on their record. At the same time, the generations right after my own (and I consider a “foreign service generation” as approximately 5-7 years), have seen their ranks depleted by early resignation before they reached the senior ranks for a variety of reasons, some for better jobs, but many for personal reasons, including and especially family situations.

With so many foreign service officers often with spouses with good jobs in Washington, the prospect of separation can lead to the decision to either take LWOP for years, which is disruptive, a sideways career of jobs that repeatedly keep them in Washington, which does not fit our up or out system, or resignation, especially if they have the prospect of a decent job in Washington. At the same time, as the number of unaccompanied posts has soared since 9/11, many simply see years of separation from the families as not the life they signed up for.

All this points to a gap in our highest quality, experienced FSOs for our senior ranks. While it’s always possible to find a body for a job, I keep witnessing senior jobs vacant for many months because many of those experienced, proven officers who normally would fill them have left the service.

In my view, the Service is at a crossroads. I am not surprised to see recent books and articles analyzing the sorry state of State and the Foreign Service and recommending a complete overhaul. Dan Serwer’s recent book “Righting the Balance” is one such effort. I don’t agree with his prescriptions, but I commend him for taking this on and bringing the issues more into the spotlight. A more pointed book that should be read by everyone interested is Larry Pope’s “The Demilitarization of American Diplomacy”. Larry draws from many years of experience, including his Charge assignment in Tripoli last year filling in after the tragic death of Chris Stevens.

In my view, the only way to right this ship is to start from the top. Unless the President makes it clear that our national security and foreign policy success depends on having the best corps of professional foreign policy planners and practitioners who will be deployed, listened to and relied upon to carry out those tasks the President directs, provides for a structure that reinforces his or her directions and enforces a discipline up and down the ranks, we are all whistling in the wind.

If the President and the Congress viewed our Foreign Service as a “Special Forces” in both peacetime and war that support and in fact multiply the combat readiness of our

armed forces, our business community, our strategic interests and our values, from democracy and human rights to free markets and non-proliferation, I believe we could achieve what no reports, including the much touted QDDR, could achieve: matching missions with resources.

It's time for the foreign policy system to be overhauled. Our structures are dysfunctional, our proliferating missions are not matched by resources and so many of our officers have not learned basic Foreign Service tradecraft as a result of multiple tours in Iraq and Afghanistan, two very non-traditional assignments. Unless the remake is done soon, I see State sinking further and further into irrelevancy. They will be there to clean up messes, but the irony here is that if and when messes occur, as in Benghazi, it will be our leaders who pay the price. A system that works may not prevent more Benghazis, but it will have answered the question I always bore uppermost in my mind as ambassador in Kuwait: should something happen, will I be able to say to loved ones (or in this case, Congressional investigators) that I had done everything I could to minimize risk while carrying out our mission.

Let me be clear and specific: This cannot be done without a formal process, directed by the President and presented to the Congress for their affirmation. It starts with a National Security Policy Directive defining the national security structure, including and especially reaffirming in policy as well as structure and practice the role of the National Security Staff similar to what Obama and his first National Security Advisor, Jim Jones, outlined. These turned out to be mere words; they were never followed.

Rather than the NSS playing a coordinating role, it played a leadership role, and in so many cases, practitioner roles as well. These became the norm rather than exception. I have had ambassadors tell me that during even mini-crises, they would receive instructions, yes instructions, from as many as six different sources, most in the White House. This is dysfunctionality in the extreme, command and control run amok. Discipline in instruction conveying must be enforced if our envoys are to be able to convey accurately what we want.

*Special section: The Crisis in our Foreign Policy*

And this brings me to the very core of today's crisis in national security and foreign policy. We have no central narrative to guide our envoys, motivate our friends, and discourage our enemies.

Whatever we may feel about ourselves, we are perceived as a country living in fear, not confidence.

Whatever we may believe, we are perceived as a country withdrawing from the world because of that fear, not prepared to engage, to lead, to support.

Whatever we may believe, we are perceived as a country not just without a rudder, but without a mast, not a ship on course aiming to reach that city on the hill, or a manifest destiny, or an American dream. There is no narrative.

Al-Qaeda has a clear narrative, concise and brief, understood by all its followers and seductive to recruits. What is our narrative? We had a compelling narrative throughout the Cold War, and we stuck to it. Since then, and especially since 9/11, we are reactive, not proactive, tactical, not strategic, defensive of our present, not “in charge” of our future.

This President, as his legacy, should bring together our best minds, inside and especially outside the Beltway, to draft this narrative, a new Declaration, grounded in our founding principles, pointing the way forward, showing the American people, our friends and especially our enemies, where we are determined to go.

This narrative should be translated into actionable policies and strategies. At State, each Regional Bureau should draft a simple one paragraph narrative tailored to their region, with specific guides for each sub-region and each country. The foundation of all diplomacy is bilateral diplomacy. Make no mistake about that. That diplomacy too often these days focuses on putting out fires, handling the crisis at the moment, beating the news cycle. Instead, there should be clear guidelines for the conduct of our diplomacy with that country and related to that country. This makes it clear to that country where they can work with us or what they are up against.

Think of just a few examples. Syria: what is our narrative? What is our strategy? How do we define success? If that is too hard for even our best minds, let's start with an easier one: how do we define failure? There have been no answers to any of these questions. We are in a contain and mitigate mode, which leaves our fate largely in the hands of those who know what success and failure mean, and are determined to achieve one and avoid the other. You can be damn sure the extremists operating in Syria know exactly what they want and exactly what they don't want. We see the complete lack of any unity by either the Syrian opposition or our so-called friends resisting the Bashar regime. Our leadership is missing in action, and this has left an indelible impression in the minds of those in the region that will be hard to dispel.

Egypt: I need not dwell on this. We have confused almost everyone with our silence and frozen-in-place stance. The absence of any narrative is at our own peril in the long run. We will pay a steep price for this, and when it comes time to pay, the next generation will vilify those who chose not to outline a narrative that defines clearly and simply what our values and interests are.

To be sure, the Egyptians themselves will define their path to the future, but if we don't shape that future to what we firmly believe are our values or interests, we will be shaped by an outcome that may well rebound against us. It's all about shape or be shaped. There is no neutral ground in the transition taking place in the region and globally.

I've said my peace. Let's get back to my new job as P/DAS in NEA.

*Q: Number one, explain what were the general outlines of what you were doing and what you were not necessarily doing and also could you when you took over the job, what was the obviously tranquil situation in the Middle East?*

LAROCCO: Let me start out with the responsibilities: basically, as the principal deputy assistant secretary, it all starts with a good relationship with your boss and those above him or her. If your boss and the seventh floor leadership at State have your back, you have enormous influence and authority along with the responsibilities which will be there no matter what. I was quite surprised when Bill Burns called me and asked me to be his P/DAS. Bill said he had the approval of Secretary Powell to pick whomever he wanted. I was in Kuwait. I said, "Bill, I don't really know you that well."

He said, "I know you better than you think." At the time he was ambassador in Jordan, I was ambassador in Kuwait. He said, "I have been following everything you do, I read all your messages and I remember what you did when you worked for Tom Pickering", as I noted earlier in this oral history. He said, "You were able to organize things and made them happen and that's what I need as my P/DAS. "You will have full authority. We are going to have Ryan Crocker and David Satterfield as the DAS's" and I said, "Wow. But those guys in so many respects are more senior and experienced than I am."

He said, "We will function as a team am confident we will work together well." In hindsight, it was a wonderful team to be on. And when I say team, I am speaking of the entire NEA bureau. I could list so many outstanding officers it would take up pages. Many are ambassadors today. Others are in senior positions in Washington. They were a joy to work with. I will never forget them and will always be grateful for their service to our country.

What the P/DAS does is make everything work. In a way, it is like the XO on a ship. But it is much more than that. I doubt the XO can pick the crew. The P/DAS has enormous influence over personnel decisions, and if I were highly regarded or hated for anything among the NEA family, it was my work to form and shape the entire NEA roster, in Washington and in the field.

In making things work, the P/DAS has a near constant role working with all the elements of the State Department and the interagency community, including White House staff. Working effectively requires building a strong network of trusted interlocutors. I had learned from the master, Arnie Raphel, and immediately set to work building those relationships. At the same time, I always kept in mind Arnie's ideals of "The Mother Bureau." It reminded me of how the military builds esprit d'corps from platoons to divisions to each of the armed services. I was determined to do the same with NEA: we would be more than just a team; we would be a family that took care of each other. If you were loyal to us, NEA leadership would be loyal to you. I admit I might be a bit pushy when it came to assignments, making offers people couldn't refuse, but I always kept in mind not only the needs of the service, but also their own professional development. If I

sent them to a miserable place, I pledged a decent onward assignment and always did my best to ensure that happened, working directly with HR and the Director General.

I also placed high priority in bringing more females into NEA and into leadership positions. I always felt that outstanding professional female diplomats actually had an edge in the Middle East. In many places, they were treated as a “third gender.” Host government officials and others didn’t know quite what to do with them. As a result, they were never pigeon-holed. They could use their skills in a variety of creative ways. They could also get into female society, which often was blocked to male officers in the Middle East. When I look on the line up of female officers we had in NEA, many of whom are ambassadors today, I feel a particular sense of pride. They are a key part of the mosaic that represents America.

So Bill was the captain, the one who truly used all his skills and talents to shape the policy and the doctrine of that period. All of us in NEA did our best to support him and those above him in every way possible.

When I came on board in the early summer of 2001, the situation in the region was tense, but we were not into any crisis mode. For the Middle East, things were relatively quiet. This was not normal for NEA. There are always crises. There are supposed to be crisis. This is NEA, after all. Everyone used to joke that we were permanent tenants at the Ops Center because we always had a taskforce or two up there for something or other. That’s another thing the P/DAS had to do: make sure that we had the Ops Center task forces properly staffed and running well.

Now if you recall, I ran the Ops Center taskforce for Kuwait during the Kuwait liberation war, so I was familiar with the way the Ops Center operated, what it could do, what it couldn’t. I took special care to pick staff that would quickly understand what was needed and would solve problems, not cause them.

A couple of things I want to point out about the summer of 2001: Bill was frequently in the region and Ryan didn’t come until late August, so we were a very undermanned front office. We were therefore grateful it was unusually quiet.

The lead up to 9/11

I want to mention two things about the summer of 2001. First, there was a Washington Post journalist by the name of Glenn Kessler. He called on me, clearly angling to write a report about how short staffed we were, a negative piece with the angle that the new administration didn’t really care about the region and didn’t know where we were going. I was very frank with him. Yes, we are undermanned, yes, it is relatively quiet, but no, we know exactly where are headed. To be sure, it seemed odd to come to an NEA without papers flying and people running here and there, but we still had plenty to do.

So I said, “You know, Glenn, what I would do if I were you? It’s the summer doldrums, a downtime for the newspapers and the media when cub reporters and interns get to do

bylines, but you can not only provide a great service to the public but also make a name for yourself if you do a three-part series on the looming threat at terrorism. I told him that I had been around terrorism my entire career. I had just come from an area where the threat is felt every day. And it's growing.

I concluded by saying that while I was not an analyst, so I couldn't direct him where and when the terrorists might hit, I felt it in my bones: there was going to be a major terrorist attack. For my part, I was consulting with our missions in the region every day, reviewing the threat situation and making sure everyone was prepared. But in coming back to Washington, I was baffled that terrorism seemed missing in action in the media. No one was even thinking about it, much less prepared. He could fulfill that function, and in the process become an "instant expert," sought out for his obvious skill and prediction and his proven knowledge of this largely ignored issue.

He was totally dismissive that terrorism was a suitable topic for the media. He still wanted to focus only the sparse staffing in our bureau and our seeming lack of priority and focus. "

I thought I had given him a great scoop. He wasn't interested. He was ill served, and so were Americans, inside and outside the Beltway. They would have truly benefited from a three-part series in the Post that August. And he would have become the most sought after journalist in Washington. The road not taken.

What I didn't tell him is that I was constantly monitoring the threat situation under a great deal of pressure from a senior official at the White House to do something. They were absolutely convinced that American interests were going to be hit and hit hard and dramatically, likely in Saudi Arabia.

We were drowning in threat information, but the consensus view of the analysts was that an imminent strike, if it took place, would be in our region. So I spent a good deal of time checking with our people. I never heard one word from the White House or from any other agencies indicating that the threat might be right here, including just right across the river from where I was sitting.

*Q: Was there anything going specifically out there in the region?*

LAROCCO: There were so many "dots" out there that connecting them was a nightmare. I knew our region was a prime target, and so did all our ambassadors and RSOs. We were prepared as much as one can be while still going about our daily business.

The particular concern of the White House was not our missions, but rather American citizens. I was blunt with the White House in saying that we can issue Travel Advisories all day and night long, but at the end of the day, American citizens make their own choices. I knew from my experience in Kuwait that our consular sections and RSOs stay in close touch with American citizens, but just as I experienced in Beijing during Tiananmen, even with guns blazing, some Americans will choose to stay put. An

exasperated White House was not happy with me, and I eventually threw it back at them. Call CEOs, ring the alarms. They backed off. They wanted me and State to do the ringing. I honestly felt that we had done all we could to convincingly educate Americans posted overseas of the risks.

I perhaps engaged in a bit of overkill when it came to my correspondence with posts, but I felt an obligation to do it. I was continually on the phone, writing e-mails to all of our ambassadors and DCMs saying be careful. Be aware of your surroundings. Make sure your people are aware that there is all this chatter out there. Make sure you are well-read in by your reports officer, that you are on top of everything. Goose your relevant staff to stay connected with their sources. Once again, I could feel in my bones that something was going to happen. But where?

None of us thought it was going to be Washington. I kissed the ground when I came back to Washington, thinking my days facing the risk to my family from terrorism were over. Violence had followed me everywhere, everywhere I went through my career, including China. Now I have escaped it. I am done. Little did I know how wrong I was.

*Q: How were your ambassadors responding?*

LAROCCO: They were responding well. I think if you asked any of those that were ambassadors at the time, they would say that we had a very good dialogue about this. We were vigilant, aware and always seeking ways to minimize risk. Make your facility a hard target, your people aware of their surroundings, avoiding routines, etc., and the bad guys will look elsewhere. They seek soft targets with minimal risk of failure. Keep in mind that a number of our facilities had already been hardened under a program started perhaps a decade or so earlier. The Inman buildings, as I recall. They had proper setbacks, barriers and essentially were clear signs to the bad guys that they would have to work hard to get at us.

When I was ambassador in Kuwait, my biggest fear was a standoff attack, perhaps mortars fired from a long distance onto the compound releasing sarin gas, for example. With this in mind, we worked together with our military to train and drill for this possibility. Our after action report indicated that we might suffer some casualties if hit, but likely very limited if we followed the practices we developed. I thought we were in pretty good shape, consistent with what I always felt was the way the policy should be.

*Special section: Risk management, risk aversion and risk avoidance*

I am very critical of our current policy because I think we have moved away from prudent risk management in favor of risk aversion in many cases and complete risk avoidance in others.

*Q: What's the difference?*

When you move to that third category, risk avoidance, you can't do your job. There is no point in keeping a mission open. Risk aversion makes it extremely difficult to do your job well. You can only do the minimal. I have personally seen risk aversion SOP (standard operating procedure) at many posts, and risk avoidance carrying the day frequently at some.

I was extremely disappointed that the QDDR did not address adequately how to carry out risk management. The very notion of an "expeditionary diplomat" or so many of the tasks outlined in the document were pipe dreams in term of sustained operations and engagement and the development of lasting and trusted contacts in the absence of a clear policy defining and specifying risk management as the goal. To be sure, there are clear situations when risk aversion is wise and risk avoidance is the only option. But so many of our posts are governed by risk aversion or avoidance to a point where the job is either not done, or it is being done poorly. This does not serve our country's interests.

I do understand the necessity of protection, and I made Kuwait as hard a target as possible. As P/DAS, one my goals was to be so tight with Diplomatic Security (DS) that we were always on the same page. I was determined to take two of our posts, Beirut and Algiers, where our staff was locked down so tight by security procedures, and apply risk management. In the case of Algiers, a full investigation revealed that in fact we didn't need 19 RSOs there nor the severe restrictions on staff movements. In fact, DS was relieved to be able to pull out all but a few RSOs, since these veteran officers were desperately needed in Iraq following the fall of Saddam.

Beirut was much trickier, and we could only go so far. But we were able to get funding for facilities on the compound, more cars and drivers and put in place risk management guided procedures that led to our people getting more out and about. At the same time, it provided for more official visitors as well. I must admit that in the case of Beirut, this relaxation has been reversed with the spread of violence and threats from the war in Syria. It's unfortunate, but I nonetheless believe that this post still practices prudent risk management, despite the difficult conditions.

That first summer before 9/11, I spent a lot of time working with DS (Diplomatic Security), the Ops Center, the executive secretary and all our ambassadors to find the sweet spots of risk management. I felt we were well prepared if those dots came together in our region.

#### Focus on personnel

I also spent a great deal of time on personnel matters, reshaping the bureau, luring back to the Mother Bureau some of our best, stealing some stars from other bureaus and building each of our missions abroad and our country directorates in Washington. I can say this now, but I wouldn't have said it at the time. I kept a file folder on every officer I met. I had developed a template and I recorded my meetings with them, their backgrounds, their strengths and other things. I stayed in contact with as many officers as I could. I made it

clear that I would always be in the office every Saturday, and this was a good time to call and chat. Many took advantage of this.

I made it clear to contacts I had made in HR to keep me informed of good officers available. Send them my way. I will give just one example. A civil service employee in HR, who was one of the living treasures of the State Department, Cheryl Hodge, and for whom I had the highest esteem, gave me a call and said there was this guy, Bob Godec, temporarily posted there since he had no onward assignment. She told me she could feel it in her bones that this guy was truly special. She suggested I meet with him. I met with him immediately and hired him on the spot. He was just what we needed at a most difficult time. He handled the Iraq account so magnificently that his career took off. He stayed loyal to his new bureau, and we stayed loyal to him. He became an ambassador, something he probably never could have dreamed of when he was biding his time in HR.

I also had a bizarre experience at a post I simply won't name. It was outside our region, and I was there for a conference. After a meeting with the ambassador, my escort officer took me by the arm and said to come over the chancery. I was escorted into a room with the blinds pulled, and sitting there at a table were 6 officers. They told me their ambassador was abusive and dismissive. They couldn't take it anymore. They said they had heard that I take people in. Could I find something for them? I was dumbfounded, at first not knowing what to say. Thinking fast, I discussed with each of them their backgrounds, and sure enough, a number of them were outstanding officers. I worked the system back in Washington, they were curtailed and came to NEA. To complete the story, I am proud to say that the person who escorted me to that meeting is now an ambassador. That took guts for that person to do what he/she did.

Iran policy review in the summer of 2001

One other thing that happened that summer is truly of historical interest. It was decided at the top levels of our government that we needed to evaluate our Iran policy. Keep in mind that this was a new administration, at this point getting its feet on the ground, looking over the landscape of foreign affairs. This was before 9/11, and none of us felt the breath of the neoconservatives...yet.

Three of us came together to discuss Iran policy, options and how to best shape a document for consideration by the interagency community: Zal Khalilzad, then senior director for the Middle East at the NSS, Peter Rodman, Assistant Secretary at OSD, and myself. Drafting the paper took place during the course of the summer, with the principal pen in the hand of our staff, specifically one of our finest minds, drafters and policy planners: Don Blome. The final draft, at least in my view, was comprehensive in terms of our relations, recognizing the profound lack of trust between us and the significant constraints on either side to anything resembling a normal relationship. We nonetheless came up with a fairly extensive list of issues and interests within these constraints in which we could dialogue and address concerns we either both shared or were not crossing lines of sensitivities.

After all three of our agencies cleared the draft, a date was set for consideration at a Deputy's Committee, an interagency committee convened at the senior level just below the Principal's Committee. That date was...drum roll please...September 12, 2001. Needless to say, that meeting never took place, and it was never rescheduled. That document went into file cabinets, and no doubt remains there gathering dust. In all honesty, I think many of the points in that document are relevant today, perhaps more so than at any time in the past 13 years.

When I look at all the lost opportunities regarding our Iran relationship over the past 30 plus years, I find it vexing. In my firm opinion, almost every lost opportunity rests with the Iranians. Despite criticism from some that we have not reached out to them over the years, we have. One key attempt took place while I was ambassador to Kuwait. At my very first meetings with the leadership, I was asked to report to Washington that now was a time for the U.S. to reach out. The accession of Khatami to the Presidency boded well for a thawing not only of U.S.-Iranian relations, but Iranian-Gulf relations as well.

The Gulfies had determined that they would take their own initiatives, led by King Abdullah of Saudi Arabia. And he did. And so did we. I recall vividly our unilateral gesture to remove sanctions on Iranian exports of carpets, dried fruits and nuts. At first blush, I thought this was not a lame gesture on our part. But when I visited some of the diwanis of the Kuwaiti Iranian families, they were truly excited. They told me that these three areas were all labor intensive. Our gesture would affect literally millions of Iranians. Cool. Very cool.

The gesture was made amidst a great deal of fanfare. We waited and waited. Nothing. King Abdullah reached out to the Iranians as well. He waited and waited. Nothing. The Kuwaiti leadership commented to me that they truly had high hopes for Khatami, but it was clear that he never had the authority to carry out his changes.

Back to the summer of 2001. By the end of the summer, Ryan and David were on board, our offices were all fully staffed, and we were ready to face the usual busy September. Bill, for his part, had spent a great deal of time during the summer working to resuscitate the peace process, shattered by the second Intifada the previous year.

Peace process resuscitation, 2001-2003

*Q: When you say the peace process, in Near East talk that means*

LAROCCO: That means work related to the Arab-Israeli conflict.

Bill Burns

Bill is someone who believes not just with his mind but also feels in his soul the importance of a comprehensive peace for stability and security in the region, including and especially a sustained security for the State of Israel. He understands the strategic

importance to our country and how consistent this is to our values and the propagation of those values. There are few who can see this issue in the 360 degree way he does.

At the time, the peace process was in shambles. The failure of a new Camp David, this time in the waning days of the Clinton presidency and the launch of a new Intifada swept away almost all the good work of the 90s, including the multilateral initiatives, which I spoke about earlier. They all ceased to function with the exception of the regional water initiative, which clung to life barely via the research center in Oman.

Bill was determined to build from these ashes a new framework, focusing on stanching the hemorrhaging from the Intifada and providing new hope for Palestinian moderates and Israelis determined to not let the peace achieved in the 90s slip away.

Bill began putting the pieces together for a framework and roadmap that would be a new guide. He convinced the Secretary that this was worth the effort and worked with regional leaders, reluctant at best, to support a new initiative. They saw little hope for success, but were motivated as much if not mostly by a fear of total failure. The price to regional stability and security would be steep if that happened.

Let me state something again. Personalities do matter, especially in the field of diplomacy and negotiation. Bill conveys sincerity and integrity in such a compelling way that leaders believe in him, trust him, confide in him. Everywhere I go, especially today, his name is spoken with profound respect. He listens more than he speaks, but when he speaks, which is always in his quiet, deliberate way, people not only take note, they inculcate his words. I am convinced to this day that it was his personal relationships and the trust he build up with regional leaders that permitted a new peace process, however limited in scope and results, to emerge in 2002.

I have always been one of those who believes that having a peace process and the hope it brings, however modest the results, is far better than not having one. That seems so un-American; we want results. But wherever I served in the region, when there was a peace process, the temperature went down in our relationships, allowing us more time and latitude in pursuing our other strategic interests, regional or bilateral. This is exactly what happened from 2002-2004, as The Roadmap, as it was called, took pressure off everyone from our soldiers in Afghanistan to our diplomats in Rabat as our priorities shifted to the wars in the east.

### Breakthrough with Libya

Bill's role as a trusted confidant, however, was most manifest in his work on Libya. Two of our highest strategic priorities had been stymied for decades by Qadhafi: non-proliferation and counter terrorism. Libya, to be sure, was low hanging fruit, as some wags would say, especially following our invasion of Iraq. Qadhafi was clearly spooked, wondering if he was next. We took advantage of this, and talks with his regime, tried by earlier administrations, including Clinton's, which had not borne fruit, were now poised for possible success.

There were several key actors on our side, one from the Agency, the other Bill, in moving the process forward and eventually coming to closure. The trust that the Libyan leadership had in Bill's judgment was so manifest throughout the process. Toward the end, when the White House yanked Bill out to put politicians in the lead for the final talks, I marveled at Bill's modesty, even as he was getting constant phone calls from Libyan leadership seeking his guidance. He never took the credit, even though the credit was truly his.

At the same time, Bill took the time to meet regularly with the families of the victims of the Pan Am 103 disaster. He bonded with them, and they felt his sincerity. Once again, I believe his personal role in this key human element of the reconciliation with Libya was never fully recognized.

While Bill was engaging in these historic initiatives, he left me in charge of running the bureau. I never recall even a single instance in which he questioned my decisions. At the same time, we were of the same mind from the start on what we wanted the Bureau to be, how it would relate to the leadership on the Seventh Floor and how it would interact with other agencies, The Hill and the media. It was indeed seamless, and I will always be grateful to Bill for his own trust in me and clear guidance.

Engagement and trust: key to dealing with the Middle East

*Q: You mentioned something I imagine particularly in dealing with the Middle East because the problems there are so horrendous and the history is so horrendous, trust has to be an extremely important factor. The ability to convey trust because there is so much that we are talking about being a major power but way, way off somewhere.*

LAROCCO: Here's the thing with the Middle East; their innate distrust of us is profound. You can't measure it, it is so high. What is counterintuitive from this is that at the same time, their degree of trust in certain individual Americans is also almost immeasurable. George H. W. Bush, had earned enormous trust from many of the leaders in the Middle East, including the Saudis, and especially the Kuwaitis. I also know the trust the Chinese had in George H.W. He had taken the time to get to know all these people, walk in their shoes, and understand their concerns. He drank the tea and enjoyed it, and they saw this. They trusted him, and this particularly paid off in the Gulf War.

Bill had that relationship with virtually every leader in the Middle East he had interacted with. This was vital at a time where the same could not be said for the White House and when anger over the invasion of Iraq was widespread. Our policies as well as our practices were creating an even deeper mistrust than I had experienced at any time during the previous thirty years of my career.

People in the Middle East, from leaders to those on the street, can and do distinguish between our policies, our practices, our ideals and who we are as individuals. They have long loathed our policies, found our practices hypocritical with those ideals that they

admire, while bonding closely with certain individuals irrespective of the messages those individuals convey or the policies they must represent. It's the nature of the region. Those much vilified "Arabists," especially during the period right after 9/11, understood this. They had experienced it. Our leadership then and our leadership now do not understand it, with some notable exceptions.

You say how have we kept these relationships going all these years when there is all this distrust? To be sure, whatever the leaders of the region felt, they knew in their minds that there was no substitute for our leadership, our influence, and our actions. We were and remain vital to their security, limiting how far they can stray from us. They occasionally test the limits of our patience, but always pull back when they go too far.

At the same time, the security tether between us doesn't translate into positive actions to support our other interests. And vice versa. This is where the role of trusted individuals plays such a key role. Bill had that trust, I had that in certain countries, David Satterfield in others and Ryan Crocker in others.

What was particularly unique for the NEA front office was that all four of us had what I believe was trust not only from the Arab side, but also from the Israelis. We had all worked with Israelis for decades, and I had spent nearly four years of my life in that country. This is something that separated us, the four of us, from the so-called Arabists. We were not in that same category of those who had almost a missionary understanding of the culture, an understanding that seemed to outsiders as bordering on if not firmly embedded in clientitis: advocacy for the Arab position, particularly at the expense of Israel.

As P/DAS, I decided that Tel Aviv would no longer be populated by Europeanists. I worked hard to convince Arab world specialists to bid on Tel Aviv. This was successful, and continues to this day. I have found that the Israelis truly appreciate this. They want to interact with those who know the region, those who know Beirut or Bahrain rather than Brussels Barcelona.

And the same for North Africa. One of the things I did as P/DAS was to make sure in talking with the director general's office that we got first shot in placing NEA people in those countries. The bid lists for Morocco or Tunis, for example were a mile long. There were more bidders on positions in Casablanca, for example, than in all the post of the Gulf combined. I didn't want "refugees" from the European or African bureaus to get all these positions. For those from Africa, it was trading up; for those from Europe, it was taking "hardship posts." I considered this a form of personnel refugee-ism that was not in the long term interest of our relationships with these countries. They were members of the Arab League, were thinking about regional security issues, were tied to Jerusalem and the Palestinians, and looked east to Mecca 5 times a day.

As for Israel, I wanted our Arabists to walk in Israeli shoes, to get their perspective. I felt this was important not just for their own mindsets, but as they went back to the Arab world. I can tell you that whenever I went to Arab countries and they knew I had spent

four years of my life in Israel, I would get bombarded with questions about life in Israel. I felt this was an important element of creating a better understanding throughout the region.

*Q: Because that's the world.*

LAROCCO: That's the world we live in. That is the world of our foreign policy. You can't separate Israel from the region.

*Q: I've talked to many people who served in Africa back when just after the discovery of Africa in 1960 when all of a sudden these nations became independent and it was flooded with rather senior European serving officers who had made careers out of Belgian affairs or German affairs and they were sent to Africa as ambassadors and they didn't do well. The place was a mess. It wasn't Europe. It was too much of a shock for them.*

LAROCCO: As I noted earlier in this oral history, this was the same in Cairo when we were flooded with AID staff that all came from years of service in Vietnam. They simply could not relate to this new, alien environment. They fought the culture, and they lost. They were miserable and couldn't wait to get transferred. Of course, with Vietnam over, they had only alien cultures to go to. I feel strongly this was a reason why AID floundered in the 80s.

## Iran II

*Q: When you took over this job, you mentioned sort of a restart on Iran. What was the state of our non relationship from your perspective with Iran, including expertise, what's happening there and all that?*

LAROCCO: Again, we didn't initiate this policy directive in the summer of 2001. This came from the White House at the start of a new administration, and it made sense. Clinton had tried and failed, and every new administration, whether it's just hubris, believes they can do things better. To be sure, there were recognized limits, severe ones, on what we could do with a nation that demonized us as we demonized them, but within those limits the list of possibilities was quite long.

There was also the belief, and some of this was fed from both Arabs and Israelis, that the Iranian Revolution was doomed to failure. Young Iranians simply were not buying it, seemed eager for change, and their day was coming, some arguing sooner rather than later. It was those arguments that buttressed the belief that we could move this process of change along faster, especially appealing to young Iranians with our ideals as well as specific programs. We knew from poll after poll that Iranian youth held the U.S. in high esteem, far above the levels recorded in any other country in the region. In most countries, including Turkey by the way, we garnered less than 20 percent favorable ratings, and in some cases, the number was in single digits. In Iran, by contrast, the numbers as I recall were around 40 percent favorable. That was an astounding difference, and it made sense to see if we could exploit that.

At this point, Iraq was a big issue, as you know, but so was Iran. Both Iran and Iraq looked intractable looked like we were heading towards confrontation. But if we were headed for confrontation with Iraq, which seemed the more likely of the two, we certainly did not want to face confrontation with Iran at the same time. We hadn't factored in Afghanistan at the time, even though confrontation there was just around the corner.

This all came together for this new initiative to give a new administration another shot to see if we could ease the tensions with Iran. The nuclear issue was there as well. Where could we build relationships for the long-term? We weren't thinking short-term. We were thinking that we could develop a bond with this younger generation, all of whom had no memories of 1979, the Iranian revolution, what prompted it or the hostage crisis. We wanted to build bridges with the younger people and with those who we felt had common interest with us on issues like counter narcotics, natural disasters and many others which to this day pose significant problems for them.

On our side, we recalled that Iran was in fact a geostrategic partner of ours via the CENTO Treaty. In truth, they have never been natural geostrategic enemies. If anything, they have always been potential geostrategic partners. Think Pakistan. We have so little to bind us to Pakistan other than geostrategic interests. That's why we keep coming back to Pakistan and they to us, no matter how exasperated we get with their policies, or how exasperated they get with us. The split with Iran did not make sense from a long-term geostrategic perspective. Sustaining that split actually required some hard work on both sides, including the demonization I noted earlier. That potential keeps drawing both of us back for another round of probing, to see if the dough is ready. So far, it hasn't been. It might have been in 2002 and 2003, but it was not meant to be.

Change in Iran would come; we were convinced of that, but when? And what could we do to speed up that change?

What is the NEA Bureau?

*Q: Let's talk about NEA as a regional bureau.*

LAROCCO: From Morocco to Oman, basically the Middle East Bureau runs across North Africa and then runs up to Lebanon and Syria and then across to Iraq and Iran in the north and then down through the Arabian Peninsula. It is not a natural geographic division of the world. Our military, which tries to reflect geography, includes parts of NEA in three regional commands: EUCOM, AFRICOM and CENTCOM. And when NEA included South Asia, it cut into a slice of PACOM as well.

NEA has changed dramatically since it was created in 1909 as a geographic division running north-south reflecting what the Brits called "the Near East." Today it is best explained as encompassing the Arab world, minus possibly Mauritania and Sudan, but plus two non-Arab countries, Iran and Israel. Does this arrangement make sense? Maybe, but it also is dysfunctional, just like the military command dividing lines. Turkey, for

example is not included in NEA, whereas the Turks for the past ten years have been increasingly engaged in NEA issues, are seriously affected by what takes place on their borders, namely Syria, Iraq and Iran, but also farther afield, especially Israel, Egypt, the Gulf states and even Libya. We have a long agenda with them, but the European bureau is where the Turkish country directorate lies.

Just like the arbitrary lines of our combatant commands skew our policies, programs and relationships, so do the arbitrary lines of our regional bureaus. We are not well served by them when it comes to the seam line countries.

As you rightly pointed out, NEA had changed its line many, many times. When we remodeled our front office in 2003, I found a document on the founding of NEA in 1909. The Near East, as defined then, was essentially a north-south line running from the Poland and Russia all the way to Abyssinia. What was called Eastern Europe, and now Central Europe, was all in NEA. So were Russia, Greece and Turkey. I finally understood what “the Near East” actually meant. Today it is a meaningless term, and only tradition prevents its elimination. It should die. The term “Near East” is no longer in use internationally.

*Q: Let's start moving on. Had Afghanistan, Pakistan, and India; where had they been when you took the job as far as responsibility?*

LAROCCO: At the time, these three countries were in the newly created Bureau of South Asia. Of course, when I was Deputy Director for Pakistan, Afghanistan and Bangladesh Affairs back in the 80s, all three of these countries, and others in South Asia were in NEA.

*Q: When had that become a separate bureau?*

LAROCCO: It was during the '90s. It was the late Congressman Steve Solarz who really believed that the South Asia Bureau should be a separate bureau. When the split was formalized, the bureau was simply too small to warrant its own support office, so the administration of the bureau remained with NEA as a joint support office. It was renamed NEA/SA/EX, the EX standing for executive office, or the office for administrative support. Because of this, I still had to get very much involved in administrative issues since the pressure on the resources of that office were enormous, first with the invasion of Afghanistan and then with the invasion of Iraq.

Keeping that office from coming apart at the seams was no easy task. Eventually, the pressures became too large, and separate and large offices for Iraq and Afghanistan were established within each bureau. And even this was not up to the task.

Eventually, more splits occurred, all after my time, next with the creation of the Bureau of South and Central Asia (SCA), with CA hived off of the European Bureau. By the way, this was one of our many recommendations back in 1997 when I was running the Reform office for Tom Pickering. It made perfect sense back then, and I was delighted to

see it become reality. But...the Department wasn't done yet. Afghanistan and Pakistan were taken away from SCA and established as a separate office reporting to the Secretary, SRAP, or Special Representative to Afghanistan and Pakistan. . Since this office experienced a rocky history, everyone expected that Kerry would terminate it when he came on board. Instead, he said he expected it to stay in business until 2015, when the U.S. troop presence is stabilized. Jim Dobbins, who you mentioned earlier, is now running that office. Brilliant guy, following other brilliant SRAPs. But let's be honest: cutting out Afghanistan and Pakistan, the heart of Central and South Asia, from the bureau that handles India and the 'stans creates yet another stovepipe. I can't honestly say it has served its purpose, or serves any great purpose today. I particularly worry that India continues to be a seam line state, not just for our military, but for State as well.

*Q: I was wondering because of the Muslim focus of your bureau if you kept an equivalent to a watching brief on particularly Pakistan and Afghanistan.*

LAROCCO: During my time, yes. But let's be frank: we were up to our eyeballs in work post 9/11 related to our own portfolio. We honestly couldn't do much more than monitor and occasionally weigh in. We had officers like Ryan Crocker, myself and a number of others who probably had more relevant experience in that slice of the world than many who suddenly were thrust with the actual responsibility for that region. We indeed did our best to be helpful, and I must point out that it was Ryan who stepped away from his DAS position in our bureau for a period of a few months to go out and re-establish our mission in Kabul.

Bridging these seam lines was neither easy nor bureaucratically encouraged in those days.

*Q: You have to be very careful. We are talking about relationships.*

LAROCCO: It's called turf.

*Q: We've sort of covered the duties and all. How did things develop? You say it was quiet that first summer.*

LAROCCO: Relatively quiet for NEA, meaning there were only two or three mini-crises a day.

Colin Powell and Rich Armitage

*Q: What was your impression of Secretary of State Powell and Rich Armitage and their sensitivity to the Middle East? How well versed were they?*

LAROCCO: They were both well versed on the Middle East. Because of that, they came into office with the same attitude as every secretary other than Kerry: the Middle East is a hopeless quagmire that we spend too much time on, and I won't fall into this trap. George Shultz who said he was going to spend only five percent of his time on the Middle East

said at the end of his tenure that he had spent 50% of his time on this region. And what did he have to show for it? To be sure, it is a quagmire, and while it's so attractive to believe we can shake Middle East the dust off our shoes and explore with all our time and energies the boundless horizons of the Asia-Pacific region, It ain't gonna happen. No matter how we determined we are, we will have to be ever vigilant in the Middle East. Every time we make a serious effort to walk away, the region bites us hard, reminding us our interests there require constant attention and frequent tending. It's been that way my whole career, and won't likely change for the foreseeable future.

Both of them knew the Middle East, and both of them, I believe, were hoping that Bill and his team would take the burden of the Middle East largely off their shoulders. In fact, it looked that this might be the case at the beginning of the new administration, but 9/11 swept everything previous away. The burdens outstripped by a mile our capacity in NEA and issues themselves sucked up the attention of all our top leaders, including the President, Vice President, Secretaries of State and Defense, CIA Director, National Security Advisor and their staffs. Even Treasury got sucked into the vortex, spending a great deal of time on terrorist financing in the region. Our issues were front and center 24/7, but we were not the captains; we were simply one of the crews manning the various ships sailing in the greater Middle East waters.

Powell and Armitage had no choice but to devote a considerable amount of their time to our issues. They were a joy to work for, always approachable. Bill and I spent a lot of time on the seventh floor. They always had time for us, and never hesitated to call us.

One of my favorite stories about Armitage, for whom I had the highest respect, whose salty language and gruff manner masked a leader and manager who really cared about those he supervised, involved a leak to the Washington Post. The story was very embarrassing to the secretary. I always got in really early in the morning, about the same time Armitage did.

“What the hell is going on here?”

I said, “I’ll check. I haven’t even seen this story yet.”

I read the story and went down to talk to our press guy, who I knew so well, and after looking him squarely in the eye, he admitted that he was the source of the leak.

I said, “Okay, we’re going upstairs right now and you are going to tell the Deputy Secretary.”

He was scared. He had never met Armitage but, like everyone else, was intimidated by his very presence, not to mention his voice. Since I was well known by all the staff upstairs, I was waved directly into Armitage’s office. I sat down, told our press officer to sit down, then said: “Mr. Secretary, this young man has something to tell you.” He then gave a straightforward and full account of the circumstances of the leak. No excuses.

Armitage gave him his death stare, and then said, "Give me a minute." He ran out of the office, and returned about a minute later escorting Powell. "Mr. Secretary, I want to show you that there is at least one honest man in this building. This young man right here. He has fessed up to everything." They start laughing and Powell slaps the young man on the back and says, "I appreciate your honesty. That's what I want to see. Just don't get me into trouble again, you got it?"

Powell goes back to his office. Armitage sits back at his desk without looking at us and says, "What are you waiting for? An effin medal? Get the hell out of here."

It was an unforgettable lesson in good management, one that the young man never forgot as he rose in rank in the Department. Powell and Armitage led us that way: high expectations, but always a fair shake. In fact, during their tenure, there were fewer leaks than under any front office I could recall. No one wanted to betray them. They had all our loyalty.

Powell, Armitage and Grant Green, Undersecretary for Management, retooled the State Department to an extent not seen since George Shultz. They worked hard to get us the resources we needed, whether financial or human, revamped so many outdated practices and procedures, streamlined decision making, strengthened training and eliminated waste and dead wood. All of us were grateful for what they did to strengthen the institution of the State Department.

Every morning at the senior staff meeting, whether it was Bill or me, we were expected when called upon to provide a very succinct 30-second summary of what was going on in the region because that's how important it was to them. They didn't want any surprises. They wanted to be fully briefed on everything that was going on. They got their Ops Center stuff, they got their intelligence brief but they wanted what we provided because they knew we had a very good relationship with our country teams and with our ambassadors. I would always tell everybody in the field: you are starting work eight hours ahead of us. Get me a quick e-mail every morning of what you have as your day ends and ours begins. I'd get in there at 6 o'clock in the morning. By 7 I had everything I needed to know on anything that was going on in the region.

I recall one time when it got to my turn at the senior staff meeting, just to see what would happen, I said "nothing today." Armitage let out a grunt. "No way, Larocco, let's hear what you got."

NEA: Always on the front lines

*Q: The normal Foreign Service officer blossoms under crises, has a good time. I can't think of any bureau that had more fertile soil for allowing this blossoming. Did you find one was sort of a Near Eastern type and two, did you feel just by attraction you were really getting an awful lot of the very most capable Foreign Service people?*

LAROCCO: I'm not sure what a "normal" Foreign Service officer is. I am truly grateful, and the American people should be as well, that we have a very diverse group of officers, some suited for green-eye shade analysis, some for behind the lines dangerous diplomacy, some for the cocktail circuit, others for down, dirty, dank and/or dusty.

NEA officers were and remain all too often on the front lines, in dangerous jobs, pressured jobs, high profile jobs, want-it-done-yesterday jobs. It certainly was, is and always will be for NEA officers. I remember when I left the Near East Bureau and went to China in the East Asian Bureau. Initially, I was in a state of confusion because I felt like everyone was moving in super slow motion. The accusation that they spent time reading tea leaves was not totally removed from reality. To be sure, analyzing opaque China was an enormously challenging task, requiring pouring over statements, reading between the lines, guessing who is up and who is down. I had to slow my pace to adjust to this new way to me of being a diplomat. I must confess that when Tiananmen happened, I came alive, my juices flowing, my adrenalin kicking in for the first time since I left NEA. Crisis...thy name is fun! Crisis management is what I came to consider what I joined the Foreign Service for. But let me be clear: it's not normal for so many officers who go through their entire career at a different pace.

I will never, ever forget my first DCM: Hume Horan. He was larger than life, one of the Department's most gifted linguists in the Arabic language. Saudis would gather around him just to listen to him speak. Few Saudis could match his level of rhetoric, and rhetoric is truly a cherished art in the Arabic language. He was also an old fashioned stoic. He pushed his physical limits so hard, and none of us were surprised to see him do his daily jog around the compound in Jeddah on crutches after he broke his leg.

We reached a point at the embassy where morale sank miserably. Demands on our small post had skyrocketed as Saudi Arabia exploded in importance to the U.S. after the fourfold increase in oil prices in the early 70s. As I believed I noted earlier in this oral history, for more than a year I had no housing. I had to house sit as by the time Washington gave approval for a lease, we would lose it or the price would go up. Our females needed drivers, but we only had enough drivers for our official duties. Our facilities were falling apart.

Hume called us into his office. What I am about to relate is not a parody. It actually happened. Hume looked all of us in the eyes and said he recognized that morale was low. But think seriously, he said; reflect on the importance of your work. You are on the front lines of U.S. national interests. Then think of those poor souls in London, Paris or Rome. They spend their days thinking about what restaurant, what play, what concert to attend. I know all of us were thinking the same thing at the same time: Pulleeassee ...throw us into that briar patch. In Jeddah, we would have parties when someone would come from Europe and bring a head of lettuce, savoring each individual leaf. Restaurants, concerts...they were only in our dreams.

That was Hume. That was the spirit of NEA to the extreme. But it rubbed off on all of us, providing a sense of eliteness that I must confess ran deep. We were tougher, we were

faster, and we were on the front lines. We were crisis managers. Bring it on. We were more familiar with the Ops Center since we called there so often, and they were familiar with us. I knew their phone number better than my own, and will probably be able to recite it on my deathbed. We knew the ins and out on securing disaster relief quickly, who to call in every situation, and just as importantly, who not to call.

As you might expect, we attracted officers who thrived in this environment. And if they didn't when they joined NEA, they quickly learned. You had to think fast, act with confidence, be able to multitask. And most importantly, you had to be prepared.

If you detect an enormous pride for NEA, I am guilty as charged. For all the effort I put into it, the Bureau always gave back more to me. Those psychic rewards Richard Nixon referred to were present in NEA, day in and day out. I will always savor memories of the outstanding officers I worked with in NEA for decades.

North Africa

*Q: Again looking at the dynamics, did Morocco, Algeria, Tunisia and maybe Libya sort of in a way fade a little from observation because things in those days were relatively static.*

LAROCCO: I was the P/DAS, right? DAS David Satterfield did what we called in those days "the core countries" which are Israel, Egypt, Syria, Jordan and Lebanon. Ryan did the Arabian Peninsula, Iraq and Iran. So who would handle the Maghreb countries and Libya? I took this responsibility by default. I should also note that in those days, NEA did not even have a Maghreb office. These countries were appended to Egypt.

I decided to rectify this as P/DAS. I reorganized the bureau, establishing a separate office for the Maghreb countries, including Libya. My timing was perfect, since those countries have come increasingly into the spotlight for some very high profile, hot button issues. A DAS was established for this region.

But when I came on board, I truly did feel the Maghreb did not get a fair shake, so I made extra efforts to meet regularly with the ambassadors of those countries and to take a trip to North Africa once a year. As P/DAS, I was supposed to stay home and keep things running, but I did feel an obligation to get to the Maghreb, among the few trips I made abroad as P/DAS. I truly enjoyed my work related to these countries, and made some lifelong contacts. I continued my work with them when I later became NESAs Director.

At the time, Tunis was a family run police state. The Trabelssi family, with Ben Ali as the capo di tutti capi, had tight control. Now let's be clear: it was a friendly police state, of no particular strategic interest to us, but never one to side against our interests. Tunis was particularly cooperative in our post-9/11 focus on terrorism, so this earned them many points with the White House. Despite howls by human and civil rights interest groups in America and abroad, neither the administration nor the Congress showed much interest in doing much about it. When Ben Ali came to the White House, he was received

correctly and modestly, with the President hosting a working lunch. Nothing fancy. The White House press spokesperson said a few words about our concern over human and civil rights, which Ben Ali was unhappy with, but this did not lead to any actions. In those days, Tunisia was at the bottom of the list of NEA priorities. It was our untroubled garden spot...our only one, in fact.

Then you had Algeria which was mired in a civil war. They argued that they were killing terrorists. At the time, we considered it an inhumane, brutal civil war. Everyone had blood on their hands, so our dealings with the Algerian government were extremely circumscribed. For their part, Algeria was an independent actor, helpful at times to our interests. You may recall they played the key role of mediator in the Iran hostage crisis. They hated the French viscerally, and perhaps by comparison, we looked good. I was always welcomed by them with highest respect. I felt strongly that we should reach out more to them, and I later took action on this, initiating an IPC, Interagency Policy Committee, to review our policy. After months of meeting, we produced a decision memo for a Deputies Committee meeting. I was the presenter in the meeting in which Condi Rice, as NSA presided. Our plan was approved, and this began a new era of relations with Algeria, which I now look back on as important since Algeria has emerged as of very key interest in recent years in the battle against Trans-Sahel extremist violence.

Speaking of Condi Rice, I would like to relate one very personal story. After Bruce Riedel, a holdover from the Clinton administration, was moved as the senior director at the NSS for our region, Condi was looking for a replacement. My name emerged. I went to see Rich Armitage and told him I was not interested. I was doing exactly what I wanted to do. He told me that if called by the White House, I must salute smartly and answer the call. So I did.

Condi and Steve Hadley, her deputy, interviewed me, and I was clear from the start that I was not interested. The interview kept going on and on and on, and I wouldn't budge. They finally got the point when I said that I had total loyalty to Bill Burns and knew that if I came to the NSS, that loyalty would be challenged frequently. I could not serve under those terms, and Condi, now knowing my views, must understand she needs a totally loyal person to her and Steve in that job. As the meeting was ending, I said that I had one favor to ask Condi. She looked at me perplexed. I said it was personal, but extremely important. I told her that my youngest daughter, like Condi, was both a pianist and a figure skater. My daughter knew Condi had both skills, and looked up to her as a woman who had advanced so far. Could I have Condi write a note in my daughter's book encouraging her? Condi smiled, and wrote a beautiful note. My daughter still has that on her bookshelf.

Back to the Maghreb. Morocco was truly the darling of both the White House and NEA. They were so cooperative, rarely if ever posed any problems, unlike the rest of the region, and went out of their way to trumpet our relationship. The King was always feted when he came to Washington, staying at The Blair House, received as a King with all honors. Morocco was indeed a true friend on so many issues. At the same time, they were masters at working us for all kinds of assistance. Our relationship with them soared on all fronts

during my three years, from a huge increase to our assistance to the signing of a landmark Free Trade Agreement. The single closest relationship I had with any diplomat was with the Moroccan Ambassador, Aziz Mekouar. He was a brilliant actor on the Washington scene.

As PDAS, one of the more arcane but fascinating issues was the Western Sahara. I enjoyed working on this because I learned much about the Moroccan and Algerian mindsets, their histories and their relationship. The sand berm between them was as tall and thick metaphorically as the Berlin Wall. I had the opportunity to work closely with former Secretary of State Jim Baker, someone I grew to admire and respect more and more with each passing day. I could never forget those words of Rabin about him every time I spoke with him. He gave his heart and soul to the Western Sahara issue, trying to find a formula to break the impasse. After six years of work, that formula proved elusive.

*Q: Can you explain what the Western Sahara situation was at that time?*

LAROCCO: The Western Sahara issue remains deadlocked to this day, although I'm not aware that since Baker's time, any efforts on the scale of what he undertook have been carried out to find a solution. In brief, it is a small, coastal strip of sand south of Morocco, and west of Algeria that has been in dispute between the two for decades. A group of Sahrawis, as they were called, formed the Polisario, which represented their interests. A large group of refugees were settled in Algeria, and fathers and mothers have seen their children and their children's children grow up there. It is a familiar story of refugees throughout the world.

*Q: It was called the Spanish Sahara.*

LAROCCO: Yes, it was. The Moroccans took control of the Spanish Sahara, and have held it ever since, resisting successfully any overtures to change this status. The United Nations took responsibility for monitoring the dispute and seeking mediation, and Baker was one in a long line of UN representatives charged with this responsibility. The issue is extremely sensitive to both Moroccans and Algerians, and of course to the Sahrawis, and every mediator has found it hard to engage the parties without emotions coming to the fore. The U.S. was, and I expect this is still true today, was relieved that the UN would take on the responsibility of mediating. This was one less intractable problem for us to take responsibility for. We did our best to avoid any discussion of the issue as we sought to keep good relations with both Morocco and Algeria. That was not easy to honor on all occasions. The United Nations maintained a monitoring force there for years, and for a long time, we placed about a dozen military there as part of the force. I believe our military representation was either reduced to 1 or 2 or eliminated altogether during the Bush administration. They were still there when I was P/DAS.

*Q: There are still human rights issues, aren't there?*

LAROCCO: The issue hasn't changed, it's still there and it doesn't get better. But it never grabs any headlines or becomes a front-burner issue. When was the last time an

American President said anything about the Western Sahara? That's a good trivia question. I certainly don't have the answer.

The closest thing I can think of to a mini-crisis over the Western Sahara was the recent dustup we had with the Moroccans when Susan Rice, as our UN representative, supported the establishment of a human rights commission for the issue. The Moroccans went through the roof, as I certainly would have expected, and essentially froze our relationship until this support was lifted. Someone at State was asleep at the switch, or perhaps more likely, the liaison between the U.S. mission in NY to the UN and State NEA was weak. This is exactly the kind of situation for which we were always vigilant. In fact, it was truly the only issue regarding the Maghreb that we always kept in mind during my time as P/DAS.

*Q: How was Libya seen? This was Libya under Qadhafi at the time. When you took over in the early days, was this a problem or just a mess?*

LAROCCO: Libya in 2001? No, Libya was an opportunity. With so many negatives facing us in the region, Libya was a positive. It presented the single best opportunity to reverse decades of animosity between us, while addressing some of our highest global priorities. In this case, I am talking about nuclear non-proliferation and counter terrorism.

I think many people have not understood that just like Iran, a number of attempts were made over the years and among different administrations to see if there was a way to achieve a break through with Libya. When Martin Indyk was NEA Assistant Secretary in the late 1990s, he gave it a serious shot, and did find a receptive audience both in Washington and in Tripoli. But...as I noted earlier in this oral history, I truly believe that our overthrow of Saddam scared Qadhafi enough to make him ready to cut a deal. He thought he was next, and he was indeed low hanging fruit. There was never much talk about actually doing anything, but Qadhafi didn't know that. Fear can be a great motivator, and I think it was fear more than anything that motivated Qadhafi to accept our demands as close to 100 percent as I have ever seen in important negotiations

Then the negotiations started and progressed very, very fast. They were extraordinarily complicated, took up a lot of our time. As I have noted earlier, I consider our success to a great extent due to the trust Bill Burns developed with the Libyan leadership. In the end, we removed literally millions of pounds of nuclear material while the Libyan leadership gave persuasive evidence that their support for terrorism and terrorists was over. Eventually, even their strong support for regional issues anathema to us, especially in Africa, subsided. The only key area where we had no measurable progress was in Qadhafi's dictatorship and his egregious human rights record. This prevented our bilateral relationship from progressing the way Qadhafi expected. Of course, the irony of ironies is that while fear of his removal, in my view, motivated him to acquiesce to our demands in 2003, less than ten years later, we were at the forefront of his removal. I believe this lesson was memorized by other leaders on our bad list, including Khamenei, Kim and Bashar.

Bill also spent an enormous amount of time with the families of the Pan Am 103 victims, as I noted earlier.

*Q: They probably of all disaster victims' loved ones, at least from the State Department's vie, were the most cohesive group. They really formed themselves.*

LAROCCO: They formed themselves as a brotherhood so to speak and Bill met with them regularly and faithfully and took extremely hard comments, emotionally laden questions as you can imagine, and handled it with respect, care and empathy. Without him, none of this would have happened because the hardest part in the end was not the Libyans; it was ourselves: the families, their representatives in the Congress and the White House itself. Bill spent a great deal of time listening to the concerns of each and all of these, addressing them in turn.

The process of wrapping everything up with the Libyans continued for years after we left. This mainly related to the sanctions, which Qadhafi had expected would be lifted much sooner than they were.

When I talk to Iranians, I make it very clear to them that unraveling the sanctions will take many, many years, even longer than the four or so years it took in the Libyan case. The sanctions are so embedded in all kinds of legislation that unraveling them may take a decade.

Libya is a real textbook example of diplomacy and negotiations at their best. It was a highly coordinated effort, within the department and with other agencies. At the same time, we had to educate many people and provide persuasive arguments. Since we had no Americans in Libya, one of our young officers, Leslie Tsou, provided a regular stream of reporting and analysis, doing this out of NEA in Washington. Her pieces were so remarkable that she was the first officer in history to receive The Director General's Annual Award for Reporting as someone working in Washington, not in the field. These had always gone to someone in the field. I was truly proud of what she did. She not only did the usual Foreign Service contact work, in this case with expatriate Libyans, but also developed a network of contacts that either had first-hand knowledge of what was going on or were well-plugged in to what has happening.

At the same time, the CIA role in this effort was vital; one individual in particular had also earned their trust. In addition, the cooperation from the non-proliferation experts at State, in the White House and elsewhere was instrumental in getting the negotiations on the nuclear issue on target and staying on target.

What was accomplished in Libya, and also in Yemen, which I will talk about later, were textbook examples of well-targeted, well-coordinated diplomacy in the 21<sup>st</sup> century. Particularly in the Libyan case, the narrative was clear, the policy was clear, the strategy was clear, and the entire interagency community came together. Command and control was also outstanding, and the individuals who commanded the effort were the finest and most experienced in their field. Masters of policy, negotiation and highly technical issues

all came together as a team, listening to each other carefully as the process unfolded. Political sensitivities were not sidestepped; they were addressed directly. There were so many pieces that had to fall in place, and they did, but not by luck. There was no luck at all in this success. It was all hard work, diligence and skill.

I have not seen a definitive study of this, and it deserves one. There are many lessons to be learned. At the same time, those who led this effort and persevered till success deserve recognition as well. I must place this in the sharpest contrast to our handling of Iraq, a textbook example of what not to do related to all the aspects I just noted.

Egypt

*Q: What was going on in Egypt when you first arrived?*

LAROCCO: Our relationship was on a steady course, witnessing close to 100 percent cooperation on all our strategic issues: counter terrorism, including sensitive renditions, safe and timely passage for our warships in the Suez Canal, overflight rights for our military aircraft and maintenance of the Egyptian-Israeli peace, a cold peace, but a stable one. Egypt's political situation was calm and its macro-economic situation defied dire predictions made for decades about its imminent economic collapse. In fact, it was a growing economy, drawing considerable investments from the Gulf, attracting more and more tourist dollars, and piling up foreign exchange from the Suez Canal and use of its SUMED oil pipeline. In short, Egypt was not on the list of "major problems" in the aftermath of 9/11. It was definitely on the "highly positive" side of the strategic ledger, and reflecting these were the regular phone conversations between the President and Mubarak.

Egypt was truly strategically vital for our interests, and it was a very busy relationship during this period as we worked together on shared interests.

The U.S. played a near constant role in keeping the relationship between Egypt and Israel firm. Suspicions between them ran very deep, and the Egyptians, especially following the collapse of Clinton's Camp David talks and the outbreak of the Second Intifada, downgraded their contacts with Israel to the lowest working levels, with the notable exception of intelligence, a quiet channel that was rarely broken except for brief periods.

Post 9/11 signaled a much more active relationship with Egypt on the counter terrorism front. Our relationship had always been strong in this area, although we had to do most of the work. But when we had specific requests, they came through, including in the highly sensitive issue of renditions.

There were several other issues that kept us busy, generally because they were put in the spotlight by the White House. But...and this is a major caveat...as so frequently a White House wants to trumpet because of pressure from various U.S. interest groups, but doesn't really have the inclination to pursue itself, were dumped on State and particularly FSOs to handle.

First, were all the rights abuses – political, human, and civil – of the Mubarak regime. Whether it involved the case of individuals like Saad Eddin Ibrahim or entire groups, such as women or the Copts, U.S. human rights advocates, whether inside our government or in NGOs or other private interest groups, kept their lens firmly on Egypt's poor record. Statements from both the White House and State and especially from the Hill, blasted Mubarak's abysmal record, and the Bush administration contrasted what they touted as their strong adherence to values to what they labeled as the lack of commitment of previous administrations. They were strong words, repeated often, but I honestly could not point to any concrete actions to translate these words into facts. It seems every administration says at one time or another that our values are unshakeable when it comes to Egypt, but reality reveals otherwise: the strategic importance of Egypt always has meant that in the oft-fought battle in foreign policy between strategic interests and values, when it came to Egypt, strategic interests won. And still do.

I recall the time I was called over to the White House for a meeting related to Egypt's human rights record. Senior officials took special aim at our ambassador, C. David Welch, for not pushing hard enough on values. I listened as each piled on, my anger growing at this misplaced criticism, until I could contain myself no longer. I had waited for the senior State official, who was a friend of David's to weigh in. David and I never were friends, sometimes adversaries, and I would venture to say that we had a measure of competition and distrust between us. But I couldn't let this unwarranted verbal trashing of David stand. So I rudely interrupted the conversation.

I stated bluntly that David Welch was constantly beating the pavement of Cairo and in many locales throughout Egypt supporting grass roots women's groups, civil rights, political rights, and religious freedom. I was not surprised that the results from his efforts were modest. It would take a generation or more to see significant positive change, if it is to occur at all. David was doing what he could: working the grass roots.

It was up to Washington to make it clear to the Egyptian leadership that this was a priority to us. The ambassador is the envoy of the President, and if the President never once in his recurring conversations with Mubarak stated the importance to him of these issues, or even mention them at all, what was Mubarak to conclude other than they were not on our priority list. The room fell silent. The meeting ended.

I wish I could say that as a result of my intervention, the President did take this up in later conversations with Mubarak, but I have no evidence one way or the other.

But there is an important lesson here: State can only do so much unless the President has the Department's back. It's all about power and authority, and how that power and authority is vested and shared. I was able to conduct my business with much more authority than might usually be the case of the P/DAS because not only did my boss, Bill Burns, always have my back, but so did the seventh floor leadership above him. And people both in the Department and in other agencies knew that.

The one result from that meeting at the White House was the verbal trashing of Ambassador Welch ceased, and in fact there was a new focus on the extensive work he and his embassy team were doing, especially in support of grass roots efforts. I was pleased not only for his sake, but also for his team's. Embassy Cairo was the best in the business, a model of a country team functioning brilliantly.

#### The Middle East Partnership Initiative (MEPI)

In all honesty, while I judge our effort to get top-down progress a failure during this period, and virtually every other period in our relationship with Egypt, our efforts at bottom up, grass roots reforms did make significant gains during this period that affected the lives of thousands of Egyptians. That progress accelerated starting in 2002 with the launch of the Middle East Partnership Initiative (MEPI), which was an NEA placed and directed program involving hundreds of millions of dollars annually.

MEPI was conceived by Bill Burns who drew up the entire concept. I played a strong role translating that concept into an actionable plan. Then I contacted Liz Cheney to secure her services as DAS to run this new and large program. She assembled a growing staff that eventually totaled dozens, outgrowing our available space. They relocated over to Navy Hill across 23<sup>rd</sup> street from State. This program focused primarily on urban based, grass roots organization and projects, providing support for youth, women, urban poor and others to build democracy, the whole range of rights, and economic development on the micro-level. These programs provided hope where despair had been rampant, and were particularly a strong counterpoint to the lure of those preaching extremist violence. Our programs in Egypt were considerable, although they did not always have the support of the regime. Our programs in Morocco were among the most successful, and I will talk about that later.

Another issue that State put much effort into with little success during my tenure was in the area of macro-economic reform. Egypt was a strongly statist economy, the legacy of Nasser holding firm. This was beginning to change, and we were determined to press for reforms supporting a free market economy as essential to Egypt's prosperity as well as stability. I must note that while our efforts did not bear fruit, we did much more than just plant the seeds; we provided them with a roadmap of reform. Many of the reforms we advocated were picked up in the years following, and Egypt in fact led the way in financial reforms and opening their economy to much more investment in the subsequent years. I recall delivering many lectures in the region years later pointing to Egypt as an economy on the rise. Of course, so much of this was swept away with the Arab Spring in 2011.

#### *Special section: Values versus Interests in U.S. foreign policy*

Egypt is a classic case of interests versus values. So many articles and books have been written about this, and I decided to take this issue head on in my lectures the past few years. People in the region and beyond continually call us hypocrites for preaching values

but practicing interests. They cite us over and over again for what they say is our “double standards.” I acknowledge that is one way of looking at things.

I try to explain our foreign policy in a more realistic and personal way. I note that countries, just like individuals, have values and interests. We all aspire to a certain level of character and behavior which reflects our traditions, culture, religion and family customs. These fall into the category of values. I use the word “aspire,” because so often in our daily lives, the interests of the moment or even our careers or our and our loved ones welfare require choices be made between values and interests.

A typical case of a small struggle, I like to tell them to reduce it the most personal level, is when we have a pressing phone call or must get out the door or whatever demands on our time occur just when our kids are acting up. We know the right thing to do, but for the sake of getting on with our business, we may put the “interest” of getting the kids to shut up and stop misbehaving over the “values” we want to inculcate in them. This happens all the time in family situations, and growing up in a family of five kids, it happened many times a day. Kids learn fast when they can “get away with something.”

But there are larger, much more important choices to be made throughout our lives, and we at times clearly choose interests, even when we know they contradict our values, rationalizing our choices as they are made or afterwards. We may well return to those values, believing firmly in the righteousness of these values, while convincing ourselves that we are indeed righteous. On what scale does a choice have to be where it crosses the line and makes us as individuals hypocrites? Let him or her who has never crossed that line cast the first stone.

The struggle between interests and values has been pondered for millenniums among philosophers, theologians, pundits and scholars. This struggle is not reserved to individuals, but touches every group of people, including local groups, communities, associations, companies and even countries.

I would then pose questions to the audiences: how are you in your daily lives? Do you always – and I mean always – put your values first? What about your government? Are you willing to state that there are no double standards practiced?

I make it clear that yes, I fully understand how they can conclude that the U.S. practices what might be termed a “double standard.” But so do all countries. I can’t come up with a single example of where countries don’t put interests ahead of values at times. I then note that leaders in democracies are often chosen on the basis of their values, especially how they match the majority of voters, but they are judged on the basis of how they advance interests, what we often call “bread and butter” issues.

I counsel foreign audiences not to judge our foreign policy by a yardstick of values, but rather how well it preserves and enhances our interests consistent with those values. I have always felt that whenever our leaders divert too far from our core values, the

American people will pull them back, closer to course. At the same time, we expect results, and those results are largely measured with an interests-based yardstick.

In my own view, I tend to agree with George Kennan: in our foreign policy, we should pay as much attention to how we carry it out, namely the means we use, as to the goals and objectives, namely the ends. A short-term, problem solving, task-oriented, interests-based policy that ignores how we carry out that policy erodes not only the confidence and trust of our friends, but of the American people as well.

I personally believe that we have paid a dear price for not following this guidance, and I do not see favorable signs for the future. We lack narratives to guide our policies and strategies, and we are guided by a microscope, not a compass. The great leaders of the past who provided grand strategies are missing in action. It's time for new leaders to emerge who can better align our values and policies, setting in place a compass to guide us as we had for forty years, from 1950 to 1990.

The Levant

*Q: Lebanon, Syria?*

LAROCCO: Lebanon and Syria were always high on our screens, but during this period, it moved in and out of attention. Hezbollah in Lebanon, a well-established force in the region and of longstanding concern to us, called for a special review following 9/11. Conclusion of analysts: Al-Qaeda was defeatable; it was the B-team at best when it comes to terrorism, a regional phenomenon, containable. Hezbollah, on the other hand, was the A-team, a global phenomenon. It had to be put off for another day, another era. For now, all sights were on Al-Qaeda.

Syrian meddling in Lebanon was also a concern, but their role was well understood. This role was defined in the unwritten "rules of the game" that Israel, Syria and Lebanon understood. This kept the peace whenever there were flare ups.

Compared to what is happening in Lebanon now, this was a golden age. The Lebanese political system was stabilizing and the economy was recovering. My biggest headache was Treasury Department pressure for Lebanese fiscal and monetary policy reform. They were downright zealous about this, so Rafik Hariri, Prime Minister at the time, came to Washington to plead his case directly. He had a scheme which made no sense to Treasury economists, but he was convinced it would work. I recall our pre-brief with the President. Treasury argued its case on strictly technical grounds; I argued my case that applying Western analytical techniques in Lebanon is misguided. It is truly a unique case, politically, economically, religiously...I could go on and on. I asked the President to listen carefully to Hariri; I forecast that he would find the man compelling. He understood leadership in tough times, and I was sure the President would take an instant liking in Hariri.

Hariri walked in, larger than life with his huge head, massive eyebrows, jet black wavy hair and a stare that could pierce armor. He spoke clearly, and in the kind of political/economic language the President empathized with immediately. Hariri won the day, much to Treasury's chagrin, but to all our relief, including Treasury's, Hariri's schemes worked: the financial and economic system stabilized, and growth took off. I often felt that in the Middle East, our logic, economic, political, social, whatever...often didn't apply or work. Hariri proved it.

With Syria, our relationship was strained for more than the traditional reasons. Syria was providing protection to Iraqis from the Saddam regime fleeing after the downfall of Saddam. So were Syrian embassies in various countries. Syria saw no upside from cooperating with us, and they, unlike the Libyans, refused to believe rumors coming out of certain quarters in Washington that they were next in line after Saddam. For their part, there were those among our leadership who were adamant that there would be no deal making with Bashar's government, no cooperation, no favors. They drowned out those who noted that Syria in fact had played a helpful role in the war for the liberation of Kuwait. They might do so again. Our relations deteriorated, and after my time, our ambassador was removed, with the embassy downgraded for many years. To this day, I feel that we lost many years of possible influence and at least understanding between us and Syria from this rift in our relations that started more than ten years ago. It cost us when it came to talks between Syria and Israel, as George Mitchell discovered when he was Special Envoy, it cost us in the war on terrorism, especially in the region, it cost us a role in resolving the impasse in Lebanon following the assassination of Prime Minister Hariri...and I could on and on. There can be a high cost in disengagement, a cost that rises. This is certainly manifest most vividly in the case of Syria.

Yemen

*Q: Let's continue the discussion looking at other areas in the NEA region.*

LAROCCO: Earlier I spoke about a textbook model of interagency cooperation regarding the complete dismantling of Qadhafi's nuclear program. There was another textbook example of success, and that took place in Yemen.

Our relationship with Yemen has always been multi-faceted: strategic, development-oriented, humanitarian, democracy and rights. On the strategic side, the focus for decades was a split Yemen, with the south (the People's Democratic Republic of Yemen) a Marxist country firmly in the Soviet camp. The unity of Yemen achieved by Ali Abdullah Saleh, first peacefully and politically in 1990, followed by four years of bloody conflict, left the country's economy shattered, its governance weak and its topography ideal of criminals, terrorists and smugglers to seek safe haven. But this did result in one country, at least in name.

Al-Qaeda (AQ) picked Yemen for the attack on the U.S. naval vessel Cole in October 2000, a wakeup call to us regarding the expansion of AQ activities in our direction. In

response to the Cole, Yemen was “discovered,” and all of us throughout the Arabian Peninsula tightened our security dramatically.

By the time our new team settled in at NEA, Yemen continued to draw more and more attention. After 9/11, even though the main focus was on Afghanistan, Yemen was considered key to dismantling and destroying AQ. An interagency task force was formed under the direction of the White House Advisor for Counterterrorism (CT), with Bill Burns and key officials from other national security agencies, as well as Justice, Treasury and AID actively participating. Bill was instrumental in achieving a game plan that everyone signed on to.

The mission to eliminate AQ in Yemen was clear, and all instruments at our disposal were brought to bear without putting boots on the ground. We were way ahead of our time in putting this type of strategy into place. Keep in mind that this started pre-9/11, so the prospect of deploying troops was not on the horizon.

It would take a lot of time to describe every tool that was used, from attack drones to building hospitals. Let me simply say within two years, AQ was not simply crippled, they were either gone, dead or in prison. The game plan had succeeded.

As I was departing NEA in 2004, I could see that the high fives exchanged after this success over “mission accomplished” translated into interagency disinterest in Yemen. Our aid to Yemen plunged to \$4 million. There is no other way to describe it: we walked away from Yemen. And we have paid a dear price for this ever since.

Ali Abdullah Saleh played us like a harp. Extremists “escaped” from prison, safe haven was provided for Saudi and other extremists coming to Yemen, including from the U.S., and Al-Qaeda in the Arabian Peninsula (AQAP) was established. Coaxing cooperation from Saleh was costing us more and more. He knew it, and it seemed that every time there were two steps forward, there was always one step back. The money kept rolling in, but the threat only became more vexing to deal with.

I jump ahead in history because there are some important lessons to be learned from our experience in Yemen from 2001-2004.

First, an agreed upon narrative, mission, policy and strategy with strong, coordinated leadership makes for a powerful team in tackling a key issue.

Second, once the initial mission is accomplished, walking away is not the answer. We were pursuing a “false goal.” We later realized that the real mission was not to drain the swamp of terrorists; it was to drain the swamp itself. As long as Yemen was an ideal place for safe haven, a breeding ground for terrorists, and with a government either unwilling or incapable, or both, to do what was necessary to drain the swamp, our work would never be finished.

If indeed the mission is critical, it's "pay me now or pay me later." It's almost always cheaper and more effective to stay engaged than to re-mobilize later with a bigger challenge to tackle. Yemen is a prime example demonstrating this.

As I look at Syria, I have always felt that it is a "pay me now or pay me later" crisis. While it is easy to look back, I can honestly say that even in the early days of the Syrian crisis, I advocated a stronger approach by the U.S., one that would make not only the regime, but the regime's benefactors pay a heavy price for what they were doing. Now it is we that face a heavy price if we are to prevent a number of scenarios detrimental to our interests from playing out.

### Iran III

*Q: Let's talk more about Iran. Looking at it now, each administration comes in when there is a new election in Iran we say now maybe we can get something going. What's the problem on the Iranian side?*

LAROCCO: On the Iranian side, the problem is very straightforward: there is always a question mark when it comes to whom we are talking. Do they represent the supreme leader, Khamenei? If not, then whom? I will get into this in one of the most important meetings I had in 2003 when I was P/DAS. In the case of Iran talking to us, they know whom to call. They know we have one address. They know that when they are talking to a U.S. official, that official has legitimacy and authority. You can go to the State Department, to the White House, but you still have one government to deal with.

In the case of Iran, you have a government with a President such as Rouhani today or Khatami then, and you honestly don't know how far they can go in representing their country.

To my knowledge, the supreme leader is simply off limits to us. John Limbert, an American official in Tehran, met him when he was a hostage back in '79. Does that count? Jeff Feltman, who is now Undersecretary for Political Affairs at the United Nations, has met the supreme leaders accompanying Ban Ki-moon. Does that count? There may be private American citizens who have met Khamenei, but none of them, and even the two I mentioned above, were in a position to represent the government of the United States.

So...to my knowledge...there have never been direct, face-to-face talks between our leadership and their supreme leader. This is essential in understanding the context of our relationship, why there has been so much misunderstanding and why there have been lost opportunities. A failure to engage. The burden of this judgment, in my view, overwhelmingly rests with Iran. They have had plenty of opportunities, but whenever a green light was given to engagement by their side, it was always done with deniability by the Iranian top leadership.

Let's trace through the contacts with the Iranians during my time as P/DAS. To begin with, we had an Interests Section in Tehran hosted by the Swiss, who had done a careful and faithful job addressing consular issues, as interests sections are primarily tasked to do. Official messages were passed regularly back and forth between the Swiss Embassy in Tehran and our Iran office in NEA. These were simple messages, no required format, but you can be sure that at least on our side, the words were carefully written.

After 9/11, and particularly after the invasion of Afghanistan, we had a strong interest in ensuring that Iran was not acting against our interests there. We were particularly concerned about the Herat region, long an area of Afghanistan strongly influenced by Iran.

We were also concerned about the escape of Al-Qaeda leaders, activists and known operators to Iran seeking refuge, AQ residing in Iran exercising command and control from there.

We were particularly concerned with various "what ifs" during the prosecution of the war; for example, what if one of our pilots had to eject over Iranian airspace and landed there.

The Swiss channel was considered insufficient for a serious exchange on issues such as this, so direct talks were initiated with the blessing of our leadership. They were conducted for the initial period by Ryan Crocker, meeting with whomever the Iranians would designate, at a third country location. The fact of these meetings was well known, although the substance was highly controlled.

In brief, regarding Afghanistan, the Iranians provided lengthy commentary, describing the situation, background, opportunities and pitfalls from their perspective. It was an expansive dialogue, resembling what might take place between two very interested parties. And we were. Keep in mind that the Taliban regime, an extremist Sunni group, was anathema to the Shia leadership of Iran. We, in essence, were doing them a huge favor in toppling the Taliban and driving them to Pakistan.

Al-Qaeda was a different story, and a vexing one. It was clear to us that a sizeable number of AQ leaders and operatives had fled to Iran. One might expect that they would be as anathema as the Taliban, but the Iranians viewed them in a more practical way, almost as our CIA might. They could be watched, monitored, pumped for information and intelligence and influenced. They had more value alive than dead, and the Iranians, much to our frustration and anger, had no intention of transferring them to a third-party, removing them from the global network. As long as they were in Iran, we had no confidence that they wouldn't return to Afghanistan.

This factor eventually led to the breaking off of our direct talks, which at that time were carried out under the NSS rubric by Zal Khalilzad. That was in 2003, as I recall, a year when the Iranians witnessed this breakdown of engagement, our invasion of Iraq and

were clearly spooked that we might close our pincer on them next. We had some evidence that they stopped their nuclear program.

Swiss initiative to normalize Iran-U.S. relations: was the document genuine?

In 2003, even while talks were going on, our Swiss channel was active. Then one day, we got a message from their ambassador, Tim Guldemann, a very dedicated Swiss official, who says he is coming to Washington with a document proposing the normalization of relations between Iran and the U.S. Talk about a jump shift. Guldemann came with a team, presented the document first to me, I looked it over briefly, and then we went into our conference room for an interagency meeting which I chaired.

The document was lengthy, covered almost all the topics of mutual concern, including the nuclear issues, Israel, etc., and we began the meeting with Tim providing a summary of the document and the meetings that produced it. I was very careful as the chair, choosing to limit my remarks to questions. The most obvious one related to the fact that the document had no official stamps on it, no signatures, no initials, no reference whatsoever to its origin, its approval or its legitimacy as an official Iranian document. I asked questions trying to discern as much as possible how it was produced, by whom, and who authorized it as well as this meeting. None of the answers by Tim satisfied even the most minimal standard of official documents or exchanges. I couldn't even consider it a "non paper," which is in common use between governments to provide background, context, explanations, introductions or anything that is useful for governments to know but is not meant to be official positions per se.

I abruptly closed the discussion with "Thank you very much."

He said, "What?"

I said, "I cannot accept this document. There are no seals, no signatures on it. It is a document that has no legitimacy attached to it. Who is responsible? Did the supreme leader check off on this?"

He said, "Well, I don't know."

I said, "Who? Give me a name, give me something." That's not the way governments work. They are a sovereign government, we're a sovereign government. There are many ways for us to communicate. They know our address, and while we don't know theirs, they can at least provide one. There are none here. And how much of the document's substance do you judge to be accurately reflecting the official positions of the government of Iran. He answered, "85 percent." Which 85 percent? I countered. He couldn't specify, but he thought that the nuclear part was legitimate.

I closed the meeting, telling him that I had no problem with him trying to sell this document elsewhere, but speaking officially, we could not accept it.

*Q: Is this sort of an Iranian way of communicating?*

LAROCCO: Getting back to my point about “deniability,” it fit that model. They do communicate to us in many, many ways: officials, third party governments, third party groups and individuals. There were all kinds of people who were contacting us, including Americans, saying they could connect us with the Iranians, deliver the Iranians. It was truly frustrating. In this case, there was nothing coming close to unmistakable signals from the top leadership. As things turned out, Tim ran around Washington, but did not get satisfaction. I know how disappointed he was.

The paper eventually leaked out and there were certain people who considered this to be an enormous lost opportunity for the United States and in fairness, that’s their judgment. It was not mine.

Immediately after the meeting, I went upstairs and talked to the seventh floor leadership and said this is what happened. Did I do the wrong thing? They gave me an unequivocal yes. Case closed.

So I went back to the office, drafted a short, concise briefing memo on the meeting, attaching the paper, and putting this episode quickly behind me. In the end, one can always wonder if this initiative was indeed serious, but it was so badly presented and packaged that even if it was, I once again blame the Iranians for a lost opportunity, not us.

I knew then and I still believe now that I did the right thing.

*Q: Were you getting any feedback from intelligence sources about the origin of this and where it stood within the government?*

LAROCCO: No, and if I have any regrets, it’s that I did not know more about the Iranian mindset at the time. As I noted above, it came out later that they had apparently paused their nuclear program. Our lack of direct talks also left a huge gap in our understanding of their political dynamics. But, even with the knowledge, the unacceptable way of presenting the document to an official audience in Washington would not have changed our decision. The document would have been rejected. They could have easily in advance of the meeting used other channels to communicate that this was a serious overture. That didn’t happen.

9/11: The world transformed

*Q: Let’s go back to the day 9/11 itself.*

As I think I noted earlier, I thought our days living with the threat of terrorism were over when I and my family returned to Washington in June 2001. During the summer, the threat of terrorism loomed large and seemed imminent in our region, particularly the

Arabian Peninsula countries. But Washington...or New York? There was no thought whatsoever in this regard.

Our entire NEA team was in place by 9/11. All the summer transfers had taken place, and we were busy with the usual September crush of visitors, preparation for the annual UN General Assembly kick off and all the other business that resumes in September.

I recall 9/11 vividly. I was in with our press team preparing the daily press brief when the news showed the first of the twin towers with smoke billowing out of it. I ran back to the front office to alert our executive office (EX) that we should stand by. I was in with the staff assistants when the second tower was hit. We alerted all our staff at that time to stand by.

I was in Bill's office talking about the events; we were staring out his window at the Lincoln Memorial, with the Potomac River in the background and the Pentagon behind that, when we saw a huge plume of smoke rise from the side facing us. We had no idea whether it was a bomb or a plane, but we knew immediately that we must go into action.

We tried to reach Ryan Crocker, who together with our Iraq Country Director, David Pearce, was in NY for meetings at the UN. We only discovered later that the streets were already clogged, and they were told when they reached the UN to get out of Manhattan as fast they could. They were on the Brooklyn Bridge stuck in traffic, out of their car looking back when they witnessed the first of the twin towers crumble to the ground. I don't know if you have interviewed Ryan yet, and this is only one of so many stories in his extraordinary career, but you can imagine our relief when Ryan and David reported in that they were safe. I know they had to take a circuitous route to get back to DC, and they didn't arrive till late that night.

Back to what happened when the Pentagon was hit. Since all of us in NEA had drilled what to do in case of an emergency, were all familiar with dangerous situations, reacting with calm, we all followed procedures, with most of our staff going directly to the State Plaza underground parking lot. All our key officers evacuated to the other side of C St which faces the main entrance of State. I note this because there were no announcements of instructions over the State public address system, and much of the rest of the building was in chaos. I recall our little group standing calmly when a CNN reporter came up to us. He asked who we are. We said NEA. He commented, "it figures. You guys are used to this." Yes, and no, I'm sure we all thought. Over in the region was one thing; here in Washington was quite another. It wasn't supposed to happen here.

A few minutes later, the CNN fellow told us there was a rumor that there were more planes out there, and one may be headed for the State building. At that point, I told everyone to disperse. We were informed that the Secretary was in his office and State leadership would relocate to FSI at Arlington Hall. Bill decided to go with the Secretary, staying with him in case of need. I grabbed two of our best younger folks, Cheryl Steele and Gregg Sullivan, and told them to come with me. I got my car out of the underground lot and was able to make it home in 10 minutes. That was a miracle in and of itself.

We then sprang into action. Using my home phones, we called every embassy in the NEA region, ensuring that their front offices knew what was going on and asking them to phone when they could relate information about their own situation. I asked that all use their warden cascade system to try to reach every American. This process took about three hours.

We put all the information into a Word document, and I then phoned the Operations Center to say I wanted to send them an email providing reports on the status of all our posts. They were delighted, but there was a long pause. What's the problem? I said. They replied that they didn't have an unclassified email address. I was astounded. They said, please wait. About three minutes later they said they had established an email address, something like [Opscenter@state.com](mailto:Opscenter@state.com) or whatever it was. We sent the email in and they confirmed they had received it, thanking us.

*Q: The secretary was in Chile, I think.*

LAROCCO: No, I think the secretary was there. I'm pretty sure, although I wouldn't place a sizeable bet on it.

We had our own little Ops Center in the study at my home near the Chain Bridge. I had to wait till Bill could get to a landline before we could check signals. That was many hours after we left our offices.

*Q: The thing was they had Foreign Service Day the day before and then he said he was off to some sort of OAS meeting in, I believe, Chile or Peru.*

LAROCCO: I am pretty sure he was there. Bill was with him.

So that was 9/11.

Then I got a call the following morning at 5:30am saying that I need to come to the White House for a meeting. So I jump in the car at 6:15am and I got a speeding ticket which really angered me. I said come on. I am going to the White House. Yeah, sure you're going to the White House, said the cop. What's the rush? he said. Our country has been attacked, I commented. He was a meticulous cop, I must say, and unforgiving as well.

Just as life in America was changed forever by 9/11, so was the work of our office and State in general. We were all driving in the fast lane, and work was 24/7. The global war on terrorism, a name which came later, had changed not just the way we worked, as security tightened everywhere, but also the priorities. And once again, the Middle East was in the crosshairs of nearly all those priorities. Peace and war, oil and investments, human rights and democracy, WMD and conventional weapons, were now leapfrogged by terrorism to the top of our long list of key issues.

So much was being developed on the fly. From terrorist financing to staffing of missions, support for Afghanistan to the lead up to the war in Iraq, it was non-stop brainstorming meetings with short-fuse deadlines, marshalling of resources, human and financial, memos flying in all directions. It felt like we had not just turned a page in our national security and diplomatic history, we were starting a whole new volume.

There was such a wide range of issues related to the aftermath of 9/11 that needed addressing that we had to spread out of our team to cover all the meetings, all the planning, all the activities. There were constant meetings at the White House, and over the years this became so onerous and time consuming that more and more of these meetings were done by video teleconferencing. Our very way of doing business was changing before our eyes.

### The second Afghan War

I would say that some of our most difficult diplomacy during this initial period was related to working the leadership of the Gulf States for all the rights and facilities and support our military needed for the Afghan War. At the same time, getting them to crack down on AQ and other hostile groups, and especially to cut off terrorist financing, official but also by private citizens in their countries, took an enormous amount of time and effort.

*Q: Initially when you went to the White House and did other things, where was the focus? Was al-Qaeda immediately identified? I mean, you all knew it? Did Iraq come into the equation at all?*

LAROCCO: It was Afghanistan first. This required no explanation to anyone. Everyone was on board regarding this, and the issue seemed to be one that could be addressed through military action supported by diplomacy... a lot of diplomacy. We did receive enormous support from some countries, but it wasn't easy reaching the agreements we did. Our military had quite a list of support they required, and while our countries understood our need to retaliate, they weren't all on board by any means to an extended war. Little did they know how long that Afghan war would last.

As for Al-Qaeda, that "war" took some time to be fleshed out. To a certain degree, there was a fundamental misunderstanding of AQ and the power of its narrative. If couched in an us versus them battle, many in the region would side with them. This could be hard to explain to our own leaders. All kinds of talking points, page after page after page, were being issued out of the White House that no doubt played well in Peoria, but simply did not work in our region. There was a rush to sign up so-called "moderate" Arabs to denounce Osama Bin Laden, Al-Qaeda and other terrorists. There were indeed many who did. But among those Arab-Americans, for example, who did so, it wasn't more than a few minutes before they wanted to switch topics to the Arab-Israeli conflict. And some of the key Muslim clerics in the region, like Shaikh Yousef Qaradawi, had at that time denounced terrorist violence, and I emphasize at that time, but he also had so many other

statements offensive to us and our policy that we found it hard to speak to the region using those whom they might listen to.

I have not noted this before, but our officers in the region kept telling me that the reams of paper they received from Washington providing talking points were simply not worth using. I knew we would never get clearance from the White House for our own points, so I took the initiative to draft a weekly back channel message providing a status report to all our posts, key themes for them to talk about in the discussions in their countries and some specific points I felt they may find useful. The latter I mainly derived from feedback from the region itself. I believe this guidance proved helpful during the confused period following 9/11.

I remembered back to Bill Porter, ambassador in Jeddah when I had been there 30 years earlier, who had told me that 80% of diplomacy is going to be with Washington, 20% with the country. I truly felt that during this period. To be frank, working with the countries in the region to support the deployment and use of our assets from their facilities proved much easier than convincing Washington, for example, that we could and should do this without cumbersome memorandums of understanding or contracts.

*Q: Would you explain why our focus was immediately on Afghanistan? What was the situation?*

LAROCCO: The focus was on Afghanistan because that's where the attacks emanated from. The problem was two-fold: the Taliban, which ruled Afghanistan and hosted Al-Qaeda, and Al-Qaeda itself. The first priority was to take down the Taliban, then dismantle Al-Qaeda.

Unseating the Taliban was a relatively quick operation, although the leadership simply relocated to Pakistan, where they remain today. Going after Al-Qaeda was much more complicated. Keep in mind my earlier comments about "beware the consequences of decisions made twenty years earlier." This was a classic case in which Osama and other "mujahideen" were considered freedom fighters back in the 80s when they were fighting to bring down the Soviets in Afghanistan. We trained, equipped and supported them. Now all that was being used against us. They had learned well how to engage in asymmetric battle. There were no longer freedom fighters; they were terrorists. It was a case of a play on words: instead of one man's freedom fighter is another man's terrorist, in our case it was one man's freedom fighter one day could that man's terrorist another day.

At the time, world sympathies were with us. Punishing the Taliban was an accepted response. And they went down quickly, with our attentions in Afghanistan swiftly turning to stabilizing the situation there and then ensuring that AQ would never come back. We are still working on that more than 10 years later. We in NEA at the time were not at all the focus of work on stabilizing Afghanistan, although we had to continually work with the countries in the region to support our goals there.

Our work was much more focused on the roots, organization, financing and support that were so strong in our region. Keep in mind that it was 19 Saudis who were on those planes that hit NY and Washington. Our ties with the Saudi government were severely strained in the aftermath of the 9/11, and they did not improve until several years later when terrorism struck so hard in Riyadh that the Saudis made a decision they have stuck with since then: to eradicate terrorist elements in the Arabian Peninsula. It came home to roost there, and this, not any of our talking points, not any of our demarches, not any of the phone calls and visits by our senior leaders, accounted for the near 180 degree change in the Saudi position. When I left NEA, our counter terrorism ties with the entire Gulf region, which had been tenuous at best for more than two years after 9/11, were on a solid foundation with cooperation improving day by day.

*Q: Was there, within the circles you were dealing with, was there a debate about where our priorities should be?*

LAROCCO: At that time, no. We were not talking about Iraq or other countries then. The focus was Taliban and AQ. What had changed was HOW we were prioritizing the placement of authorities, responsibilities and assets. The militarization of our foreign policy was taking place right before our eyes. CENTCOM, a command that had before depended so much on other regional commands for support, literally exploded in growth of people, financing, facilities and military assets. The White House and the Pentagon were in perfect sync that America was now at war and that they, together with our military, would dictate the course of the war. State was part of the Washington “country team,” so to speak, but a weak member. From policy and strategy, to legal opinions and public affairs, State was pushed aside as whole new bureaucracies developed to tackle many roles traditionally reserved for State. Was this wrong? History will be the judge, but I also must point that in times of war throughout our history, traditional lines blur. This was one of those times.

While the White House and the Pentagon were in sync, and CENTCOM responded to whatever mission thrust upon it, I did find it fascinating that among military strategists and thinkers, there was concern even in the early stages following 9/11 that our military could be taken in directions outside their core role: combat fighters. I could see that in seminars hosted by NDU, the Army War College and others. They saw that the expansion of roles, unless strictly limited in terms of scope and time, would eventually lead to both a weakening of our war fighting capabilities, but also be dealt with by those who simply weren't trained to handle these issues. They were not core competencies that advanced you through the officer ranks. How did the military fit into a war on terrorism? What would its missions be? Could they be clearly defined? This debate, however, was not to my observation taken into much account as the White House and The Pentagon moved forward quickly to prosecute the war in Afghanistan.

Who's in charge in Washington?

*Q: Did you feel early on the hand of the neocons trying to direct this course?*

LAROCCO: Not initially.

*Q: Please explain.*

LAROCCO: In those early days, we did not feel that those whom were labeled “neoconservatives” were taking the lead. Now first, let me state clearly that I don’t like pigeon holing anyone into a group, and that includes use of the term “neocons.” Let me simply say that it wasn’t long, however, till we noticed decisions either coming out of the White House without much consultation with us or planning coming out of the Pentagon that could be clearly traced back to certain individuals. And when I spoke earlier about offices sprouting up where they didn’t exist before, the Pentagon saw this clearly. This has been related elsewhere in much detail, so I doubt I have anything to add. It became increasingly clear to us that the line chart of positions and offices at the Pentagon were no longer relevant in terms of who was wielding power and influence. Certain individuals were now in charge, and this complicated our work as they at times had no interest in dealing with us at all, and could easily deflect us to our traditional counterparts who either had nothing to say because they didn’t know or were told not to say anything.

There were exceptions, of course, because we still were needed. You simply could not find a stronger team in the government of four experienced experts as we had in our front office supported by an outstanding team in the relevant offices in NEA. So we did have roles to play. Important ones. But not as an institution, not as a bureau. There were a number of individuals who were continually called upon to work the issues.

For the most part, we played catch up to a White House-directed effort that relied on the Pentagon and the military primarily for the planning, policy, strategy and execution of our priorities in the region and beyond.

At first, business was largely conducted in traditional ways: interagency meetings, written agendas, goals and objectives. But it didn’t take long before it was clear that this was not going to work. On the one hand, those who were in charge at the White House and the Pentagon felt we were not in line, on task, embracing the mission wholeheartedly. This was proven to them in these early meetings. Here’s just one simple example.

At a large interagency meeting on Afghanistan, the topic of what to do with the warlords and opium production and trade came up. Several officials from the White House and the Pentagon were adamant: the warlords had to toe the line or go, and poppy production had to be fully eradicated. This was not worth even talking about. Didn’t we get that? Weren’t we true believers?

Some of our Afghanistan experts were aghast. Going around the warlords was simply impossible, and eradicating poppy production and opium trade would take years of sustained efforts costing us billions, and even then would likely not work. Afghanistan simply did not have anything that could replace the opium industry.

It was clear after that these officials had their pre-conceived notions and they viewed us as “not with the program.” This type of withdrawal from regular interagency review and input to higher level officials for decision-making started repeating itself elsewhere, and was certainly the case when Iraq came up for preparation. Those officials, whatever you call them, decided we were not on the team, we didn’t “get it,” and we would only slow them down. So they went their own way much, but not all, of the time.

So many costly mistakes were made in that initial part based on what I can only characterize as a leadership that was zealous in their mission but truly uninformed on the realities of the region. Let me be clear: the military did what it could. Give it a mission; they would give it their best shot. I had so much admiration for how quickly they could respond when given a mission. But too often their missions were misguided, too simplistic, unsustainable or unsustainably.

The military accomplished their main mission in Afghanistan in just a few weeks: taking down the Taliban. High fives went around the White House and Pentagon. But then what? Now the tough, unsexy, highly complicated, highly “unmilitary” part came to the forefront. While the military to this day continues to carry out its mission in an exemplary fashion, they themselves acknowledge that the military alone cannot win a war. There is so much more that must come into play before the mission is truly accomplished.

If you look at Afghanistan today, there have been so many advances, from economic to political to education to rights, especially for women. We have much to be proud of. When you go to Kabul today, it is amazing to see the change. But we still can’t answer the question today confidently that has been posed all along: can this be sustained after we leave? Will it likely fall apart, and if so, how quickly? While we have abandoned the goal of “good governance,” can we say with any confidence that they will have even “good enough governance?”

Iraq: preparing for war

*Q: Let’s turn to Iraq.*

It was in December of 2001 that it became clear to us in NEA that war with Iraq was going to happen. There simply was no peace option, no negotiations, no bargaining...it was going to be war. It may not have made sense to any of us. As one of us commented: if the President does this, it will dominate the rest of his presidency, even if he is re-elected. Karl Rove would never let this happen. That person, of course, was wrong. At the time, I said nothing, because in all honesty, my years in Kuwait had left me wishing we would get rid of him. But that was my heart speaking, not my mind. I knew as well as any of us that going to war with Saddam was not a two-week exercise, like the liberation of Kuwait. Iraq was far more complicated.

During my time as ambassador in Kuwait, the Iraq issue was always front burner. The Kuwaitis were eager to see him gone, replaced by another Sunni who would be a kinder,

gentler Saddam, not threatening his neighbors. When they could be drawn out in personal commentary, they warned us repeatedly about ushering in a Shia regime.

Some favored the Clinton approach: support for a Republican Guard Commander who would oust and replace Saddam. The silver bullet. No boots on the ground, no war. Just one guy assassinating the big guy. This strategy was by no means endorsed by all within the government, but it was a strategy. There truly was no consensus within our own government over what to do. Other Kuwaitis felt that a swap of Sunni leaders like this would only work if the Shia majority could somehow be placated. Otherwise, the risk of an uprising requiring a bloody putdown would be high. In short, there was no consensus even in the region regarding how to get rid of Saddam even if most wanted it done.

While the Clinton approach above was being studied, so was the military option. CENTCOM, on instructions, produced a war plan, but the view of many was this was full of risks, costly risks, not for the takedown of Saddam himself, but for the aftermath. The conclusion of some analysts that containing Saddam at a cost of less than \$2 billion per year, which was the cost back in the late 90s, was far cheaper and sustainable in the long run. Taking down the regime Iraq at the time would place us in a quagmire, as Dick Cheney had earlier stated publicly when he was Secretary of Defense.

All this swirled about during the second Clinton term and into the new administration. But month after month, the sanctions were eroding; Saddam's violations were aided and abetted by the Russians and French in particular, but many others as well. I recall that when I became P/DAS, I was asked to take over the sanctions account, working directly with the UN. David Welch as NEA P/DAS had managed this difficult account and had taken the account with him to his new position, Assistant Secretary for International Organizations, putting the UN front and center in his portfolio. I thought that was exactly where the account should remain when I was asked to take this on.

Knowing as I did from my experience in dealing with the UN from Kuwait that certain UN officials were thoroughly corrupt and paid off by the Iraqis, that certain officials of even friendly countries at UN missions were quietly working against us, and recognizing that the time I would have to spend on this loser would be enormous, at the expense of the bureau I was committed to strengthen, I said no. I was worried that my boss, Bill Burns, would intervene, ordering me to do this. He didn't. He never questioned my decision, and in fact supported it. This was very early in my tenure as P/DAS and was consistent with Bill's unflinching support for me throughout the time we worked together.

And I was right. I did have to attend meetings regarding the sanctions, and they were going nowhere but down. The sanctions could not be sustained. I truly believe that the Russians and French believed that we would never attack Iraq or they wouldn't have done what they did to undermine the sanctions as hard as they were doing. I warned a longtime French colleague who was visiting Washington in March 2002 as a senior official dispatched by the Quay that he should expect we would go to war in exactly one year. I looked him squarely in the eye and repeated this. I told him that if France was

basing its policy on our aversion to go to war, it was badly mistaken. His government should ponder the consequences of what they were doing.

But let's go back to December, 2001. I will never forget the meeting where we learned about the decision to prepare for war in Iraq, the so-called "slam dunk" decision. A number of us gathered in the front office. It was early evening, and it was already pitch black outside. We were told of the decision to go to war and that there would be more than a year to prepare. We all concluded, wrongly I must note, that State would be given responsibility for managing our policy and programs once our troops completed their mission of taking down the regime. This seemed logical at the time, and no one questioned this. We therefore discussed a game plan for preparing for a post-Saddam Iraq and set out quickly to carry out that game plan.

The "Iraq Project" was born, and we drew on the already appropriated \$25 million for the Iraqi opposition to set it up and complete its work by early 2003. Our team was truly outstanding, bringing together Iraqis in the diaspora and others for numerous meetings to discuss every aspect of governance in the post-Saddam period. And I mean every aspect. The final product totaled, if I recall correctly, 17 volumes, each focusing on a separate aspect of governance in the post-Saddam period. That was not only put in print but on CD as well.

The year-long process to pull this all together brought the full range of Iraqis of all political persuasions, all economic, energy and financial positions, all ethnic groups, all religions and sects and all regions. It was truly a thorough piece of work that we believed would form the Bible of the post-Saddam period, guiding how we would win the peace after we won the war.

"The Way": The guiding narrative for our national security policy

At the same time, we were working to prepare for the war via diplomacy, using public diplomacy and all the tools of our tradecraft. Let me be perfectly clear: whatever our doubts, we were one hundred percent loyal in do our best to support our Commander-in-Chief. That loyalty meant that we were not afraid to speak up when we believed there was a better way. In truth, our views were mostly ignored, as there was clearly another game plan, "The Way," as I called it, and we were considered heretics, diverging unacceptably from that path.

"The Way" was seductive: the basic premise was, put in the simplest terms, that we would topple Saddam, announce that we were liberators, not occupiers, as Tommy Franks actually did announce, we would be met with the same kind of cheering as our soldiers in Italy were welcomed during WWII, a new Iraqi government composed of Iraqi expatriates, with Ahmed Chalabi leading the way, would take over, governance would proceed smoothly and our troops would all be out in 90 days. Very neat, clean and simple. There would be a full normalization of relations and our embassy would resume the regular business of handling the full range of issues in our relations. An interagency committee, co-chaired by the NSS and OMB, after months of work, concluded that the

total cost to the U.S. government of this post-Saddam period would be a bit more than \$2 billion, with most accounted for in the return of displaced refugees. Since Iraq was rich in oil, they would quickly be able to pay their own way to get back on their feet, just as Kuwait did.

This was the guiding narrative... "The Way." We considered it not the real narrative, since it was fantastical. We assumed this was for public consumption, designed to woo and reassure a Congress and the American people who are traditionally skeptical of "foreign adventures," especially ones that drag on and are costly in terms of our blood and treasure. This would be nasty, brutish but short, and would not add to our budget deficit. After all, we probably made money on liberating Kuwait. And with a grateful Iraqi citizenry sitting on much greater oil reserves than Kuwait, they would no doubt move swiftly to pick any costs, including reimbursing us for services rendered.

Of course, there were also seductive economic and political arguments as well. The new Iraq, on the one hand, would be an economic powerhouse, providing all kinds of commercial opportunities for us. At the same time, increased Iraqi oil production would temper global oil prices and perhaps even drive them down. On the political side, a new Iraq would be the catalyst of an Arab Spring, spreading democracy in the region. And this new Iraq would stand up against Iran to its east and stand with Jordan and Israel to its west. Yes, even Israel. That's what the believers of "The Way" argued.

It was very seductive indeed, and any criticism was dismissed as defeatist.

We nonetheless pressed on with the Iraq Project, believing that a post-Saddam Iraq needed a road map written by Iraqis who would be vested in its use in restoring their country. Rebuilding Iraq simply wouldn't fall into place naturally. We also remained confident that as the war approached, the wisdom of using our project would be persuasive. And, of course, we also never really questioned that State would get the lead in post-Saddam Iraq, especially if our troops would be withdrawn quickly.

*Q: What was the rationale for putting our focus on Iraq?*

LAROCCO: The rationale internally was described above. The public argument focused most strongly on the threat of WMD.

*Q: Weapons of mass destruction.*

LAROCCO: Yes. And while this included chemical, biological and nuclear weapons, the focus was overwhelmingly on the nuclear and biological threats. You recall the comments from Condi Rice on a "mushroom cloud" and Colin Powell's holding up a small vial at the United Nations Security Council. Condi's words got mixed reviews, but Powell's words and gesture, with the whole world watching, were powerful and electrifying. This worked well with the Congress and the American people, with some friends and allies, but had virtually no impact in our region. They simply didn't buy Iraq as the threat we perceived. Public opinions polls in the region repeatedly showed deep

skepticism over our rationale and our intentions. Iraq, after all, was Sunni led, just like all the Gulf States, and had served for many decades as the strategic depth and buffer for these States.

The Saudis were getting increasingly antsy, and it was clear their role would be extremely limited, unlike their support for the liberation of Kuwait. Even the Israelis were uncomfortable with the claims on WMD, although if true, the threat from Saddam retaliating against Israel if we struck created much angst. Keep in mind that they had decades earlier bombed the nuclear reactor in Iraq. They had never indicated they needed to go back and finish the job. Their concerns at the time were focused much more on Iran's nuclear program.

*Q: During this time of getting ready, what was the role of the Pentagon, particularly Rumsfeld?*

LAROCCO: Very strong. The Rumsfeld-Cheney role was huge. The Pentagon was very clear that they were going to be in charge of the run up to the war, the war itself and the 90-day post-Saddam period. They paid no attention to our Iraq Project, and instead hired a retired general to take care of the emergency needs that were defined in the interagency report that called for the possible expenditure of as much \$2.1 billion. All this is amazing in hindsight. Instead of that sum, there are all kinds of estimates what we have spent in Iraq, ranging from nearly a trillion dollars in traceable costs to more than \$2.1 trillion, not billion, in real costs.

*Q: He had been associated with Operation Provide Relief or something.*

LAROCCO: General Jay Garner was indeed experienced in emergency, short-term relief. It was quickly apparent that he was way in over his head. His tenure was brief and all ad hoc. Emergency relief, in fact, was not the big need. In the immediate aftermath of the war, there was no sizeable number of refugees. Rather than moving quickly to normalcy, the destruction went on and on and on, with virtually no governance at all in sight. Iraq was in free fall.

I recall that several months before the war, an offsite gaming conference was held in Pennsylvania, with representatives of the military, government agencies, scholars and others. The object of the game was to determine, as best as possible, what the result of the war would be. If my recollection is accurate, the outcome was that the best we could hope for was that after years of effort on our part following the fall of Saddam, a weak, representative government akin to the government Iraq had when things settled after the fall of the Ottoman Empire 80 years earlier. This was the best we could hope for. Other outcomes went from bad to worse. Our participants returned to Washington and indicated their belief that this was a credible exercise and that we should prepare for a long hard, slog in the post-Saddam period.

*Q: As a consular officer I have seen people who left. Once they've left they've pretty well lost their credentials.*

LAROCCO: Exactly. And that quickly proved to be the case with Ahmed Chalabi. His only credibility was his connection with the U.S. That didn't take him very far in terms of actual, credible governance. It was clear after less than a month that the only credible, representative group of Iraqis who might possibly be able to govern was indigenous Iraqis.

*Q: I assume this feeling was conveyed to the secretary of state and what was his role in all this?*

LAROCCO: Powell was a soldier, and while he presented his views, he was, like us, always faithful to the Commander-in-Chief. He clearly had deep suspicions about "The Way," and he made those known, but like I said before, it was either get on "the Way" or get outta the way.

The White House had Rumsfeld's back, and he embraced "The Way," as did all his top lieutenants. The White House-Pentagon alliance was firm, unshakeable, confidant and committed to their game plan. Powell did indeed do his part at the United Nations, with George Tenet of the CIA sitting right behind him. This was a convincing, visible symbol that everyone was marching in step.

Iraq post-Saddam: the early days

The war was "over" in a few weeks, the government was down, and Franks announced we were liberators, not occupiers. I recall that I was presiding at our NEA staff meeting the day Saddam's statue was dragged down off its pedestal. It was a busy staff meeting, as we reviewed at length all the upcoming work. After the meeting, one person, a White House appointee and not an FSO, came into my office, closed the door and demanded to know why there was no cheering. I was startled. I simply commented that we were professionals, and we knew that this was the start, not the end, of lots and lots and lots of work. The person looked at me as if I were the fantastical one, saying that this was a glorious day and that in fact the hard work was done. This was a new dawn. I did not respond.

Within days, chaos spread wider and wider. The emergency team brought in was lost and useless in this environment. The absence of the 4<sup>th</sup> Infantry Division, originally intended to come into the north of Iraq via Turkey to relieve the 5<sup>th</sup>, was sorely felt. It became increasingly clear that we were faced with a failed state, an ungoverned state that was indeed in chaos.

To be frank, we only made the situation for command and control worse by our actions in bringing Saddam down. I commented to a colleague that our war planners had obviously never studied either Latin American coups or seen the Woody Allen spoof on such coups, "Bananas." In that movie, like in real life coups, two of the absolutely key elements for success are 1) taking control of the media and communications, and b) taking control of the military, calling all troops in, with their arms, to swear loyalty, while ensuring that the

arms are not dispersed. Once the troops and weapons are accounted for, it is easy to cull the forces of the bad guys and reshape the military.

These seem so obvious, so basic, and yet what did we do? We treated the overthrow of Saddam like World War II, rather than a coup. We bombed the hell out of the entire communications and media system, leaving it in shambles. When we took over, we had no effective way to communicate with the population. There was only one TV channel still operating, and that Al-Alam, the Iranian channel. The elite had satellite dishes, and Al-Jazeera was the channel of choice. If you recall those days, Al-Jazeera was bordering on if not carrying out true and significant incitement throughout the region against us, with 24/7 anti-American footage, reports and commentary. Neither the region nor Iraq welcomed us with hearts and flowers; we were met with a barrage of emotionally charged criticism, vitriol, allegations (many untrue) and conspiracies. Our popularity, always low in the region, tumbled to single digits. We weren't heroes and liberators, we were expansionists and occupiers. I will get back to this important topic later.

The second element, noted comically, of course, in "Bananas," was calling the troops in with their weapons. Instead, since we were liberators intending to depart within 90 days, we had no such plans. As we saw the country disintegrate at lightning speed, soldiers dispersed and melted into the population, taking their arms with them. There was no real military institution for us left to deal with, nor a police for that matter, to handle internal, border and external security. Without either the troops, since the 4<sup>th</sup> ID had been denied entry in the north via Turkey, nor the preparation for urban control, civil affairs and other key aspects of restoring safety, security and stability throughout the country, there was more damage from lawlessness, settling vendettas and lack of civil order after than downfall of Saddam than during our shock and awe bombing and advance of our troops to Baghdad. Provinces throughout the heartland of Iraq were badly affected, as were some in the west and south. Only the north, under Kurdish control, was largely spared.

It was increasingly clear that we were not at all facing the kind of emergency assistance situation that was planned for. In fact, we were not just facing a daunting rebuilding task. We were instead faced with the very thing Rumsfeld and others held up as the anti-Christ for our policy in the aftermath of wars: nation building. This term had been derided, trashed, discounted and every other adjective and expletive you can imagine in any discussions related to either Afghanistan or Iraq. We simply were not going to do it. The term "nation building" was banished from our vocabulary not only before and during the war, but even in the aftermath for quite a long period, despite reality staring us in the face.

I recall months after the downfall of Saddam, when the Coalition Provisional Authority was up and running, Ryan Crocker was in Baghdad cobbling together an Iraqi interim governing council, and former ambassador Jerry Bremer was on board to coordinate what had become a "nation building" effort, speaking with one of those unabashed advocates of "The Way." I was in the Pentagon for a meeting, and I happened to bump into one of these guys in the halls. Instead of recognizing reality, that is the simple truth of Powell's comment before the war that we would have to live with "The Pottery Barn" rule: you

break it, you fix it, he lashed out at the State Department as responsible for the whole mess. His argument was that if we had followed “The Way,” and simply pulled out after 90 days, we wouldn’t be in the costly mess we were in during the summer of 2003, with no end in sight. It was State’s fault for the misguided nation building we had stumbled into. I decided to let that response float in the ether.

It was a rational point of view, I suppose, but what did it say about American values if we engage in military action for regime change and then just walk away, leaving a vacuum? And beyond the values argument, what about our strategic interests? Power abhors a vacuum, so would have simply acquiesced to another Saddam taking power, or perhaps Iranian influence expanding, or Iraq being carved up by its neighbors? These are all hypothetical questions, of course, since we did stay, and stay for a very long time at great expense. .

*Q: The electric grid was almost nonexistent, nothing was working.*

LAROCCO: Nothing was working. The damage to infrastructure was widespread, either from our bombing or from sabotage following the downfall of Saddam. And even though early on the Pentagon decided that we must do all we can to protect the oil industry and the pipelines, they were badly damaged. While pre-war projections had Iraq producing as much as 6-8 million barrels per day within five years, it took five years simply to get back to pre-war levels of production and export. Iraq simply could not produce the revenue to build a functioning physical infrastructure, institutions of governance, local, regional or national, or the needed security forces to provide the necessary environment for anything to succeed. All this fell on our shoulders, for the most part, although the coalition of the willing formed after the downfall of Saddam did provide some important assistance.

Iraq and public diplomacy

Let’s get back to the communications and public diplomacy efforts related to Iraq.

Huge offices were created at The White House and in Baghdad to deal with public affairs. But they were strictly oriented to dealing with the American audience. The first time I visited Baghdad after the war I was stunned that a whole wing of the palace was devoted to this, while we had only a handful to deal with the Iraqi audience. This was the absolute opposite to what our missions overseas had always done. Our public diplomacy efforts under USIA and later State are governed by law, and the law made clear that we were not to deal with U.S. audience. That was the purview of the White House, so this is why they ran this huge section at the palace.

I lobbied hard to expand our office to engage in public diplomacy with the Iraqis, and we were in fact able to send some of our finest officers, like Adam Erel and Susan Ziadeh, experienced linguists as well as master diplomats in the region to lead these efforts from the embassy in Baghdad.

At the same time, how would we deal with Al-Jazeera and the lopsided view of our mission in Iraq? The anger was profound throughout the region and further afield, not just in the Islamic world, but even in Europe. Poll after poll proved that. Eventually, I was asked to chair an interagency group that would deal with this. I walked into the first meeting and our conference room was packed. I was stunned. Even though I was aware of how large the White House-led team was, and knew their activities, I had no idea of just how large was the cadre at the Pentagon and CENTCOM, and how many contractors came under their purview. They were engaged on all fronts. But they themselves readily admitted that they simply could not find a way to win hearts and minds.

The first thing I did was change the mission: the real “measure of success,” an actual quantitative measurement so common to our military and the Pentagon, was not the polls showing whether we were winning hearts and minds. That was far beyond our ability to change. It wasn’t just Iraq; it was so many factors that contributed to the low polls.

What the true measurement should be, I argued, is how much pressure is being exerted on the friendly Arab governments in the region to place us at arm’s length, to limit their cooperation. That was a mission that could be successful. I further argued that we could use precisely the same measure related to our European friends and allies, whose leaders were similarly under pressure from their citizens to put America at arm’s length.

In that regard, I argued that while the WMD issue did not sell in the region, nor did the threat from Saddam to his neighbors, what did have resonance both there and in Europe was Saddam’s treatment of his own people, whether it was the gassing of the Kurds, the denial of human, civil and political rights, or his squandering of the nation’s wealth.

Our group moved forward to produce a slick publication “From Fear to Freedom,” which I felt was well targeted to key foreign audiences. I did feel that we began to see the temperature lowering on the leadership of friendly countries not just in the region, but in Europe as well.

Our second task, which also required a strong, coordinated interagency effort, was countering false reports, rumors and conspiracy theories. Media in the region and elsewhere was very closely monitored, and false reports were quickly countered. You have no idea how bad it was at one point, with old stories recycled in the region about the U.S. military grabbing and selling babies and human organs and other outrageous claims. Our vigilance needed to be constant.

### Al-Jazeera and the Qataris

Third, and always on our minds, was tackling Al-Jazeera. They were unapologetic about their reporting, unwilling to moderate. The White House, exasperated as it was, simply would not... or perhaps better said...could not exert heavy pressure on Qatar because on the one hand, the Qatari government repeatedly denied any control over Al-Jazeera, and on the other, Qatar continued to provide the vital facility at Al Udeid, which had become the forward command post in the region for CENTCOM.

Left to us at State to handle, we decided to take Al-Jazeera up on its offer to have us respond to reports and provide commentary in real time. Chris Ross, one of our legendary Arabists, was brought on board to take on this task. He regularly appeared on Al-Jazeera and was always available for commentary. It proved to be a 24/7 job and a daunting one, since, as I earlier noted, anti-U.S. views were not simply related to Iraq, but always strayed into the Arab-Israeli conflict, counter terrorism, allegations of a double standard in many aspects of our foreign policy, etc.

I give Chris the highest marks for addressing all these issues as best he could within the constraints of official U.S. policy. But it wore him down, as you might imagine. We bolstered this effort by establishing an office in London, where the Arab media all had branches. How effective was this? It was difficult to measure at the time, but we were leveling the playing field in my view significantly, at least providing an opportunity to quell the most egregious allegations. On balance, it was definitely worth what we put into it.

Our discussions with the Qataris went on and on and on, with little effect. My favorite moment came when Colin Powell met in his office with the Qatari Amir. The Secretary delivered a very hard hitting message about Al-Jazeera, pressing the Amir to take action. The Amir, moving his great bulk slowly forward in his chair, leaned about as far as he could, remarking, "You take care of O'Reilly, and I will take care of Al-Jazeera." The main message was clear: just as we do not control our media, they did not control theirs. Of course, we didn't buy that argument.

But there was a secondary message conveyed by the Amir in that one sentence: Arabs were chafing over sweeping generalizations that were demonizing them and Islam in the aftermath of 9/11, whether it was in the American electronic media, the press or our movies.

Another public diplomacy effort was related to radio, TV and publications. This was costly and in my view, misguided. I was not a strong supporter of this, particularly after I was one of the first interviewed for the new media channel called Alhurra. I went there to talk about Iraq, but instead the questions almost immediately turned to Syria. I was baffled and did some checking. I discovered that almost all the interviewers were Maronite Lebanese Christians. Who hired these people? It was only natural they would steer discussions to issues they were interested in.

Rumsfeld's snowflake

One last point about communications. You may recall that I noted how we destroyed the Iraqi communications architecture. Our military as well as the CPA were struggling to get messages circulated. Handbills were made, a makeshift daily newspaper was established, but mass circulation of messages was not happening. I recall the day when we received one of Rumsfeld's so-called snowflakes, his brief notes that often spoke the truth in concise, blunt language. This one was a biting message about the failure to come up with

a plan to address the communications crisis inside Iraq. Few, if any, of these snowflakes, had ever been responded to. They were either statements or what we considered rhetorical questions, not calling for any response.

This one was brought to my attention, and I asked the 7<sup>th</sup> floor if I could draft a response, providing a game plan to address this. I was given the green light. I consulted closely with R, the seventh floor public diplomacy staff, and we put together a plan, with a clear set of slides, as the Pentagon and military always liked, showing how we could address this issue and for low cost: do what local media in the U.S. does, but gear it to all the key populations centers. The scheme would involve purchasing 40-50 mobile TV recording and broadcasting trucks, managed by a control office in Baghdad and monitored and guided by Washington, to provide almost constant broadcasts to the key urban populations. Now keep in mind that the Pentagon at the time was paying around \$100 million to a contractor to handle communications, and none of us saw much to show for it. Obviously Rumsfeld didn't either. Our plan would cost a fraction of this and provide a network that would get our message out.

Our 7<sup>th</sup> floor leadership liked the plan, and a response to the snowflake went back to Rumsfeld's office, indicating State was prepared to take on this task. The Pentagon never responded, and I heard through a friend over there that they had no intention of giving this responsibility to State, but we did see a shakeup in their approach to addressing the communications gap.

#### The first Ramadan Iftar at State

You may recall that President Bush made an extremely important gesture after 9/11 when he visited the Islamic Center in Washington. This conveyed a powerful message not only to the region, but the American people as well: Islam was not the enemy. Similarly, he hosted an Iftar, the traditional breaking of fast meal during Ramadan, and orders were sent to all agencies and diplomatic missions to host Iftars as the conditions permitted and made sense. Secretary Powell embraced this idea, and we quickly went to work, once again with the R office, to set up an Iftar.

The idea was to host a very large Iftar on the 8<sup>th</sup> floor in the Benjamin Franklin room, with hundreds of guests, including the Washington-based ambassadors from Muslim countries as well as Muslim Americans. It was a learning moment for our principals when they first read through our recommended guests list. Where are the Arab-Americans, one commented, while another said, we have to include Jim Zogby and other prominent politically active Arab-Americans.

I had to respond that Jim was Christian, as were many Arab-Americans. The largest group of Muslims in America is African-American, most of whom were converted to Islam in the 60s and 70s. Many were in Powell's native New York. Other than African-Americans, south Asians provided a larger number of Muslims than Arabs.

In the end, wise decisions were made, including inviting the Muslim chaplain of the NY Fire Department, an African-American. We wrote a long speech for Secretary Powell, and after reading less than a page to the audience, he put it down, saying it really did not convey what he felt. He then spoke extemporaneously for a good twenty minutes. The audience was spell bound. When Powell spoke from the heart, he was second to none in connecting with an audience. The event was a huge success.

To be sure, there was lot of learning moments like this. For example, it was decided that we should feature the voices of Muslim Americans to show people in the region an America they could relate to. This proved to be problematic, as Muslim Arab-Americans frequently went off message to talk about the Arab-Israeli conflict, their feelings of discrimination in America, etc. It took many years to shape programs to better connect us in people-to-people ways with the region. None of these programs came to fruition during my three years as P/DAS. I'm not sure we are there yet, 12 years after 9/11.

In addition, in those early days, trying to get our message resonate in the region did not go over well because we were using terms that were very offensive to Muslims. It took years before we dropped terms like fanatical or fundamentalist Muslims, jihadists, etc. I honestly feel that the term eventually adopted – extremist violence – was about as good as anyone could come up with. I have always felt that in cross-cultural communications, avoiding terms that may be viewed as denigrating to a person's identity is essential. This was clearly the case in trying to have meaningful dialogues in the region when it came to terrorism.

FSOs serving in Iraq

*Q: What were you all doing about getting FSOs to Iraq?*

LAROCCO: In advance of the war, I was trying to line up as many FSOs and other State personnel, anticipating a dominant role for State following the ousting of Saddam. Even though that role was not forthcoming, it was clear from day one following Saddam's downfall that a large cadre of experienced FSOs, with language, area experience and specialized skills would be needed. The pool was not large, and our posts in the region were already very lean. It became clear that the need could only be filled with a mix of active duty and retirees. And that's what happened. In some cases, we recruited the retirees, in others they were recruited by the CPA. Of course, Jerry Bremer himself was a retired FSO.

There were many retired FSOs we tracked down and asked to play their part. I was deeply touched by the sense of duty these officers displayed. "Needs of service" was a powerful term even well into retirement. We desperately needed, for example, someone to help rebuild the shattered Ministry of Finance, so essential to the operation of any nation state. David Dunford, an economic officer specializing in financial issues, was someone I had always looked up to as an econ officer myself. I never got into the financial side of the work, specializing instead in trade-related issues. I knew David was a master of banking and finance when it came to the role of the government. David was not

an easy man to track down and talk with. He clearly was enjoying his retirement, as I recall, in Arizona. When I finally got a hold of him, he was exactly as I had remembered him: a no-nonsense, practical, focused guy. I laid it all out for him. He sighed, saying he couldn't decide on the spot. When do you need me? He asked. Yesterday, I said, and he laughed. How often did we hear that when we were in the service? David came through, and did an exemplary job under the most trying conditions.

I truly hope that someday the story of the FSOs in Iraq in those days, retired and active duty, is put together as profiles in duty, courage, professionalism and patriotism.

Getting the administrative piece right was among the most daunting challenges, and Pat Kennedy was pulled out of the U.S. Mission at the UN in New York to take on this task. He did so with his usual mix of a calm but frenetic, tireless task-by-task approach. In many ways, he was the glue that pieced together so much that otherwise was moving in separate directions.

It was far from a normal mission. The military had its piece, and even during my brief visit, the division between Gen Sanchez and Bremer was palpable. There was the White House public affairs team and the White House political team, both with their own lines of authority. State officers tried in vain to influence and inform in Baghdad. The most important roles for FSOs were outside of Baghdad, in difficult places like Najaf, Mosul, Babylon (Al-Hilla) and Kirkuk. In some respects, they were more than chiefs of mission in these areas. In Babylon, in particular, Mike Gfoeller could be compared to the traditional British political agent in the field, dabbling in actual governance. That is a tale I will leave to Mike to tell.

Our officers in the field worked closely with their military counterparts, not simply as political advisors, but taking on themselves a variety of self-initiated roles, roles that otherwise could not be filled by our military personnel. There are wonderful stories of cooperation between our military and these FSOs, and in many cases, the synergy, the innovation, the unique solutions carried out by these teams with only minimal or no supervision from above was in the finest American tradition.

Good works by Americans in Iraq: lost in translation

What I found so tragic was that while there were so many good news stories about Americans, military or civilian, NGOs or individuals coming from America to help, these rarely translated beyond the local communities that we helped. These stories simply could not resonate in a region bombarded with bad news stories, from breaking down doors to night raids to killing civilians to Abu Ghraib.

I was deeply touched myself when I was touring southern Iraq and was asked to give a lecture to a group of Iraqi women. They were covered, but eager to learn about democracy, freedoms, and women's rights. The American lady, in her early 30s but looking so much younger, who was doing so much good work there, was truly an inspiration, and I told her so. She just shrugged it off, moving on with her outreach to the

communities down there. It was not long after I returned to the U.S. that she was shot and killed by Iraqis wearing police uniforms, with some later saying it was targeted killing by those who objected to her work empowering women. Fern Holland will be remembered forever by those who came in contact with her. She stood for everything right and good about our country.

As I said, I was truly impressed with the work in the field, even in Baghdad and environs, by our officers. Their outreach was sorely needed, and they stepped up to the plate. It's a long list of officers, so I hesitate to mention any in particular, for fear of leaving people out. I will note two, Rick Olsen and Molly Phee, who exercised great courage under fire. Like Fern, they could have easily paid for their service with their lives. I will always be grateful as an American for the service of so many of our officers who were truly on the front lines.

The HQ in Baghdad was another story, a bewildering maze of people falling all over each other, going in a variety of directions, carrying out tasks on the fly, some working around the clock and holding things together, others spinning their wheels as roles were trying to be developed.

There had been no game plan following the fall of Saddam, and that was painfully obvious.

#### Museum looting

One of the episodes that I would like to relate in this regard involves one of the retirees posted in Iraq: John Limbert, a name I have mentioned previous. For the record, some others from my past were also there, like Hume Horan, a key adviser to our leadership.

I will never forget the day John, who was in Baghdad, phoned to say that the museum was being looted. I had visited that museum back in 1977 when I was hitchhiking around Iraq, and I recall vividly the impressive collection.

No plans had been made to safeguard antiquities, since we expected to be out of Iraq in 90 days. This was not like World War II, when we had a special commission for the treasures of civilization, the so-called "Monuments Men," or the case of Kuwait, when one of the members of the ruling family took the initiative to hide that nation's treasures of Islamic art in his home. Unfortunately, he could not do so for the extraordinary artifacts from the time of Alexander the Great in the small museum on Failaka Island, just off Kuwait's shore, not anticipating that Saddam's forces would go there. They did, and they destroyed priceless pieces.

In any case, John called, expressing extreme anguish. He had called CENTCOM HQ, and could not get any action. I said I would take care of it. He should get back to doing whatever he could on the ground and with our forces stationed near there. I then called CENTCOM HQ, speaking directly with David Litt, the Political Advisor, pressing the

issue hard. The answer I got back was straightforward: it's not in our mission. I was told this was vetted at the highest levels there.

I then did something I had never done before and never would do again. I raced the few feet from my office to Liz Cheney's, a 5-second run, closed the door and said "Liz, I need you to call your dad." I explained the situation, underlining that this was not just Iraqi patrimony; it was ours. It was the whole world's. Immediate action was essential to safeguard these treasures. She made the call.

Now let me be clear: My work with Liz was always professional, always as the P/DAS to a DAS, just like my relationship with Ryan and David. She was responsible for MEPI, and she built that organization on her own, taking our original concepts and translating them into concrete programs. She also was responsible for our regional affairs office and its activities, and there were a few times when I had to goose things along because of her zealous devotion to the MEPI account. But otherwise, we worked together well. I had no indication to think she felt otherwise. Whatever ideological or political or other differences we had, we put them aside in our work.

But in this case, as one who had done the Grand Tour of Europe as a young man to absorb the great works of Western civilization, the far corners of China and the Gugong in Taipei to appreciate the treasures of Chinese civilization, and virtually every site of Arabic civilization from southern Spain and North Africa to the grave of Job in the hills above Salalah in Oman, this was my one chance in my lifetime to act on my love of the humankind's endless reach to transcend and express that transcendancy. I couldn't miss it.

This issue did reach brief world media attention, but it faded as steps were taken to secure the art in Iraq and to return what was looted.

Moving from the CPA to diplomatic relations and an embassy

*Q: Moving on, why would having an embassy be better rather than this sort of amorphous, prior to the embassy, what was it called?*

LAROCCO: This was the CPA, Coalition Provisional Authority.

*Q: Why when the embassy was created did that make a difference?*

LAROCCO: For a variety of reasons, but mainly because we wanted to recognize the new Iraqi leadership, however transitional it may have been. We wanted to shed not only the image of being occupiers, but codify that in formal agreements, including recognition of the Iraqi government as a sovereign government. Establishing full diplomatic relations with embassies and ambassadors was the end step of this process which included steps taken by the UN Security Council, NATO and others. Of course, this was hardly the end of our responsibilities in Iraq, and special arrangements were in place to ensure our continued strong role. Our military presence remained strong and continued to be under

the authority of the combatant commander. But the Pentagon's role was clearly diminished as State increasingly took over the full range of diplomatic functions.

That initial embassy, for which I worked hard to recruit the best people I could, was one of the best teams, in my view, ever assembled at an embassy. John Negroponte and Jim Jeffrey were at the top of their game. John was an ideal choice since he had served as our ambassador at the United Nations in New York. He knew all the issues and international actors related to the Iraq War.

Jim was uniquely qualified because of his service in Kuwait and Turkey. In addition, his own experience in the U.S. Army as a Ranger served him and the mission well, as the huge gap between the CPA and our military that I had witnessed before now must be narrowed dramatically. This embassy worked well, although I did worry, and I signaled this upstairs, that in those first few years with the CPA and the first embassy team, we were rapidly depleting the ranks of our most experienced officers in the region. Since assignments were just one year, I warned that with each successive year, providing the best staff possible would be increasingly impossible. And that proved an accurate forecast. It was after my time, but you will recall the crisis several years later over staffing, with some harsh words exchanged in public.

But I am going well beyond my time. Let me simply say that with the new embassy, U.S.-Iraqi relations did indeed start down a path toward a much more normal relationship

*Q: How did we, from the perspective of Washington, deal with the Sunni-Shia division? Was this the predominant problem in Iraq?*

LAROCCO: This was always a delicate issue and always will be. The Shia occupied the majority, and this was accepted by the U.S. from the start. There was no expectation of a return to a Sunni minority leadership. If that happened via democratic elections, so be it. Recognizing that Iraq was split not just between Shia and Sunni, but also between Kurd and Arab, between various tribal and regional groupings, the goal was to produce a representative government of all these groupings, ensuring that each had a say in governance. And that included a strong role for women. To capture it best, the new government would have to be a coalition government, with a certain degree of consensus governance, protective of minorities.

I was personally convinced at the time this was the right approach, the only approach in fact if we believed that democracy is the right path. Your question comes from the current splits in the region, to a great degree brought to the fore by the Syrian conflict. There is a natural spill over to Iraq, and these divisions have spread throughout the region to a degree where it has become highly emotional, coloring attitudes about a variety of relationships. But that's now. At that time, the goal outlined above was spot on. Of course, it was extraordinarily tedious, time consuming, painful and difficult to achieve that goal. Fortunately, it wasn't simply our goal. It was shared by the international community, and the UN played a strong role moving all parties to the goal.

At the same time, others will disagree with that. Certainly the Saudis were just livid that, in their view, we “handed Iraq to Iran.” I have heard that over and over and over again whenever I visit Saudi. And I am now convinced that this isn’t simply hyperbole; they believe it. And they are not alone in their view that our handling of Iraq was misguided, contributing to the troubles of the region today. Iraq, long a buffer state for the Gulf against Iran, is now viewed as a buffer state for Iran. In their view, this is a huge strategic blunder on our part at their expense. We never bought that argument, and we still don’t.

*Q: What about particularly the British and the coalition forces there? Did you get involved in that with that?*

LAROCCO: I did not.

A lot of that was handled by the Pentagon, Central Command, and the mission in Baghdad or people in the field, including our FSOs stationed around Iraq. This was similar to the role I played as ambassador in Kuwait. State NEA played almost no role in coalition military matters.

The special case of Turkey

*Q: You mentioned Turkey several times. Talk about that.*

You may recall this was a time when the Turkish government was changing, a profound change in fact from the military rule to a civilian, democratically elected government that was determined to assert its leadership of the country and particularly its primacy over their military. This was the Freedom and Justice Party, the AKP, Mr. Erdogan, and change happened with amazing speed. Previously, our relationship with Turkey was almost as simple as someone in the Pentagon NATO office that handled Turkey picking up the phone and calling the Turkish Joint Staff. They called the shots, so that was the quickest way to get answers. It was so easy, and we got lazy relying on this channel.

With the AKP in power, calling the Joint Staff no longer produced answers. We had to engage with the civilian government, the Prime Minister’s office and the Ministry of Foreign Affairs, but we also had to take into account the views of the Turkish parliament, since the AKP was intent on governing this way. Sounds like democracy and our own system, right? I also find it ironic that we often get annoyed when democracies act up, while we ourselves take it as matter of course that we must continually consult with our congress.

Turkey was a firm NATO ally, absolutely vital in its geostrategic position to the south of the Soviet Union. But the Soviet Union was no more, and the AKP was looking northwest to the European Union on the economic front, and to their south and southeast on security issues. Economic development was primary, as it would secure the AKP position, so Turkey sought good relations with all its neighbors, including Iran, Syria and Baghdad. Their nemesis was the Kurds, and they had no hesitation striking at them inside

Iraq if they felt necessary. But the prime directive was economic growth, so they were averse to any significant, sustained military action.

We plied them with all kinds of offers of assistance to secure approval of the 4<sup>th</sup> Infantry Division moving through Turkey into northern Iraq. It was a classic pincer strategy, and it made perfect sense. We had maintained good contacts with the Kurds, and were confident they would assist the rapid movement of the 4<sup>th</sup> ID so it could relieve the 5<sup>th</sup>, which was doing the main fighting in the south on the road to Baghdad.

Our timing could not have been worse. Despite upping our offers, the Turkish leadership saw tepid support in the parliament, and it was clear to all of us that they did not view this as a NATO obligation, something they considered sacred. It was strictly optional, and in no way would imply that their dedication and commitment to NATO was in question.

I recall clearly the discussion, on a weekend, when our leadership had to make the decision. They could not wait any longer, since they knew they needed the 4<sup>th</sup> ID in Iraq, and if they had to move them via the southern route, that would take many weeks. The principals in this case looked to Powell to provide his best assessment of the odds of success with the Turks. Would upping the offer more help convince them? If so, how high? Powell was clear: the Turks were simply not interested in bargaining. They were not going to approve this request. And that was that. The President, VP, Rumsfeld and other discussants accepted this and decided to move on. To be sure, there was disappointment, but there could be no regrets. Everyone had to move on. And no one could argue that we should have made the decision much earlier. This was a new regime in Turkey and we had no precedents to draw from. We had tried using every reasonable offer, and the answer was still no. It was a new day with Turkey, and we got the message loud and clear.

It's important to bear in mind that despite the Powell doctrine of only going to war with overwhelming force, Zinni's earlier draft war plan and the public rebuke and dismissal of Army Secretary General Shinseki when he spoke about needing 200,000 troops, Rumsfeld and his aides insisted the war could be prosecuted with far less ground troops and equipment. Shock and awe would do the trick, with a small force marching to Baghdad. After all, we were in the era when we could win wars from the air, right? We could win wars with our superior technology? Who needed an Army? Who needed lots of boots on the ground?

We went into this war with lots of misplaced confidence, and we paid a dear price for that, and are still paying.

*Q: What about Israel? Was this just an everlasting problem going on or during this period?*

LAROCCO: Once again we went to the Israelis and basically said your role is simple: Keep your heads down, your mouths shut and resist any inclinations to get involved in the Iraq War. We had done the same thing during the Kuwait war of liberation. A team

was sent from the Pentagon to keep the Israelis fully informed as the war was prosecuted. Just like in the war to liberate Kuwait, the Israelis complied. They, and we, were fortunate: this time, unlike during the Kuwait liberation war, there were no scuds raining down on them. They did what we asked, and it was an anxious but painless war for them.

Jordan

*Q: How about Jordan?*

LAROCCO: Jordan was in a different situation. They had thrown their lot in with us, and the cooperation we had with the King, Jordanian officials, the military and intelligence was extremely helpful, before, during and after the war. Kuwait was saturated with our forces and we needed a second outlet. Jordan provided that. This was a risky decision on their part, but it paid off, for them and for us. It cemented a strong relationship that has continued to this day.

*Q: In the first Gulf War the Jordanians were supporting Iraq. What had happened this time?*

LAROCCO: King Hussein was the ruler at the time of what you call the first Gulf War. Some would joke, if you can call it that, that he repeatedly made bad calls in the regional wars during his reign, with it was the two Arab-Israeli wars of the first Gulf War. Hussein died in 1999, and his son Abdullah succeeded him. Abdullah inherited a country even more living on the edge than what his father faced, a country that could not afford to choose its friends poorly. Abdullah did not hesitate to throw in his lot with us, and we stood by him faithfully, and still do.

The Gulf States

*Q: The Gulf States by this time were, I go back to the '50s when I was in Dhahran and the Gulf States were the Emirates and all. They were nothing but they'd really become a crucial factor and are today.*

LAROCCO: The Gulf States have leaped forward centuries since your time there, and in some places, like Dubai, are at the forefront of applying new ideas, leading the way in the use of new technologies. Their strategic importance at the time of the first Gulf war as well as the second was arguably at the top of our list following the collapse of the Soviet Union, our one true existential threat for two generations. After that, if there was any existential threat at all, it was a cut off of oil from the Gulf to the global economy. I say global because we have never truly been that dependent on Gulf oil for our oil supplies. We have always been a major producer ourselves, and we have bought from Venezuela and African countries, closer to our shores than the Gulf. But if Gulf supplies were cut off then or even now, global prices would skyrocket, threatening not just us but the global economy as well. At the same time, as a platform for our forward military pre-positioning and forces in time of war, with two wars involving Iraq and the threat of Iran always out there, our ties with the Gulf took on even greater prominence. Now let me be clear: as

important as the Gulf States are to us, we provided them with the security umbrella they needed to develop as rapidly as they did. It's an easy relationship to understand by both sides.

The Saudis, however, simply reached the point where our military presence was no longer tenable for domestic reasons. It was getting so difficult to operate out of there and just maintain our presence that "the periphery strategy" was drawn up after the Kuwaiti liberation. That strategy focused on putting our facilities, equipment and forces in the small Gulf States. The Army was focused on Kuwait, the Navy Bahrain, although that was the case since even before you were in Dhahran, and the Air Force and the CENTCOM forward HQ looked to Qatar. All three witnessed huge growth in our facilities, including Bahrain.

These countries, of course, were delighted to welcome us for their own reasons. On the one hand, this strengthened their countries as independent nations, providing the security blanket they needed to grow, whether the threat came from Iran, their biggest concern, Iraq or even the unmentionable: Saudi Arabia. Second, it pushed them up in importance to us relative to their big brother on the Peninsula, Saudi Arabia. And third, in the case of Qatar, it allowed them to develop an independent foreign policy, meaning independent from either us or the Saudis, much to the frequent annoyance of both of us.

*Q: Today is the 30<sup>th</sup> of September, 2013 with Jim Larocco. We are waiting for the government to shut down again. Or not. Your last job was P/DAS?*

LAROCCO: Yes.

Failed Israeli-Palestinian peace efforts...again

*Q: Looking at your experience with the peace process over the decades, was there hope for a breakthrough during your time as P/DAS? Quite frankly, it was a secondary effort, right?*

LAROCCO: The White House, especially after 9/11, had other priorities, as you would expect. But they also understood the importance of keeping the parties, in this case primarily the Palestinians and Israelis, engaged. As one Israeli pundit used to say, the peace process is a car with no brakes. It can't stop. It either goes forward or backward.

The Bush administration inherited a situation where it had gone significantly backward. The failure of Clinton's talks related to either the Palestinians or the Syrians and the outbreak of the second Intifada made any prospects for peace bleak. But an effort had to be made. This primarily rested with State. We went through a series of envoys and commissions, including Mitchell, Tenet, Zinni and an FSO, John Wolf, but there was not much to show for all the effort. The preparation of a roadmap brought new hope, but that stalled en route, never getting much beyond the starting line of the map. I could go on and on with everything that happened, but this is all well documented by many others.

There were several events that I would like to comment on that I believe are not covered elsewhere. I remember Powell calling me up to his office, before he was about to make a trip to Ramallah, asking me an unexpected question: What did I think of Arafat? Of course, I referred him to Bill or David. Both of them were traveling, and he simply repeated his question, saying he was asking me. I related briefly my experience in the 90s when he came to Gaza, comments by Rabin and other Israelis, and comments by Palestinians I had known well and trusted. I concluded with the words, “He will let you down.”

I came away from that meeting feeling that Powell wanted to support Arafat, hoping in fact that using Powell’s well known personal powers of persuasion, Arafat might prove a willing and able partner in digging out of the deep hole of the situation prevailing at that time. Powell went out there and literally – and I mean literally – saved Arafat, escorting him down the stairwell out of his HQ in Ramallah, which was under fire. Powell, in my view, made extraordinary personal efforts to reverse the negative trends, restart a meaningful peace process. I recall a conversation with him over the Christmas holidays when Arafat had betrayed the hard work of our envoy, Tony Zinni. If Powell ever had any confidence in Arafat, the repeated frustrations with and betrayals by Arafat shattered that. For the most part, the rest of the period following that was damage control on the peace process.

But...I don’t want to leave the impression that all was negative. During this period, we began to focus more and more on building Palestinian institutions of governance and their security apparatus. The Israelis had long contended that the Palestinians were not ready for real self-governance. We understood this, but put the principle and goal of a peace agreement ahead of institution building. Now with the prospect of meaningful progress on the wider issues out of reach, we shifted more toward grass roots development. This has continued to this day, and whenever I visit the West Bank, I marvel at the progress that has been made regarding institution building, security forces skills and economic growth. It is remarkable. One must give the Palestinians themselves great credit, and many attribute this to the focused leadership of Salem Fayyad, but I also believe that our sustained support is an example of well-focused assistance that meets the goal and objectives of all the parties to the conflict.

Because of the second intifada, this was a time where there was a lot of crisis management. Bill Burns went out to Jenin when that was getting pummeled, stood against the ruins and said we must have peace, we must avoid this conflict. I admired Bill for doing that. It sent a strong message to both the Palestinians and Israelis, and was in finest tradition of American diplomacy.

*Q: What was the second intifada?*

LAROCCO: I won’t get into all the history and events leading up to this. Let me simply say that anger was building up in the territories, and all it needed was a spark to ignite. That spark came from Sharon going to the Temple Mount, the Haram Al-Sharif.

Palestinian anger manifested itself in repeated clashes with Israelis. It was indeed an uprising, and it stayed at boiling point for an extended period.

Sharon, as every prime minister before him, was looking for some way to advance the situation in Israeli's interests, and he revealed a new initiative in late 2003, if I have my year correct, in calling for a unilateral Israeli withdrawal from Gaza. We were aware of this, largely dismissing it as inconsistent with the basic principle of negotiating all changes regarding land, security or peace. This was not land for peace or land for security; this was land for nothing. It made no sense.

Gaza, of course, had been Egyptian-administered territory until the Israelis took over there in 1967. Gaza's connection with Egypt had been long standing, traceable back to the Pharaohs of the 2<sup>nd</sup> millennium BCE. Gaza was never viewed by the majority of Israelis as either key to their security, as long as there was a Peace Treaty with Egypt, as there was, or important historically, religiously, culturally or economically. Many wished they could simply give it back to Egypt. The Egyptians, for their part, didn't want it back. They had enough problems governing mainland Egypt without having the burden of the Palestinians in general or Gaza in particular in their portfolio.

A negotiated agreement on withdrawal from Gaza was never in Sharon's sights. He sent Ehud Olmert to explain his plan. I recall escorting Olmert in to see Secretary Powell, his first call, and he explained in detail the plan. Powell reacted with skepticism, underlining our belief that a negotiated withdrawal was far preferable. A unilateral withdrawal would yield no guarantees for Israel, and Israel may get far more than what it wished for. Olmert simply responded that this was serious, Sharon was determined to carry it out despite some significant domestic opposition, and he would do it. He hoped to have full U.S. support.

Olmert then went to the White House, and quite frankly, while we expected White House support, we were unprepared for what happened next. A letter was prepared which went much further than ever before in stating emphatically policy commitments to Israel. Policy is rarely committed to paper in the relations among nations except in the most key commitments, enduring ones, at least it is hoped. But these commitments are usually long debated and negotiated before they are put on paper. This was not. The unwritten, solid, unwavering commitment to Israel was well known and had full bipartisan support in the Congress. Putting this down in a letter was an unexpected move, since without open discussion, Congressional approval or codification in a formal agreement, it could be interpreted as only a statement of the Bush administration, expiring with the end of the administration. I truly believed the Israelis interpreted it as an enduring commitment. I have not seen how legal experts and scholars view that letter.

In any case, the unilateral withdrawal did take place, and did so peacefully, contrary to some expectations. But not without repercussions. I happened to be on the border at Kerem Shalom when the last Israeli truck passed through and the gates were closed and locked. This was in 2005, and I was director general of the Multinational Forces and Observers (MFO). After watching this, I drove along the Gaza-Egypt border, and

watched as thousands of Gazans streamed across the border into Egypt. There were people of all ages, some bearing Hamas banners, all very excited.

I recall that our Force Commander, who was accompanying me, was petrified. I said not to worry. I got out of the car, said salaam aleikum, pointed to the symbol on our vehicles, and was delighted to hear the words “EmmeEffeO good!” (MFO good.) They didn’t bother us as we continued to drive north along the border, seeing the crowds growing bigger and bigger. We knew the numbers had to be at least in the tens of thousands, if not hundreds of thousands. It was a nightmare for the north Sinai and for the Egyptian government.

Of course, the unilateral withdrawal proved rapidly not to be what Sharon had envisioned. But this story takes me beyond my time in the Foreign Service.

Extremism in the region: what’s in a name?

*Q: We are now talking in 2013 the Islamic tidal wave is lapping away at all these countries. What did we feel at the time about Islamism?*

LAROCCO: That is a loaded term, one that can be interpreted in many ways. I guess I will focus on what perhaps is better understood: political Islam. At the time, in the aftermath of 9/11, political Islam was best embodied in the Taliban, a non-Arab entity. The political ambitions of Al-Qaeda and other extremist groups seemed remote, although the avowed goal of many extremist groups – the establishment of an Islamic caliphate throughout the Islamic world and even beyond – was well known. But it also seemed remote.

There was Hezbollah in Lebanon, already exercising governance in south Lebanon, but that was truly distinct from the visions of Sunni extremist groups. In brief, we had a steep learning curve, and many theories and analyses were bandied about, including about what to call these groups. Initially, Wahhabism was popular, but this grated with traditional scholars and those of us who knew the region. The term Salafists seemed to get resonance following that, but to be frank, our Western penchant to try to pigeon hole ideas, trends, movements or groups took us down many blind alleys.

The extremist phenomenon neither had a recognized head nor a recognized body. We often found that its goals could be patently political or just plain crime, all hiding under a religious mantle. It was specific to groups, leaders, regions, communities. There was no silver bullet to contain, dismantle or defeat this organism. It could not be fought like the Cold War. New strategies and tactics had to be devised. It took time, trial and error, and it is still a work in progress.

The good news in this ongoing conflict is that more and more nations understand the threat from these groups to their own security, stability and future. I and others were vexed that the Saudis and other Gulf states did not seem to grasp in those years just after 9/11 that the threat was as much if not more to them as to us. It wasn’t until 2004 when

there was a very large terrorist attack in Riyadh that the Saudis jump shifted to a firm and widespread program to defang the terrorists in their country, rehabilitating them if possible, or keeping them under lock and key. Grass roots campaigns were launched to “guide” imams and the public, ensuring there was a new narrative. This has been repeated throughout the Gulf States. A recent move by the Saudis to expatriate alleged Pakistani terrorists to India stunned their Pakistani friends. I personally believe the move was totally consistent with Saudi policy as put into place starting in 2004.

*Q: Overall were our embassies looking at Arabic textbooks and the teaching? One of the things that turn up once in a while is what the Saudis were pushing.*

LAROCCO: To be sure, there is an ongoing struggle in the Gulf countries to find the right narrative to cover as many situations, domestic and international, personal, community and society-wide, as possible. They are not there yet.

I remember even earlier on when I was ambassador to Kuwait there would be fundraisers even at McDonald’s to support some of the “freedom fighters” who were working in places like Chechnya and the Balkans. This was accepted as gospel to resist those who were oppressing or suppressing Islam. They saw it as a very positive thing. The argument that one man’s freedom fighter is another man’s terrorist remains valid. A clear, internationally recognized and accepted definition of who is a terrorist has never been achieved in my experience.

Even to this day, you take a look at the Saudis and Qataris and what they are doing in Syria. Their support has seen the number of extremists, which constituted in the early days only a handful of people, and I mean less than 50, to perhaps tens of thousands today. And it isn’t just official funds supporting these efforts. Millions of dollars of cash and support from private sources continue to flow to extremists throughout the world.

### The Foreign Service at a Crossroads

*Q: We are reaching the end of this long discussion we have had over the past two years. What do you feel about the Foreign Service? And let’s talk about the Middle East because that’s the real subject of what we have been talking about. Looking at it as it has developed over your years, has it gotten better or worse?*

LAROCCO: Regarding the Foreign Service and how I feel, I believe I have covered this in considerable detail throughout this oral history. When this history is put down on paper, I will go back through the dialogue and pull out the points I have made at various times, listing the relevant page numbers or sections here.

The bottom line, however, is clear to me. Like so many institutions, it is one poised for profound transition. As with all U.S. power at this time in our history, which I will talk about in answer to your second question, we are using this power selectively. We cannot and will not be all things to all people, whether regards our military power or our diplomatic influence. In my view, this approach of selective engagement and aversion to

costly adventures and commitments has bipartisan support as well as support from the vast majority of the American people. It is a natural reaction after years of exhausting and costly wars.

The person of John Kerry, with the backing of the President, is a textbook example of the selective use of diplomacy. As an individual, he has thrust himself on to the world stage, focusing his time and energies on several important issues. Diplomacy is key to all these issues. In so many other areas of our policy, however, we continue to rely on the militarization of policy with a leadership confined to a few corridors of power, especially in the White House. The role of the Foreign Service in policy planning, translating policy into actionable strategies and tactics, and the actual practice and execution of strategies has been minimized.

This has occurred at a time where our reluctance to engage militarily has called for a concurrent upgrading of the role of diplomacy. Otherwise, the world perception of our increasing disengagement is no longer just perception; it's reality.

*The Foreign Service, the cadre of professionals with skills and experience, and the glue that binds our policy practice from administration to administration, regardless of changes of policy orientation, has been emasculated to the point where it has lost not just its role, but also its compass.*

*The time for State-generated reports on the future of State and the Foreign Service has passed. We don't need another QDDR whose failure to match missions with resources made it dead on arrival. What is called for is a Presidential directive that puts into place clear missions, the resources to match these missions and the structure of authority and responsibility to support it. In short, just as I felt my boss and the leadership of the State Department had my back when I was P/DAS, the Foreign Service needs the President's back. It doesn't have it. And we may not get it. But if the next President does not take this into account as he or she looks at the daunting foreign policy challenges ahead, he or she will not be well served, nor will our country.*

Robert Gates repeatedly spoke about State's needed roles and lack of State resources to fulfill these roles. Secretary Clinton joined in these comments, but chose to focus only on defining these roles, unable to secure either the resources or the structure of authority and responsibility that could translate these roles into reality.

Is the political will of our leaders and those to follow them present and strong enough to do this, or has there developed in those who come to power by the ballot box an incurable need for loyalty over skill and professionalism, a distrust of the judgments by those who did not serve them faithfully in their quest for political ascendancy, and a lack of support or even consent from the Hill to take this path?

I fear that we have entered a period where that will is not there, and if so, the Foreign Service will continue to decline and our leaders and our nation ill-served. I hope I am wrong. This time of transition in the global landscape is the ideal time to recalibrate the

formula of how America develops and executes our strategies and plans to advance our national interests abroad. I hope we can grasp this opportunity and set a new path that will take advantage of the outstanding group of young Foreign Service officers who come to the service better educated, trained and experienced than any in more than a generation. They are ready to serve; they need the President's back.

#### Looking Ahead: The Middle East, China and Russia.

I recall that the late Hume Horan commented to me as a first-tour officer in Jeddah that the Middle East would always be among our top priorities, that I could count on this throughout my career, and for the careers of my children and my children's children. It was not just about oil and the Arab-Israeli conflict. There would be other issues in the decades to come after he told me this in 1975. And throughout my career, while these two remained priority issues, the list grew. The Iranian Revolution in 1979 changed the landscape. The spike in oil prices in 1980 led not simply to more pressure on our economy and finances, but also instantly boosted the Gulf into a major engine of investment globally. The Gulf War, the rise of Hezbollah, 9/11, making terrorism for the first time in our history a key issue in our National Security Strategy, the second Gulf war, the Arab awakening, the Arab rewind, the Arab meltdown, Libya, Syria, the Sunni-Shia conflict... Good heavens! I hope I am not depressing you. The region must have been so much less complicated when you were in Dhahran almost 60 years ago.

The Middle East continues to generate new issues that are as vexing as they are "in our face." Just check the daily agendas, not just of our officials at State and the NSC, but also JCS and the Pentagon OSD Policy office. We can't walk away from these Middle East issues; they simply won't let us.

#### The Rebalance to Asia: A False Goal

The pivot or rebalance to Asia, whatever you call it, is an illusion, however tempting to some and alluring as a strategic priority.

The real rebalance to Asia has already taken place. For those of us who lived through the miserable '70s, an America doubtful of its place in the aftermath of the Vietnam War, the spike in oil prices, and the seemingly unstoppable economic rise of Japan, Inc., America had no choice back then but to turn its face increasingly to the Far East. And we did. At first, it was Japan and the Asian Tigers. Then the even more explosive growth of China pulled us inevitably in its direction. I was part of that rebalancing.

Rather than seeking any new foreign "adventures," we solidified our national security priorities with our key allies, including Japan, South Korea and Taiwan, while seeking a new, mutually beneficial relationship with China, based on diplomacy. Two who came before my arrival in Beijing, George H.W. Bush and Chas Freeman, were most responsible in my view for creating the new environment for the pursuit of our interests. Bush developed a level of trust in a sea of distrust, while Freeman expanded our physical

presence throughout China, a daunting task in the face of Chinese reluctance to American faces and American ideas spreading far and wide in the Middle Kingdom.

The relationship has indeed worked to our mutual advantage in so many respects, and I firmly believe that the trillion dollar relationship that now binds China and the United States is literally “too big to fail.”

At the same time, in my firm opinion, China’s top five threats are, in priority order, 1. China, 2. China, 3. China, 4. China and last but not certainly least, 5. China. The collapse of the Soviet Union left China much more secure to pursue its growth with limited expenditures on national security, but growth has brought an array of problems and challenges.

And let’s face it. The American victory in the war of ideas with the former Soviet Union was also a victory over China. The Communist Party is still in control, but it can no longer, if it ever could, use communist ideology and rhetoric to bring its vast population into the 21<sup>st</sup> century. In my view, the social contract that now binds the rulers and the ruled in China is non-ideological and straightforward: producing 20 million new jobs per year.

So what’s the latest “rebalance” to the Far East all about? If it’s related to our diplomatic issues, we started that rebalancing decades ago, fine tuning it as needed. If it’s economic, what is the essence of it? The Trans Pacific Partnership, with or without China, has little support on either side of the aisle in the chambers of Congress. It ain’t gonna happen. If it’s military, what’s the threat? As I noted earlier, America has no existential threats since the fall of the Soviet Union, with the possible exception of a cut off of oil shipments from the Gulf to the world markets. And even that is not akin to the 1950s threat of a rain of nuclear warheads on us from the Soviet Union that had me and fellow students in elementary school drilling in our corridors for what do in case of a nuclear attack, and some Americans to go so far as to build “fallout shelters.”

It is misguided to be shifting forces to the Pacific at a time when there are few scenarios for them to engage beyond their long standing commitments to Japan and South Korea and our commitment enshrined in U.S. law to Taiwan. But even this latter one has eroded in terms of concern as the Taiwan-mainland China relationship has expanded dramatically.

I can think of literally dozens of scenarios in the Greater Middle East for our use of force, projection or power or presence as a deterrent. At this time in our history, we all repeat the same mantra: no boots on the ground. But the use of Special Forces, military and civilian, agency and contractors, drones and cyber are widespread. And the possible use of air strikes is not just theoretical. It seemed imminent in Syria just recently, and has never been ruled out with Iran. With the direction of the Greater Middle East so uncertain, from north Africa to the Levant to the Arabian Peninsula and across to Iran and its neighbors, it doesn’t take much imagination to conceive of a Chinese menu, no pun intended, of possibilities for U.S. actions, deployments and projections of power.

It is also prudent to recognize the need of the Chinese leadership to produce those 20 million jobs per year and to secure the energy and raw materials to support their economic growth. We can rattle our sabers as much as we want, but will we be prepared to stand in the way of this progress through military action? And if so, why? I really mean that... Why?

Once again, I see America lured into false goals. What do we fear most? Is it indeed an expansionist China, not just along its littoral, but further into the greater Indian Ocean area? Is it the so-called "String of Pearls" strategy? Or is it – and should it be – a fear of turmoil in China? I recall that Henry Kissinger was asked many years ago what he feared most. His answer surprised many: an unstable China. But think about the implications of that for our interests, for global interests. Rather than "containing China," shouldn't our goal be to find a win-win situation that provides a framework for peaceful Chinese expansion?

China, Russia and "Spheres of Influence."

While hope is not a policy, neither is denial. China's thirst for resources and its need to grow won't go away. It's time for a serious, no s\*\*\* dialogue with the Chinese. To some, this smacks of the old days of "spheres of influence." But this is a multi-polar world, and if the spheres are not negotiated, they will be determined unilaterally or by conflict. The record of human history validates this, over and over and over again.

And while I'm on the subject of "spheres of influence," we must not forget Russia. Putin has spelled out in unmistakable terms his priority on exerting Russian influence in what he sees as its sphere of influence. This includes not only nations on its western borders, like Ukraine, but also nations to its south, the 'stans of Central Asia. While its push to assert its influence with nations to its west may put it in conflict with us and our European allies, its push to the south will likely put it in conflict with China, which is expanding its own influence rapidly in Central Asia.

I say all this because if we are prepared to use our power only selectively, reflecting the will of our people, we must be prepared to accept the assertion of "spheres of influence" by both China and Russia. It will be a bitter pill for many to follow, especially after two generations of the American reach being a global one. I truly believe those days are over, perhaps never to return, but I don't regret this. Over extension of the reach of a nation's or empire's or civilizations' power has humbled even the mightiest in the history of humankind. Those who understand the limits of their reach and put their human and other resources into preserving and strengthening their economic security endure over time. We should remind ourselves of this every time we may get tempted to extend our reach either beyond our most fundamental interests or beyond our economic capabilities to support that reach.

During my recent trip to China, I visited many think tanks, spoke with many scholars. I was stunned by their suspicions of U.S. intentions. One former senior Chinese official went so far as to allege a U.S. planned strategy to undermine and weaken China. In the

scenario he described, the U.S. withdrawal from Afghanistan and rift with Pakistan would lead to instability, unrest and conflict that would unleash an outflow of extremists, many finding their way to China via the 'stans of Central Asia, destabilizing those countries along the way. At the same time, the expansion of our maritime forces in the Pacific was a blatant part of a strategy of containing China, preventing it from securing the resources it must have to sustain growth.

Personally, as I have stated earlier, I see China's challenges, including demographics, limiting its expansionist activities. I predicted more than 20 years ago that China will break up by 2050 into at least two states, and I stand by that prediction. Just as our fears of Japan, Inc. in the 1970s led to predictions of the sunset of the American dream, only to see the "Japan threat" vanish before our eyes in the past twenty years, so will the "Chinese threat", if there ever was one.

Even if China overcomes its significant domestic hurdles, and I sincerely hope it does, our trillion dollar relationship will drive us more toward cooperation than conflict. We both have too much to lose. To be sure, concessions will have to be made, most likely unbalanced in their favor, as they have a solid vision and guiding principle – those 20 million jobs – versus our lack of any grand strategy.

Where do we want to be in 2030? I recall a senior military commander commenting that "over the horizon" to him meant 2015. When we have no guiding vision that is understood and accepted by our citizens and their elected representatives, we are by necessity reactive, and that is precisely where we are now.

The Middle East in transition: an assessment

Now let's move back to the Middle East, just like my career did. I recognized that the pivot to Asia was a good one, but also recognized that the Middle East was always going to be center stage.

The greater Middle East, from North Africa and the trans-Sahel to the Iranian border with Afghanistan and Central Asia, continues to have a population growing faster than the world average. It is a region where ideology is not bankrupt; in fact, it is stronger than it has been for many centuries. Both state and non-state actors have visions for the future, many tinged if not dominated by ideological/religious convictions. The power of such convictions transcends the power of weaponry. As I have stated repeatedly to foreign audiences, the greatest weapon of all is the human mind. We should never underestimate that power of ideology and religion in the Middle East. Without a competing narrative, as we had in the long war of ideas, policy and strategies with the Soviet Union, we will not be able to influence, much less contain, the expansion emanating from the Middle East, a new wave not unlike that swept outward from the Arabian Peninsula nearly 1500 years ago, and again 500 years ago. It was contained both times, but only after expansions that changed the world. This time may well go further, if for no other reason that straightforward demographics. But we should never underestimate the power of the Islamic faith, and we should always watch how that is manifested in political terms.

I truly believe we cannot afford to wait. Now is the time to craft our own narrative, which will guide us and our friends, and if properly crafted, put our real enemies on the defensive: those who would use the banner of Islam for extremist violence. Since 9/11, we have been the reactive and defensive ones. That must cease.

The Middle East is a region spinning in many directions, many as we now know well were unpredicted and even more are now unpredictable. As I have always said to American audiences, if we don't shape the future of the region, it will shape us. I say the same to our Israeli friends. We simply cannot wait, as some Israelis contend, for the last tremor after the last earthquake in the transition taking place all around them before taking a pro-active approach.

If we don't shape the outcome of the Syrian conflict, it will shape us. Same with Iran. And Iraq. And Egypt. And Libya. And so forth. To be sure, the citizens of those States will ultimately determine their fates, but ultimately may not come for a long time. Between now and "ultimately," we have a responsibility to our children and our children's children to do our best to shape the region as best we can to safeguard our interests, to advance peace and stability, and to provide hope for their children and their children's children.

It's time we brought together our best and brightest for some very hard work to lay the groundwork for that future.

### Life after the Foreign Service

Director General, Multinational Forces and Observers (MFO)

*Q: What year did you retire?*

LAROCCO: 2004, right after my P/DAS position in NEA. Some were surprised, since I had just been promoted to the rank of CM. But the job of Director General of the MFO, a job that comes open only infrequently and without regularity, was available, and I had the ideal background to fill it, in view of my service in both Egypt and Israel and my ambassadorial status.

*Q: What was that position all about?*

LAROCCO: As DG of the MFO, I headed an independent peacekeeping organization created in the aftermath of Camp David Treaty between Egypt and Israel after it became clear that the United Nations Security Council, because of the opposition of the Soviet Union, would not support a UN peacekeeping force in the Sinai. The parties to the agreement establishing the MFO were Egypt and Israel, and the MFO had a statutory responsibility to report to them. The Director General was always an American diplomat with ambassadorial rank, and carried an American diplomatic passport. The force commander in the Sinai was always non-American, and his chief of staff an American

active duty colonel. Forces from 11 countries were present when I was DG, including two battalions from the U.S., one stationed in South Sinai, responsible for monitoring that area, the other a support battalion at our Sinai HQ in the north Sinai, near a village called El-Gorah. The U.S. was truly the guarantor of the MFO and its work, and along with Egypt and Israel, supported one-third of the budget.

I recall my first conversation with Gen Petraeus when he was CENTCOM commander. He was so busy in those days and even securing three minutes of his time took months of seeking even that small amount of time. I met with him alone in the tiny, makeshift office he maintained at the Pentagon. Now it's important to note that until the onset of terrorism in the Sinai right after my arrival in 2004, forewarned by Colin Powell in his remarks at my retirement ceremony, the American troops deployed to the Sinai were not under any regional combatant command. Gen Abizaid changed this, believing that CENTCOM must provide the necessary force protection for our troops. The situation in the Sinai was indeed hot, with two major terrorist attacks occurring in the zone monitored by the American battalion. I wanted to thank Petraeus and seek his assent to continued CENTCOM support.

Petraeus sat behind his desk, looked at me and baldly asked why the MFO still existed? If the peace hadn't taken hold by now, what's the point? Then without waiting for a response, which turned out to be helpful in steering the discussion in a constructive way, he asked a pointed question: how many billions did we cost each year?

Of course, a CENTCOM combatant commander from 2003 onward thought mainly in billions or even tens of billions. When I responded that the cost to the Pentagon and CENTCOM was zero, he asked for an explanation. I noted that our budget was split evenly between Egypt and Israel and the U.S., and the U.S. portion was funded under the 150 accounts at the State Department. Total annual contribution for each of them was less than \$20 million. You gotta be kidding, he commented. That small...and Egyptians and Israelis pay for American troops?!? Yes, sir, I responded, that is God's truth. We then talked about the work of the MFO and my firm belief that its preventive activities were among the most valuable contributions to our national security in a small slice of territory where two regional wars were fought. I told him not to take my word. Ask the Israelis and Egyptians what we mean to them. He said he would. And he did.

After that meeting, CENTCOM strengthened its support to the MFO dramatically, and we were able to upgrade our force protection status to the point that I was convinced our forces were secure consistent with the principle of minimizing risk while carrying out our mission.

I worked most closely with Egypt and Israel, maintaining a strong line back to Washington, but trying to be low or no maintenance to them. They had two wars to fight and were delighted that we weren't bringing more problems to them. My independence and freedom of movement between Egypt and Israel, and the trust I had inherited as DG of the MFO from more than two decades of professional monitoring carried out with the

highest integrity, provided for opportunities a diplomat dreams of in terms of preventive and curative diplomacy.

I think I mentioned earlier in this oral history that I was at the border when the last Israeli troop left Gaza in 2005. The Israeli disengagement from Gaza posed a dilemma: what to do with the Gaza-Egypt border which had previously been controlled on the Gazan side by the Israelis, with only Egyptian police on the other side. The Israelis were not prepared to alter the Security Annex of the Camp David Treaty, or change the treaty in any way, but they were favorable to what is called an “Agreed Arrangement” that would allow Egyptian military border guards to be present and operating in the area adjacent to the Gaza border.

This agreement required many rounds of direct talks between the two governments, some facilitated by us. In the end, we were formally designated to supervise the agreed arrangement, and I insisted on all three parties sitting down to negotiate, draft and sign a paper detailing implementation of the agreement. That was done at MFO in the Sinai. We were all proud of the agreement, convinced it would work.

Interestingly, reaching agreement on a few of the final points did prove difficult, and I counseled both sides to engage at the senior levels. It happened, and we were able to move forward. I felt proud that the MFO was working to bring the parties together to resolve issues face to face. My lifelong support for engagement was paying off once again.

This was a very rewarding 5-year period in which I was able to exercise the more than 30 years of experience I had with the Foreign Service. I felt my service at the MFO was a natural extension of this. There are many events I can relate, but the MFO likes to bill itself as a “quiet success.” And indeed it is. I will honor that silence.

Someday someone will write the history of the MFO, and I also hope that someday the Nobel Committee honors this organization, the most efficient, effective peacekeeping organization I have ever encountered.

That MFO agreements that we reached have been essential tools as the situation in the Sinai continued to deteriorate. With the transitions in Egypt, and I emphasize the plural use of this word, my successor, my NEA front office colleague, David Satterfield has been the busiest MFO Director General since its founding more than 30 years earlier.

Despite repeated attempts to end the mission of the MFO, particularly under the orders of Secretary Rumsfeld, the MFO has over and over and over again proven that for a very small investment, the dividend is truly outsized. It is a model of civilian-military cooperation, within our own government but also between governments.

Director, Near East South Asia Center for Strategic Studies

*Q: After this phase in your career, what was next?*

LAROCCO: In August, 2009, I joined the faculty of the Near East South Asian Center for Strategic Studies (NESA), an organization under the Office of the Secretary of Defense for Policy. I was a contractor, and my work during that first year at NESA focused on Yemen. I truly enjoyed my work, as it was all about outreach and engagement, which as you know by now, is near and dear to my heart.

In early 2010, the Director decided to step down and the Deputy Director a few months later followed suit. I was selected by Michèle Flournoy, then Undersecretary of Defense for Policy as the new director of NESA, hired as a full-time DOD civilian employee under a three-year appointment. My contract ends three days from now on October 3, 2013, and I will retire for the third time.

*Q: What was your job?*

LAROCCO: In almost all respects, just like the MFO, I have been doing precisely what my skill set and experience prepared me for: outreach, engagement, building bridges between my country and individuals and institutions throughout our region, and building bridges among them. I have traveled in these four years over 500,000 miles, engaging with audiences from Marrakesh to Bangladesh, while the organization I direct hosts a regular series of seminars here in Washington throughout the year. We have almost 5,000 alumni of our programs. We like to say that we are creating networks of influence, mid-level military officers and officials who better understand our country and have a firm grounding in critical thinking about the issues in their region. More than one-third of our alumni have now reached the rank of general officer or civilian equivalent. It is indeed an impressive list.

*Q: Are they mostly military?*

LAROCCO: It started out almost exclusively military, but has evolved over the years as our government increasingly understood that there are few if any purely military solutions to strategic issues. We now aim for a balance of military and civilian, focusing more and more on civ-mil cooperation in resolving issues. We also seek to have security types better appreciate the importance of civilian issues, and civilians better appreciate the importance of security issues. It's amazing to see how stove piped officials can be in any government, not just our own.

*Q: You talk about civilian institutions. What are you talking about?*

LAROCCO: We're talking about government think tanks, strategic study centers, and various civilian ministries. We aim for a good mix of these ministries, including interior, foreign affairs, finance, water, electricity, etc.

We also do a lot of specific seminars on what is known as nontraditional security, cyber security, environmental security, energy security, water security, big, big issues in our

region. This brings experts and wanna be experts together and helps us to build bridges with institutions and individuals.

In many ways, to be most effective and get the most bang from the taxpayers' dollars, this should be a joint OSD-State undertaking. Unfortunately, it is not built that way. Our military staff knows their counterparts well, not just at the embassies, but also in the military itself. I, coming from State, know all the ambassadors, DCMs, pol and econ counselors at our embassies as well as long list of civilian senior officials. To me, focusing on one without the other is only getting half the story. As I said, we learned from both Afghanistan and Iraq that there are few if any solely military solutions. Civilian-military cooperation is essential to preventing conflict, resolving it and sustaining the peace. You can win the war but lose the peace, as we know well.

*Q: Is NESAs future in doubt?*

LAROCCO: As a taxpayer, I believe every element of the government must continually justify itself, fitting our nation's priorities as well as our ability to fund those priorities. I must admit that I have spent a great deal of time defending NESAs, how it relates to our national security priorities and how it provides an outsized dividend for the miniscule investment. But... the fundamental question of whether it is truly essential to the priorities of the Department of Defense in these tough budget times when cuts are unavoidable is not one for me to answer. And in all honesty, I'm glad I don't have to. While I believe this type of engagement should be carried out primarily by the State Department, I also recognize that State does not have the funding to support institutions like the regional strategic studies centers. If OSD puts them on the chopping block, they will simply disappear. This will neither serve our wider national security interests nor the interests of our combat soldier. We need this type of long-term engagement.

At the same time, I must say it was increasingly difficult for me to go beyond bridge building with institutions, governments and individuals to the next level without having a clear U.S. narrative to draw from. A narrative is required to explain the policies and strategies to the uninformed or skeptical audiences NESAs and other strategic studies centers deal with every day.

*Q: I think this is a good time to conclude. You are retiring again in a few days. I wish you well. Any final comment?*

LAROCCO: As a final comment, let me thank you for taking the time to conduct these interviews over the past two plus years. You are truly an American treasure, Mr. Stu Kennedy, and our government and the American people owe you a debt of gratitude for your service these past 60 plus years. Still active as you move closer to age 90, you are an inspiration to those of us aspiring to many more years of service to our country.

*End of interview*