

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

**AMBASSADOR JOHN O'LEARY**

*Interviewed by: Charles Stuart Kennedy*  
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[This interview was not edited by Ambassador O'Leary prior to his death]

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## INTERVIEW

*Q: Today is March 17, 2003, Saint Patrick's Day, and quite appropriately an O'Leary is being interviewed by a Kennedy. This is tape one, side one, with Ambassador John O'Leary. Is there any middle initial?*

O'LEARY: I just use John.

*Q: This is being done on behalf of the Association for Diplomatic Studies and Training, and I am Charles Stuart Kennedy. Well John, let's start at the beginning. When and where were you born?*

O'LEARY: I was born in Philadelphia, January 16, 1947.

*Q: Let's talk a little about your parents, first on your father's side. What do you know about the background of the O'Learys?*

O'LEARY: The O'Learys came to the United States, I believe, in the 19<sup>th</sup> century. Dad was born in Philadelphia. His family had been there for several generations. He was in the service, in the navy during World War II, and Portland was a port of call on the east coast.

*Q: This is Portland, Maine.*

O'LEARY: Maine. My mother, Margaret Joyce, Peggy Joyce, whose parents came to the United States in the early 20<sup>th</sup> century was in Portland. That is where my mother and father met. So, we had the good fortune of my mother persuading my father that Maine

was better than Philadelphia as a place to live.

*Q: Do you know anything about where your father's family came from?*

O'LEARY: The ultimate origin was Ireland, of course. Gafney and O'Leary were the two names; they were both Irish. I never knew my father's parents because they both died before I was born. I knew my mother's parents very well, and they came respectively from Ireland, John Joyce, my maternal grandfather, and maternal grandmother Sutters was from England. In fact I got back with my maternal grandmother who outlived her husband, actually got back when I was in England to her home town, Newcastle on Tyne, to visit with her brother and family. So that is the most direct contact I had.

*Q: Did your father, he was in the navy, what sort of work or profession did he have?*

O'LEARY: My father managed supermarkets in Maine. Basically two of them. My first memory was going and putting things on the shelf. I was probably 12 or 13 years old working in Principal Columbia markets.

*Q: And your mother?*

O'LEARY: My mother raised six children at home. I was the first of six. Somewhere after my father died, she went to work for the first time in her life outside the home. There were three more children to get ready for college. She worked as the administrative financial director for the Cumberland County sheriff's office until she retired and then died.

*Q: Well then, essentially when did you move to Portland?*

O'LEARY: Always, in infancy. I was born in Philadelphia, and in my very first few months moved back to Portland with my parents. My four brothers and sisters were all born in Portland, as were my children.

*Q: Did you grow up in Portland?*

O'LEARY: Yes, I did.

*Q: Where did you live in Portland? Did you move around a lot?*

O'LEARY: No, we lived in two places. Until I was in the fourth grade, we lived in Munjoy Hill in Portland, which is a downtown kind of neighborhood. Portland is a peninsula, and it is surrounded by suburbs, so we were on the peninsula. In 1957 when I was 10, we moved out into what is suburban Portland. The address was 20 Sunset Lane in the Deering section of Portland. That is where I grew up until I left for college.

*Q: Did you go to Deering High?*

O'LEARY: I didn't go to Deering High, although some of my best friends did.

*Q: I married a Deering High graduate. My wife, well she is 65 now, she keeps up with her friends.*

O'LEARY: Let's see. My two younger brothers and my sister went to Deering High. I went to Shepherds.

*Q: Well my wife cannot speak more highly of the education she got at Deering High.*

O'LEARY: It is a good school. Not as good as Shepherds.

*Q: Well now as a kid, particularly let's take in elementary school, what were your interests?*

O'LEARY: Oh, my interests were first and foremost probably baseball. I loved baseball as a kid. Mickey Mantle was a hero. As a Yankee fan in Portland Maine, it didn't make my visits easier to Fenway Park, which I recall visiting with my father from a very young age. When the Yankees played the Red Sox, which is of course, my favorite game, out of 33,000 fans, I was probably one of two or three who wanted to see Mantle hit it out of the park, left handed or right handed. Sports generally. I played baseball. I played basketball. I loved reading, always did.

*Q: Are there any early books that particularly turned you on?*

O'LEARY: I think the earliest books that I got very excited about were probably when I was in high school and started reading history seriously. I remember first getting interested in politics, as so many of my generation did with the Kennedy campaign in 1960. Theodore White's account of that campaign is something that stands out in my mind as I was sort of getting interested in politics. I think literature became a major interest in high school. I had a wonderful teacher in American literature, and the memories of getting introduced to...

*Q: What was his or her name? I would like to get these immortalized.*

O'LEARY: Joseph P. Mahoney SJ. He was a great teacher, and taught a course in American literature which was a really remarkable course. We covered the whole range of that reading Melville and all of that. I had a wonderful history teacher whose name was Juan Indanal. He wasn't a Jesuit. Most of my teachers were Jesuits. He got me very excited about American history. I had superb teachers in Latin. Those were the days. I just had wonderful teachers there. Murphy and Bawe were the teachers who were great, so that by the time I went off to school, off to college, I think the areas of academic interest

that excited me were history and literature. Not languages though.

*Q: Tell me your impressions of Portland during this elementary and high school times. What sort of city was it, mix and that sort of thing?*

O'LEARY: Portland back in the '50s and '60s, which is, let's see, I started high school in '61 so basically '50s and early '60s, Portland was a city that had seen better times economically. It has had a wonderful rejuvenation since, but in those times the world was a relatively small place. For me, getting to Boston was a major adventure. It was a city of neighborhoods, a very strong sense of neighborhoods. I remember particularly in Deering, pickup baseball games and walking to school, actually walking through the woods to school. What were woods then are now housing developments. It was an easy city to live in, relaxed, and a great place to grow up.

*Q: During the '60s and all, there was the civil rights movement. Did that hit at all in Portland?*

O'LEARY: Yes, it sure did. Interestingly because although I had no sense of it at the time, I mean Portland in those days was, gee, there one half of one percent of blacks or other racial minorities. That would have been on the high side. Not just single digits, but low single digits. Again unlike today when it is quite different. So you start out with basically an unusually white community. In that community, I think the awareness of what was going on with Martin Luther King, with the early integration efforts in the south, partly through the politics of Kennedy and Martin Luther king, but partly through the culture of Bob Dylan and Joan Baez and so forth, there was a very intense awareness of that. A sense that I think all of us who had an interest in politics knew that something very important was happening in America.

*Q: Well lets talk about two other strains that may have been going on. I am speaking as someone who was not from there. I did go to Boston University for my masters, but I am not of the area. The French Canadians and the Catholic versus Yankees. Was that anything during your time?*

O'LEARY: Let me start with the second part of it. I went to parochial schools. I went to, again as I look back on it, some of the best teachers I ever had were nuns. That was a self contained universe that I can see more clearly in retrospect. The '60s were a very important time for this, the idea that a Catholic could be nominated for President of the United States was a remarkable thing. In connection with that, of course I remember hearing stories as you learn history about 1928 and Al Smith. Also I recall the history of Maine which in 1960 was six years after Ed Muskie who was Catholic was elected governor of Maine. He was somebody who is very important to me in terms of a role model in politics. But I remember vividly when I must have been 10, 12, 13 years old, the fact that we had a Catholic governor in Maine was a remarkable achievement against a history that obviously I only knew second hand. So I don't think there was a sense that by

being a Catholic in Maine at that time you were victimized in any way. Certainly I never thought of it in terms of what we were seeing in the south with blacks in America, but you knew there was a history there. Every now and then you would hear somebody talk about the Ku Klux Klan in Maine earlier on. That was directed obviously not at blacks.

*Q: What about dating? Was there family pressure, social pressure to date a nice Catholic girl and all that?*

O'LEARY: No, not directly. Interestingly last night I was at an American Ireland Fund dinner reception here in Washington. The fund is trying to integrate schools in northern Ireland. This means to get, instead of having Catholic and Protestant schools which are obviously, that is a very different system than having parochial schools and public schools in the '60s, but the idea is to get more than five percent of the kids in northern Ireland going to school Catholics with Protestants. So I think that, and I have been to northern Ireland, and that is a deep institutional pressure. I certainly didn't feel that. It seemed to me at the time perfectly normal that 90% of the kids, my friends in school, were Catholic. The girl I took to my senior prom was not Catholic and didn't go to school with me at that time. So I don't think there were pressures in that way, but there were cultural. This was still, I think, a city in America where there were more divisions along those lines than obviously I knew.

*Q: What about the French Canadians. I mean one doesn't think about this almost anywhere else, but in that northern tier of New England, it can be a factor.*

O'LEARY: That is an interesting question. Portland, which is the largest city in Maine, is obviously a small city. It is a city of 75,000 people, something like that, a couple of hundred thousand people in the area. It had a relatively small French Catholic community. In Maine the French Catholics were then and still are concentrated in Biddeford and in Lewiston and then in Matawaska in the north. My observation at that time was and still is of a very strong distinct culture in the state of Maine. My awareness of that was rooted principally through politics, and then and to some extent now, you could count it on in a general election, and it was a very important part of the general election, a strong democratic vote in Biddeford, in Lewiston, and in parts of Aroostook County. That made a real difference in those days, a real difference.

*Q: Was there such a thing, one thinks of Boston, the people sitting on Beacon Hill and all. Was there such a thing as a Portland aristocracy or not?*

O'LEARY: I don't think so, not in the sense that you would have if you read a Louis Auchincloss novel for example. When I came back to Portland I joined a law firm, Pierce Atwood. There were then 15 or 20 lawyers and if you looked at Pierce Atwood in my day in school, probably the makeup would have been homogeneous. It certainly would have been all men. There was one exception. They certainly would have been all white, and they would have been overwhelmingly Protestant. I think there was but one Catholic

partner there early on. But again that was an important change. But I think it is too small a town to have divisions that you would have on a Beacon Hill versus the rest of Boston and so forth.

*Q: Well were there any industries at that, I am talking about up through high school, that were important within the city?*

O'LEARY: Portland was a service oriented economy. It was not heavy industry. The major industry in Maine, though this is changing now in an important way, the major industry is forestry. So what you have, the major employers in the state were paper mills. There was one paper mill near Portland in Westbrook. But light manufacturing came along sort of with electronics and all of that later on, but it was very largely service oriented, commercial services, hospitals, law, all of that. That dominated the economy.

*Q: Well when you were getting ready to graduate from high school, what were you thinking of doing?*

O'LEARY: Oh, I was strongly interested in politics. I thought that, this was back in 1965, that sooner or later, and obviously it would be later after college and so forth, that I would get involved in politics then. It bit really I think in the Kennedy campaign.

*Q: Well actually the Kennedy campaign, I always find this as I do interviews, I always ask anybody during that era how they went. It was more than just party. I mean here is a movement that says you know, government is good. Working in politics is good, very exciting*

O'LEARY: It was exciting. I think there was a sense that a lot of us felt, and Kennedy raised the expectations as to what government could do to help make a difference in people's lives. It was obviously caught up in the civil rights movement that you alluded to before. There was certainly the sense that the United States in the world was respected, and President Kennedy was revered around the world. To go back to the sort of the Teddy White sense of it, the politics was exciting. So as I headed off to college in 1965, it was pretty clear to me that sooner or later, I would be interested in politics and would go into politics. The last thing not on the radar screen in any way was the idea of being a diplomat, let alone an ambassador.

*Q: Well in high school, again I don't know how Jesuit high schools are run. Did you get a chance to try your political teeth on the system there?*

O'LEARY: Sure. This is past, but Jesuit high schools in the 1960s were taught by Jesuits. The school now, I was talking to a friend about this the other night, the headmaster, the principal is a Jesuit, but that is it. But it is still a Jesuit high school obviously. Shepherds put a great premium on debating. In fact, Joe Mahoney, who I mentioned to you earlier who was a superb English teacher, was the debating coach. A fellow named Mickey

Lyons who was not a Jesuit was his assistant. They had a great program. I got involved in my sophomore year, and I really liked it. We did a lot of national debating, traveling around on the circuit. It was fun. So that got you involved in the political issues of the day. In my sophomore year, the subject was a standard topic. Everybody then and now gets a topic they debate all year. The topic was, should there be a Latin America free trade association. There was a fellow J. Weston Walsh who was important, who published the prep books that were used all around the country. Any high school that had a national debating program used his books. He prepared you at the very beginning. Then you moved way beyond that in the course of the year as you understood the topic. So those were national and international topics. But in addition there was politics in the clear partisan sense, and I got very involved with something called teenage democrats in Maine. They set that up in '64 and organized throughout the state democratic clubs in high schools. That was great fun. That was in the Johnson campaign in '64.

*Q: How did politics in the '60s stand in Maine. I mean I grew up as a kid knowing the thing "As Maine goes, so goes Vermont," you know, from the '36 election.*

O'LEARY: The way that story always was told to me was "As Maine goes, so goes the nation." You are precisely right; you could predict from Maine. From the days when the original slogan which was as I stated it and ultimately became as you stated it, because Maine had general elections in September, ahead of the rest of the country. Then that changed. The political makeup of the state was in major change. The absolute key figure politically was Ed Muskie. For probably the better part of the 20<sup>th</sup> century up until then, Maine had been heavily Republican state. That is why the slogan became "As Maine goes, so goes Vermont." They were the two most rock ribbed Republican states in the country. That started to change in '54 when Muskie was elected governor. By the time I got involved in politics in high school in the '60s, Maine then had three congressional districts. Frank Coffin who with Muskie built the Democratic Party was the congressman from the second district. Maine was becoming a very competitive state politically, so that by the time I graduated from high school, I had worked on a congressional campaign with a Democrat who won the first district seat. Democrats were getting elected to the house, ultimately to the senate, Muskie. Then ultimately both seats became Democrats. So the state was in transition toward a two party system first, and on its way to becoming what it has become, a three party system where the biggest party is the independents.

*Q: Well now, where did you go to college?*

O'LEARY: I went to Yale college. Those were very important years for me.

*Q: Why there? I mean what attracted you?*

O'LEARY: Having just got through this process with the second of my two daughters, I have been reflective on those kinds of things. I applied to Harvard, Yale, and Georgetown. I was lucky and got into all three of them. I came to Georgetown on a



national debating tournament trip for Shepherds. It was whenever the Beatles were first on Ed Sullivan. I was sitting at a Georgetown lounge during the tournament. We all sat down to watch the Beatles make their premier. I liked Georgetown. I liked Washington. I hadn't been to Washington before, so Georgetown was appealing, and obviously was a natural step from a Jesuit high school to Georgetown for college. Harvard and Yale were Harvard and Yale. I knew that. You didn't have to be a genius to figure out what it was about. Just in my judgment then the two best colleges in the country. When I had a choice, so many things in life are very subjective. I just liked my experience, the time I spent at Yale. I just found people on campus, the overall visit was appealing to me. So that is how I ended up at Yale.

*Q: You were at Yale from when to when?*

O'LEARY: '65, I graduated in '69.

*Q: You were there during a very active time on the campus. Let's talk about the academic side first. What were you taking, and what particularly appealed to you?*

O'LEARY: By the time I left high school, I was very interested in politics, and so I said I am going to study political science. I am going to major in political science. Yale at the time had a program that they no longer have called early concentration. What early concentration was, was the seminar of I think in my case, seven people who did a double credit, who did say five courses that you are required to take. You aren't required to take any courses, but of the five courses you had to take whatever you chose. This counted for two. It wasn't very long before I came to the conclusion that at least in my judgment, politics isn't a science. Studying it as if it were wasn't what I wanted to do. The one thing that I remember vividly about that class, looking back on it, is that it was, this was a class where you took either American politics, you did political theory, you did international relations and comparative government. That is how you divided up the time. I remember in either the comparative government or international relations segment which, it was my first semester at Yale, and we had to pick any country in the world, and one political actor, as politicians would call political science, to study for a semester. I picked Chile, and I picked Eduardo Frei. Because in 1965, '66, Chile in the middle of the cold war, Frei had just been elected; Christian Democracy was arising. It was a fascinating country. That is what began my fascination with Chile. Ultimately history I think I decided probably my sophomore year. History was much more interesting than political science, so I had my major in history. I spent a lot of time given the times studying Asian history, which is something our country knew woefully little about.

*Q: Well, and Yale has that commitment in China for so long, Yale and China and other things.*

O'LEARY: Yes, and again I was discussing this with my older daughter as a junior at Yale now. We were talking about teachers there, and she told me it was going great.

Talking about great teachers, and two of the great ones I had at Yale were precisely in that field of Chinese history, Arthur Wright. Arthur and Mary Wright had really built the modern Chinese history department at Yale, modern for Yale that had obviously covered Chinese history from the beginning. And there was a very young guy then who is now the senior guy in all this now, named Jonathan Spence.

*Q: He has written a good number of major books on China.*

O'LEARY: Yes. So I did what was called History 45 A and B. The A was Arthur Wright on ancient China, classical China, and the B was Jonathan Spence on modern China, and they were great courses.

*Q: How was China looked upon at that time. I mean we didn't have relations with it, and it was undergoing I guess it was the Great Leap Forward. I don't know if it had started then or not. But were you getting a rosy view of China, a hard view, I mean what do you think?*

O'LEARY: Before Nixon went to China, and this was before he went, China was the dark side of the moon. To fast forward just a little bit, a couple of years, I ended up in Cambridge for two years after Yale. Scholars had not been to China, it would be almost 20 years, wouldn't it? From '49 to '69, somewhere around there. So the idea that there had been somebody who sort of had a sense of real understanding of what was going on, there were no such people. We had, prior to the information age, this is also dramatically different now. It was really just a place that was unknown. Almost a sense that it was unknowable because there was just no communication really. I remember giving a sense of that time, I said I worked on a congressional campaign in '66. The candidate I worked for won. So that next summer, which would have been the summer of '67 I came down here to work as an intern in the House of Representatives. The one social that every intern on the hill was invited to in those days was Nationalist China as it was then called. It had a huge place near where we live in Washington now, with a huge sprawling lawn. This was the days when I believe Nationalist China had a seat on the Security Council. I certainly remember it being that. They invited all interns over, and obviously they were building an understanding, as they understood China. So one of the most important things that has happened in my lifetime with respect to international relations is China. Going back to the beginning of China was a fascinating history that you could learn about. But once you got into the Jonathan Spence part of the thing, okay, now let's think about where China is now, you were in the dark.

*Q: Were you picking up anything, because this has relation to the diplomatic world that you would be entering later on, about the China hands and the problem with McCarthy and all that? How was that being played to a student at Yale in the '60s?*

O'LEARY: I remember an incident where Spence was giving a lecture. Somebody wrote on the blackboard in the lecture hall, just as a joke, something to the line of Spence is a fellow traveler. We obviously didn't have enough distance from the war and the aftermath

of the war to really understand with the clarity that time and perspective give you. But there was obviously a little bit of the sense of who lost China debate and what that was all about. There was obviously an awareness of the Acheson-McCarthy disputes, the sense of what McCarthyism was. If you grew up in Maine and didn't pay any attention to politics, you know that Margaret Chase Smith was the one who stood up for the first time and took him on. But my sense of studying China and Asia at the time was much more focused on, I am not sure this is true in everybody's case, but I was trying to understand a part of the world that was obviously becoming very important for us. So I remember taking a course with a fellow named Harry Benditor on southeast Asian history. Southeast Asia was all new stuff to us. It was relatively new in terms of the faculty interest and so forth. The analogy I would use is that it is sort of like the Middle East today on a campus. Suddenly there is an intense interest in trying to understand a part of the world that most young people in this country, I think most people in this country, don't understand. Because current events were making it a very important part of the world. That was the sense I had of studying Asia and China and why it was of interest to me, more so than what was McCarthyism all about, what was the outcome of WWII.

*Q: You mentioned getting, well in the first place did the outside world intrude? I mean this is a time when at Yale when we were going through our buildup in Vietnam. How did this hit you, and how did it hit Yale?*

O'LEARY: By 1968, from what I understand, President Bush remembers this a little bit differently. Not everybody who was at Yale, I guess, has the same memories of what it was about. The President is somebody I knew in those days. The first thing you have got to say is that it would be unfair to generalize everybody's experience about how Vietnam affected life at Yale. But let me just tell you mine. It went from becoming an area of interest to where is the United States in the world; what is this about? Are we on the right side of history here and so forth. By the time I left in '69, just before it really did make a major difference, not only in New Haven but on campuses around the country in '70 and '71. The University shut down. I guess there were the sit-ins at Columbia and Harvard and so forth, because it was just beginning to reach the point of maximum intensity. I think that happened gradually over time. I was in a used book store a couple of nights ago with my older daughter and a friend. They had displayed some books near the counter, Lady Bird Johnson's memoirs. I said, take a look in the index, look that up and see what you see. She said, "You are in here, Dad." I said, Yes. I was the president of the political union at Yale in '67-'68. While I was down here that summer doing the internship, one of my jobs was to arrange for speakers to come up and talk to the political union, which is the principal political organization at Yale. One of the people I invited and who accepted was Lady Bird. This was summer of '67. By the time she got to Yale it was the spring of '68. This was my junior year. But in that interval, in that period of time, things had turned dramatically in terms of how the war was affecting the campus, so that when Lady Bird was there, we had a big meeting in commons, a huge turnout. But there were even more people outside protesting the war because she was on campus. I had forgotten this until I opened the page of the book that has this recitation of her memory of that visit. It was

quite a remarkable visit. She said, "As I sat there," and she did a wonderful job of listening to what was going on outside, she said to herself, I wonder how my friend. John O'Leary is going to do tomorrow morning. So it had changed, and certainly by my senior year the depth of the opposition to the war was very deep, and I shared that opposition.

*Q: So how did you, did you get involved in demonstrations and things of this nature?*

O'LEARY: Yes, I did. Really the first demonstration against the war that involved a lot of people at Yale, sort of a march through New Haven, was probably second semester of my senior year, so it would be the spring of 1969, with a lot of friends. We marched through New Haven. Obviously we weren't doing that alone; all around the country the same thing was going on. But it was a point where you really had to take sides. Again there were some people who remembered the whole period differently. My memory was that you were for the war or against it. There wasn't a whole lot in between. I was against it.

*Q: Well you mentioned being involved in politics. I have often been told by people if you want to get involved in politics, you do it, you don't study it. You know, you start licking envelopes or whatever it is. How did you get yourself into this? What were you doing?*

O'LEARY: Yes, and what you said is precisely, I mean I just found the study of history, and still find the study of history to be much more instructive about politics and government and international relations than a theoretical study of politics as a science. I have the highest respect for political scientists, but I am afraid you are dealing with an area of human life that is not susceptible to being charted and predicted. The initial involvement, as I said, was with two friends. The other two friends were at Deering High School, and their names were David Flannigan and Peter Karmos. Peter's dad is the guy I worked for in '66 when he got elected to congress. The three of us got very involved in 1964 setting up the teenage democrats. There was also an organization called teenage republicans, and we had some very friendly competition. There were a lot of people interested in getting involved with high school politics. I got involved with Peter's dad's campaign. I wrote speeches. We strategized. We were young; we were 18, 17 year-old-kids. Over time you come to appreciate that the average age of those most deeply involved in political campaigns is probably closer to that age than it is to my age now. But anyhow we got involved in the campaign. It was a lot of fun, won the election, and as I said, I worked for the congressman for a couple of years, and was involved in democratic party politics in Maine.

*Q: What sort of work were you doing for the congressman?*

O'LEARY: Writing, mostly press releases, position papers during the congressional term, during the campaign cycles both in '66 and '68, campaign speeches and strategy papers, that sort of thing.

*Q: What were as you saw it from the intern's view, what were some of the major themes that concerned the citizens of Maine?*

O'LEARY: When I ran for congress myself in 1982, I had to have some pollsters do what any candidate has done, take a survey of what issues matter. Pollsters who were Penn and Schoen, they were just starting off, and they were highly recommended to me and have become quite successful. They did a good job for me. They came back, and obviously they had all the issues identified and what people were thinking about them, all the subsets of the public and what they were thinking. The bottom line, I remember vividly. They said, "I want to tell you what the issues are in Maine in 1982." Then I will come back to your question in the '60s. Jobs, jobs, and jobs. You could go out and do any of these other issues that interested you, but what the people of Maine want are jobs, jobs, and jobs. I don't think that has changed. It was the same in the 1960s as it is today, as it was at that midpoint in the 1980s. Economic issues are very important in the state of Maine. In '64, no I think it was '66, one of the guys who was running for congress in '64 who narrowly, very narrowly lost the seat that was won by the fellow I worked for in '66, his name was Ken Curtis, yes, so it was '66. In '66 Curtis was running for governor. I spent a little bit of my vacation driving him around the state. This must have been a first in Maine. The telephone company had arranged to have a phone in his car. It was amazing; you could talk to someone. I was driving around with him. I remember going to tanneries, going to textile mills, going to paper mills, seeing people work in a way that I had never seen. I never did see anything quite like it until I went to mines in Chile down underground with miners. I said, "This is amazing what is involved in how they earn their living." It is tough work. But anyhow, I remember driving around with Ken, who went on to win the election and to be re-elected and went on to become ambassador to Canada under Jimmy Carter. But the issue was economic. The issue was how do we hang on to the jobs we have in the state, how do we get more, and the translation of that into a very important and new issue is how do we keep our young kids in Maine instead of having them go off somewhere else. Those issues were the dominant political issues, and in the state they still are.

*Q: Well how could you do anything as a congressperson? I mean not you at the time, but I am talking about Flannigan. What do you do to keep jobs in Maine?*

O'LEARY: This was in the times of Lyndon Johnson. This is before, if you read Robert Caro's biography the three volumes he wrote. It is the period of time for the kinds of things that Johnson was working on. When you read the efforts to bring electricity to Texas and what that meant, how somebody in their house, how their day became easier and so forth. The idea spreading in the Johnson time, in the great society, in the war against poverty, remember that? The idea was much more so than today, that congressional policy, governmental policy has an impact on the economy in the state. For example investment of government funds in local projects. One of the great issues, and it was an issue, the Dickie Wilking dam, whether the congress would come up with the votes to build a hydro project in Maine which would mean jobs for construction workers,

which would open up a part of the economy by bringing lower electricity rates and so forth. Those issues were very much in play in the '60s. So if you were a member of a congressional staff or somebody in Maine, even if he was a junior member of the Democratic party, which obviously was the majority party in the congress, there was a very real connection between the policies that he was working on and the ability to do something about the economy in Maine.

*Q: Well, Maine in a way had some of the attributes of Appalachia didn't it? I mean one thinks of Maine, the piney woods, and all the rest of it. Many were very poor.*

O'LEARY: Yes, that is correct. There is a real divide that I think has become more so over time between Cumberland and York Counties and the smaller costal counties near Portland which have done remarkably well in the last couple of decades economically and the rest of the state which is 90% of the land mass of the state. That sense was there when I was driving Ken Curtis around in 1966, the idea that there were basically two Maines. This is not a prosperous state to start with, but there is a real divide as you suggested between Portland and some other places. Today there is an area which is really deep into the woods of the state of Maine in the north which has depended forever on the site of two paper mills. The paper mills shut down in December, and that is a thousand jobs, well paying jobs and about the only employer in the town. Maybe or maybe not it will get out of bankruptcy. But that was the kind of issue that was out there in '64. I remember the other month recently listening to Lyndon Johnson's oral history tapes, remarkable history. There was a tape of a conversation between Ed Muskie and Lyndon Johnson in 1964 when the campaign was coming about. Johnson is running for election. He has been president for a year. Muskie is the giant of Maine politics by this time. But conversation between the two of them is about the possible closing of a shoe plant in Maine during the campaign, and was there anything that could be done to stop that, because the impact of that on the democratic party in the election would be unfavorable. Now Lyndon Johnson, this was a case of as Maine went, so went the nation or as the nation went, so went Maine. Lyndon Johnson carried Maine in a landslide. But to your earlier question, this is Muskie and Johnson, and they are talking about precisely the kind of thing we are describing. What goes on in Washington has an impact on that shoe plant and those jobs. They have all gone now; the whole shoe industry is gone. The same way the argument is today is there anything that can be done. Whoever are the young staffers for Olympia Snowe, Susan Collins or Tom Allen up in the hill or Mischou, the new Democrat from the second district, that is what they are worrying about. What is it that can be done in Washington if anything to save those jobs in Nounoc.

*Q: Was there any cooperation or the reverse between the political powers that were in New Hampshire and Maine because New Hampshire was quite a different kettle of political fish wasn't it?*

O'LEARY: The short answer to your question is no. The reason for that, again I have come to look at it through a different perspective today. I recently wrote a piece for the

Miami Herald on Chile and Argentina, basically trying to describe how could it be that two countries, the two capitals are two hours apart separated by the Andes, could be the yin and yang of southern cone politics. Chile today has been so successful, and Argentina sadly so unsuccessful. Part of the conclusion you come to is, yes, they may be adjoining countries, but they are different worlds. As they are going through that process it is an awful bit like Maine and New Hampshire. How can two states that are small states, neighboring states in a small part of the country be so different. I don't know. I am not an anthropologist, but they are different, and so New Hampshire politics goes off in a different direction from Maine. Maine and Vermont have become similar in a way. My observation is probably Oregon and Washington State have more in common with Maine and Vermont than New Hampshire does with Maine. Go figure.

*Q: Well by '69, you are getting ready to graduate. The Vietnam war was just at its apogee as far as American... What were you planning to do?*

O'LEARY: I was planning to do a fellowship. I sort of had the sense by '69 that probably I would be a lawyer ultimately. You start thinking about what do you want to do with your life. I knew I wanted to do politics, but as a vocation law almost by the process of default became what was attractive to me. Then I applied to law school, and I also applied for fellowships. Fellowships came through. I ended up receiving a Mellon Fellowship to go to Cambridge. I took that and put off law school. At the time in '69 and as I suggested earlier, my own views on the war were very strong. In '69 again one of the great differences between today—I was just talking to my daughters about this—about asking the same questions you are asking me. How is the war impacting Yale today. The answer is if my observation is correct there is a great difference at a distance. The reason for that, I heard Wesley Clark give a talk to the council on foreign relations not too long ago, certainly basically about Afghanistan. He gave a very insightful talk, but he began by saying to his audience in Washington, the audience was predominantly 50 or 60ish on average, and a council on foreign relations audience so it was not your cross section of America audience, but his first question was how many people in this audience, there were about 150 people in the audience, have a kid in the service? Two hands went up, and Clark said, "That is the problem." In '69 at Yale, the war was there, and it was plainly not going well. It was plainly with the draft close to you. The way that most people dealt with it at that time was there was a student deferment. I decided to take the student deferment and go on and continue my studies. I often think back, if that hadn't been there, if I think the intensity of the opposition I had to the war if push had come to shove, I would have been in a very difficult position in terms of the conflict between my strongly felt views and the war.

*Q: It was sort of a deal with the devil that Johnson made. In other words he was going to let the educated class off the hook. I know just at that time I was consul general in Saigon, and I used to sign passports of kids who were getting R&R in the military, and boy they were from small towns, or maybe from, I meant they weren't from the nicer suburbs.*

O'LEARY: Well that is obviously, and it is an issue for my generation very broadly. It is an issue we haven't quite faced with respect to Iraq and all of that. I think Clark's point, and I think it is a very important point, that you have to be very careful. In the Vietnam case, you had a war that was extraordinarily unpopular among kids at Yale. In my judgment it certainly was then, and I think history has born this out, was a terrible mistake for the United States. But the way that debate was engaged was fundamentally different from the way foreign policy now is being debated on matters of war and peace, largely because of the presence or absence of the draft. I think Clark is quite right on that. What you have now I think, is obviously the armed services aren't representative of the United States as a whole. I think the differences are even starker today than they were in the Vietnam days, and I think we have described them fairly.

*Q: Well now '69, obviously the Vietnam war is of intense interest, and you studied China, but did the outside world intrude, I mean the soviet Union, the cold war? Were you thinking internationally at all?*

O'LEARY: Sure. It goes without saying that Vietnam and Asia particularly in '69, Nixon had just been elected and so forth. This is before Cambodia and all of that. But this had become a matter of overwhelming interest in terms of international affairs. The country was at war. It was a very divisive war, and on campus as I said, you couldn't apply this to everybody, but the sentiment between '65 and '69 it changed dramatically. It was to change even more dramatically from '69 to '71. So that was the overwhelming issue of international affairs. Of course the cold war, the world at that point, everything. This is one of the reasons Chile was such a fascinating country. Everything was divided into communist and non communist worlds. President Kennedy hit those themes, if you go back and read his inaugural address, as clearly as anybody did. So certainly, whatever was going on in the world was seen within that context, a context that was obviously totally different since the collapse of communism. But the Vietnam War obviously is read by everybody and understood by everybody at that time in that larger context. I mean there was something called a domino theory. Decent people believed that theory was correct. I am sure President Johnson did, and obviously it was incorrect. But at the time looking at where the United States was going to be and not be in the world, how could it be, I remember as a kid watching President Kennedy's speech on the Cuban Missile Crisis. That was fresh in everybody's mind as we were watching this going on towards the end of the decade.

*Q: It was a very close thing.*

O'LEARY: Yes, so sure, you are absolutely right. The cold war and the nuclear risk of the cold war which the Cuban Missile Crisis made so clear to everybody, was very much part of what people thought about the world.

*Q: Well, then in '69 you took this Mellon Scholarship to Cambridge. What does this*



*mean?*

O'LEARY: Paul Mellon went to Cambridge after Yale somewhere in the 1930s. He established a fellowship that each year sent two kids from Yale to Cambridge and two kids from Cambridge to Yale. So what it was is two years to go and study whatever you wanted to study. I went with the idea that I would continue studying ancient history, and got there, and it suddenly dawned on me that to do anything really significantly advanced beyond what I had done in New Haven, I had to start studying a new language, and I didn't want to do that. I ended up studying literature instead of history for my two years at Cambridge.

*Q: So what kind of literature were you studying?*

O'LEARY: Well it is very interesting. I tried to do, you can do a pretty broad study from the Greeks through Shakespeare and so on. But I wanted to study 20<sup>th</sup> century stuff. But at Cambridge the 10<sup>th</sup> century hadn't quite arrived in literature.

*Q: That was on the fringe.*

O'LEARY: Faulkner is too recent. They didn't want to study him. There was a bit of "You are going to study American literature?" How much more dumb. But you were free to put together your own program, so I pretty much did that, to study some things that weren't really focused on.

*Q: What happened to sort of your political ambitions?*

O'LEARY: They continued. I stayed very involved in politics there. I think in '70 and '71, the good news was the Mets won the World Series when I got over there. The bad news was that the war was getting worse. That was an intense issue in England as it had been in the United States. My views on the war had remained the same, so it was a time when there was a lot of focus on that and I shared that. In terms of electoral politics, obviously I didn't get involved in that when I was there. I did when I came back to Maine and when I came back to the States to law school. But I marched against the war in England as I marched against the war in New Haven, with equal effect.

*Q: How did you view the arrival of the Nixon administration?*

O'LEARY: Not favorably. In '67 or it must have been '68, my sense was you know in campus on the political side of it, Gene McCarthy was starting his campaign. There was a lot of discussion among people who were interested in politics at the time that that was obviously a fool's errand. You didn't bring down the President of the United States in a primary in his own party. But I think a lot of us thought it is terrific that McCarthy is running, and the debate among many of my friends—we were just discussing this the other night—was Bobby Kennedy ought to make that race too. My view of politics was

he should. I thought McCarthy was doing the right thing by challenging the President on Vietnam. I didn't think he had the capacity to win the election, but I supported Bobby Kennedy. I remember a couple of things about that very clearly. One is I remember a discussion in New Haven, this was when I was president of the political union. One of the people we had up was Bill Moyers. Moyers of course had been Johnson's close aide. Lyndon Johnson had been a father figure to Bill Moyers. Moyers had left the White House. He obviously had begun to distance himself from Johnson on the war. I remember a discussion after his speech among a few people where he was first talking about somebody really may take Johnson on, on Vietnam. I remember sitting around the room. There were some faculty people and some others; there was Moyers. This was almost revolutionary talk. It wasn't thought that you could do that. Then I remember in June, and this is obviously after Johnson has astonished everybody by saying he was not running again. Bobby Kennedy is in the race, and I was supporting him. I remember being down here in Washington in June, the night of the California primary. I was staying at Congressman Patterson's home. We had just watched the election returns. I remember the Congressman knocking on the door saying, "Johnny, you had better get up somebody has just shot Bobby Kennedy." So coming into '68 I went out to the convention. I was supporting McCarthy at the time. This is getting to your question about Nixon, but you can see where I am going. I remember going out, and by then the McCarthy effort was not particularly on its way to success. I had a Gene McCarthy poster. It was an amazing convention. It was Mayor Daley, and Johnson and Humphrey, and the fight of Humphrey getting the Democratic nomination. Because I was a congressional staffer, I had access to the convention on two of the four nights, because of my rank. But I couldn't go to all four nights. But it was interesting going to two. They had a newfangled system for getting into the convention. They had these little cards, and they turned something green if your credentials were good and red if they weren't. The damn thing didn't always work. So next to last night, Humphrey is nominated, and he picks Ed Muskie for his running mate. Of course all of us who were down in the dumps as to how this turned out, this was the best thing that ever happened, the idea that our Ed Muskie is going to be vice president. So one of the nights I didn't have good credentials was the night Muskie was going to give his acceptance speech, the last night. This is history, and I am going to get in there one way or the other. So I took my credentials and said, "You know there is a 50-50 chance that when they should go red they will go green, and I will be able to get in. I tried about three times, and Daley's cops said, "Kid, you come back here one more time, and you are under arrest." This is a challenge. So that night was the night after the Ribicoff-Daley confrontation, where Ribicoff in the front row said something and made a gesture to Mayor Daley, and Mayor Daley on national television gave back as good as he got to Ribicoff. So there were these pink and black, they were the ugliest things I have ever seen, pink and black signs that said "We love Mayor Daley." There were hundreds of them, all these ward heelers, who were carrying these signs in because this was the way Chicago was going to tell Ribicoff and everybody else where to go. So I grabbed a bunch of those signs from one of those ward heelers. Sure enough all the elaborate security system, when 20 of us came down carrying the "We love Mayor Daley" signs, the seas parted and we were able to get in and sit in the aisle and I was able to hear Ed Muskie

give his speech. It was an amazing moment for a kid from Maine. So that was going in to the election. I obviously would have dearly loved to see Muskie and Hubert Humphrey win. So getting back to your question. Nixon's victory was not something I welcomed. We hated Nixon going back to 1960 for a kid like me very involved in Democratic politics, he started out as a goon in our perception of the time. Obviously his presidency turned in a different direction. I have a vivid memory of the '72 campaign of Nixon. This goes back to some of our earlier topics, in a place called Rudy's Bar and Grill in New Haven, which is sort of a student hangout. One of my close friends, he had supported McCarthy in the end, and I had supported Kennedy. One of my longest nights in New Haven is which one of us is doing a bad thing. We both thought the other one. But I remember we were sitting having a beer, and the commercial comes on in '72, the political commercial of Richard Nixon getting off the plane in China and how he has changed the world. But I think on balance Nixon got our juices flowing. The fact he was the President of the United States pursuing this policy added to the passion of the opposition.

*Q: How did you find Cambridge? Was this a different world personally and politically?*

O'LEARY: Yes, it sure was. It is a very different educational system to start with. You appreciate that right at the very beginning. There is a whole lot more independence with the ideas of lectures and classes and seminars, the kind of U.S. educational system at the undergraduate level is very different. It wasn't because I was doing a fellowship there because what you do is you do the last couple of years, the *Tripas* as it is called. But the whole sense of undergraduate and graduate education is very different. Actually it is much closer to what I saw in Chile which was quite remarkable watching it through my kid's eyes where you know, young people at age 18 come to university and they are going to do economics or they are going to do political science. There is not a whole wide range of things to study sometimes. Also what you appreciate in Cambridge is that British society then was very much different from U.S. society in terms of makeup of the Cambridge student body. When I was at Yale, an undergraduate, there were 1000 men before coeducation and probably 980 white men, so it is a dramatically different place from what Yale or almost any other campus in the United States today. Night and day. All those changes in my view are for the better, starting with coeducation and then diversity of student body. But what you saw is in Cambridge, compared to that Yale in the '60s was very diverse in terms of where the kids came from. There was much less so in Cambridge. That was a very clear difference.

*Q: Did you find that you were kind of the fly on the wall watching the Cambridge British students setting up their pecking order and all?*

O'LEARY: I think it is fair to say, not exactly a fly on the wall, but I think the sort of there was a reserve that was there, that was certainly different from what I had known at Yale which was obviously more American in the best sense of that word and easy to, you know, everybody related to everybody else quite well. I think it takes longer to make a

friend. It did for me at Cambridge at that period of time than it did at Yale. It was a very real difference.

*Q: I take it you really felt you had to get your law degree, enough lollygagging around. It was time to get your law degree.*

O'LEARY: Well at some point you have four years at Yale, two at Cambridge, what are you going to do for a living kind of gets there. Really law, I am not sure this is unusual for many people at a good law school, it is almost gee, it sounds like that might work. I didn't go in there saying gee, I want to spend the rest of my life practicing law. But yes, I came back to law school, came back to Yale for law school, and studied law, certainly not with the level of intensity that I did politics. To me my thought was that when all that sorted out, that I would practice law for awhile and then go into politics, which is what I did.

*Q: Well as you took law, I mean law is three years at sort of your most creative time. I sort of wonder did you feel that law as you were doing this was adding to your political credentials, really to your political ammunition.*

O'LEARY: No, I didn't think of it that way. My first semester back at Yale very early on, I had worked for Ed Muskie when he was doing his presidential campaign. When I went back to New Haven in '71, I had spent the summer in Washington working on his campaign. That is what I was doing when I got back to New Haven in the fall. There was a guy named Clinton who was working on McGovern's campaign later that year. What law school was for me at the time, sooner or later, you are going to have a career, before you get into politics law is as good as anything. It doesn't close any doors, but I certainly didn't think as I was spending time faxing courts and whatever else I was studying freshman year, constitutional law I think, I am going to go out of here and I am going to go join a law firm and that is what I am going to be for the foreseeable future of my life. As it turned out I did. I wasn't thinking that at the time, and I tried to stay involved in politics, and obviously the Muskie campaign didn't work out, and neither did the McGovern campaign. It was Nixon again.

*Q: I wasn't in the country. I remember sort of Muskie's campaign ended with his crying. I never could quite figure out what the problem was.*

O'LEARY: Obviously a very famous episode. He was in Manchester, New Hampshire. I think ultimately his campaign had other problems, but you are absolutely right that came to symbolize the problems of the campaign. I think what happened, is William Loeb who was publishing the Manchester Union Leader, and if you ever wanted to do an anthropological study on the Maine versus New Hampshire question, compare the Portland Press Herald and the Union Leader, at least in Loeb's day. Loeb was a pretty hard hitting guy who obviously had no use for Ed Muskie or any Democrat. He published, it must have been published, something about Jane Muskie that was not flattering to her. I

have long since forgotten what it was, but Muskie in a snow storm, Muskie was a giant. He was a wonderful person, and again he was a hero, but he had a temper. He lost it now and then, very rarely in public. But on a snowy day when the campaign wasn't going very well overall, he probably knew that, decided to defend his wife, which on reflection probably wasn't the best use of his time. Whether there was snow in his eye or he got so emotional tears fell, it was one or the other or maybe both, it was not a good moment for the campaign. Anyhow this was early. I was working for him when I got back as I was going to law school. That campaign failed.

*Q: Did you move over to McGovern?*

O'LEARY: No, I didn't like the McGovern campaign. I voted for George McGovern. I was a democrat. I have never voted for anyone for president of the United States who wasn't a democrat. I believe strongly. Part of this probably has to do with what you were getting at earlier in Maine. I have had this discussion with friends. The fellow David Flannigan I mentioned to you who went on to Harvard and then LSU and then came back to Maine. He ran for governor the last time around, and David, I have to think back. This is a kid who starts the teenage democrats with me, but he had been the CEO of a company and is going to run as an independent. He told me about that when he was down in Chile visiting with me. I said, "David, you are one of my dearest friends in life, I would do anything for you, but vote for you or support you if you don't run as a democrat. I can't." I do think one of the strengths of the United States, and you see this more clearly over time, I think the two party system is enormously important.

*Q: Well it has kept us from fragmenting into, I mean there are deals within the party but at least you don't have the situation you have got in France and Germany and all which basically weakens the political vitality.*

O'LEARY: Well look at Latin America. There is another example. No it is important, and I certainly appreciate the importance of having most people have the flexibility of looking at a candidate and saying on the merits I am voting for him or her whether the candidate is a democrat or a republican or a vegetarian or whatever. That is extraordinarily important. But what I am saying is my view is that there have to be democrats who support democrats and republicans who support republicans, and do that vigorously. But the answer to your question is while I voted for George McGovern, I didn't feel motivated to go out and do what I had done for Ed Muskie.

*Q: Ok well this probably is a good place to stop I think. So we will pick this up when you are just out of law school and what did you do. So what did you do when you got out of law school. We will put it on the end of the tape.*

O'LEARY: When I graduated from law school, I had a very important decision to make. After my first year I had come back to Maine and worked in the county attorney's office for a friend who went on to be governor of Maine and who I will be with at a St. Patrick's

Day party tonight. A guy named Joe Brennan. In my second year of law school I went to New York and worked for a major law firm, Debevoise Plimpton. By the time it came to my third year, I basically just was at the point where I knew I wanted to go into a law firm, and the basic decision I had to make was did I want to go back to New York where I had enjoyed the summer, or go back to Maine. It was one of the most difficult decisions I had ever made about some career kinds of things.

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*Q: Today is April 29, 2003. This is tape two, side one with John O'Leary. John, okay, so you had a decision to make. What did you do next?*

O'LEARY: Well I decided to go back to Maine where I had grown up and join a law firm and practice in Portland which is my home town. The law firm is called Pierce Atwood.

*Q: What year was this?*

O'LEARY: 1974. We became the 16<sup>th</sup>, 17<sup>th</sup>, and 18<sup>th</sup> lawyers in what was then and still now is the largest firm in Portland. That began a 24 year career of practicing law.

*Q: This would be from '74 until...*

O'LEARY: '98 when I went to Chile.

*Q: What were sort of the law issues? First we will take the law issues and then the political issues? What were the law issues in Portland that you found yourself getting into?*

O'LEARY: By instinct I guess, I knew I wanted to be a litigator, to be involved in trial work. The firm I joined was a substantial firm. It grew to 100 lawyers by the time I left 24 years later, but it had a very good range of practice, typically corporate law, litigation. I remember one of the first major cases I was involved in was we were representing a Japanese fishing vessel which had the misfortune of violating, allegedly violating I should say, the case was settled, what was then the three mile fishing limit, and was in hot pursuit with the United States coast guard, and was brought back to Portland with their crew. We handled the civil side of the case which was the forfeiture. That was fascinating. But the range was all sorts of corporate litigation, and actually in my first two years one of the cases I got involved in that would shape where my ultimate interest would go in the practice of law was one of the first superfund cases in the country. This was in the '70s and early '80s.

*Q: Can you explain what the superfund was?*

O'LEARY: Yes. It was a law that was passed, an environmental law that dealt with

hazardous waste sites in the country and the clean up of this. Really for two decades it became a major field of environmental litigation where essentially the issue was who contributed the waste to the site. Basically what would happen in the litigation was everyone would settle with the government and then litigate amongst themselves the relative degrees of responsibility. That got me into environmental litigation. But in the early days it was quite a range of cases. It meant court, getting ready for court, some of which went to trial, some of which didn't.

*Q: Well, let's talk about the Japanese case because this is certainly a western, Latin American issue, you know, fishing, who is doing what. How did it work at that time? I mean what were the penalties? The Japanese are fishing where they shouldn't be.*

O'LEARY: There was a two track litigation. It was one of the few cases I ever got involved in that actually had a criminal component because under the laws as I remember them back then, the captain of the vessel was criminally liable for taking his vessel fishing inside the limits of our territorial waters. The civil side of the case which we handled had to deal with the rights of the government, the United States government. The U.S. attorney was on the other side of that, somebody who became a good friend in the natural resources division down here in Washington and ultimately returned to Maine. But our job in defending the owners of the vessel was to try to negotiate terms that would get their vessel back, because civilly, the vessel itself was in forfeiture to the United States government. The last thing the United States government wanted was the pleasure of owning a relatively old Japanese fishing vessel. So as often is the case in civil litigation, as I explained to my children over the years as they were interested, it was about money. Our responsibility was to try to work out a settlement that would be acceptable to the government, that would save all of us the time and effort of a trial, get the captain free to take his vessel and his crew home, leave behind a payment.

*Q: What do you do with the fish?*

O'LEARY: As I remember the details of this, and you didn't really want to get into the fine issues. I don't think the government did any more than we did concerning which fish were caught where. There were a lot of fish. I think it was yellow fin tuna. I have never been to Japan, but I have been to a Japanese restaurant or two, and it is big stuff, and it is very valuable. I learned distinctions that now seem blurred between blue fin tuna and yellow fin tuna. But just as the Department of Justice had no interest in becoming the owner of the ship, they certainly weren't interested in setting up a Japanese restaurant to get rid of the fish. The whole name of the game was to end up with a negotiated fine that would satisfy the government and be paid by the owners. After a few depositions and some discovery in the civil case, that is what happened. The captain entered a plea in the criminal case, and the civil case was settled. That is what happens with 95% of civil litigation.

*Q: How did you find relations between the law firm and the U.S. government lawyers. I*

*mean it was pretty collegial. I think of New England as people learn to live with each other more than maybe some other places.*

O'LEARY: I think that is the question, and it certainly is the case. You find that practice of law has changed over the two decades I practiced in a town as small as Portland. But it is the case particularly when you are in a relatively small community like Portland, every lawyer generally speaking knows every other lawyer. Your reputation is important; your word is important; your civility is important. One day you are going to be on the same side of the case as somebody you are an adversary with in a particular case. Obviously, particularly in litigation as opposed to say trusts and estates and corporate litigation, it does get quite contentious. You have to have the capability once the contest is over to shake hands and get on with the next case. That is just as true, I think, in the relations between the government and private practice lawyers. One of the major cases I remember many years later in the '80s, '89 or so, involved a case brought by the state of Maine, that the attorney general brought against our client which was Sears Roebuck. It was a major case, got national television attention and so forth. It had to do with Sears' practice of selling maintenance agreements on home appliances, and the state of Maine made some very aggressive charges about those sales practices and unfair trade practices. That case did not settle. There was too much at stake. The parties were too far apart. Ultimately our clients prevailed and successfully defended themselves against the state, but the plaintiff, to go to your question is the lawyers who are on the other side of that, and believe me it was a ferociously contested case, high profile case. The attorney general who was bringing the case was running for governor. He is a friend; he remains a friend to this day. We were in touch just a couple of weeks ago. So I think that describes what Maine is like. I don't think it is like that in every metropolitan area in the country. The practice of law is tough sometimes in that respect.

*Q: Do you think there is almost a self selection process. I mean a Maine lawyer is a different type than a New York lawyer.*

O'LEARY: I think there probably is something to that temperamentally. What happens in a major city, and again in my practice I dealt with major firms and have friends around the country. But I do think it is the case because if you are a major firm in Washington or a major firm in New York, you may never see the folks who have to be on the other side of the litigation. There is something to that fact that you know people in a fuller way, and you don't only know them only as the person who is asking your client tough questions or making life miserable for your client through motion practice, having a very different view of what the law is and arguing it very strenuously, so, yes. And I think the decision at some point later in the day I was involved in recruiting lawyers, interviewing lawyers, going back to Yale law school and so forth and interesting lawyers into coming to Maine. What I saw to be the case is there is a common denominator. People who are interested whether GR law school or Harvard law school or any law school, national law school, were interested in Maine or New Hampshire or Vermont, tended to be interested in Washington State and Oregon. And it is sort of the same. What is important to me in the



first place is where I live and the life style it presents.

*Q: There is a selection process. Did you find I think of the three, and correct me if I am wrong, thinking of Maine I think of the three pillars, potatoes, lumber, and ship building.*

O'LEARY: Yes, what happened over time, it is interesting that the agriculture side, I think has become less important, although you are absolutely right. If you go to potatoes, blueberries, that sort of thing, fishing, that is there. The ship building by and large is still around. It is still the largest private employer around the city. When I got on to the city council after a year or two of practice, ultimately the shipyard expanded down to Clinton and back. That was an important economic boost to the city for awhile. But what has happened is, as is happened throughout much of the northeast is that whatever was there for the manufacturing base, whether it is shoes or paper, which is a forestry sector, is very important in the state's economy. It has faced very competitive times. Portland, when I came back to Portland, and still is pretty much a service based economy.

*Q: Did this change the law outlook? I mean are these contentious issues or not?*

O'LEARY: Law firms have grown in Portland. Take my old firm Pierce—Atwood, 18 lawyers when I got there in '74, and more than 100 now, but it was about 100 when I left. So it grew five times over in a little less than 25 years. That is a pretty good growth rate. I don't think that is true of the Maine economy. I think it is driven by the fact that the United States, and Maine is no exception here, is a litigious society, and it is a society where there are probably more lawyers than any other country per capita. Interestingly, and I think this goes back to your question about how people end up there, because Maine is such a really lovely place to live, I think a lot of people who are professionals, who have a little bit of flexibility, and obviously there are economic trade-offs, but you trade that off for something else. Hey, I can practice law in Maine and I can live in a nice place. I think that helps to account for some of the growth.

*Q: Well also did the migration of these non Mainers, maybe professional or artsy people have here, but basically people with a certain amount of talent, did that create a different market? I mean did you find a different climate legalwise?*

O'LEARY: I will give you an example. Our firm during my time there acquired a law firm in Camden which ultimately we spun off again, but it was a two or three person office. But what was attractive about the office is that Camden is one of those beautiful coastal places in Maine. It has a lot of retirees. It has a lot of professionals who have retired there. So their needs were for advice and counseling about tax areas, estate planning, so in a very small way the kind of market you have for example in some parts of Florida. But I think in reality what shaped the practice more than anything else, is that ultimately is you move toward the information age, and transportation became easier, and computers made it possible to be anywhere working. This had already started to happen in my practice for example, and the practice of colleagues in the firm, is that you build the

practice out from Maine and it becomes a national or even an international practice. That is something that couldn't have been done a generation ago. But I think when you look and say how law firms, how does that business grow in a place that is geographically isolated as Maine is, the answer is the world has changed and good professionals can reach out and serve clients most anywhere.

*Q: Considering your later term in Chile and all of that, did you find yourself getting involved during the time you were in the law firm, in the international world?*

O'LEARY: Yes, and it is interesting how that happened. I can tell you, but as I said the first major case I had as a first year associate at the law firm, happened to be international by the mistake of a Japanese crew. But in a more deliberate way, I remember vividly it must have been '76, '77 somewhere in that time frame, I went back to Yale because my future wife was still there in Yale college. I had just graduated from Yale law school, and so we saw each other often. One of the occasions that brought me back to Yale while Patricia was there, we went to a Yale alumni dinner in the commons. I remember at the table there was a lawyer from Washington DC. He said, "This is interesting. You are in Maine practicing law, you are very interested in Latin America. Your friend is Latin American. You really ought to consider getting involved in the inter-American bar association." I said, "What is the inter-American bar association?" He explained that to me, and so I did. Really it was through the inter-American bar association that brings together lawyers from North America and throughout the region that I got involved on a comparative law basis. I became in time the chair of their environmental committee that sort of tied into my interests in the United States, and therefore got involved in the profession that way. That then led to other things. For example, the last major case I was involved in was an arbitration before I went down to Chile involved Venezuela. I ended up being nominated by the Venezuelans to be their party arbitrator in a three party arbitration. So the ways I stayed involved in international legal issues tended to be Latin American oriented, and tended to be either in the environmental field or the litigation field. It wasn't a major area of my practice, and I don't mean to suggest that the litigation in our courts was, but it was an interest that I was able to pursue as a lawyer.

*Q: Well I would think, I go under the assumption that Latin American law is essentially Napoleonic law. There is such a difference between the two. Was it hard for English common law professionals talking to Napoleonic code professionals?*

O'LEARY: Well, for example, this Venezuelan arbitration was conducted in New York. It was a dispute, again one of the few five percent of the cases that just do not settle and in this case have to go to a final award after 30 or 40 days of testimony. But the case arose out of the commercial contract dispute between a Venezuelan company and a major U.S. company. The Venezuelan company as it turns out was even larger than the U.S. company. It was a significant commercial dispute. It was grounded and governed under the terms of the contract, by Venezuelan law. So the arbitration panel, the three of us, had to decide the case under the law of Venezuela which is quite different as you suggest

form the common law of the United States. And the way those kinds of things happen is you bring in experts who advise you on the law, you get the parties' briefs and so forth, but ultimately the task that you have, and it is a complex one, is to apply another country's law to a dispute. What often happens though, is, and this will be more and more the case as our economies connect, whether through free trade agreements or just the natural movement of markets as is now occurring. Many of the issues become commercial disputes. The odds of a commercial relationship across main street falling apart are about the same as they are across national borders. So what transactional lawyers do is try to build in dispute resolution mechanisms like agreed arbitration, so that you don't have to be put in the situation of for example in this case, going in to the courts of Venezuela which are obviously quite a different experience and set of expectations, and a different code of law than what we are accustomed to. I think as the world shrinks, as commerce grows, as globalization moves forward, obviously it is not just a question of North America and our English common law tradition against Latin America and their European code. But if you start moving east west, you have very different cultures where business is being done across cultures, and you have got to figure out ways to resolve the invariable disputes that arise in life and business.

*Q: Well let's talk about Maine and politics and all. When you sent there you had an eye on getting involved in politics.*

O'LEARY: I did.

*Q: How did that evolve?*

O'LEARY: Well, rapidly, and ultimately in an unpredictable way. I got back in '74. In 1975 I decided to run for Portland city council which was a non partisan race. It was an at-large seat. Actually I ran against an incumbent in 1975. The election turned out very well. I won the race. The firm was terrific about it. They allowed me. There was some tradition of that in our law firm. One of our main partners at the time had spent a number of years on the city council. So that is where the politics started.

*Q: What do you do to knock out an incumbent?*

O'LEARY: You work hard. You organize. This was, it was a good campaign. In fact a number of friends and family helped with. When you are running a city wide race, which is what I was running, you knock on a lot of doors, you wear out a lot of shoe leather. Obviously it is not television advertising, but it is a lot of organization. You know, in politics it usually comes down to change or more of the same. When you are running against an incumbent, you are arguing for change, and that is what I did. So I spent two terms on the city council. The firm was great about it. They gave me the time to do that. It took some time. I very much enjoyed that.

*Q: What were the issues that you found yourself up against?*

O'LEARY: The time I was on the council from '75 to '82, was a time number one, of renovation and rejuvenation in Portland. The city was really turning around in a lot of ways, culturally and economically, and being involved in that was a lot of fun. The things you remember 20 years later are sometimes it gets back to things that get built. We built the new art museum or we built a new library; we built a new airport. Those things are concrete and tangible; they last a long time. You remember them. I am reminded these days of the things you don't remember quite so vividly when you go back to town and see that there is a great art museum in the center of town and you remember the history of how that got there. But in the '80-'81 time frame when we were in recession nationally, what you see when you are serving on the city council or for that matter in the state legislature is you have got to make some very tough choices as a representative of your constituency. They tend to revolve around increasing taxes or cutting services, and there is nothing more personal than dealing with municipal budgets and being presented with those choices. Those issues were very time consuming -- to put together a budget that keeps the schools going, that keeps the firefighters and police officers at full staff and paid as they deserve to be paid and still keeping property taxpayers happy. Those are tough challenges. But I think the things that are the most enjoyable are sort of making a difference, sometimes a lasting difference in the community, and you see that at the city council level in a relatively small town quite clearly.

*Q: How did you find the role of the state government and the federal government?*

O'LEARY: Both presented a lot of challenges. On the federal side, those were days when revenue sharing had come along in the Nixon administration, and as the federal government gave, the federal government could take away. I remember some of the federal programs that impacted us most. There was something called community development block grants, so you could actually get several million dollars a year from the federal government, go around neighborhoods, have neighborhood hearings, help make choices of whether a new fire station or a new day care center, whatever was the best use of that money. The bad side is when you get a significant amount of your local budget based on federal funds, and the federal government decides they are cutting back on the funds, that is a difficult situation to be in, and we were there like other cities around the country. On the state side, I think it probably varies from state to state. In Maine, in the Maine legislature, Portland is in some ways a pariah to the rest of the state. There is something a little bit odd about Portland. It is a big city relative to Maine. That is where the prosperity is, and so working the state legislature in a largely rural state where there is really only one sizable city. There are a couple of others that are close, but Portland really stands apart. The challenges there are quite different in how you get educational funds coming in to the city and so forth. The great challenge for municipalities, certainly in Maine, probably in New England, is that the property tax base is basically what you have got to work with. That is what you can control at the municipal level. The basic relationship between the federal and state government is to try to get some predictable basis of funding so that you can plan longer term municipal budgets.

That issue hasn't changed in 20 years since I left local government.

*Q: Did the issue come up whether Portland can put a property tax and get more money for schools than say villages out in the Aroostook County or something like that. I mean this has been an issue hasn't it about the fairness of property taxes. It means the wealthy get better schools than the poor.*

O'LEARY: It is a very important issue. What you say is part of it. What you also see in a city like Portland, which is geographically very small, it is a peninsula plus some surrounding suburbs, is in the separate suburbs of Portland, the sort of bedroom communities, you see the same thing. Compared to the city if you will, as you see between rural areas and the city of Portland, is that in an area that is about 250-300,000 metropolitan population, and where the city's share of that is maybe 60 or 70,000. In a wealthy suburb with a much lower tax rate locally because of much higher property values, you can provide educational advantages that a city like Portland couldn't possibly provide without raising its property tax to an unbearable level. You see that same variation on a theme if you go to a very small rural community that doesn't have the ability to raise significant funds through property taxes, so they consolidate and you have the school administrative district concept. In its own way, though, I think a state like Maine that certainly doesn't have a lot of, certainly didn't then and has little now but not much financial standards, where you have a broad ethnic and racial and economic divergence, it becomes a problem. When you do a property tax based education system, there are elements of unfairness there simply because if it is a local burden, the ability of localities to carry that burden is going to vary enormously by the wealth of the community. Maine is no exception to the number of states that have to deal with that challenge.

*Q: Well did you run across, I would imagine there would be a considerable contrast to your neighbor to the west, New Hampshire, which is renowned for having a huge legislature which doesn't want to spend anything, and a virulent major newspaper. Was this sort of looking over your shoulder at this monster over there?*

O'LEARY: The states are very different as you point out. I think in Maine, Maine has an income tax. It had an income tax. I remember when I was in college campaigning with the first governor who got the income tax through, barely got re-elected. He did it in his first term. Ken Curtis was his name. So Maine has had an income tax for close to 40 years now. It is a very progressive tax. It is sharply graduated. I still pay that tax, so I am aware of how sharply graduated it is. New Hampshire doesn't have an income tax. If you run for office in New Hampshire and can spell the word income tax, the words income tax, you get a tough road ahead. So they are very different. I think they are so fundamentally different though that you don't have the effect of gee we ought to do it New Hampshire's way no more than New Hampshire says Oh let's try Maine has an income tax. You have got a built in structure. You have got a very high demand for governmental services in the state of Maine. It is a relatively poor state. What my friends tell me now, I have been

away from Maine for four or five years, most of the year and back in the summer time. But there is a squeeze between the high demand for services, even from a broad based tax like the income tax, and the ability to raise taxes. You get pushed right to the limit. I think the state is now like most states experiencing a budget shortfall, so they are today facing the kinds of issues I described to you that the Portland council had to face back in the recession of the early '80s. It was a relatively limited ability to raise revenues locally. There is a pretty fixed demand for local government services, and it presents a lot of tough choices for elected officials, a lot of tough choices.

*Q: Well how did your political career progress?*

O'LEARY: I stayed involved in party politics. I told you last time, when I was in high school, I got involved in Democratic politics, and actually had worked for a member of congress here while I was in college. I worked on his campaigns. When I went back to Maine, I stayed involved in supporting candidates in the Democratic Party, while I was serving on the council and practicing law. But then in 1982, I decided to run for congress. That was the first and last engagement I had in elective politics. I ran in the Democratic primary for an open seat in the first district, one of the two districts that represented Portland. The incumbent, a Republican named David Emery, gave up the seat to run against George Mitchell who had been appointed to fill Senator Muskie's seat when Muskie became Secretary of state. So that was the context. The open seat had four candidates, and it was a great experience. I enjoyed it very much. It was a very competitive campaign. The way it worked then as it does now is in the Democratic primary or for that matter in the general election in Maine, whoever gets the most votes wins. There is no runoff for the top two candidates. To make a long story short, in a very competitive race, about 2:00 in the morning after the election, United Press International declared me the winner, and about 5:00 in the morning, the Associated Press declared one of my opponents the winner. The AP had it right.

*Q: So what did you do after that?*

O'LEARY: I remember a good friend who had run for the seat challenging Emery who was practicing law. He once said to me, "If you are going to run for office, you really should do it while you are young. It gets harder and harder with family responsibilities and your career and so forth to do it later on." He was right about that, and I am glad I did it when I did. I was 35 years old when I ran. But what I say to friends who think about this is you also know, I think, the day after you lose your first election, as an indicator I had run two races, and they went very well indeed beating an incumbent, winning every precinct and getting re-elected overwhelmingly. When you lose your first election you either wake up the next morning and say that was great, when is the next election, or you wake up and say that was great, but now I am going to get on with the rest of my life. My reaction was the latter. I remember George Mitchell who came from way behind in the polls to win that election, and he too got elected to the senate, and obviously went on to become majority leader. I remember George giving me a call in '83 asking me to come

into his office which I did, and saying, the person who beat me in the primary went on to lose the general election to the Republican candidate Jock McKiernan. McKiernan was running for re-election in '84, and George said, "Why don't you run? You won't have a primary. You will be the Democratic candidate." I thought about that, but just decided I did not want to run for office that year, and never did again. But I did stay involved in politics. I have enjoyed that enormously. That is where the elective political career ended, and the next major change in the political front comes a number of years later when my law school classmate, Bill Clinton, calls up and said, "I am running for president. Will you help?" And I said, "Yes." That ultimately led to my getting back into politics and government in a different way.

*Q: Okay, what do you recall of Bill Clinton at Yale?*

O'LEARY: My most vivid memories was the president was a class ahead of me. He was class of '73 and I was the class of '74. The first memory I have is when I got back to Yale law school in '71. I was working on Muskie's campaign. I had worked in Washington that summer. I went to law school. I remember walking into the law school and having a note to call Muskie's office. There was a note, someone in this little notice system they had at Yale at the time from a guy named Clinton who I had never heard of, to call George McGovern. He was working on the McGovern campaign. As things turned out, the McGovern campaign was a longer lived campaign than the Muskie campaign, which came to an end early in '72. Clinton was very rarely at Yale law school in that year. He was off on the campaign. All the stories you hear are absolutely true that he was quite remarkable. He would come in, and even though he had been traveling and had his mind full of other things, somehow or other he managed to get through Yale law school, which takes a little bit of work. So he was involved in politics. I remember the first time I met him, there was a classmate of mine from Arkansas named Dick Atkinson. Atkinson said, "I have got a friend I want you to meet. Come on over to the Timothy Blight college dining room, and the three of us will have lunch, and I will introduce you to my friend Bill Clinton. He would be interested I am sure to meet you, and you will be interested to meet him." Dick went back to Arkansas. I think he is still teaching law at the University of Arkansas. But what I remember, Stu, is I remember walking away from that lunch. I couldn't tell you a thing we talked about at this stage, 30 plus years later. But what I can tell you is this. I remember walking away saying to myself, and again I think this [is in agreement] with other people who knew Clinton back then, wow, this guy could be President of the United States. I mean, what he demonstrated in the course of a couple of hours was a wonderful personality, just a brilliant mind, and a complete fascination with politics. I was reflecting with a friend last night as a matter of fact, at this Council of American Ambassadors reception, that I had met President Bush, who was a class ahead of me in college, before I had met President Clinton.

*Q: Bush junior.*

O'LEARY: Yes, George W. Bush, the president today. President Bush was in Davenport

College where I was. We knew each other through that and some other common ties at Yale. Again whenever I think back to my first meeting with Clinton, I can't remember my first meeting with Bush. The first meeting with Clinton was vivid in my mind. But again with President Bush, my, and I am sure he would be the first to say this, that if you had said when the Yale college class of 1968 which I read was having its 35<sup>th</sup> reunion at the White House next month, you said who was the guy least likely to become the president of the United States, George Bush might have won that. And if you said in Yale law school around the days I was there, who is most likely to become president, Clinton would have won hands down.

*Q: How about Hillary Clinton? Was she there at the time?*

O'LEARY: She was, Hillary was '72, and I really didn't know Hillary in those days. I came to know her quite well over time. She has been terrific to me and to Patricia. But Hillary was there, and had left, well she graduated in '72 and I graduated in '74. Her reputation from my friends who did know her well was just a brilliant woman.

*Q: You mention graduating in '74. Did Watergate make an impression on you?*

O'LEARY: Oh, sure, yes. I remember in the common room at Davenport College watching Walter Cronkite and Eric Severeid in those days. The campus was just much more politicized back in those days. Watergate was obviously a major story. You forget how different television news was in the 1970s. There were three networks and that was it. There was really Cronkite and Severeid. I mean it was Cronkite news and Severeid's comments at the end of the newscast, the perspective. It was an enormously influential position in American cultural life. You would sit down at night, and the story was breaking, obviously very rapidly. It was a breathtaking story. It was history and high drama, in a way that curiously, I mean I watched the Clinton impeachment from the distance of Santiago, and obviously the impeachment of the President of the United States is the most serious thing, but the town of the Watergate and Nixon fall was just completely different from what played out with Clinton. So yes it did, and I remember being back studying for the bar that summer, the summer of '74 when Nixon resigned. It was the ending of a very dramatic and sad story.

*Q: Well, let's move on to Chile. What were you doing with the Clinton campaign?*

O'LEARY: The way it got started is I would say in August or so, or maybe it was September of '91, Clinton called me at my office. It was late in the afternoon, 5:00, 6:00 something like that. He called up and he said he was going to run for president, and he needed some help in Maine. He really didn't know anybody in Maine. He knew one other person, and would I help him? I said, "Of course I would." So I ended up co-chairing his first campaign with a fellow named Tom Allen. Tom was a Rhodes scholar from Portland who was at Oxford with the president. I think that was the totality of who he knew in the state of Maine. The first thing we did was we organized a lunch for him. We organized it



at the Holiday Inn. Several hundred of our friends came and filled up the ballroom at the Holiday Inn. I think it was like five dollars what people paid for lunch. That was it. It wasn't a fundraiser; it was a meet Governor Clinton. This was a number of months after the first Iraq war. President Bush was still awfully high in the polls. It was several months before the New Hampshire primary. It is important to remember that at that time, truly, President Bush's popularity was such that among democrats I knew, the serious question was should we concede the election. Should we run a candidate. I remember having a conversation after Clinton gave a luncheon speech where friends would come up to me and say, "Hey, not only should we run a candidate; I think this guy could be the candidate. He was terrific." I remember one guy came up to me and said, "This is the best I have heard since Kennedy. Can I write a check to pay for this lunch for everybody?" I think at the time there was a thousand dollar limit on what you could give to a campaign. He wrote out a check for a thousand dollars which covered most of the cost of lunch. I also remember about the '92 campaign, coming home to Patricia and saying, "A law school friend of mine is going to run for president. I am going to help him. He is the governor of Arkansas." I remember Patricia rolling her eyes and saying, "You are going to support another losing candidate." I hadn't had a lot of luck supporting presidential candidates. I supported Dukakis in '88, Mondale. She said, "Look, governor of Arkansas?" Then finally I convinced her to come meet him. That was the beginning of the '92 campaign, which obviously turned out well.

*Q: Well how did things go in Maine? I mean what were some of the strains that were going through the presidential campaign in Maine?*

O'LEARY: Well it took awhile. Maine had been a caucus system. You have got to organize the party. It was not a primary to get people to vote by TV advertising. You have to persuade people to come out on a Sunday afternoon, go to their high school gym and become a delegate to the state convention. It was, the '92 campaign was initially a tough campaign because again Patricia's reaction was not an unusual reaction. A governor of Arkansas is going to get elected president of the United States, somebody who most people hadn't heard of? I think what Clinton did, he came back to Maine several times during that first campaign. I remember one of the occasions, it was at Portland High School. He came back to a packed auditorium. What he did that was amazing in the campaign, we saw this again and again later in his presidency, was his ability to stand up in a high school auditorium, without a note, stand up in front of the microphone and connect with each and every person who was in that room, particularly those who asked questions, and his grasp of the issues which was extraordinary. You know it became a campaign even in those early days where people just were looking at a candidate who was totally unknown to them and made an extraordinary positive impression. I think ultimately in Maine in '92, the election was about the economy. Clinton carried the state, carried it quite strongly. Even though President Bush, President George H.W. Bush, the first one was, you know his family has been in Maine for years and years in Kennebunkport. He finished third; Ross Perot finished second.

*Q: Well, Ross Perot is sort of an odd, what was the appeal of Ross Perot in Maine?*

O'LEARY: Maine had a very strong independent streak. I think that independence is in the air. It is reflected in party enrollments these days. There are more independents than there are either Democrats or Republicans, more unenrolled voters than there are either Democrats or Republicans. Perot played to that. I think he got proportionally more votes in Maine than he did perhaps in any other state but one. Maine has elected a couple of independents as governors, one who has just finished eight years, two terms. So I think he tapped into that mood, but very plainly in my assessment, Clinton probably won the three way race with the high 30s low 40s. Clinton won it on the economy. He came back in '96 when I also co-chaired his campaign. I think he had the second highest percentage of the vote in Maine of any state in the country. So he was very highly regarded in the state.

*Q: Did you run across, last time, and I was awfully young but I do recall the 1940 or '44 campaign of Franklin Roosevelt. I was a kid and growing up in a Republican place, San Marino, California, where everybody was a republican except me. My mother was republican. You know, I mean there was a virulence against Roosevelt, and I haven't sensed that virulence again until Clinton came along. Did you find that in the first campaign people didn't know him so...*

O'LEARY: Yes, certainly not the first campaign. In Maine I must say not the second campaign in '96 where you sensed a little bit of that. Again keep in mind from '98 through the 2000 election I am out of the country, so it is just when I am back talking to people. I saw it develop in Maine and elsewhere as the Lewinski case played itself out. I think that was a real divide. I think more so nationally from the beginning you had the criticism of President Clinton on the radio, talk show radio conservatives, and it was ferocious. It was ferocious from the beginning I think in certain quarters nationally. My historical sense is like yours. I don't remember hearing, I never saw anything like that in my lifetime. I don't remember hearing anything like that. You heard the Roosevelt haters who woke up every morning and said, "What can we say that is unkind about the president?" Clinton plainly generated that. He didn't generate it in Maine.

*Q: So what happened after the '92 campaign?*

O'LEARY: In '92, I did this because the President was an old friend. I supported him; I supported what he stood for. I thought he would make a good president. I think he did, but I was not interested in doing anything other than keeping on doing what I was doing, practicing law in Maine. I did get involved somewhat with the administration, helping out in ways. The one that stands out most in my mind today looking back is in '93, in the first year, I remember I was trying a case before the Maine public utilities commission. I was representing a public utility that was in a matter before the commission. I remember getting a call from the White House saying could I come down the next day and meet with the vice president? I said, "No, I can't. I am in the middle of a trial. Why are you calling?" They said, "Would it be okay if the vice president called you tomorrow?" I said,

“Sure. We will arrange that.” He called and said, “John, we would like you to go down to Bolivia. Will you go?” I said, “Yes. Now Mr. Vice President, will you tell me what I am going to do when I get to Bolivia? I will go as soon as the trial is over.” It turned out that the vice President, Al Gore, had just been contacted by a fellow named Gonzalo Sanchez de Lozada, who had just been elected President of Bolivia, and has just been recently re-elected to his second non-consecutive term. He is president of Bolivia today. Gonia is how he is universally known. Gonia had a conversation with Gore and was interested in exploring setting up a ministry of sustainable development for Bolivia. The vice president was aware of my involvement in environmental issues and my involvement in the environmental issues in the Americas, as I talked about earlier. What he thought would be most helpful to Gonia and what turned out quite an interesting assignment, is just to have, he asked three of us to go down, hear him out, and offer some advice. I did that. I flew down to La Paz, right after the trial. That began several visits that I made to Bolivia in connection with this first project which was to help the new president of Bolivia set up a sustainable development ministry, which ultimately led to the Santa Cruz summit in Bolivia on sustainable development, which helped to define the environmental agenda for the OAS and so on. The bottom line is I was involved in the administration in ways like that.

*Q: Sustainable development, what was Bolivia doing? What do you mean by sustainable development?*

O’LEARY: My daughter asked me precisely that question. I was giving a speech down at Duke. Duke asked me to give the annual Biddle lecture on diplomacy. I showed her the program on the event, and part of the biographical sketch had a reference to doing sustainable development in Bolivia. Gabriella, my younger daughter, had spent eight weeks as a volunteer last summer there in a little village without electricity or water. She saw this, and she said, “I didn’t know you did this, Dad. That sounds like a good thing.” What Gonia was trying to do, I remember going to his residence with my two colleagues and meeting with his cabinet, the new government-to-be in Bolivia. He said, “I suppose you are wondering why I asked you to come by here. I will tell you why. I have a daughter. Her name is Allejandra.” I remember well because that is my older daughter’s name. He said, “Allejandra had studied in the United States. When she was in the United States she studied environmental issues.” Then she went back to Bolivia which is a spectacular country, but big, and has some big environmental issues. She said to her father, “If you run for president, I only ask one thing of you.” He said, “What’s that?” She said, and she was in the room when he was telling this story to us, “If you are elected president of Bolivia, I want you to do something to protect the environment.” He said, okay, you are my daughter. I will do it.” What he was interested in doing was trying to put together a ministry which they ultimately did, a new ministry, that would be focused on the issues of how you develop the economic wealth and natural resources of Bolivia in a way that is environmentally sensitive. The concept of sustainable development is sort of trying to use the resources of one generation economically in a way that doesn’t compromise the ability of the next generation to make economic use of them. So it is land

conservation, that pays attention to best practices, how you develop natural resources and so forth. It was a good assignment. I remember coming back. We flew back, one of my friends then in '93 was computer literate which I was not. He was traveling with a laptop, so we put together our report, and got off the plane and went straight over to the Department of the Interior and presented our report to Bruce Babbitt, who was leading the delegation at his inauguration the following week. This is something that Al Gore was quite interested in, and it set a ball in motion. For me it was entirely pro bono time, but it was a lot of fun. I enjoyed it. That is one of the ways I got back involved in governmental service during the first term.

*Q: Did you get involved in any other things during this first term?*

O'LEARY: Yes, the principal other thing was also international, but it didn't have to do with the Americas. It had to do with the peace process in Ireland. Here is how it happened. A friend of mine from Maine, had been very involved for ten years or so with Sein Fein in Ireland. At her home at a Christmas party, '94 or '95, took me aside and said, "John, I think there is something very important going on in Ireland. I think there is a chance to move forward in a very significant way for the peace process. I want you to meet Gerry Adams." She worked closely with Adams. I said to my friend, "I'll do it, but I will do it if I can also meet with John Hume," who was the leader of the more traditional Catholic party, STLP I think, in the north. My friend said, "Okay, but you will have to set that up yourself," which I did through another friend. So I went over to Belfast shortly thereafter and met with both Adams and Hume. I had not met either one of them before. I came away from the conversation convinced that my friend was right, that this was a moment that indeed something might be moving away from the violence that had torn Ireland apart for almost 20 years. I remember vividly being sensitive to that while I was in England. I shared my impressions with the White House. I let the president know about it. Patricia and I were at a dinner at Martha's Vineyard with the President and Hillary, again I am saying the summer of '95. It might have been '96. but it is in the first term. The issue that was presented, and several people whose judgment I trusted had the same first hand judgment I had, that Adams was very serious about trying to move away from violence of the IRA, that Hume who had been a real rival of Adams was interested in talking together, and if the two of them could talk, it might bring the Protestants and the Catholics together, the nationalists and the unionists. The issue was could Gerry Adams get a visa. At the time you may remember, Adams was kind of demonized really. That was sort of how I viewed him until I met him. I was persuaded otherwise. The issue that Clinton had on his desk, and it was a contentious issue, was should he have a visa granted to Adams so he could come to the United States. I basically gave my two cents worth, and I said it was a risk worth taking. I thought that Adams was serious. I thought that this would energize the peace process, and if it failed, what did you lose? The situation was desperate. I remember the president granted the visa. Shortly thereafter we were at this dinner, a very small dinner at the home of Bill Styron, the writer who lives down in Martha's Vineyard. I said to Hillary, "You know, I really think the peace process had really got on track." But I said to Hillary, "You know I will tell you something. My

judgment is from what I have observed is that the single most important decision that had the greatest catalytic effect is the president's granting the visa so Adams could come here. People could decide for themselves whether he was legit or not." I remember she said, "Come over and tell the president to let the press in." So I think that was a case where Clinton personally made a very important difference. As the peace process played out, to sort of make a long story short, the principal thing I did was to try to be at least talking to people on both sides. What Clinton did, I thought masterfully, was to use St. Patrick's Day to start a discussion. He used the St. Patrick's Day celebration at the White House to actually bring together the opposing sides from Northern Ireland, people who would never be in the same room together, and there they were having a beer together. It was a very subtle form of diplomacy, but if you ask me today in 2003, is Northern Ireland better off today than it was back in '95 and '96 when this started, I don't think there is any question. There is still a ways to go. So that was the second principal thing. The environmental issues in Latin America and the Northern Ireland peace process. To me they were wonderful opportunities to participate internationally in things that were going on as a private citizen on a pro bono basis.

*Q: Did you pick up any of the conflict that came with the election of I guess '94 when the Republicans took over and Newt Gingrich was riding high? It seemed from then on that Clinton was up against as nasty an opposition as you can come against.*

O'LEARY: I think '94, I mean those were tough. You go back and read the books that have been written at this early stage about him, I mean the loss of the congress in '94 was a terrible blow. There was certainly a period of time when, you know how these things go, the instant analysis was you were looking at a one term president. Speaker Gingrich and those who won that election got control of the House. Again it is easy to forget now, but it had been a very long time that one or both houses had been in control of the Democratic Party. But the Democrats had controlled it for quite awhile, and this was real power, and to grab it back in '94 from Clinton I think fueled the fires you are talking about. I think there was certainly a sense, after the November '94 election we can knock this guy off. We can knock him off in the same way we picked up the congress and that is by very aggressive politics. I wasn't in that time period, '94 to '96, between the two campaigns, I wasn't involved really in the national campaign. I was practicing law. I was a partner in the firm; I was a senior partner in the firm. We were raising two children. What time I put into the first administration was in the areas I described. So my focus was really in those two areas and not in the domestic politics until '96 when I co-chaired the campaign once again in Maine.

*Q: What happened in Maine in '96?*

O'LEARY: Big win for the president. I think he probably got 67 or 68% of the vote. As I said, he won in '92 in a three way race, but against Dole in '96 it was a blowout in Maine. We were very pleased.

*Q: Well then what happened to you?*

O'LEARY: What happened to me was in the summer of '96 during the campaign, I got a call, I am trying to think whether the first one was from the White House or the Justice Department. I can't remember which. It might have been the Justice Department, saying there was a... Oh I know what it was. The first call was there is an opening coming up on the first circuit court of appeals in Boston, the federal court of appeals. It is a Maine seat. The judge who has it has indicated he is going to retire. The first call was we keep hearing your name down here in association with that seat. I said, "Gee that's nice. I am flattered. That is news to me." Then I had a call shortly thereafter to the effect that there is an opening coming up on the first circuit. Would you like to become a federal judge? The call came in to precisely the same office I was in back in '91 when Clinton said he was running. I said in effect I am honored; I am flattered. If I ever were going to be a federal judge, being on the court of appeals would interest me greatly. My response was let me think about that. Let me talk with Patricia about it. Let me get back to you. My own sense was this was confirmed either in that conversation or the next one it wasn't imminent. It was going to happen in several months. Basically what I said was let's get the president re-elected. When the president is re-elected, I will make a decision on this and let you know. That is where we left it. As I said the president got re-elected, and I called back. I said, "You know something, I have thought about this, and again am just honored that you even thought to present this possibility, but the answer is no. I don't want to be a federal judge, at least not at this point." I was probably 49 years old. My own sense was if I am ever going to be a judge, and a federal judge is precisely what I would like to be, but that is something I can see in maybe 15 years or later on. But I said, "You got me thinking, basically, that if there were ever anything I could do to be helpful to the administration in Latin America, let me know what it is." To sort of fast forward, there is a little bit in between which I would be happy to chat about because it is kind of interesting. But when the call came back it was Chile, I said, "Yes, of course. I will do that. I will be the ambassador to Chile."

*Q: Did you do any stirring of the pot?*

O'LEARY: I said, the judgeship came out of the blue. There was no pot stirring; I wouldn't know where to find the pot to stir it. In conversations that Patricia, my wife and I had thinking about what we were going to do with respect to that, my conclusion and hers was no. Patricia as I mentioned earlier on, is Colombian. She has wonderful ties to the culture of Latin America. We got back there with our kids all the time. Our kids are very comfortable in South America. The idea of serving in Latin America in some capacity, I didn't know what, was of interest. That pot, trying to figure out where that pot was, you know I didn't know anything about how the process of selecting and nominating ambassadors worked. If you were to ask me, the first thing I did was when I got a little bit of feedback that, yes, Latin America might be a good fit, is to try to figure out the shape of the elephant. It is a remarkable thing to figure out. I have a pretty good feel for it now,

but I really didn't back then. But just gradually over time I did figure out how the process works. Very simply put, I can explain to others who are as totally mystified by it now as I was then, is essentially the process is, the White House, the president himself determines which countries are going to be the 30% non career posts and the 70% then career posts which are filled on merit by the State Department. The Secretary of State responding to the internal processes of the State Department fills those. So when you are interested in serving, you have to find out which countries might be open for a non career ambassador. When I was looking into this after the election of '96 in early '97, I think there were two or possibly three that were going to be non career. One was Chile, one was Costa Rica; there was a third which I have forgotten. I remember sort of indicating any of those would be fine. Obviously I had a strong personal interest in Chile, but when you are in the potential pool for being one of three ambassadors in a region of the world, there are usually more than three people interested in being one of those ambassadors. You have to be pretty forward to say this is the country and only this country in Latin America has any interest to me. I remember when I thought the pot was simmering if you will, because I had a call from Bruce Lindsey at the White House somewhere in this process before the offer was made to the effect the President is going to Costa Rica next week. He is going to the rain forest. Would you go with him. Whenever the President asked, you say yes. I got on a plane and flew down from Maine to Costa Rica, went to the rain forest outside of San Jose. It rained. It was a monsoon. Even the President of the United States got drenched. I had a wonderful conversation, a nice conversation with the president, a nice conversation with Bruce Lindsey who was the president's counsel, close advisor on the nomination, and spent a lovely day in San Jose, and then got back on the plane and flew back to Portland. I said to myself, what the hell was that all about. I figured they would ask me did I want to be the ambassador to Costa Rica, and they didn't. I said just stay tuned. The phone rang shortly thereafter and they said, "Would you like to be ambassador to Chile?" I said, "Yes."

*Q: You were ambassador to Chile from when to when?*

O'LEARY: I was nominated in April of '98. I knew somewhere in '97 I was going to be nominated, selected in '97. I was confirmed in June of '98, and I went to Santiago in July of '98 and stayed until 2001. So it was almost exactly three years.

*Q: What about getting ready to go? How did you find the process of getting ready to go and getting ready for your hearing and all that?*

O'LEARY: The White House has told the current ambassador that he can stay through the second summit of the Americas which is in April of '98. Gabriel Guerra-Mondragon was his name. Gabriel was in the midst of preparing for the summit. Obviously it made sense to let him finish that. So there was more than the usual time between selection and nomination because the nomination couldn't be made until after the summit. Then the nomination was promptly made, and the confirmation process went very smoothly. But to answer your question, the first thing I did was to start reading about Chile. I think I

mentioned to you in our first interview, I studied Chile from my freshman year in college. It was kind of a great personal interest, history. But I would read everything I could get my hands on about Chile, and about ambassadors. The best book I read about an ambassador anywhere was Galbraith's book about his time in India, which was beautifully written, entertaining and insightful. I learned a lot from reading that book. If someone were to come to me and say I have just been nominated to be ambassador, what do I do next? I would say, buy Galbraith's book and read it.

*Q: John Kenneth Galbraith.*

O'LEARY: That's right. It was called *An Ambassador's Diary*. It records his time as President Kennedy's ambassador to India from roughly '61 to '63. So I read general books like that, foreign policy. I read Kennan; I read Kissinger; I read everything I could, Dean Acheson. I tried to steep myself in the institutions of foreign policy. I also read everything I could on Chilean history. I re-read Nathaniel Davis' book. Ambassador Davis has written the best of several books. Not too many but the best book that has been written by a U.S. ambassador to Chile. I read that. A fellow named Claude Bowers who was there from '39 to '53, fourteen years as U.S. ambassador, wrote a book called *Through Embassy Windows*. I read that. I read Chilean history. I tried to immerse myself in it. Obviously I followed day to day events. Then by the time it got to April or so, nominated and so forth, the ambassadorial seminar, those two weeks with my colleagues vividly, very helpful. Then the time here at FSI doing my Spanish. Then of course the preparations for the confirmation hearings, which are very intensive and very helpful.

*Q: How did you find the confirmation hearings?*

O'LEARY: I found the preparation quite useful. The process of putting together questions and answers, in a couple of volumes I think it was, and really familiarizing yourself with current issues as they appear to the department and to the White House and U.S. policy with respect to the region and to the country I felt was very useful. I found the discussion with my ten or so colleagues who were going out to posts, some like me, political appointees going out for the first time, some career people going out for the fifth or sixth time in some cases. That was very useful. So taking seriously, as it should be, the process of preparing for hearings, I think is a very useful exercise. I must say in my case, and this is typically the case as you know, it is a panel by region for the subcommittee of the foreign relations committee. They went very smoothly. The hearings themselves were uneventful. That is the only way to describe it.

*Q: Well when you went there, what was the situation in Chile?*

O'LEARY: I got to Chile in July of '98, ten years after the plebiscite that brought an end to the Pinochet government. Pinochet had governed Chile from the coup on September 11, '73 until 1989 when democracy was restored and Elwin was elected president. So I got there ten years after the restoration of democracy. If you look at Chile in the period of



1970 election to '88, the plebiscite that Pinochet loses, you really have to look at those 18 years. You can't look at the three Allende years themselves and the 15 years of Pinochet by themselves and understand modern Chile, what they went through during that extraordinarily difficult 18 year period. But the fact is during those 18 years, the United States had managed to alienate everybody on both sides of Chile politics for totally different reasons. So we had some ground to recover, and by the time I got there ten years afterwards, the second democratically elected Chilean administration, was in office. I think it is fair to say, to answer your question, that was a moment of extraordinarily good U.S. relations with Chile. Chile once again had become a very important friend of the United States, had had great economic success, and the restoration to democracy was obvious in many ways. They were doing judicial reform. It was a good time to be there. But there were issues. One outstanding issue turned out to occupy the better part of my three years. The issue that was on the agenda, completely stalled, was trade. In '91 President Bush and President Alwin had initially had some conversations about the possibility of a free trade agreement between the two countries. Those had been derailed really for U.S. domestic political reasons. We can get into that in more detail if you like. But by the time I got there seven years after the conversations had begun and gotten nowhere, the idea of a free trade agreement between the two countries was stalled, completely stalled. I spent the great part of the next three years trying to move that forward. Happily, just before I left, President Clinton opened negotiation with Chile that continued until January 20, 2001 and then President Bush successfully concluded.

*Q: Well the stalling, was this coming out of the Republican side? We are not going to give this guy anything.*

O'LEARY: No it was much deeper than that. The issue had partisan overtones, but I don't think it was personal to Clinton. There was an issue, that I think is now on its way to being resolved, a very important political issue in our country on how labor and environmental issues related to free trade issues. There was a school of thought, largely Republican, which said they are unrelated issues. There was a school of thought, largely Democratic by party issues, that said they are closely connected. President Bush the first had almost finished negotiating NAFTA when he left office, but not quite. President Clinton finished negotiating and then spent great political capital to get approved. It was approved in December of '93, his first year, and that was a tough political fight. Because the congress couldn't figure out the answer to the question of where the common ground is on where is labor and the environment related or not related to trade, congress did not give fast track negotiating authority to the president after it expired following NAFTA. What that meant then and means now when it is called fast track authority is that the president says I want to negotiate a free trade agreement with a country and when all the negotiations are done, congress can either say yes or no, but they can't say maybe and cannot amend it. The failure to understand the solution to environmental issues in trade meant that the president didn't get fast track. So when I arrived in Chile in July of '98 my Chilean friends would say "Mr. Ambassador, if you want to start trying to move the ball forward on something that has been stalled now for seven years, a free trade agreement

between the two countries,” our first with a South American country, come on over to Almonega, the White House of Chile, the president’s building, the day congress passes fast track, and we can start talking. So that issue was on my agenda to deal with, and it was stuck. The other issue that took more time than any others, and this often happens with ambassadors, is an issue that wasn’t in the playbook when I went down in July. I mean all the preparation I did, all the thinking about the issues that might arise and how to approach them, there was never a question or an answer about, okay, here is what you do when Pinochet is arrested in London on a Spanish arrest warrant. That happened in October of 1998 a few months after I got there. The diplomacy related to that issue, how that related to Chile and the United States because that was a real flashback to the divisions in Chile of the ‘70s and ‘80s. That took a major amount of my time.

*Q: Couldn’t we duck this? I mean, it was Spanish and British.*

O’LEARY: Senator Pinochet was visiting London for medical reasons, and he was indeed arrested by the British police on a Spanish extradition warrant dealing with things that happened in Chile many years before his arrest. Some more recent than others. Nobody was more surprised than Senator Pinochet when that happened, but I will tell you there wasn’t anyone expecting it except for probably somebody in Spain working on the extradition request. You know the U.S. ambassador in Chile and everybody else was quite surprised by this news. This came out of the blue. There was initially, and I heard a great deal of this, of course, there were arguments just as you suggested that the United States ought to intervene in the case and take the side of Chile, and oppose the extradition request on matters of international precedent and so forth. Many people, some in the congress, wanted the United States to intervene and support the arrest warrant. Let’s get Pinochet. What I decided to do early on, and it was a strategy that we followed throughout the entire course, and it was a roller coaster course in this, was to say three things. What we said about the case is precisely as you suggested. Despite the strong arguments on either side to intervene on one way or the other, was simply to say the United States was not a party to this case, and was not going to take a position with respect to the lawsuit in London. We weren’t going to file briefs advising the British judiciary of how to interpret their own extradition laws. That disappointed a lot of people on both sides. But I think it was the right thing for the United States to do as a way to protect our national interest. The second thing that we said we would do is that no matter what happened or didn’t happen in that case in London in which we were not going to get involved as a government, is that we would respect Chile’s right to figure out for itself how they would hit the right balance between peace and reconciliation on the one hand and justice on the other. I think again, that was a very important position for us to take because I think there were lots of people taking opposing positions on that. Then the final thing we said we would do is no matter what Chile decided to do, the one thing we were going to do about the history involved, and the president made this decision, Secretary Albright was very important to the making of the decision, is that we were...

*Q: This is tape three, side one with John O’Leary. You were saying declassify.*

O'LEARY: The third prong of the U.S. government's position with respect to the Pinochet case was no matter what happened or didn't happen in the case. We, the United States government, would go ahead and to the maximum extent possible make public our classified records for the whole period of time back to '68, just before Allende's election through '91 or '92 just after the restoration of democracy. Whatever documents we have concerning human rights abuses, political violence, terrorism in Chile, we would make them public. I think the three pieces of our policy were very complementary and served our interest in a complicated dispute well.

*Q: How did when these documents came out, I mean a whole sort of myth has sort of come across. There was a movie called Missing, and all. I looked at this without knowing much about it. I am a consular officer by training. I was watching the depiction of an ambassador and consular officers going completely against every precept of this type of thing you know, Supporting the dictatorship and forgetting about individual Americans, this just doesn't happen.*

O'LEARY: There are thousands, tens of thousands of pages, thousands of documents. They are now public record. Interestingly we pushed very hard at the embassy and succeeded for the first time in using technology to put them on line, so that anybody who wanted to access the documents could. We had the technology available for the first time to take these documents. State could do it initially; but, ultimately with a little persuasion all the agencies involved did it. They put the documents on line so that people could read them. That enabled us, it certainly enabled me in Chile being Ambassador to say, look, people have very different views, particularly in Chile, but it is not uncommon for people in the United States or the rest of the world, very different views on the history involved here. It was very important to our government's interests I think, A, to show openness, but B, not to try to digest for an executive summary thousands of pages of history and say this is what it means. To be able to say here it is, go with the documents, draw your own conclusions, have your own debates. I think this was a wise position for us. The movie you referred to, Missing, involves the case of Charles Horman. It became a notorious case because of the movie. I had seen it when it first came out many years ago. I went back and looked at it in Santiago as I was reading these documents. I looked at it again once or twice since then including once with my daughter when it was shown at Yale. I know Joyce Horman personally. She on behalf of her late husband and Charles Horman's mother who was still alive when I was ambassador, they were very involved in trying to find out what happened any way they could. Obviously the embassy tried to help in any way they could, What I said to my kids looking at the movie when we discussed it is you have got to understand that movies are different from detailed histories. There isn't the nuance. There isn't the subtlety. There isn't the sharp factual detail that tries to express a point of view. Certainly the point of view that the movie expresses, and I have read the underlying book by Thomas Hauser that was made into the Costa-Gavras movie. It is a very strong indictment of how the Horman case was handled. I think when you get into

the, and I did read them, the page by page, the consular reports that were made. When you look at all the facts that are there, I think you have a more nuanced understanding of what happened. You can understand how particularly from a family's point of view, looking for a missing American in a foreign country, and fearing as they feared that somehow their government was complicit in the disappearance of their husband or son, that is a terrible feeling to have to have. I think the movie provokes that feeling. My own view is that when you read all of the history with the benefit of hindsight, you could go back and as a matter of human relations deal with events differently. You probably would want to do that. History gives you perspective. Time gives you perspective. Obviously what was going on in Chile at the time of the coup, that was then these events took place, not just for this family but for a couple of others, it was an extraordinary moment for everybody in that country, and there were great challenges there. But I think what I am most proud of about the declassification project is that for all of those who have sharply differing understandings based on, and formed by different sources, there is the ability to say here is the record. Go read it. And to the extent that the historical record can give you insight into what happened, there are limitations to that obviously, but to that extent it is valuable. I think in our dealings with the Chileans what I remember more than anything else about the immediate aftermath of his arrest, Pinochet's arrest, is my Chilean friends who would say to me, and this is right and left, they would say, "Look, Mr. Ambassador, If this goes on a long time; if Pinochet is in London a week or two, if he doesn't get back here next week, it is going to tear this country apart. Everything we have tried to rebuild we are going to lose." That didn't happen. There are a lot of reasons it didn't happen. I think one of them, and I don't think it is a small one, is that the United States government when all of this history which we too had sort of moved beyond, except for the families of the disappeared. We had some, and obviously the Chileans had many more, except for them, and how could they ever forget that, but for most of the rest of us, we had moved beyond that division which the United States was very much connected with in more than one way. So all of this history came back to us suddenly with his arrest. I think the attitude that the Clinton administration showed, the State Department, the White House and others, to be able to say you do what you have to do if it is in Chile's interest. That is your decision, but our interest is to make sure that everybody understands to the maximum extent, and this involves every agency of our government that had records about this, every one of them, here is the historical record; make of it what you will. I think that was an example of openness that tried to help the Chileans deal with something that was very difficult for them to deal with. Going back and looking at what happened a generation before.

*Q: Had you felt that in some ways there had been an effort to turn Pinochet into an American creation, you know get we Chileans off the hook. It is not our fault, you did it.*

O'LEARY: I studied the history at the time actually as it was unfolding, as I said I started to study Chile in 1965, five years before Allende's election. The reason I started studying the country when I was in college was that it was clear then, that in the context of the cold war, what was going on in Chile was very important, particularly to the Americans. I

think I had had a pretty good sense, a pretty well informed sense of that period of time in Chile's history, Allende's election, the period up to September 11, the period from September 11, the first few years of the Pinochet government which were terrible years in terms of human rights, the later years which were quite different. I thought I had a pretty rounded sense of that. As you suggested by your question, when you get ready to go out to post and represent the United States, you work very hard to make sure you have refreshed your memory and learned more. I must say that, and the books on that that the historians are now writing, and they are writing them on their take of what to make of these documents it is not humanly possible unless you are devoted to the history to read them all. I most certainly didn't begin to do that. I had made a serious effort to look at things that seemed important. My own view is that one of the contributions that the declassification project made is at the end of the day I don't think there is a general revision at how you look at history based on this. I think it corroborates what most of us had a sense was the case of plainly the United States worked very hard...

*Q: You were saying after everything was...*

O'LEARY: Yes. I think there is some helpful information in the documents, particularly on the period between Allende's getting more votes than anyone else in September of 1970. The Chilean election system back then was if you didn't get 50% plus one vote, the congress could pick the president. That had happened more than once in Chile. There was a tradition, nothing more than that, not a law but a tradition, that the person who got the most votes would be elected by the congress. There is no question, I think, that the documents demonstrate very clearly the United States government's efforts between the popular vote and the congressional vote to try to prevent Allende from being elected by the congress. I think the most troubling aspect of them, and I think historians will read that in different ways, is with respect to one particular incident in that interval which resulted in the death of the commander in chief of the Chilean army, Schneider. Where there was very plainly an effort, that the documents demonstrate, either to kidnap him or otherwise do something to him that would sort of stir up the possibility of an anti Allende reaction. I think the jury is still out on how that idea got to the point where Schneider was killed in the kidnap attempt, and what complicity others beyond those who actually kidnaped and killed him had. I think that is a grey area. It would be very interesting to see what historians make when they put all those pieces together. But I think that conforms with the general understanding of what happened. It is no news that during that period of time the Nixon administration tried very hard with Henry Kissinger, with CIA and others to intervene and to effect that result. That wasn't news. The details of that are developed a little more by the documents. The second period from the time Allende is elected by the congress until the coup, the great debate has always been to what extent was the United States involved in bringing about the coup. My personal reading of history going into declassification was there was no doubt, none. The Church committee investigation laid this all out in 1975. The United States worked very hard overtly and covertly to bring down the Allende government and create opposition to it. My view prior

to the declassification of the documents was that the coup was not organized by the United States government, as much as some people think it was. I have seen nothing in my reading of the documents that changes that view. Others may have a different view, but I think that is what the documents showed. I am open to hear the arguments on both sides when people connect all the information, but that is my view. I think, thirdly, the third period after the coup, there is a great deal of documentary evidence, and I am glad it is part of history now. It would have been sooner or later anyway, but in this case with Pinochet's arrest, the sooner the better, of the efforts from post '73 to the relationship between the U.S. government and the Pinochet government '73 to '88. To say the least, that evolved. By the time you got well into the Reagan administration, when Harry Barnes went down as the ambassador, for example, replacing Jim Theberge. What is fascinating to me is to study the roles of individual ambassadors. That is why this is such a great project to do, to talk to them and get their memories. You know my sense is by that period, by the time Barnes gets there as Reagan's second ambassador, things have really changed with the U.S. relating to the government of Chile. That is the reason that I said when I got there in '98 there really was a history between '70 and '88. Just as we had managed to antagonize the left in Chile, and it was a strong left, to the center. Center left, early on from Allende's election to the coup a little bit after that. We sure managed to alienate the entire right as we started pulling away from Pinochet in the '80s. I think the history shows the United States government, the Reagan administration, gave quite a bit of support to the plebiscite that brought an end to the Pinochet government. Those who were quite loyal to General Pinochet, about a third of the Chileans still are. About a third of the Chileans can't stand it, and about a third don't want to hear any more about it. But that third managed to get alienated from the United States for completely different reasons. This is fascinating history, number one, and hopefully there will be five or ten or more good histories written based on these materials. They haven't appeared yet, but they will soon.

*Q: How about the Letelier case? Was that taken care of by the time you got there?*

O'LEARY: No, it wasn't taken care of. Quite the contrary it was still open. The Horman case was still an open case. The Letelier case...

*Q: You might say what the Letelier case is.*

O'LEARY: The Horman case which I didn't explain and I should. Charles Horman was an American college graduate who was in Chile at the time of the coup, and was killed in the aftermath of the coup, very plainly now historically by Chilean security forces. There was one other U.S. citizen killed at the same time. Letelier was a former foreign minister of Chile for Allende, Allende's ambassador to Washington, and was living in the United States, when in September 21, 1976, three years after the coup, he and one of his research assistants, an American citizen named Ronnie Moffit who was in the passenger seat of the car with Letelier was driving. Her husband was in the back seat. The car was blown up in Sheridan Circle in Washington. It was I think fair to say before September 11, the

most dramatic terrorist attack in Washington in the history of the capital. So the Letelier case had gone to a trial or two. There have been books written on this. There have been some convictions in the case, but the case that was open was to what extent if any was the government of Chile, the Pinochet government, behind the murders of Letelier and his American assistant. During the time I was there, that case was re-opened, and it happened in the aftermath of Pinochet's arrest. The Justice Department conducted a vigorous investigation. They sent a very substantial team of FBI agents, other Justice department representatives to Chile who had access to witnesses, testimony, documents, and conducted a thorough investigation. The outcome of that investigation, I must say, was not concluded at the time I left post in July of 2001. The last two years now have not resulted in any judicial action by the United States. Obviously the decision whether or not to initiate a criminal case is always for the Justice Department to decide. Basically the position the department took when it reopened the investigation is that it never closed the investigation in the first place. They made investigations in '76 when the case was begun, but they were never satisfied they had gotten to the bottom of it. For all I know as we sit here today, they still aren't satisfied. Whether there will ever be another criminal case out of Letelier is up to the department.

*Q: Well, John, I think this is probably a good place to stop. We will pick it up, we can finish this up the next time, but we have talked about the Pinochet-Allende situation and the Letelier case and the missing case. Let's then talk about normal Chilean-American relations, free trade. I will even ask about grapes.*

O'LEARY: Which is something the Chilean president asked about in our very first conversation when I presented my credentials.

*Q: I have interviewed Tony Gillespie who said he never thought about grapes until he arrived and found them on his plate. Anyway we will finish that up then.*

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*Today is May 15, 2003. Let's talk about when you went to Chile. We have already talked about the Allende-Letelier problems. What was on your agenda?*

O'LEARY: I think what was first and foremost on the agenda were a couple of issues that had been around for awhile and really weren't going anywhere. One was the free trade agreement. There had been discussions about a free trade agreement between the United States and Chile which would have been and still will be our first with a South American country going back to the first Bush administration. That was dead in the water when I went down to Chile in July of '98. Trying to get that moving was right at the top of my agenda. The second issue that was there was as a result, was a more recent one but again there wasn't a whole lot happening on it when I went down; therefore, it was an important issue, was the fighter aircraft sale. In '97, the year before I left for Chile, President Clinton had changed our policy toward the sale of military equipment to South America,

a policy that had been around since the Carter administration, that presumptively denied all sales of advanced military equipment to South American countries. After that ban was lifted in '97, Chile decided to modernize its aircraft. There was the beginning of the competition of which country's planes would be sold to Chile. As I was heading down in '98 there were two U.S. manufacturers, Boeing and Lockheed-Martin in the competition with the French and the Swedes, the Griffin and the Mirage. So those two issues, which had some important precedential value, a free trade agreement with South America and the first case to move forward into the new Clinton policy on arms transfers were at the top of the list. There were of course, lending issues. The one you alluded to in the course of our last conversation, a remarkable issue, and had if I may say so, really poisoned the relationship, was this dispute that went back to the early '90s to Tony Gillespie's day, which involved a couple of cyanide laced grapes that were found in some Chilean shipments of grapes. That led to a grape dispute and interruption of the flow for a brief period of time of one of Chile's most important exports. That had been heavily litigated. I had totally forgotten about it. Then I was reminded it was still an issue; I had read about it seven or eight years before. I went back and read the cases including the third circuit's 6-5 reconsideration of its early decision which it affirmed, denying the Chileans access to court. So learning about Mozoulis, I couldn't believe that one of the issues I would have to deal with as United States ambassador was the poisoned grapes case. It was still around, but as I said at the conclusion last time, it was the very first issue that the president of the Republic of Chile raised. So those were some issues, two very important new ones just in play. One issue from the U.S. perspective very hard to understand the importance it has to the Chileans, but it really did have importance. Their dignity was offended, and they remembered it. So trying to bring that old case to a conclusion, those were things that were at the top of my agenda. One of the things that simply was not in the playbook was what do you do when Senator Pinochet is arrested in London.

*Q: Well let's go to free trade first. What was the spirit of the times? You had an absolutely, I use the same word we used with grapes, but a poisonous atmosphere in Washington at this time between the president and the republican controlled congress like one can't think of since, oh it is hard to think of any time including even the Nixon period. It really didn't make a lot of, in a way it was more style than anything else. Maybe I am misreading, but going down there, and free trade required certain acts of congress in order to allow it to proceed, and yet it looked like this congress wasn't going to give anything to Clinton.*

O'LEARY: Here was the situation in a nutshell. Bush and Elwin had had these discussions, obviously at the presidential level in '91. The Chileans got very excited about that. So did people in the United States. In fact the organization I now lead here, the Chilean-American Chamber of Commerce in Washington, was established back in 1991 in the days when people thought that there is a free trade agreement coming soon to a theater near us. That all got put to one side when President Bush decided to focus his attitudes on the NAFTA and get Canada and Mexico done which he almost did. When President Clinton took office in '93, he finished those negotiations up, and spent great



political capital with a democratic congress in getting that approved in '93, just barely in the house, but with a lot of effort. But then what happened, you are exactly right, is that after NAFTA was approved in '93, what was then called fast track but is now called trade promotions had expired. The relaxation that permitted the president to go out and negotiate trade agreements, bring them back for an up or down vote without amendment. Congress twice thereafter refused to extend that authority to President Clinton. The consequence of that was that Chile and the United States, even after, and this again goes to the kinds of sensibilities that arose in the grapes case, and a diplomat has to pay very careful attention to, because it has the potential to affect other things in the relationship. In December of '94, after the NAFTA was approved in the prior December, at the first summit of the Americas in Miami, with the cameras running, President Clinton promised Cordon, the President of Mexico, said to President Frei vie for accession to the NAFTA. In Cordon's words, "You will be the fourth amigo." With the cameras rolling quite publicly, President Frei accepted that invitation. As I have often thought about it, the invitation to dance was accepted, but they didn't have no dance. They didn't have no dance because it was thought that you couldn't do this four way free trade negotiations. Remember, at this time we only had three free trade agreements with anybody in the world, Canada, Mexico, and Israel from the '80s. That was it. Unless the president had the ability to go out and negotiate an agreement with an up or down vote, no country would sit down and go through all the effort involved. So when I got to Santiago in July of '98, seven years, a full seven years after this topic had been raised more than once quite publicly and with an embarrassing outcome in '94, the attitude of the Chileans almost universally in and out of the government, right and left, was Mr. Ambassador, if you want to talk about a free trade agreement come on over to La Moneda the day the United States Congress gives the president fast track negotiating authority, and then we will begin to talk. So that is where we were in July of '98. We had an American business community in Chile that had spent over a million dollars trying to support the effort in '91. People were quite frankly frustrated and more than a little skeptical whether this old idea was ever going to happen.

*Q: What was the reading that you were getting about why the president wasn't getting this?*

O'LEARY: I think it was pretty clear. We have an issue in our politics which as often is the case a tough issue. It was a tough issue in which congress couldn't find common ground. The issue was basically how do labor and environmental concerns relate or not relate to free trade concerns. This had become a fairly partisan issue in our domestic politics. Trade always is a tough issue, but this really sharpened the partisan divisions. Most democrats took the position that you couldn't do trade agreements unless somehow or other you dealt with differences in labor standards and environmental conditions between the United States and particularly less developed countries in the world. I think it was pretty much an article of faith among most republicans that the issues had nothing to do with each other. Whatever benefit there was in talking about labor and environmental issues, globally, the place to talk about it was not in trade negotiations which were about

trade and investment. That became almost more than a political, more than a philosophical, almost a theological kind of difference. You are quite right, when you have a difference that is that rooted in substantive policy and politics, and then you have the relationship that had developed between a now republican controlled congress and a president that the republicans in control of congress had supported less than fully, it was a tough political situation. There was no clear way forward in '98. Then between the time I got there and the time I left, a number of remarkable things happened, none of which partied any grand plan, but each one contributed to moving forward to the point where just before President Clinton left office, we began formal negotiations with Chile for the agreement. Putting it very simply, I think the key moments were first, Chile in December of 1999 got a new foreign minister, one Gabriel Valdez who is currently at the UN who will be leaving soon to become the ambassador to Argentina. Valdez came up and visited with Madeline Albright in December of '99, and said to her in the middle of this stalemate, "We changed our mind. Chile is prepared to sit down and negotiate a free trade agreement without congress first having given the president fast track authority." I don't think there was a country in the world who was taking that position. Who wants to spend all the time and effort to negotiate an agreement. The one we just finished is 800 pages long. Then have a member of congress say I don't like what is on page 595; otherwise, the rest of the agreement is fine. So Chile was willing to do that, and that was duly noted. The second important thing that happened was at an annual meeting of our trade representative's office and the Chilean ministry of foreign affairs that handles these things, that came out of the second summit of the Americas which was held in Santiago in August of '98, they had time during a state visit, President Clinton and President Frei had set up a joint commission on trade and investment the JICTI. The idea was each year the U.S. trade representative and her designee and top team, and a similar team from Chile would really sit down and talk about talks, talk about the architecture. What would negotiations look like if we started. The first annual meeting was in Washington; the second annual meeting was in Santiago, shortly after this Valdez Albright meeting I described. I remember this vividly, and I think historically it was the second key turning point in getting us from a position where we were dead in the water to moving forward on trade negotiations. It was during the course of that discussion the United States said to Chile, "Look we understand the significance of what you have just said to our secretary of state. But let us be clear. We don't want to waste your time and really don't want to waste ours. We can't sit down and begin negotiations unless we know that labor and environmental will be on the table with trade issues. This will just go nowhere politically unless we address all those issues at once." I remember across the table Alejandro Hara who was leading the Chilean side, who now represents the Chileans at the WTO. He said, "We can do that. We know what you mean by that." And if you talk to each and every one of us on our side of the table, quite frankly there wasn't one of us who knew what we meant by that either in terms of what an agreement that involved these issues would look like. But the Chileans said they would try. Maybe they could find agreement; maybe they couldn't. This was a second key issue where the Chileans were taking a position I think that was different from anybody in the world, that we will negotiate without fast track, we will talk about labor, environment and trade all at once. That combination again was

extraordinary. Then the debate about what to do with that went on in the administration. It was a ferocious debate. The United States trade representative's office which is charged with these matters, has to negotiate this agreement, basically had to view it at the highest levels of USTR. To put it simply their office is too small. The world was too large, and life was too short, and we don't do bilateral free trade agreements with countries the size of Chile. A number of us felt that was a mistake in view of this case, whatever its general merit, and that Chile deserved, we had given them our word. We should keep our word, but more than that, that this might be a catalytic negotiation that could really unfreeze where we were on free trade negotiations in the world. There are 191 nations in the world right now. We had three agreements. We now have four, but at the time we had three. So the thought was we ought to go for it. We got to the point after much strum and drang in the administration where essentially the State Department, Commerce, the White House, NSC, all felt that it was a good idea to move forward. The USTR did not, and they are in a powerful position because fundamentally at the end of the day, it is their issue. I remember sometime in the fall of '99, it must have been October, November saying this, you choose very carefully what you bring to the president's attention, but this was one I thought he needed to know about. I asked to see him, and I went in and the two of us talked. The idea that USTR was putting forward at the time and the administration institutionally favored this, was doing a multilateral agreement. In shorthand it was the P-5 which included Australia, New Zealand, Chile, Canada, and Singapore I guess. I remember going in and the two of us talked. I said, "Mr. President, there is an issue of some importance where the administration is very sharply divided. I think it is a matter that needs to be resolved." I started to explain the issue to him, the advantages of doing bilateral with Chile. No sooner had I got into this thing, here is the issue, he said, "I understand the issue. We should do the bilateral." I said, "Mr. President, that is it. I don't think I can improve on that conclusion. That is the right answer." But he wanted to hold that decision for awhile because through the formal process which we did, where everybody submits their opinion and action them off. Sure enough the agencies reporting to the president split five to one. President Clinton picked the bilateral. The reason I remember that is because he did that, I was back in Santiago, it was December. The call was going to be made to the Chileans the next day. The president has formally signed off the backwards check on the memo, and sure enough, that was the day that the WTO meeting was held in Seattle the next day, and there were riots in the streets. The Chilean foreign minister couldn't get into his hotel. It looked like the efforts of the anti globalization movement around the world were at their peak. Charlene Barshefsky, our trade representative, had just come back from China where she, after a lot of hard work, achieved what I think was the top issue on her agenda, an agreement on how to get China into the World Trade Organization. That would require presidential sending of legislation to congress for the president to sign if it was approved, in a presidential election year, 2000. It was clear from that coincidence the approval of the Chilean bilateral after a big fight in the administration and what had happened in Seattle, the major trade issue in 2000 was getting China's access to the WTO approved by congress. Nobody in Washington had the stomach to take on any other trade issues but that. Word came back immediately after that, that we had won the battle, but the president didn't want to go

through and tell the Chileans we are ready to take on any other trade issues. And there was some presidential politics obviously involved in that. But the judgment that it was impossible to disagree with in embassy Santiago. So the thing got put off again. The Chileans did not know obviously at the time, what they had proposed had received the president's approval.

*Q: Well I mean what was your role in this? I mean were you keeping them apprized of the internal debate within the government?*

O'LEARY: An ambassador is in a difficult situation in circumstances like that. Number one, obviously your first responsibility, and you more than anyone else in our government are charged with the bilateral relationship. That is what you wake up every morning thinking about. That is what you go to bed every night thinking about. We were obviously engaged in trying to move this forward with discussions with the president of the Republic of Chile, with foreign ministers, trade people and so forth. Those discussions necessarily were quite candid. On the other hand, there are discussions of this kind as they are taking place obviously not as a matter of history but as a matter of current events, are very sensitive. So there is a balancing act involved between communicating to the government on the other side the general sense of what is happening, what is not happening, and how come, versus getting into the details of what was a literally a ferocious debate within our government. So I think it is fair to say that at the time of the China Seattle issue, the China issue in Seattle, my job was to keep the Chileans informed as to where we were and where we weren't and generally why. The Chinese are very important. It is a tough political decision for our congress. I think there was serious doubt, very serious doubt in the immediate aftermath of Seattle, whether you could get the votes in the house and the Senate to admit China to the WTO. There was strong organized opposition. So you communicate as I did from the key points of the decision making in our government without getting into all of the details. Two things happened then in the year 2000 that ultimately led to the beginning of negotiations at the end of the year. Again both of these, as often is the case, were totally unanticipated. The first was that during the year, after we had communicated to the Chileans the year 2000 is about China; that is the only planned trip. The President decided for reasons that had virtually nothing to do with trade, but everything to do with the Middle East peace process, that he wanted to negotiate a trade agreement with Jordan which would become our fourth free trade partner. The reason he wanted to do that was because Jordan had played a constructive role in the Middle East, and there was a sense that since Israel had an agreement form '85, since Jordan had recognized Israel and was doing other things to try to move the Middle East peace process, in which the president had invested an enormous amount of his time, forward, that it would be good to have some incentives for others to take a look at what Jordan was doing and wonder if that might be a good thing for them to be doing. So the administration began bilateral negotiations on a free trade agreement with Jordan. That, as you can appreciate, had to be explained to the Chileans. It wasn't the easiest mission I ever had, but to say well, you know what we said, it is all about China. Well now Jordan is in there but it has nothing to do with trade; it is all about the Middle East,

and you are still going to have to keep waiting. And the Chileans, to their credit, more or less understood that. They were disappointed, but they more or less understood, and in fact, those negotiations were successful. The United States and Jordan completed the negotiations. They included labor and environmental terms in the text of the agreement for the first time. I remember vividly the week of our election, the first week of November, 2000, was the time when our third annual JIPTE meeting was held. The foreign minister who heads this all up in Chile was supposed to come up with their team to sit down with Charlene Barshefsky at the USTR and have their third annual talk about talks. Just as that was about to happen, the news broke that that very week, it might have been the very same day that the one day JIPTE talks were being held, the king of Jordan was going to be flying over to sign the free trade agreement with the president at the White House across the street from the USTR, which of course led the Chilean foreign minister to realize that she had some scheduling conflicts back home that wouldn't enable her to make the trip to Washington, thank you very much, and she didn't. A perfectly understandable decision. She sent her deputy. We sat down in the conference room in the USTR, and Charlene Barshefsky explained to Marzales who was the deputy at the time, how we loved Chile very much, and nothing saddened the administration more than we weren't able to begin free trade negotiations with Chile during the Clinton Administration as hard as we all tried. There was some good news in that the Jordan agreement was done. It included labor and environmental terms. This was the key issue that had to be resolved, and if the congress in 2001 liked the way the Clinton administration had negotiated this, why sure enough Chile would be next in 2001. No promises to anybody. Our election was that week. We don't know who is coming next. We can't bind whoever it is, but you will be next; don't worry about it. I went back to Santiago, made the 6,000 mile trip back saying OK this is not going to happen on my watch. Then the final thing happened that changed everything, totally unanticipated. I walked in to my office on a day in mid November. My DCM or somebody in my office, I forget who, said, "Mr. Ambassador there is something you ought to know. We are getting some reports that the APEC meeting out in Brunei, the President may have invited Singapore to start free trade agreements, to start negotiating free trade agreements." I certainly did a double take, "What do you mean?" "We think that is the case." I said, "Well give me the phone." I don't think I have ever been so angry in my whole professional life. After I calmed down a bit, I called first the State Department to find out if this was the case. I remember talking to Tom Pickering the first thing that morning. He said that he wasn't sure; he had heard something to that effect too. There must have been some overnight traffic about it. He would check into it. I said, "Well this can't be. We can't have sat down with this government and told them what we told them last week, and then have them find out that we started negotiating with somebody else." He very quickly got confirmation back that the fact that it happened. I remember saying, "Give me the president." The call went through to the White House and the message came back that the president is not here. Where is he. They said, "He is flying to Hanoi; he is on Air Force One." "Get me Air Force One." This is that kind of a moment. I remember Gene Sperling picked up the phone on Air Force One. He has subsequently said to me, Gene Sperling was the president's national economic advisor, a terrific guy. He said to me subsequently that he

thought that with the possible exception of James Carville, I had the foulest mouth of anybody he had ever spoken to in the Clinton administration. I don't have a foul mouth. I very rarely say much more than heck. But I probably used some words I am unaccustomed to using. But sure enough over the course of the next several days and several more conversations, it turned out that the President decided that he was going to call President Lagos and make the offer, the same offer he made to Singapore. The Chileans, obviously, were in a very foul mood. Chile is a member of APEC. They were at the same meeting in Brunei. This is something that happened on the golf course as it turned out between Singapore and the United States. So they were in a mood where you really couldn't, and a lot of the discussion in the week before Clinton called up was what is Lagos going to say. We don't want the president to make this call if Chile is going to say no. So there was a fair amount of diplomacy over the course of the week, and I talked to Clivas and others as to what the response was like. My advice back was I think he will say yes. I can't guarantee that, but everything I, if it is a good conversation I think he will say yes. Clinton called Lagos on December 27. He called him just before Lagos was coming up here to go to California. I was flying with him actually for a couple of days out in silicon valley. Sure enough Lagos said to Clinton, at the point where he could have said it is awfully nice of you to call Mr. President, but you know what, this was November 27. We still didn't know who had won our election three weeks earlier. Lagos didn't have a clue as to what to do with hanging chads any more than we did, and he would have been perfectly entitled to say we are going to wait and see who wins the election. We will deal with the new administration. But he didn't. He said, "Yes." Two days later on the 29<sup>th</sup> in a simultaneous announcement in silicon valley by Lagos and Clinton at the White House, the launching of the negotiations was announced, about nine years after Bush and Elwin first discussed the idea, and a set of circumstances that no one could have foreseen.

*Q: What was the role of the Chilean embassy in this? If you can't report the back and forth, in a way this is where a good embassy... You can always sound out people who are on various sides, and they will give you the scoop, and they are the ones who can do that.*

O'LEARY: It's tough. The embassy here then as now has an extraordinarily good representative, Andres Bianchi, the Chilean ambassador. He was a law school classmate of President Lagos, distinguished banker, head of the central bank, economist and so forth. He is a very capable ambassador. Andres and I talked obviously during this period. Andres was with Lagos in California, played a very important role which I would be happy to talk about if you would like, in getting this thing announced, because there were some real tense moments between the presidential call and the announcement two days later. Right up until the last minute, it looked like the announcement might not occur because of an inability to come up with a common language. But my perception was from Santiago, in the critical period where the issue was Clinton would make the same offer to Lagos that he made to Singapore. What I was getting back from our multiple sources in Washington in conversations that I had with Andreas is he was sort of barking up the wrong tree. Institutionally figuring out how to deal with our government obviously

presents lots of challenges to people outside the government. That is not to say it doesn't present challenges to people within the government. But on something like this, this is really presidential level. There is no other way to deal with it in an intelligent way. Chile like most countries is not in a position where they can just call the president and go in and see him, or people very close to the White House. So they were working, I think the record will ultimately reflect, they were working the USTR side of the street. Their meetings, the first thing they did when they got back from, got their troops together after the APEC meetings, they went over to USTR. As the report came back to me, and it was a pretty reliable report, was they were obviously furious. They were complaining to the agency that I think the record would be clear, was not advancing the ball over time. What I think happened is that USTR put the position to them was, well if Clinton made this offer to you now, would the Chileans accept, or would your government accept? The way it came back to me through USTR was the Chileans said no, or we don't know, but not the kind of positive thing we want. What I said when I heard that is, "Look I understand the filter through which that information is being passed, and I understand the circumstances of that conversation, but that is not the measure. The measure has got to be what Lagos would say. It has got to be whether this goes forward is a White House decision; it is not a USTR decision." So I think what you see in a situation like this is however skilled the embassy is in Washington, they probably don't have the same ability to see the internal dynamics of our government. That is one of the many factors you have got to take into account in measuring how you go forward. So the conversations that I had with Andreas Bianchi at that time were let me take the White House side of this. Let me see if we can move that forward. The key thing is going to be if we succeed in getting this offer made, you have got to be prepared to at least signal that it is not going to be a wasted phone call.

*Q: Well I think one of the things that strikes me is you are talking about one going in and seeing Clinton and being able to call Air Force One. This goes back to sort of your political tie to Clinton. I am thinking that putting a Latin American specialist in that job couldn't have done this probably.*

O'LEARY: I think there are occasions, and certainly the history of the Chile free trade negotiations is one of those cases. There are moments and times where a non career ambassador with a direct personal relationship with the president, and remember every ambassador is the president's personal representative by law. That is one of the hats that he wears or she wears. But there is a very real difference in that personal representation where there is a personal relationship from when there isn't. I think you are absolutely right. It has occurred to me more than once, particularly going through this time and watching my colleagues, the career diplomats at the embassy, tremendous people, greatly skilled people, and part of a very good team in Santiago. They were almost despondent about this turn of events because there was no way they could see that you could move it around fast enough. I think the instinct would have been to write a memo to the assistant secretary for western hemisphere affairs and obviously that is not what was indicated here. This was a street fight within the administration that only the president could sort

out. Understanding the politics of it is something that, and getting through the bureaucracy here was critical to making lemonade of the lemons.

*Q: Well also it points out when we talk about this is not career versus non career ambassadors, but this is career and non career ambassadors who were maybe part of a political payoff, but who don't have that personal connection to the president which is probably the majority of ambassadors, you know somebody who sounds like a good idea, or a payoff to Louisiana or what have you. It isn't a matter of being the guy who helped Clinton get into Maine.*

O'LEARY: I think what is crucial in these cases, and again it is very important, whether you are a career ambassador or a non career ambassador, if you have a personal relationship with the president, you have got to be very careful of how to spend that capital. And you spend it wisely and sparingly, otherwise you waste it. This was a case where obviously the capital had to be spent for a bilateral relationship to move things forward. But I don't think there is in our government, part of its brilliance in design is the tensions that are built into it and the competition that has been built into it and the checks and balances that are built into it, cumbersome though they often seem. But I think that the fundamental tension you see in the modern presidency, in the modern State Department, and you see it in every administration, and it is different in every administration, but it involves some of these issues between the White House and the State Department, between the Secretary of State and the National Security Advisor, Between the diplomats in the building and the more specialized people, say USTR on trade policy, which is really the core of our international relations in the Americas and other parts of the world these days. It is complex to say the least institutionally. It varies. To go back to the very first conversation we had, it is in a way the difference between political science and history in my judgment. The science and the theory of it is all well and good, and a lot of that is philosophical in nature and important and critical to the ultimate mission of our government's success. But often times it is history. It is the who rather than the where in the organization, and people. I think this particular case which I think is going to turn out very well. I would like to commend Bob Zoellick and the USTR for all he has done in this field for President Bush, who didn't have to continue the negotiations when they began. He did. For keeping the architecture the same, for helping get labor and environment resolved in these things. I mean this is going to be an historic agreement when it is approved this year, as I believe it will. But in that whole 10 to 12 year saga of how Chile went from the initial conversations to how it will get to the point that it will at the end of this year when congress will have approved it all, there is the usual combination of institutional interests in both countries in and out of government, and there are personal factors. At various points in time, some are more important than others. When you sit down and negotiate an 800 page agreement, having members of a 75 person team on each side who know the inside out of the substance of the one chapter they are negotiating, no ambassador, however skilled, however related to the president, can carry that ball. It doesn't make sense. But every now and then there is a set of issues where I think an ambassador's relation with the president, who after all he is personally



representing, is critically important. This particular part of this long story is one of those times.

*Q: Well let's turn to fighters. You know, one of the dilemmas always for military sales is we are not allowed to sort of pick out the fighter or the turbine or what have you. I mean if you have competing American things you have got to choose. How did this thing work out? I mean what was the issue?*

O'LEARY: Well the fundamental issue the president had resolved in '97. The fundamental issue was after 20 years where in a very different world, in a very different Latin America, a very different president. Jimmy Carter had said enough already. We are not going to be selling, we are going to presumptively deny every request for the sale of U.S. hardware.

*Q: This is when it was pretty much ruled by Caudillos or whatever.*

O'LEARY: Well, Latin America, if you look at the difference between '77 and the democracies and market economies at the end of the '90s versus where we were in Latin America in the '70s, it is a different world and different circumstances applied back in the '70s for what President Carter thought what was right then. But what was right then certainly didn't apply to the Latin America I was serving. So Clinton had made the political decision. We are going to go from presumptive denial of every request to a case by case review of each request. The first case as it turned out is Chile. Chile had come forward and decided they wanted to modernize their air force; they wanted to buy new fighter jets. Quite frankly even though the president had made that decision, in the United States there was still some political difficulty in some circles with that decision. People still said why can't they spend their money on something else. So you had to deal a little bit with that issue and explain the policy of the United States was to let Chile make those basic decision. Bill Cohen, my fellow Mainer who was Secretary of Defense, a Republican in a Democratic administration, I thought always stated our case very well. I tried to just carry that message because I thought he hit the tone exactly right, in saying the decision whether or when to modernize the air force of Chile is Chile's decision. The United States has no view at all on that issue. But if and when they decide to modernize their military, to buy new fighter aircraft, we want them to buy planes built in the United States of America. A pretty straightforward position. What complicated the rule at the time I was there, and ambassadors have to deal with this in commercial diplomacy which is now a very important part of what we do in a global economy as an embassy, but we had as I said when I went down there, we had two U.S. manufacturers who wanted the privilege of selling their planes, Boeing and Lockheed Martin. All an ambassador can do under those circumstances, which are not uncommon, is to advocate for buying American. In this particular case, the case of military equipment, what you are buying with that is obviously not just a plane. You are buying a relationship with in our case, the United States Air Force which is a valuable relationship for the Chileans to have over a long term. But what happened is, and so early on, perhaps the first year I was working

with this issue, it was basically just presenting information to both sides. This was an ambassadorial level matter. Again aside from its historic importance, 20 years after the Carter policy, it was large numbers of dollars and jobs at stake on our side and a strategic relationship between two countries. But for the first year it was basically just getting the information to the two U.S. competitors in what was then a four way field, hearing their input, trying to help the Chileans understand the presidential level, the ministry of defense level, the air force level, the benefits to looking favorably on a U.S. made product. But then what changed is one of the U.S. competitors dropped out. Boeing stopped making the model of the F-18 that they were intending to sell, so this became a three way competition between the F-16 and the Griffin and the Mirage. It also became a much more important political issue in Chile when it got sharpened as a decision. Chile has a strange law relatively called the copper law, which had been around long before Pinochet. Most people thought it was a Pinochet era law; it wasn't. Copper is Chile's largest product. It is the largest producer in the world. They have had a law that I think goes back to the '40s or '50s where a percentage, it is currently 10% of all export earnings, sales not profits of Kodelka which is the state owned copper company, it used to be different percentages, but right now half of the copper sales of Chile are Kodelka's. Ten percent of that goes into a fund that is divided equally between the three branches of the military for their capital needs. You can think of lots of ways to design budgets. That might not be the first one that occurs to you, but that is the law in Chile. So fundamentally they had the money to spend, but they had to make a decision as to how they are going to allocate it, where they are going to spend it, and they decided it was the aircraft. So then the competition became quite fierce among the three competing manufacturers. It is a kind of issue that our embassies see from time to time. You always are concerned that not every country is bound by the same laws that our manufacturers are bound by in these kinds of competitions. There are some real constraints on what you can do. But at the end of the day what you try to do as ambassador in your embassy is be engaged, and this is one, let the company sell its own product. I think you share the judgment that it is a pretty good product, but they have got to carry the ball. In this case they carried it well. Second, I think what an ambassador can do is say wholly apart from the product which we think is as good as anybody's, is the relationship strategically over the long term will be good for both countries, and to make that case. That requires some fairly hands on engagement with the decision makers, but I think it is important to the process. So over the period of time with the combination of our embassy's efforts on it, the manufacturer's efforts on it, the Chileans made the decision to do something that I don't think anybody would have assumed they would have done at the beginning. They decided to buy a U.S. product. The political significance of that decision it seems to me is, I mean the history of Chile from 1970 to '88 as we were talking about a little bit earlier, we had managed in different administrations for different reasons to politically have alienated much of the left and much of the right in Chile. We had some rebuilding to do. A lot of it had been done before I got there. I tried to continue that good work. But it is fair to say that the domestic situation in Chile, much more intense than the United States on this issue. From the left was why are we buying airplanes anyhow? What do we need them for, a sort of guns and butter debate in Chile. But even in some circles their concerns about the United States

and memories of other times. ON the right the same thing, the mirror image of the same thing from the Chilean military. I remember sitting down with their General Rios, commander of the air force who ultimately had a major role in what recommendation would be made to the president on this. He was telling me, the two of us sitting there with the model of the plane in front of him, saying, "That is the plane I had to fly. Every time I did it I was taking my life in my hands because there was an embargo that prevented our air force from getting from your country spare parts for this plane." So the fact that we were able to overcome that history on both sides and have a good relationship that resulted in the purchase of the U.S. planes I think reflects how far we have come in our relations with Chile.

*Q: Well I would think, you mentioned you know, how you begin this is the political relationship involved which sort of implies almost a threat, you know, if you don't do this. How do you handle this?*

O'LEARY: You have to exercise great judgment and discretion and be very much aware of the risk of that is perceived. It is an important issue. Our government said the same thing as I said: whether and when you buy these, modernize your equipment is your decision. If you decide you are not doing it or are doing it, that is a matter of indifference to the United States. The second point was always, buy American, it came down to the F-16 and here is why. Move the product and the relationship. But the third point I think is very important and very familiar to the Chileans, and this if you go back and look at what was said publicly was always part of this. It was in the crest of the Chilean purse. They paid a great deal of attention to this issue as you would anticipate, is look, if at the end of the day you decide the best plane for Chile is one of the others, the United States is there the next day. The relationship is the same. It will go forward. That is your call, and we respect that. I think that is an awfully important point to communicate when you have the disparity in power as is obviously the case between the United States and a country the size of Chile, particularly in dealing with issues of this kind. It always seemed to me that that point was as important a point as any, and that it be understood as a genuine point. If it came to be that it was the Griffin or it was the Mirage, the next day we would have the same relationship across the board. One of the things the Chileans, and this is an always in the press, and they couldn't quite get this, is these two issues because they were proceeding simultaneously, it was always the question one depends on the other. If we buy the F-16, we get the free trade agreement. If we don't buy the F-16 we don't. That is human nature I suppose. Dispelling that notion which was not a correct notion, in every way you could from saying people who sit down and talk air force to air force and talk about what an airplane can do or not, are not the same people who are sitting down and negotiating a free trade agreement. The people who make decisions on this in our government are completely different people. I can assure Mr. Ambassador these are not related. They are unrelated. That was important, but you have got to work at it.

*Q: Could you comment a bit about your impression of the French form of negotiation and also the Swedish form.*

O'LEARY: We worked as a team, as I am sure most embassies do. That was certainly my style in these two issues and any other issues of importance. We would sit down on a regular basis and an irregular basis whenever indicated, my state department people, my military people, my commercial people, the whole embassy team. When we were doing the fighter aircraft meetings, we had regular meetings on this subject throughout my term, that was always one of the things we would try and keep an eye out for. Was there something going on here that was different about how the other side competed for this. Interestingly, you would always hear those concerns most directly from our would be vendors. It was the Boeings and the Lockheed Martins who really have the interest in making sure that doesn't happen. I must say that nothing ever came to my attention as it would have if we had good clear hard proof that hey there is somebody offering an inducement here that should have nothing to do with this. Chile is an unusually highly rated country in terms of transparency. I think that is deserved. But the people you are working with, both in the private sector and your embassy team who work around the wall in this area bring to it some experience and some history that says watch out, and watch out you do. I would say one other aspect of it that is interesting just as an historical matter, and it is still relatively new history to us, and it was brand new history in the case of Chile and the United States, the issues of offsets for military sales which Chile had never done before. Given the F-16 case which is not government to government, it is private sector to government, the U.S. private sector to the Chilean government prospectively going forward, that is a complicated matter. Those are tough negotiations.

*Q: When you are saying offsets, you are talking about maybe manufacturing certain parts of the plane within the country, so in other words, you know, you are making a tail assembly in Santiago.*

O'LEARY: That is right, and how that evolved, it is a relatively new thing, I think the last couple of decades or something like that. But that is something that goes on again outside the embassy. It complicates. I mean you say to yourself from a manufacturers point of view, gee you have got a good plane; you want to price it right. Then we have to think about all these other issues. But that is there, and it certainly is part of the world of military contracting. That is quite different from, and that is a competition in itself, and I think countries that are in the market to make multi billion dollar purchases here, bring that with all would be vendors to the table. That is something different.

*Q: That is straight forward. But what we are talking about is, and I am saying this sort of on reputation and maybe unfounded, but an awful lot of people who have been dealing with this say the French have traditionally come with all sorts of deals, not offsets but you know I mean in non diplomatic terms essentially payoffs.*

O'LEARY: There is obviously a concern, particularly not in a country like Chile, but when you are dealing in a very transparent country like Chile, you need to understand the lessons from elsewhere, but there are certainly concerns that in countries that are less

transparent, you have a risk of outside the system kind of competitions, and perhaps even illegalities. That is something you always have to think about. One of the good things about the trade agreement is it has in it a government procurement chapter, which really isn't much needed in Chile's case, but is certainly to the extent this agreement is going to be something that as it is, now that we are going to be negotiating in Central America, and Central Americans pick up on anything, you get transparency in government procurement, because it is a big issue around the world. It can lead to real distortions or worse. So that is something that an embassy needs to be concerned about. But I must say, in an era where commercial diplomacy is an important part of any ambassador's responsibilities, this historically is a major change from a decade ago and certainly before that. One of the things that you do when you are listening to and working with presenting information to U.S. competitors in the market is you always have, our antenna raised for any complaints that doing business in the market is distorted by corruption. I must say in Chile's case, and probably in my three years, two or three instances where a company came to our embassy with a concern in this area. It was a significant enough concern that it got to my desk. I can only think of one case where after testing this all the way through, I was satisfied, the embassy was satisfied, and the company was satisfied that action needed to be taken, and it was. So my judgment is that this is an issue that is out there in the global economy for every embassy that is trying to be supportive of its citizens doing business in that country. My hunch is that there are probably not too many embassies around the world who you can say over a three year period of time that the things have got to the level of whether the embassy needed to take action or not...

*Q: What do you mean by take action?*

O'LEARY: Bring it to the attention of the government involved with the embassy's imprimatur on the information.

*Q: Did you get any feel for the French or Swedish competition? Were there different approaches or not?*

O'LEARY: The maneuvering was irritating. It was something you had to deal with. In the press it was clear that a couple of often quoted experts, whose expertise I suppose varied, were in fact on retainer for one of the governments and making themselves available to critique the process and critique the plans and talk about it. Thinking about how to deal with what they were getting for ink was sometimes an issue. It is a judgment call as to whether you wanted to engage with that, what is said publicly that requires a response. Most frequently, I think, the judgment in those cases was that it goes to a product and let the manufacturer make that decision. But there was an interesting issue that got a lot of press, that had to do with our government policy and not the product. That had to do with the amran missile and the availability or not of this missile for the aircraft. Ultimately that all got worked out in accordance with our policy, but when it becomes a description of what our policy is or is not, and that is inaccurate, that is the kind of thing the embassy has to pay close attention to, as to whether it is going to get involved in that. I think it is

fair to say though, and this is not unusual in this area, the area of military procurement, that often an embassy is working at a couple of levels. They are often different in terms of the private discussions with the government versus what you need to have in the public realm at any given moment, particularly in negotiations. So those are the kinds of assessments you make on a day to day basis. But as I look back on it, it was like the trade negotiations the other key issue we had on the agenda. It came out pretty well in the end I think. It was a roller coaster ride.

*Q: This is tape four, side one with John O'Leary. John, you mentioned the Pinochet thing which I take it was sort of the end game of the Pinochet thing. We were off to one side on this weren't we, but could you explain how we saw it and dealt with it?*

O'LEARY: That issue became as important as either of these other two in its own way. We would say what does the arrest of a former president, a sitting senator, historical or notorious in history depending on your perspective. What does his arrest on a Spanish arrest warrant in Britain have to do with the bilateral relationship. The short answer is a great deal. It was enormously complicated. It is an issue I think, as we may have discussed last time, I think we had it right from the beginning. It also had its ups and downs, but it came to I think an excellent ending for what matters most for an ambassador, and that is the relationships of the United States and Chile. We said from the outset really three things. I touched on those before, but let me tie that to the outcome. What happened or didn't happen in the case in Great Britain was a matter to the parties in that case, and the United States was not a party to that. We were not going to take a position on that. We got criticized on both sides pretty loudly, privately and publicly for that, but it was the right thing for us to do, and we did it. Secondly, we said that no matter what happened or didn't happen in that case, how Chile or any democratic government decided to strike the balance between peace and reconciliation on the one hand, and justice and accountability on the other was for Chile to decide. The United States respected Chile's institutions and capacities to deal with those difficult issues. Again, personally from my point of view, the way I always thought about that was South Africa is not Northern Ireland, and Northern Ireland is not Argentina, and Argentina is not Chile, and these issues are different in each country involved, and we sure don't have a cookie cutter in the United States that we can provide to other countries to solve these issues for them. They have to do it themselves. That was an important part of our position, that we respected what they did. The third piece of course, was the declassification: that no matter what Chile did or didn't do, we were going to go back through our historical records from '68 before Allende's election to '91, after Pinochet's fall, to the maximum extent possible. Again this involves the President's own personal participation. We are going to make that record clear for people to read and draw their own conclusions. We worked hard at the embassy to put that on line and make it user friendly. There was an openness there that I think was important. That policy of the United States which necessarily is something for the ambassador to explain again and again in country to everybody involved, was a good policy. Again I think it was a wise policy, and it worked. It worked in that our relationships at the end of the day were, I think with the government of Chile

and the people of Chile were not affected adversely by what could have been a reopening of days when our relationships with different governments in Chile and the people in Chile were quite different indeed. But to me from my vantage point at the embassy, obviously, in retrospect I am very pleased at how that turned out in the bilateral relationship and for our country's own interest. At the end of the day it was for Chileans to figure out when all of this was going on. There were very difficult issues of international law presented. The jurisprudence of this case is going to be the Marbury vs. Madison of international human rights law forever. There were tough international issues. Pinochet vigorously defended his right not, as they saw it, and they were right in part and wrong in part in the law as it turned out, but his right not to be arrested in another country on a third country's arrest warrant for things that happened in their country many years before. In other words the end of the immunity issues are serious legal issues. So then the Frei and Lagos governments had to deal with those issues involving the arrest of Pinochet who led a very different government in Chile that obviously they had very strong personal feelings about, but they had issues they had to deal with. Then Jack Straw found at the end of the day in London that under British law Pinochet was not fit to stand trial for health reasons and sent him back as it were to Chile, a week before Salvador Allende's former ambassadorial nominee to Moscow became the first socialist president in Chile since Allende, a week before that in March of 2000. The courts and the people of Chile had to figure out what to do with that. The courts basically had to deal with some very substantial issues of criminal law in Chile, of legislative immunity in Chile in a very emotional case that divided Chilean public opinion. The courts of Chile removed Senator Pinochet's legislative immunity. He was indicted. He was subject to the criminal justice system. The result was that the courts found in Chile, just as Straw who had that quasi judicial role in London did, whatever the merits or lack of merits of any of the particular complaints made, the man was not fit to defend himself in a court of law, and that was a legal principle that concluded the case. I think the outcome of all this was something important for Chileans to have experienced for themselves. I had a sense that they shaped that, whatever people in Chile think about Pinochet, and the division today is no less sharp than it was decades ago. I think having to deal with that as they did, they acquitted themselves quite well, in the press, in the judiciary, their political system, in the democratic government with an independent judiciary. I think history will look favorably on how the Chileans dealt with that. I think the policy of the United States, as I say, had nothing to do one way or another with what they ultimately did. But I think we got it right. And had we not got it right, it is one of those situations, who knows what the complications were that might have followed from that. But it gave them the space they needed. It gave them the freedom they needed to come to a Chilean resolution of what was ultimately a Chilean problem.

*Q: Well now finally we talked about the grapes and the whole situation. Was this just a topic of conversation or was there anything that could be done about this at that point? This is talking about the cutting off of the principal export to the United States.*

O'LEARY: Just a little bit of the history and then how it played out, because I never

would have believed how much of my time this took, and I never would have believed until I got down to Santiago, how sensitive an issue this was on the other side. It was one of those issues that the way it comes out in Washington is just the antithesis of the way it comes out in Santiago. On a product where I think they are the largest exporter of fresh fruit into the United States now in the world. Grapes were probably the lead product on that. These grapes came in then as they do now to the port of Philadelphia. If you go to the port of Philadelphia you will see they have a very substantial financial impact on that city. It is really quite remarkable. But anyhow what happened was back in '89 or '90, whenever it was, Tony Gillespie had to deal with this. Two grapes were found to have been contaminated by cyanide. The Chilean view of the facts is it didn't happen in Chile. It happened somewhere at the American end, and that the decision, I guess it was the food and drug administration made, it is poignant to see how innocent those times seem in retrospect to today in all of this. But the FDA took very swift action and basically put an embargo for a short period of time on Chilean grapes that resulted in very substantial financial losses to the sector, both for the farmers and the shippers. In their view, and this is not a small part of the bilateral problem, the reputation and good name of Chile, for whom this product is very important, suffered. The second part of it was of great interest to me as a lawyer. As I was going down there it led me to read the actual cases including the very unusual full appellate court decision in the third circuit. Chileans claimed to have been damaged by this administrative decision by our government. The first issue that arose was immunity under the federal tort act. The question was whether the administrator or his designee at the FDA who made the decision, a full stop on Chilean grapes into the United States, was acting within the scope of his discretion. In which case the government would be immune from suit or not. That was a close question. If you read the decisions, the split on the full court of appeals -- one stop from the Supreme Court of the United States -- was six to five. The majority said he was acting within the scope of his discretion. You can't sue the United States government for what happened. I have often felt as a lawyer, and having seen in the days I was practicing law, some of the human dynamics here, it would have been better for everybody if it was an eleven to nothing decision rather than a six to five decision. It might have gone away. But it was a very close call on the law. So the Chileans, almost ten years later by the time I get there, when they have had something done to them which they took as a wrong, for which our law gave them no differently from what it would have given our own citizen. The case I always made to them was look, if this was a U.S. citizen whose grapes it was, you would have the same outcome. He couldn't sue the United States government because of a discretionary act by a government employee. That is not the way our law works. But they had no remedy, and they felt they had an insult to their good name. There had been talk about invoking something called the Bryan Commission which I had never heard of. It goes back to William Jennings Bryan's days. You know who I mean.

*Q: William Jennings Bryan was Secretary of State in the first Woodrow Wilson administration.*

O'LEARY: Right, and during his time in the 1910s Bryan had set up a commission.



*Q: 1912.*

O'LEARY: Yes, to be precise. Right after Wilson's inauguration. A commission to resolve these things. This was not in the view of the United States government a dispute that the commission was set up to resolve. This was understandably from our point of view albeit a rather legalistic one, take your shot in court like everybody else. They had terrific lawyers; they made their best case. They lost. That happens, but life goes on. But the fact of the matter is when President Clinton had been in Santiago just before I got there for the second summit of the Americas in April of '98, there was a huge banner that welcomed him to the heart of Santiago that said, Mr. President Rejumas. Give us some justice, which translated as it often does into money. Give us some money to compensate us. So when I was preparing to go down, I learned all about this history. It crossed my radar screen in a very peripheral way when it was front page news for a day or two in the United States, and then it vanished from my consciousness, but it never vanished for the Chileans. So I learned all about that, but I must say I was not prepared for the fact. I remember reporting this back when it happened, when I went in to see President Frei when I presented my credentials in August, maybe. We had some issues as I said. We had free trade, fighter aircraft, conventional bilateral issues to talk about, a good relationship with Chile. The first thing he brought up was the grapes. That is when I realized something had to be done to get an end. Basically I went back and said, "you are not going to believe this but..." then said, "I don't want my successor to be doing grapes. We are getting rid of grapes." The way that one had to play out, unfortunately, was persuading the Chileans that we were not in a negotiating mood. This is one where we, you know you always prefer to win litigation rather than lose it, but the United States was not going to pay money to resolve the hurt feelings and try to persuade the private sector in Chile and the government that this was the right result. The interesting thing is that the business interests that kept this alive were fine people in the agriculture sector, but they were not supporters of the Chilean government. They were really quite conservative in their politics. We had a wonderful relationship, but it didn't extend to the grapes issue. So there was almost no benefit to the government in power on this issue. They were just getting constant carping from the private sector on it. What made this ultimately resolved was there was a sanitary issue that came up late in the Frei administration, late 2000, early 2001. It might have been the year before that when the government was changed, which I saw as an opportunity to say, "Look, we can resolve this issue. We can resolve it in such a way that will improve, make it a little bit easier in terms of some of the vigor of complaints that were much too tough and some of the requirements our aphid was putting on them." There was some legitimate basis for that. "We can find a way to resolve this issue that came up down the road and do it in a way you can stipulate that that takes care of the grapes as well. So this kind of thing won't happen again. There will be systems in place to make it less likely." Frankly, by that point there was one major agricultural producer who was publicly making a lot of noise about this. I remember a conversation a week before the transition between the Frei government and the Lagos government with a

couple of incoming ministers of the Lagos government who were friends. I remember the house it occurred in; I remember where we were sitting in the living room having a conversation. We had worked very hard to work with Washington, and have all the technical people engage on this issue, get the t's crossed and the I's dotted in the several agencies involved and memorialize it. This solution to this issue takes care of the grapes, and the Chileans will cooperate on that. The outgoing administration, particularly Armando Fernandez, the deputy foreign minister, had the ball on this. We had it all done and all ready to go. I remember going to a special event, a small dinner party just before the transition. I remember the two Lagos people saying, "We don't want this to happen. We want to be able to solve this ourselves." It was the second occasion I found where, and I wish you could make a general principle there is something you could do with our language that is helpful. I can't generalize about that, but I can tell you if you are somebody who tends to be mild mannered, and people don't expect to have you standing up shouting obscenities in their face. If you pick one or two times you do that, people will know you are serious. This was the second time, and I said words to this effect, "That is not going to happen. We are going to get this solved now before this administration leaves office. You don't want this on your watch. I sure don't want it on my successor's watch. This is the deal; take it or leave it, and if you leave it, you will be sorry you left it." And they took it, and it is done. Somewhere there is a note in the file reporting on all the intricacies of that. A couple of people tried to bring it up again later, and there was some public recognition that this was resolved, and it was I think we are now in a position where we can say we don't deal with this thing, thank you very much.

*Q: Well, to sort of end this, what was your impression of Frei? He had been in and out for a long time. You caught him really at the end of his career. Is he still around?*

O'LEARY: Eduardo Frei Ruis Tarquey as opposed to his father Eduardo Frei Montal who was the figure I studied that introduced me to Chile back in New Haven, Connecticut, in 1965. I obviously never met his father. The reputation was they were different people in personality in many ways, similar in some. The dominant impression, and you are right, Frei took off, he was five years into office when I got there in a six year term. Think of it as year seven and eight of a second term president in the United States; your political capital tends to go down. That is a long time. So there was some of that going on. I think people were looking forward to the next election. It was underway, the campaign, almost from the time I got there. That affects how a president conducts himself in office. He just doesn't have the power of somebody who is in the middle of a first term and can stand for re-election, and people know that. Personally Frei is an engineer and is low key, is understated, is reserved. I saw him on one occasion in my time during which he was president in which that was not the case. But that was it, and there were special reasons for that. I remember consistent with what I just said, talking with somebody from USTR or the White House or NSC who had been with Frei at an APEC meeting, not the one I alluded to but a different one, where they were sounding him out on some trade issues. This is before it had been decided which way we were going. The person said he kept wondering was he being offensive to him. I didn't think so, but there was no emotion

back of any kind. It was just flat. So not someone when you think about it personally either, who is sort of has a commanding presence, but very careful, very deliberate. My sense of his presidency, and a few years after is way too soon to make any significant assessment on that, is I think he was the second president in the transition back to democracy. He was the first to serve a full six year term. Elwin's term was four years by design. That ten year period was followed by another democratically elected president and the full restoration of democracy in Chile. I think in the case of both Elwin and Frei, their personalities fit the historical needs of the time. This was the counteraction which was created to oppose Pinochet in the plebiscite was never intended to be a governing coalition but became that defacto, an interesting alliance of socialists and Christian democrats and others. But the sort of calming effect, if you will, of a Frei presidential style, history may say served well that transition time where people had to invest their confidence in the government of a country that had basically been torn apart by what amounted to civil war after the term of Frei's father that concluded in 1970. So the odd historical bookend of having young Frei be a transitional figure back into democracy as his father had been the last democratically elected government before Allende and the coup. There is some historical significance in that I think.

*Q: Okay. Well, this is probably a good place to stop. You left when?*

O'LEARY: I left at the end of June in 2001, just about three years to the day almost of my swearing in July 8, 1998. I must say for the purposes of this interview, I want to make sure I say it because I think it is an important thing in terms of precedent. I don't think it is unprecedented; there are some good precedents for it. I was obviously a Clinton political non career appointee, one of the 30% of ambassadors in that category in his term, as there are roughly 30% in that capacity in President Bush's term. I left on June 30, instead of January 20, because I think this White House and the president deserve credit for handling in a very sensible and sensitive way the issue of what do you do with ambassadors that a president of a different political party sent out, after the White House shifts hands but before the school year is over. That last phrase is something that wouldn't come into everybody's thinking right off the top of their head. There are probably eight or nine Clinton ambassadors in that situation. In our case, our younger daughter was in the middle of her sophomore year in high school. I will always appreciate it. It was the Bush White House. It came from nowhere else, and that obviously reflects on the president personally. I think it is almost without exception the case, if you have a child in school, and we don't get somebody nominated and confirmed before the end of the school year, you can serve out the school year. So Gabriella finished Amino De Aguilas on June 28, and we left the morning of June 29. That six month transition on free trade issues and F-16 issues which were the two important issues when I went down, that was a pretty seamless transition. The two presidents, the two administrations had precisely the same policy, and nothing fell between the cracks on those. I think the mission was served on both of them. But on the personal level the difference it makes for an ambassador and his or her family to be leaving post without pulling a kid from school in the middle of the year is not a small one. On a personal level I can assure you that our

family appreciated that. I hope when the shoe is on the other foot it will be handled with similar grace.

*Q: Well thank you very much.*

*End of interview*