

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

KENNETH N. SKOUG

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is the August 22, 2000. This is an interview with Kenneth N. S-k-o-u-g, Jr. - and how do you pronounce it?

SKOUG: "Skohg." It rhymes with "Rogue."

Q: And this is being done on behalf of the Association for Diplomatic Studies and Training, and I'm Charles Stuart Kennedy. Now, and you go by Ken.

SKOUG: Ken.

Q: Why don't we start off by telling me when and where you were born and something about your family?

SKOUG: Okay. My roots are northern European. My ancestors arrived in the United States in the second half of the 19th century. On my father's side the background was strictly Norwegian. The name Skoug is from a little farm in Norway located in Ostfold, Southeast of Oslo, on the Glouma River. The name means woods, and in 1967 I found that farm in the woods with the river flowing past toward Oslo Fjord. The ancestor who came over in 1880 suffered through the severe winter of 1880-81 in Minnesota, where snow was on the ground until May and no trains moved through. He told us about it in his own memoirs. It was quite an experience for someone coming out of even a cold country.

Q: Oh, yes.

SKOUG: To be thrust into Minnesota just then. His son, Charles, was my paternal grandfather. My father's mother, Marie Noraly, was born in Minnesota. She descended from ancestors who inhabited the Hallingdal region on Norway, northeast of Oslo. Her

father had come in 1861, getting across the ocean when the water was slopping over the deck of the ship in which they traveled. He died very young after his own dad perished in a Minnesota blizzard. This left his young widow with three little children, including Marie, in a brand-new country. Charles Skoug married Marie Nordly and made a go of it in Crookston, a town in northern Minnesota by the Canadian border. They both died of pneumonia while my father was still in high school.

Q: Was it mainly farming or woodsmen or lumber or what?

SKOUG: My great-grandfather, father of Charles Skoug, was trained as a carpenter. He was the second son of a little Norwegian family. The first son got the farm, and since he didn't get the farm he had to learn a trade. He had to milk cows from necessity out in Minnesota. He was at that time a man over 40, and he claimed that it was the first cow he'd ever milked in his life. He didn't like farming, but he did like trade, and he later went on out to Seattle. On my mother's side, just to round it off, my grandfather Charles Stevens, was born in New Brunswick, Canada. His family came from the area around New Brunswick meets Nova Scotia at the head of the Bay of Fundy, where all the whales are, and where the Tide is awesome. He came to Duluth, Minnesota after 1881. There he met a lady named Christine Johnson, who'd come from Sweden, and they married, and my mother was born there in Duluth in 1896. My father was born in a small town in Minnesota at about the same time, but grew up in Crookston. Eventually they met in Duluth, in part due to the drastic shake-ups caused by the First World War.

Q: Did the family reflect at all in what you heard or saw the Norwegian-Swedish sibling rivalry, or whatever the hell you want to call it?

SKOUG: There wasn't much of that, no. As a matter of fact, since both my father and mother were born in this country, they regarded themselves as main stream Americans, they thought of foreigners as foreigners. I never had the feeling that the ethnic composition made any difference. It wasn't until much later that I began myself to investigate the family. Everybody was dead. I mean the family research unfortunately came about without a chance to ask questions about family history.

Q: That's one of the things, of course, about oral history. Usually when you get cranked up to do it, they're not around to answer.

SKOUG: It's too late.

Q: I know. You were born when now?

SKOUG: I was born on December 2, 1931, in Fargo, North Dakota. My father had been sent there by his employer, Remington-Rand. He worked for the forerunner of Sperry-Rand, and he was a sales manager for the Dakotas and Montana as a young man and felt lucky to have a job in the depression. But he always had one.

Q: Did either your mother or your father go to college?

SKOUG: No, no, they both were high school graduates. As a matter of fact, my mother was the first one in the family to graduate from high school. The others had to go to work. There's a letter from my father to my mother in the late 1930s when he gets a job as the Remington-Rand district manager in St. Paul, where I grew up, saying, "Now we can now be sure we can send our kids to college." Till that point he couldn't have made that promise.

Q: As a kid, when you first started to remember things, where were you living? Was that in St. Paul or was it Fargo?

SKOUG: I remember virtually nothing of Fargo. In fact, I've gone back in my own family files and found a couple of references to Fargo, but my first memories are of Duluth, as a little kid between two-and-a-half and four-and-a-half. I have a few memories of that. I remember my father voting in the 1936 election for Roosevelt against Landon. I remember the place where he voted. I remember that in part because we used to go back to Duluth. It was my mom's home, and she's buried there. But most of the memories are growing up in St. Paul.

Q: Well, how many brothers and sisters did you have, or did you have brothers and sisters?

SKOUG: I had one sister. She's still alive and living near St. Paul.

Q: Do you recall anything about being at home? Did you sit around the table and talk about things, or was it pretty much a working family where people were doing their thing?

SKOUG: We talked a lot about what was going on. As a matter of fact, my first memories come from the late 1930s and early 1940s, and they had an indelible effect on my thinking. For example, one was the Winter War, and another was the Japanese invasion of China. We had a globe and I remember my mother pointing out how anomalous it was, this little place Japan was attacking this huge country China. And also there were motion picture newsreels of the Spanish Civil War. But the thing that struck me was the Russian attack on Finland. I even had the little Finnish soldiers. We were very pro-Finn.

Q: They were white-clad. I got them at the five-and-dime.

SKOUG: Yes, that's where I got them, too.

Q: I can shut my eyes and see them. They are holding their rifles sort of down here and they've got white -

SKOUG: It was very comparable. They were ski-troopers.

Q: Well, were people around you or were your family talking about these events that were happening in the '30s?

SKOUG: Oh, yes, we discussed them, and particularly when the war began. Of course, I

still remember, and I have at home, a *Sink the Bismarck!* video. I don't know if you have that, but anyway, it's got the memorable moment when the *Hood* is blown up by a shot from the Bismarck that landed in the magazine. I remember how discouraged my father was. He said to me, "The Germans always seem to win." And that's the way it seemed at the time. Some people were extremely emotional. I found later, when I worked for Samuel Lubell, the political analyst, when I was a senior in college, that he thought that Minnesotans, so many of them being Scandinavians, were probably very, very neutral at heart about the war because they were neutral in fact until Norway got invaded in April of 1940. But as I recall, people were very sympathetic to the Allied cause. They didn't want to get into war, even after the shock of the fall of France, but after that time the isolationist feeling began to change. It made it possible to have things like a draft, even though it was extended by only one vote in the U.S. House of Representatives.

Q: Did the "America First" movement or Lindbergh... Obviously, you were a kid, but were you feeling the impact of this?

SKOUG: As a kid, no. Lindbergh, of course, was a hero, and because of his feats and because of the murder of the baby and so forth, and people didn't think much about Germany. Others had made the same mistake. But his America First Movement was not very strong in Minnesota. Radicalism in Minnesota in the '30s was on the left. We had a governor Floyd Olson, who was in the forefront... They were Farmer-Laborites to begin with. The Farmer Labor Party was distinct from the Democratic Party, which almost disappeared. In one election in the late 1930s, the first party in Minnesota was Farmer-Labor; the second was Republican; the third was something called the Industrial Progressives; and the Democrats had dwindled into fourth place. That's what happened, and Hubert Humphrey is the man who came along and changed all that. But at that time the radicalism was on the left, from Olson and his successor, Elmer Benson. Benson was later the manager of the Henry Wallace campaign in 1948. And although Henry Wallace later belatedly woke up after Korea, Elmer Benson never did. He was pro-Communist to the end. In 1938, then Harold Stassen, the "boy governor," defeated Benson in a landslide. In 1938, Stassen was very interested in foreign affairs. So even though Minnesota was plunk in the heart of the North American continent, there was an active interest in world affairs

Q: At school, what was grammar school like?

SKOUG: Well, the school is still there. I considered it a good education. In years in grade school were quite normal until my mother died. I was in the sixth grade, and after that life became something of a struggle, but it had nothing to do with the school. The school was there, and the principal and most of the teachers were supportive and able, and certainly I had no complaints about them in any respect.

Q: How about reading habits? Did you get hooked on books?

SKOUG: I'm hooked on books now. Projecting back, I'm not so sure I was hooked on books then. I did read the fascinating historical fiction of Joseph Altsheler, which awakened a lifelong interest in history. 30 years later I found some of those books in local

libraries and read them to my daughter I did the things that a normal kid did. My characteristic day was to organize a softball or football game after school, because in those days there were not so many things like Little Leagues, with every moment of the day organized for you. You had to go out and get your own bunch. You wouldn't have 18 players, by any means. You'd have a pickup game, and we had an empty lot.

Q: You played "workup."

SKOUG: Yes, you played workup or you played "one-o' cat" or something. But anyway, we played. And I did a lot of things alone. I had bottle caps, which I collected at neighborhood drug or grocery stores. I had thousands of them, the largest collections, of course, being Coca-Cola and Pepsi-Cola. And they were my armies, and I would line these armies up in the attic where I lived and fight the Second World War. Comic books were placed on the floor as cities like Smolensk or Leningrad were struggled over. As I recall, the Russians were Coca-Cola because they had the most men, and the Germans were Pepsi-Cola, but then there were smaller ones, and the commander-in-chief was something called Alkatime. I can't tell you what sort of beverage it was, because there was only one bottle cap. I played a lot of other games, mainly war games, like "Conflict," or "Blockade," or "Battle at Sea." I had a library, and I read in there. I read books particularly on the American Indian past, on pioneers and American history. That was the sort of thing that interested me.

Q: Yes, I was interviewing Judge Laurence Silberman, and he couldn't remember the name, and I remember those books. He had a Civil War series, too.

SKOUG: He had eight on the Civil War, four where the hero was a boy from Kentucky who fought for the South, four where the boy's cousin, who fought for the North. He had six on the French and Indian War, eight on the Revolutionary War called *The Young Trailers*. They mainly were about the Ohio frontier. He had three on the Mexican War and one on Texas, or the other way around. It was pretty good history.

Q: Oh, absolutely. This is where we both were getting the feel for that time.

SKOUG: Right. And I did have a strong feeling for that, particularly for Altsheler. I read sports books by a fellow named John R. Tunis, who wrote with sort of a political thrust. He was a very strong Democrat. I remember that. Republicans were always the villains.

Q: How about newspapers? Did the family read the newspapers much?

SKOUG: I would say there was probably more reading of newspapers at the time. There was no television, obviously. There was radio. People listened to news broadcasts, but basically we got our information from the newspaper. We took the *St. Paul Pioneer Press*. I as a kid delivered the *Minneapolis Tribune* and *Star Journal* in St. Paul, but we bought the St. Paul paper. You inquired earlier whether there was a Norwegian-Swedish rivalry. There wasn't, but the St. Paul-Minneapolis rivalry was very, very strong. Even so, I delivered the Minneapolis paper, which I must admit was a much better paper. Those papers focused

mainly on local affairs. Their international and even national content was not so hot.

Q: In those days, was your family pretty much a New Deal family at that point?

SKOUG: My father and mother both were strong Democrats. There was no question about that during the Roosevelt period. I cried the day Roosevelt died. It seemed like a father had died. In January 1947 the St. Paul newspaper published the first of a number of articles I wrote to its "mailbag," or to these other newspapers and magazines. It was called "Tribute to Roosevelt." I suspect that in the 1948 election, when I was actively promoting Truman - I was too young to vote, but I was out passing pamphlets and writing published letters. My father may have voted for Dewey. He was a businessman, and by that time he may have transferred his allegiance. But basically they came from Democratic roots. My grandfather, Charles Skoug, didn't like Teddy Roosevelt. He thought the Bullmoose party was very appropriate for Teddy, because he used to call him "B.S. Teddy."

Q: High school - where did you go to high school?

SKOUG: I went to Central of St. Paul, the oldest public high school in the city. Despite being the oldest, it had the reputation of being elitist. It was a school where kids were resented by others in the city as if it were a private school, which it wasn't, of course, but it did probably have a relatively high academic standing. The division of wealth in a place like St. Paul was not very great. There were no big minority issues at that time anyway. Central had a wonderful English program, where some Ivy League colleges waived the English exam for its graduates. It had something called an MR, a minimum requirement, where you couldn't make more than five mistakes in an essay - anything, periods, spelling, commas - or you'd fail. You'd get a zero. And they took that very seriously. So I thought I had a great education in English at Central. When I got to college in New York City, I thought my English was ahead of the kids from New York. That was about the only thing. In everything else they were ahead.

Q: Picking up the influences, how about movies during the time? Did you see many movies? Was this part of your experience?

SKOUG: I think I saw the main movies of the era, *Gone with the Wind*, as well as Spencer Tracy and Katherine Hepburn films. I remember seeing Betty Davis in *Dark Victory*. I'm thinking of the movies of the late '30s and '40s.

Q: Bette Davis wringing her handkerchief all the time.

SKOUG: Yes, she had a brain tumor and went blind. But no, I can't say that movies were more than entertainment.

Q: I was just thinking of a particular historical side. I just saw last night the end of Gunga Din, and it gave a feel for the British Empire and all that. It was just very much thrown in our face in those days.

SKOUG: Well, I remember *Northwest Passage* with Spencer Tracy, and I've seen it recently, and of course it would never have passed the censor in these days for the language with reference to the Native Americans. "The Abanakee Indians have been destroyed." It wasn't true. As history it was not accurate. But I think you're right. Errol Flynn in *Dawn Patrol* and things like that and movies like *Stagecoach*, *Union Pacific* were very good. They were excellent movies.

Q: In high school did you do extracurricular things?

SKOUG: Well, I was a jock. I started running as a freshman. I was out for football, but I ended up sort of at the end of the bench. I loved to play basketball, but I wasn't very good. I played it anyway, but I wasn't able to play for the varsity. The varsity guys were quite accomplished ballplayers and my eyesight was faulty. The only sport in which I really succeeded was track. I was a miler and a half-miler. I was in the debate club, and I was particularly involved in speech, public speaking. I appeared on a couple of radio stations at the time - "I Speak for Democracy" contests and so forth - I wrote for the school newspaper. I was on the yearbook too, but the newspaper took more time. I was a member of the international honor society of high school journalists, Quill and Scroll. I don't know if you've heard of it. Anyway, I won their President's Scholarship in 1949. They gave one to a girl and one to a boy. It was a big help to me in going to college. It was only \$500, but \$500 went a long way.

Q: Well, after your mother died, did that put an extra burden on you?

SKOUG: Oh, yes. My childhood ended, I can say, when she died. I was only ten when she had to go to a tuberculosis "asylum" where she soon died. That made it hard in a lot of ways. I was certainly more serious at that time than teachers or my classmates expected. I had some problems in grade school with people who were talking to me as a child, and I wasn't a child anymore, but they could see this child in front of them who didn't think he was a child. I was going home, making my own lunch, coming back. I was a police boy - this was in grade school - and it wasn't a carefree existence any more. And furthermore, there was no center to the home. When my mother died, the home got dirtier. It didn't have any warmth. Not that my father wasn't doing his best, but he wasn't my mother, and so it was hard. I must say, you think you're toughing it out, but there was a tremendous sense of loss.

Q: By the time you were getting ready to graduate from high school, which would have been in about, what, 1949-

SKOUG: 1949.

Q: -did you have any idea where you wanted to go and what you wanted to do?

SKOUG: I wanted to be a writer because of the journalism and the school newspaper. I wanted to be a writer involved in public affairs. I also had an interest in sports. I was writing at that time sports and science fiction stories, sending them off to magazines. I never got one published. I got some nice turn-downs, but I never could get them published.

But I did think I definitely wanted to go into writing, and so when I got to Columbia College, I was considered pre-journalism. They didn't have a major. Your major was liberal arts, but it was self-oriented.

Q: But there was the Columbia School of Journalism, wasn't there?

SKOUG: There was, but it's a graduate school, and I had had it in mind. It's a one-year graduate school where they trained about 60 or 65 people. Every day they would set up a newspaper which didn't go to print. I was over there on frequent visits and fully expected to go there and continue into journalism.

Q: What directed you towards Columbia?

SKOUG: The only colleges which I really considered were those that had a strong journalism program, like, say, Northwestern. I only applied to one college, though. I applied to Columbia. My dad had gone to New York to live in 1948. He had become national director of agencies for Remington-Rand by this time. His progress from Fargo to Duluth to St. Paul had finally got him to New York City. And he went there to live when I was a junior in high school. I continued to live in the old family home with my sister, who by this time was married. He was in New York and I wanted to see him, so two of the things that influenced me were the New York location and the journalism connection.

Q: How did you find New York, as a kid from the Midwest, when you appeared in New York in 1949?

SKOUG: I had been there once. I drove there in 1948 as a junior in high school. I drove to see what it was like, and I found it a fascinating place, quite a shock in some respects because New York is so different any other American city, even Chicago, and certainly from a place like St. Paul or Minneapolis, which had sizable populations, but they were peanuts compared to New York. And the pace of life in New York was so fast. In my freshman year in college I had a good balance, because I enjoyed it thoroughly although it was stressful. It was a terrible challenge academically. I had coasted through high school and found that there was no coasting at Columbia. As I said, the New York kids, with the single exception of English, were more prepared than I was. They knew a good deal more about Marx and they knew more about a lot of social issues than I did. I had to play catch-up ball there. It was good. To be thrown into that environment was stimulating. I ran cross-country, and I was on the newspaper of course, and I also could visit my dad, who had remarried. Normally I would spend Sunday with him. But he died in an airplane accident at the end of my freshman year in June 1950. A Northwest Airlines plane fell into Lake Michigan, and that was the end of that. After that, New York was tougher. There is a side of New York that can wear you down. There's a side that stimulates, but there's a side - the dirt, the noise, the conflict, the crime - that was shocking to somebody from St. Paul. In St. Paul in the 1940s a woman could walk from the streetcar at 9:30 at night to her home, and there'd be no danger. Maybe in some part of town she couldn't, but basically she could in 95 percent of the areas. In New York, on the Columbia College campus you weren't safe, because at that point they were starting to guard the university, and building gates to keep

out delinquents. It was a very different atmosphere. You definitely would have to balance the good and the bad of New York City.

Q: Columbia earlier on was a hotbed of progressive socialism, Marxism, emanating mostly from the Jewish community and the quasi-anarchist Italian community from New York. Was that thrust still going on there?

SKOUG: Oh, yes. Columbia University had that far left element, and they were quite active, but very few of them were in the college, which only had about 2200 students. They were, for example, backing Vito Marcantonio, the American Labor Party representative in Congress from New York. I don't think there were any Communists in Congress, but Marcantonio came pretty close. And at Columbia there were some militants who would incite controversy such as when the president of Chile came to receive an honorary degree, and there was a demonstration against him as "the butcher." Well, those were the terms in which that particular group of people saw the world, and when the Korean War began they were highly critical of U.S. involvement. But they had little genuine support on campus. There was a stronger element that was against them, and there was a large body that was indifferent to them. So they didn't really have a lot of influence. They made noise, and they appeared. That's the very far left, the ultra-left. The sort of intellectual left you're talking about was entrenched in the Columbia College faculty. Their criticism was usually one-sided. Required reading were a book by Barbara Wooten called *Freedom under Planning* and a book by Hayek, which was laughed at in those days but has sort of become a classic, *The Road to Serfdom*. You read these two to see that Wooten was right. That was the school solution. Now I didn't think she was right. So I found that although I had come from, as I said, A strong Democratic background, I was never comfortable with the extreme liberal outlook. The Korean War led me to feel critical of how the Democratic Administration was handling that issue. Also, I found myself turning more to the moderate center. Never in my life did I consider myself conservative, but I certainly was, by Columbia standards, more conservative than the majority. I had come from a highly motivated Methodist background, and the ideas presented in Columbia were very challenging to that and, I must say, persuasive. But it was hard, hard changing your mind, hard accepting ideas that you at first couldn't accept... Some ideas you throw out; others you have to accept. I guess that's what you ought to do - certainly in college. You ought to do it all your life, and I found that Columbia made a tremendous impact on me and was a wonderful education.

Q: I would imagine that compared to most state universities - not all but most - at Columbia you would get real ideas batted around, as opposed to the sort of more just plain, you know, sports and heroes and that sort of thing.

SKOUG: Oh, yes. The philosophical discussions went on to the wee hours sometimes - it was a men's college in those days, and so we had nothing to do but talk at night. But the discussions were frequently on the subjects we were studying, and there'd be great arguments. We'd argue about the Korean War, but all the disputes on the Korean War were not like the arguments on the Vietnam War. The question was whether we should be more aggressive in attacking the Chinese or whether we should follow the course that we were

doing. And hardly anybody said we shouldn't be there or "Damn those Koreans, they have a right-wing dictator, why are we doing this?" Even at Columbia that view was not very often heard. The guys I argued with, and I was one of the hawks, you might say, acknowledged that we ought to be there, and there were good debates on that subject. You could totally respect the other point of view - again, excepting this clique we talked about before who were on the ultra-left. But they didn't wield much influence.

Q: What about McCarthyism, because he, by 1950, was beginning to crank up, and so you were getting a pretty solid impact in your years at Columbia?

SKOUG: I don't know why McCarthy wasn't such a figure at Columbia. Certainly he was repudiated. Nobody feared him. Although he was getting cranked up, it's true. His public remarks were out in 1950 and '51. I remember debates on McCarthy becoming more active just as I got out of college, maybe because he was coming to the climax of his period. I never met anyone, of course, who agreed with him. Nobody would agree with McCarthy, although a lot of people agreed with some of the things that he said, they wouldn't agree with him. In other words, they thought McCarthy had picked up a legitimate issue, but had totally screwed it up

Q: Well, what about your faculty? Did you have any particular teachers that particularly impressed you or courses?

SKOUG: Oh, yes, there were a number of outstanding people, and the thing about Columbia was that you found yourself in a class of about 20 or 22 people with these minds, and so there was always a chance for a dialogue at the end of every discussion, with one or two exceptions. I had people like David Truman, who was later the provost, and he's the guy who suffered when Columbia went nuts in 1968. In my senior year he recommended me to the political analyst and pollster Samuel Lubell. I was Lubell's only assistant for the rest of my time at Columbia, and I did some work for him even after my return to Minnesota. I owed that to Professor Truman.

Q: The Students for a Democratic Society.

SKOUG: The loonies took over the campus in 1968. Professor Truman was by then provost and would have been president of the university otherwise. He was an outstanding man. Charles Frankel was an outstanding young philosopher who later held a position in state in the Kennedy Administration. Henry Graff, who was a great historian, was there, a first-class mind. Charles Keller in psychology was very persuasive in advancing the behaviorist idea of, Professor Skinner, of Harvard. I know it's been challenged, but he was very good. I met some really remarkable people - L. Gray Cowan, who was a specialist on Africa. He was a Canadian. A historian named Channing B. Richardson. These guys were all available for in depth consultation and advice. Douglas Moore, the Pulitzer Prize winner in music, taught our music appreciation course, which we had to take. I had to learn about music, and I didn't think that I needed to spend my time on it - and I sure learned otherwise. There were so many compulsory subjects at Columbia, and as I look back on them, they were all right. They all should have been there.

Q: While you were at Columbia, were you still saying, Journalism is for me?

SKOUG: Yes, I was pre-journalism, although pre-journalism, pre-government, and pre-law at Columbia are about the same. You take the same courses essentially. My advisor was an English professor. I hoped to be admitted to the School of Journalism. But some of my professors in international affairs, and some of the deans of the college suggested that it's better to make foreign policy than just to write about it. They suggested that I take the Foreign Service Exam, which I did at the end of my junior year, in September 1952. In those days it was four days long.

Q: Three and a half, I think. I took that.

SKOUG: I'm going to have to tell you my story.

Q: Yes, please do.

SKOUG: I had a friend in the Foreign Service who recently died, a guy named Don Black. I don't know whether you ever knew Don, but he was just a steel-trap mind on sports, and he and I were studying Czech together. And there was another guy named Kaplan and I believe he was just as good. And I thought I knew something, but it was very difficult with those two guys, they knew so much. So I told them about Duke's undefeated, untied, unscored-upon football team in 1938, and they were listening to me. I said they went through the entire schedule and nobody crossed their goal line. They went to play in the Rose Bowl against Southern Cal. With one minute to play it was Duke 3, Southern Cal nothing, and then Southern Cal made a long run and beat Duke 7 to 3. Don Black looked at me and said, "It was three straight passes." So you're right. Three and a half days.

I think there were 17 sites around the country, and fortunately one of them was St. Paul. My recollection of that was that we were in a room where the pin ball machines were next door. You could hear the pin balls going boom bong bong as we were taking this examination. I didn't think I'd passed it. I thought I'd failed it. But when I learned that I had passed it and I realized that I had a chance to go into the Foreign Service, I decided that maybe these guys were right and it would be better than newspaper work. I could do my writing in the Foreign Service. I passed the Foreign Service orals about a week before I graduated.

Q: You graduated in what year?

SKOUG: 1953. I took the orals on May 26, 1953, after having ridden the bus all night from New York. In those days it wasn't I-95. It was Route 1. It stopped at every little local place.

Q: You took it in Washington?

SKOUG: I took it in Washington, the only place it was given. And I passed.

Q: Can you think of how the exam was constituted, some of the questions?

SKOUG: The oral?

Q: Yes.

SKOUG: Yes, they had two Foreign Service officers on the board and two outside experts from the incoming Eisenhower Administration. I was asked to name the five outstanding secretaries of state before World War I, and why? Well, that was a challenge because it ruled out any secretary of state - not that there were so many - between 1917 and 1953. If you'd named Stimson or Cordell Hull or something you would have had it. To name the best five was a challenge, but I was able to come up with a pretty good answer on that. Harder questions were on literature. I wasn't so strong on literature, American literature in the 19th century or something. The tough questions were the questions asked by the Foreign Service officers. One of them said, "All right, you're sitting in the embassy in Belgrade and a very powerful and important American senator comes there and he makes very critical remarks about Tito. What do you do, knowing it's going to be published by the Yugoslavs and the senator will read your response?" And so you had to think of an answer that would satisfy the offended local government without angering an important senator. They asked all the tough questions.

Q: Was it there the system where you were put out in the waiting room and then they called you back in and told you?

SKOUG: Yes. I thought I had done well on that. As I say, on the written one, I thought I had probably failed. With the oral one I thought I'd impressed these gentlemen, and apparently I did. If I had been older than 21, they said, they would have offered me a higher entering salary. I think the entering salary was about \$4200 at that time, which was a lot more than I was soon making, and I'm sure it seemed very good at the time. But it was a number of years before I actually got in.

Q: What happened. I mean, you graduated from Columbia in 1953.

SKOUG: 1953, June 2nd, I think.

Q: And so what happened?

SKOUG: I took my physical. I was first told I'd probably be called around November.

Q: We're talking about the-

SKOUG: -Foreign Service.

Q: Oh, the Foreign Service, not the military.

SKOUG: Yes, the Foreign Service. When the Korean Armistice was signed in July, military draft calls were much reduced, and I did not have an expectation of being drafted

early. While in college, I had had a student deferment. When I got out, in effect, the shooting was almost over, I was enthusiastic and eager to get in the Foreign Service and I didn't have strong views about being drafted. I asked the Draft Board if I could be deferred so I could enter the Foreign Service, and they voted two-to-one against. Then I requested that I be drafted as soon as possible, but I wasn't called, and in the meantime I had a hard time finding a temporary job because my eyes were bad. When I looked for a job at Armour's meat packers, in South St. Paul, they rejected me, saying I'd be a danger to myself and others. This was when I first began to realize that my eyes were a problem. But to make a long story short, I eventually was drafted in 1954, and spent two years in the Army. When I came out of the Army in 1956, I asked the Foreign Service - they'd kept me on the rolls - if they'd defer entry into the service until I obtained a Master's degree. I started my master's program. Maybe I'm getting ahead of your-

Q: No, no. I do want to get what you were doing in the military, though.

SKOUG: I was a CIC agent. As such, I was frequently in this building - well, not this building - I guess it wasn't here. I was in Arlington Hall.

Q: We're speaking right now in what was the old Arlington Hall, now the Foreign Service Institute. And what did you do as a CIC agent?

SKOUG: I was an agent investigator. I did background investigations of people who did sensitive jobs in the U.S. Government, like working in Arlington Hall. My office was not in Arlington Hall. I just came here -

Q: Arlington Hall was basically a code-breaking operation.

SKOUG: Right. And it was, however, under the security overview of the Counter-Intelligence Corps of the Army, and so they did the investigating. A lot of work was here or in another agency across the river in Washington. But that's what I did in the Army.

Q: Just to get a feel for it, were there many... For security risks, I would assume it wasn't really so much subversive connections as gambling or unsuitability or something like that. Maybe I'm wrong.

SKOUG: Well, I must say, in all of my investigations, I never found anything wrong, so I can't tell you out of my own experience. However, I think you're quite right. It was faults or flaws of character that were more at risk. Standards were awfully high for that, but I can't think of anybody who was sacked for cause. There must have been some. This was, however, after the McCarthy period, and although standards were rigid, they were not the way they had been when McCarthy was riding high. Although when I studied at the CIC school in Fort Holabird in Baltimore in 1955, there were some guys on the faculty who could have passed muster with McCarthy, definitely. I was kept over in Holabird. I had been assigned to Washington, but I was kept over in Holabird to take part in a project. There was a project in partisan warfare for which they wanted lawyers and writers. I was

picked as one of the writers. All of us, of course, were angry to be there. We all wanted to go to our post of assignment. I'd already been assigned to Washington, but I was told I had to stay and keep my Army uniform on and work at Fort Holabird.

One of the fellows in my training class at Holabird later told me over a beer that he and another trainee had been picked as the informants in the group. Each group had two informants, and their purpose was to report on the other guys. He told me they had reported me as the most radical man in the group. So here I'd gone from conservative to a radical. And, well, this was kind of funny, but after we had worked on this project, which was highly classified at the time, and I was about to leave Fort Holabird to be assigned to Washington, a major who was in charge of the project on which I was working told me that the commandant, who was also the commander of CIC, Major General Boniface Campbell, had inquired about Private Skoug. He was impressed that General Campbell would know about me. I wasn't so amazed because I supposed that he had been told that there was this radical working on the project.

Q: Do you think it was just your Columbia patina wearing off? I mean, I always think of New York, and particularly Columbia, as becoming rather aggressive and argumentative.

SKOUG: Yes perhaps. The two guys who were the informants were from Tennessee and Texas. They were intelligent, but had a somewhat simplistic outlook and some staff members on the teaching faculty may have played games up there. One of these people who was close to McCarthy's views made remarks one day in which he named Roscoe Drummond and all sorts of other people who were *clearly* moderates, not even liberals, as "Communists" and "crypto-Communists," and so I was taking notes on all of this and writing my own views on them. And then we went out at the break, and when we came back after the break, I was told that monitors had read the notes. So things like that may have happened. And in discussion with my colleagues, I may have been too critical of the far right. But my own views were to the right of center. It all depends on what milieu you're in.

Q: Obviously the CIC decided you don't wear uniforms, and it's basically a civilian job, in a way.

SKOUG: It was a nice job, much like that of a civilian. By the way, I devoted my evenings to studying German and French at Georgetown University's Modern Language Institute, which was then on Massachusetts Avenue, close to Dupont Circle. I paid my own way. It was enjoyable and for my career very profitable.

Q: Did you come out with any feel for the military one way or another?

SKOUG: Well, I must say, the feeling for the military - and it was to their detriment - started in basic training. They made basic training so unpleasant. I suppose it comes from the idea that a professional soldier who was going to make a career of that has to learn the hard way and then he'll profit from it. But to a draftee, the basic training routine was so appalling that people... having 731 days or something like that of service ahead of them

were putting down on calendars "only 729 to go." That feeling about the Army never really did change... It was so negative at the beginning that even when I went to a post like Fort Holabird, which had a nice library and a music room and so forth, the desire to shed the uniform and to get in civilian clothes was very, very strong. Some of the officers couldn't understand that. They would ask, "Aren't you proud to wear your country's uniform?" You know, "officerism" in the Army is something that a college graduate does not bear willingly, particularly in peacetime. So as an enlisted man my feelings about the military - although I thought a lot of it was positive - had a significant downside that could have been alleviated by not having such an abusive program at the outset. I don't mean physically abusive - there was not physical abuse - but more mentally abusive. Mine was at Fort Leonard Wood, Missouri.

Q: You were out in 1956. Did the Foreign Service finally get you, or you took your year's-

SKOUG: I started to take a year off to finish my master's. I was at GW, the George Washington University. After completing half my course work toward a Master of Arts degree, I let the Foreign Service know that I could come on board earlier than I had thought. I had asked them to defer me until June. I said, "I'm ready as of January." And I just went to school at night after I entered in the Foreign Service in February of 1957. By that time, by the way, there were two new classes of officers. Instead of coming in as an FSO-6, as I would have if I had been appointed in 1953, I entered as and FSO-8. In those days, you waited full time to get promoted. As a matter of fact, It took me five years to make FSO-6, so by the time I was an FSO-6 in 1962, nine years had gone by since I was originally qualified to come in at that rank.

Q: Now I came in in 1955, and I came in as an FSO-6 and all the while I called myself an FSO-7, but not for long.

SKOUG: I remember something, there were probably 90 FSO-7s and a thousand FSO-8s or something like that.

Q: Something like that, yes.

SKOUG: You came in when?

Q: 1955, July. Well, I assume you had an A-100 course, the basic officer course. This first time taking a look at the animal, what did you think of the Foreign Service? What did you think of your colleagues and the training and all that?

SKOUG: Well, the interesting thing is, as you remember, that the institute then was where the C Street entrance of the Department of State is now.

Q: It was an apartment house.

SKOUG: And then we were the first group to go over to Arlington Towers, when they moved the Institute over there. I entered the Foreign Service with a great deal of

enthusiasm. Even though I had been waiting, I wasn't jaded. I anticipated a very interesting career, and I thought the training course was good. I must admit I haven't reviewed my notes on that period, so I really sort of brought it up to that period, but just speaking from memory, I had a lot of good classmates in my group, a lot of interesting guys. I say "guys" - there were only three women, and they left the service early. But a substantial number of people remained quite a while. Some of them got to senior ranks in the Foreign Service. We made our recommendations at the time as to training, but I can't think of anything right now that struck me as terribly wrong or that there should have been more of.

Q: Did you get the full brunt of consular training at that time?

SKOUG: I didn't get anything special on consular. Part of the course was consular, mainly visas, not so much protection and welfare. You mentioned at the outset being vice-consul in Tijuana. I was later on vice-consul in Guadalajara. I was in charge of protection and welfare. And that was a job that really made you think. You were on your own. It wasn't high policy, but there were a lot of tension-building situations when you have a hundred deaths in the consular district in one year and you had to handle them all. But anyway, that's -

Q: We'll, come to that, but when you came in, did you have any feel for what you wanted to do? Were you picking up things from the corridors or the latrines or the equivalent about the Foreign Service and what you wanted to do in it?

SKOUG: Well, I definitely wanted to be a political officer, and those were my main interests. I remember when I was in the Army there was a secretary of the Foreign Service studying at Georgetown too, who said - I wasn't yet an FSO, I was still in the CIC - she said, "All these young FSO's they think they're going to be Secretary of State." And I suppose we did. Not everybody, but many persons, thought in terms of having a political career. One looked upon consular work as something to get through and move on. It was very different - there were no "cones." But everyone was expected to do consular work at some point in his career, and I think most people did.

Q: Well, then, they gave you a chance to say where you wanted to go. What did you ask for? Do you remember?

SKOUG: I may very well have asked for Germany, and I got it, although I didn't get it on my first assignment. My first assignment was to the Office of Security. That was not something I had asked for. You didn't have the paraphernalia for making your choice at that time. You had a more informal way, and informally I probably communicated the fact that if the Department wanted to assign me to Washington a little longer, that was okay with me. Since most people wanted to go overseas, I guess that sort of got me assigned to the Department. The reason I did was that I found when I finished my master's in the summer of 1957 that I wanted to go on, and so I started my Ph.D. program at George Washington. In my first assignment in Washington, I was getting up in the morning and taking early morning French and then working all day in the Office of Security, and then going a couple of blocks up the street to George Washington and continuing my pursuit of a Ph.D. Of

course, it took a long time that way. I got my master's in 1957, and by 1959, when I was scheduled to go overseas, I took what they called the Graduate Record Exam. At George Washington you normally had five fields. I had five and a half. In the exam a day was scheduled for each field. You had usually a day off between your exams. You could show up with your typewriter, which I did, and type and use any resource you want, but you had to write a paper on each of those fields. That was the Graduate Record Exam, which I took in the summer of 1959. By that time I had decided. I knew I was going to Germany, and my professor was a man named Wolfgang Kraus, who was German by background. He was my "doctor-father", and he and I worked out a suitable dissertation thesis that I would work on in Germany. I chose the eastern policy of the German Social Democratic Party, which was evolving at that time. It was very, very helpful to me in my later career.

Q: Oh, yes, this was very much... basically Ostpolitik, wasn't it?

SKOUG: That's right. This was before the *Ostpolitik*, but it was certainly the antecedents. The next book I was hoping to write would be on that, but I'm like you - I'm waiting to see the result of the first two books. If there is no recognition for the amount of work involved, it might be difficult to undertake a third one.

Q: I know, I know. Well, let's talk a little about being in the office of Security. I remember when I came when Scott McLeod was there, this was 1955, and the aftermath of McCarthy was very much with us. I think we viewed the Office of Security the way the young classes that came in in 1969 viewed the people who were dealing with Vietnamese affairs. This was almost "the Enemy." And I remember walking through the corridors of the Office of Security and noticing that on the main door almost every other person had an X as a middle initial, which meant that they were Irish Catholics. I was thinking, Oh, my God, this is a very, in those days, sort of priest-ridden, Irish-type inquisitorial group of people. But I'd appreciate your view of this.

SKOUG: Well, McLeod was gone when I was there. I think McLeod, if I'm not mistaken, was the head of the Bureau of Security and Consular Affairs. He had the whole thing. Nobody could control Frances Knight in the passport office anyway, but the Visa Office was more or less under his sway. And then there was an Office of Refugee and Migration Affairs (ORM), which handled the Hungarians coming in, and all of that was wrapped into that bureau, which was headed by Roderick O'Connor in my time. He was a young man, very close to Dulles. He was probably in his early 30s. The boss, though, of Security was a career Foreign Service officer. Things had changed. Admittedly they had picked someone Irish - you mentioned Irish Catholic - it was E. Tomlin Bailey. Bailey was Irish, and presumably Catholic. I don't know. He was one decent human being. Of course it did not hurt my prospects that he was also a graduate of Columbia. Tom Bailey and I had a very good relationship. There were a lot of good people in Security. I'm jumping ahead again. I worked on Caribbean affairs. My job in Security of State was not akin to the job in the CIC. I feared they were going to ask me to investigate my colleagues at State. That didn't happen, fortunately.

Q: Oh, joy!

SKOUG: I worked in something that later was subsumed under INR but in those days was in SY. I worked essentially on the Caribbean because that's where the action was. Essentially the source material was FBI reporting on activities in the United States or its territories - Puerto Rico, for example. It was a period when the Dominican Republic, under the dictator Rafael Leonidas Trujillo was reaching into the United States to kidnap critics of the regime. Trujillo had ordered the abduction of Jesús de Galíndez Suárez, an instructor at Colombia University. They kidnaped him from the subway stop at 116th and Broadway, which I had used a thousand times at Columbia, and transported him to the Dominican Republic, where he was put to death. He was a Spaniard who had opposed Franco. There he had gone to the Dominican Republic. He had dared to criticize Trujillo. He left the country and went to the United States where he authored a book about Trujillo's crimes. Trujillo fished him out and killed him and then they killed the guy who had flown him down there, a dupe named Gerry Murphy, who was bragging about his role in the crime.

The investigation of the de Galindez and Murphy killings demonstrated the audacity of the Trujillo regime, which had used a former U.S. security official named John Joseph Frank to conduct criminal acts in the United States. Although some U.S. officials sympathized with Trujillo and thought he was helping us against communism in the Caribbean, we did not need that kind of "help." Reaction to these crimes helped prepare the way for the overthrow of Trujillo and eventually the establishment of democratic government in Santo Domingo. So this sort of thing, which included eavesdropping on the hyperactive Trujillo embassy in Washington, was terribly interesting.

I had a small part to play in another fascinating development. In January 1958 the dictatorship of Marcos Perez Jimenez in Venezuela was overthrown. While in power Perez Jimenez had asked the United States to investigate a Venezuelan politician named Romulo Betancourt for his subversive activities against the dictatorship. The FBI actively investigated Betancourt's doings on American soil, such as Puerto Rico, where he was a friend of the governor, Luis Munoz Marin. SY was of course party to this investigation. The FBI reports which I reviewed, along with my other reading on Venezuela, convinced me that Betancourt, who had been considered a leftist at an earlier period, was now honestly trying to restore democratic government to his country. In late February, in the uncertain period after the fall of the dictatorship, Omer Henry, chief of the investigative division of SY, asked me to discuss the issue with the investigator, who continued to declare that Betancourt was a Communist. After meeting with Carl Bartsch, the Venezuela desk officer, I managed to convince SY to terminate the investigation of a man who I expected would soon be leading a democratic Venezuela. And shortly thereafter, Betancourt was elected president. The residual feeling in Venezuela that we had cooperated with the Perez Jimenez regime, led to the bad reception for Vice President Nixon at the time of Betancourt's inauguration.

Q: So the FBI was involved because he was in the United States? Was that it?

SKOUG: He was in the United States, particularly in Puerto Rico. He was sort of a guest of Munoz Marín in Puerto Rico. But Pedro Estrada, the head of the Venezuelan Secret Service in those days, may have had some good connections with the FBI. I don't know. But anyway, he had pressed them and they were investigating Betancourt actively on the basis the he was a dangerous subversive even after the fall of the dictatorship. Now there were subversives around, the most notorious of whom was Fidel Castro. Castro had many active backers in the United States who aided him against Batista, but they really weren't subversive with respect to the United States or its interests in the Caribbean region. They may have been subversive of Batista, but most of those people later were opposed to Castro.

Q: What about the Arbenz business? Did that reflect at all in what you were doing at that time?

SKOUG: Well, Arbenz had been finished off, and Castillo Armas was in power in Guatemala at that time. There weren't any more repercussions then. I guess the main damage to U.S. interests from the Arbenz Affair came when Che Guevara went from Guatemala to Mexico after having been with Arbenz. He hooked up with Fidel in Mexico City and brought the lesson he had learned from Guatemala. Once in power, Castro immediately finished off the Cuban army. That gave Castro a near monopoly on armed force in Cuba. Regrettably there was no Cuban counterpart of Castillo Armas, but of course Castro was far more popular than Arbenz.

Q: With these reports, where were the reports going? What were you doing?

SKOUG: A few colleagues and I were the first FSO's to work at this function in SY. Prior to that the FBI reports were just forwarded to country desks and other interested consumers in the Department of State. We began to forward the reports with some commentary. The FBI would send a report over, and we, the office, would package it and send it to interested end-users. I began to write covering memos in which I would summarize what was in the report, give my own comments, and so forth. I felt I should be adding something to this. I dealt primarily with the desk officers of the Dominican Republic and Haiti (the same guy) and Cuba. Cuba at the beginning was not deemed as important, but became progressively more so as Castro's chances to gain power were seen to grow. Cuba was the reason, eventually, that the office was moved to INR because it was handling CIA reporting, which we normally did not even see. The ones we received were essentially FBI reports on activities in the United States. You could find out what the anti-Batista people were doing in the United States, and you could also pick up by inference activities which were going on outside the United States. But we were a sort of a communications link between the intelligence-acquiring bodies, essentially the FBI, and the regional bureaus of the Department of State.

Q: Was Batista - I don't mean to concentrate on that, but from what you were picking up - was Batista seen (a) as a bad guy or (2) as a guy about to collapse or somebody we should support or was there any feel about Batista?

SKOUG: Well, of course the Eisenhower Administration cut off aid to Batista. That was a significant development that helped undermine him. Batista is a strange character, because he had been around a long time in various guises, and he was not considered such a bad guy in Latin America, when you compared him to Trujillo, whom he didn't like. He had come up in the 1930s, just as Roosevelt was coming in. The United States had dominated Cuban politics since 1898 and Roosevelt wanted to change that. He sent Sumner Wells to Cuba, and Wells decided we could live with Batista. In any case, FDR felt that it was about time we let the Cubans run their own affairs. So Batista did run their affairs. He was a sergeant in the beginning. In 1940, Batista decided that he had better clean up his act, because it was a time when we were stressing democracy and there was a war on in Europe. So he ran for president and won in what the British historian Hugh Thomas called a pretty fair, clean, open election. He served four years. He stepped down. His successor was from the other political party, a man named Ramon Grau San Martin. Batista stepped back into the army and let Grau San Martín run the country. Four years later, 1948 - their elections were in the same years as ours- Carlos Prío Socarras was elected, Prío governed until 1952, and governed very corruptly. He was not very well liked. And finally Batista, still a power in the army, stepped in with a *coup d'état* before the scheduled elections in 1952 and took power. I can't say that there was great outrage either in Cuba or here. *Coups* happened in Latin America. Although we did have a democratic experiment going on in Cuba, there was no such feeling that "We've got to keep Latin America democratic." The Cuban people seemed to accept the coup. They didn't probably like it, but they didn't particularly like Prío either, and furthermore, Batista promised early elections, Batista in the past had permitted free elections, but this time he didn't. So first Fidel made his vainglorious attack on the Moncada Barracks in Santiago, on July 26, 1953. This foolhardy attack killed a lot of people on both sides without Fidel Castro getting hurt himself. He went to jail, but got out quickly in part because we pressed on Batista the need for an amnesty for political prisoners. He was one of the prisoners amnestied. Castro went to Mexico. Batista continued in power. Castro landed with a small invasion force on December 2, 1956. Then the fight began with Castro in the hills of Oriente Province. He got a lot of attention from the *New York Times*, but at the beginning the main problem for Batista was the student movement, the students in the streets of Havana and other large cities. That was where the killing was taking place. The guy out in the hills was just thumbing his nose and holding the army at bay. The student movement got involved with Batista all the time, and of course Batista took a lot of criticism. The policy of the ARA Bureau was to find some way to get Batista out of power. They wanted to bring in somebody who would be representative. Nobody thought Castro would be representative. Nobody thought that Castro was the appropriate man for the job. Nobody thought Castro was going to get it until very late. Until quite late in 1958, it didn't appear that Castro could win. It looked like he could be out there for quite a while because Batista found no way to deal with him, and it didn't look like Batista would leave voluntarily. We were undermining him. We were trying to bring to power somebody who would be more representative and who would restore Cuban democracy. That cut the legs out from under Batista. And Batista gave very little warning to anyone. He fled the island on December 31, 1958, and the next day it was in Castro's hands.

Q: You finished this Security assignment when?

SKOUG: In early 1959.

Q: What had attracted you towards the Ostpolitik, or embryonic Ostpolitik in Germany on your dissertation?

SKOUG: What was that again?

Q: At George Washington you had been working on... Here you were dealing with Caribbean affairs, but you were working on East Germany.

SKOUG: While in SY, I was still pursuing my five-and-one-half fields at G.W. On the following day I began a temporary assignment in the office of German Political Affairs. From then on my work and my schoolwork both focused on Germany.

Q: Oh, I see.

SKOUG: And I left SY at the end of May of 1959. Castro had been by then in power a few months, so I observed him from afar in that first era. I was not yet working on German *Ostpolitik*. At that point I went over to the German Desk, and I worked in German affairs for about six weeks prior to going to Germany. That was in the time we were having four power talks in Geneva. Khrushchev had ignited the latest crisis over Berlin, in November of 1958 when he warned the Soviet Union would turn over the access routes to Berlin to Walter Ulbricht's East German regime. So these two things were contemporary, the Khrushchev crisis on Berlin and Castro's coming to power. And of course they got more and more linked. But I didn't start my dissertation - in fact I didn't even decide what my dissertation would be until I got to Germany, looked at the situation, and decided I wanted to write on, with the consent of Dr. Kraus.

Q: Well, then, back to when you were still in the State Department, the Castro movement had arrived on the scene. What was the feeling there, because I recall that at one point there was some debate, is this man a liberal reformer or is he a Communist? Were you getting any reflections of this?

SKOUG: We did not know how far to the left Castro was. We did not know that Castro had written a letter to his girlfriend saying in effect that "when this war ends against Batista a new war will begin for me, that will be the war I will lead against the United States. I know that this is my true destiny." We did know, however, that Raul Castro, about a week later, kidnapped a bunch of unarmed American sailors who were in Guantánamo City. That's what the guys from Guantánamo Base used to do. They'd go off on the weekends, without any weapons, to Guantánamo city and get drunk or go to see a local prostitute or what have you. But anyway, Raul Castro rounded up these guys, took them off in the Sierra Maestra, and our consul, Park Wollam, had to negotiate their release. We knew that. We didn't know that Fidel had declared eternal enmity to the United States. So a lot of people thought that Raul was very far to the left. They thought that Che Guevara, who was known to have been with Arbenz, was very far to the left too, and perhaps a Communist. But about Fidel, they

didn't know. Many just thought that Fidel was sort of an unpredictable headstrong kid. They should have known better. He had been at the Bogotazo in 1948, when Marshall was Secretary of State and Harry Truman was President. So it was an old enmity. Castro - I could go on about Castro. His origins probably are on the far right, but he quickly switched to the far left. He grew up trying to emulate the public speaking skills of the demagogic founder of the Spanish Falange, Jose Antonio Primo de Rivera, but in the 1957-58 period he was not perceived as pro-communist. Even his adherents did not know. The head of the July 26th Movement in the United States was Ernesto Betancourt, who in 1985 became the director of Radio Martí. Most of the people who were in this country supporting Castro had no idea what he was doing. As I say, most people in the Department of State did not yet recognize Castro for the danger he was. There were some people who did. Ambassador Hill in Mexico worried that Castro was a Communist. He turned out to be right. The trouble was that people who thought like that about Castro also said that Rómulo Betancourt was a Communist. Some of them might have liked Rafael Trujillo. So they couldn't distinguish. It was again sort of like as you mentioned earlier, McCarthy. When McCarthy slammed a lot of people, he probably got some guilty parties, but he got a lot of innocent parties. In this case there was a failure to differentiate. There were few if any, clear, objective advisors saying, "Watch out for Castro because he is a dangerous leftist." He was, but it wasn't known. And it wasn't thought he was going to win. That's the other thing. Maybe they should have, but nobody knew. That may have been the mistake, not to foresee it. But he had won no victories. He was still hiding out in the Sierra Maestra. Only in the late months of 1958 did other "fronts" begin to form. And no one realized with sufficient clarity that if Batista collapsed, Castro would monopolize power in Cuba and attach it to the Soviet Bloc. They thought that someone like Prio Socarras, who was a rich man, former president of the country would take over, or that other Cuban politicians would take over, this guy or that guy. All turned out to be puppy dogs. When Castro walked in, he flattened them immediately.

Q: Well, you went to the German Desk when?

SKOUG: In June of 1959.

Q: Had you already had an assignment to Germany?

SKOUG: No, I was still on my first tour.

Q: No, I mean was an assignment to Germany in the offing?

SKOUG: Yes, definitely. I was assigned to Germany.

Q: Where were you going to go?

SKOUG: Munich.

Q: While you were on the German Desk, what were you doing?

SKOUG: Well, it was mainly the reviewing the reporting in connection with the Geneva Conference. John Foster Dulles died around that time, and there was a hiatus between the first round in Geneva and the second round. The Geneva Conference came about because Khrushchev had given the United States, Britain, and France six months to get their affairs in order and make an arrangement with the German Democratic Republic, and then he was going to dismiss any responsibility of the Soviet Union for the situation in Berlin. It looked, of course, like a major crisis. It was a crisis. Adenauer and De Gaulle really wanted to tough it out. They just wanted to thumb their nose at Khrushchev and say, "Just try it." But the United States, under pressure from the British, decided to negotiate. Macmillan was really the one who wanted to negotiate. I was handling reporting coming out of Germany or out of the Soviet Union. In one case I translated a German telegram from their embassy in Moscow which the Germans showed to us. I was learning what the issues were, getting a first-hand close-up on it.

Q: Was there within the State Department a real sense of crises, that we might be going head-to-head with the Soviets?

SKOUG: Yes, until late 1959 that was a tense period. It wasn't until the autumn Khrushchev visit to the United States, that tension was allayed. Eisenhower took him out and showed him Roswell Garst's farm in Iowa and so forth, and Khrushchev seemed to be a jolly gentleman. He wasn't. It didn't last long. It was his crisis. He created it..

Q: While you were on the German Desk, what were you seeing in reports about how the German people felt about all this?

SKOUG: Well, it wasn't so much reporting on how the German people saw it. The German Government essentially, was Adenauer who was worried that our talking to the Russians would end up in some, what he would call, "*fauler Kompromiss*," a 'lazy compromise,' and we would give the Russians essentially what they wanted under cover of a bargain. That didn't happen. In fact, the talks lost their meaning really when Khrushchev decided to do his travels. I think that ended the Geneva Conference. It had been intended to see what would induce the Russians to back off. In the circumstances of the Soviet threat, one can hardly understand having diplomatic talks otherwise than a willingness to consider making some concessions, and Adenauer was terribly worried about the possible concessions. He didn't want to make any and did not feel they were necessary. He and De Gaulle were more inclined to call what they regarded as Khrushchev's bluff.

Q: It's interesting, I've interviewed people who were in Berlin a little later and were extremely worried - Dick Smyser, among others - extremely worried when the Kennedy Administration came in, because they felt that they were ready to deal, to make compromises which would have jeopardized our position in Berlin. They didn't know the territory, and it took a while for the Kennedy group, you might say, to understand the issues. You were in Munich from when to when?

SKOUG: From August, 1959, to August, 1961.

Q: Who was the consul general there when you were there?

SKOUG: Eddie Page was the first one. Page had been a colleague of George Kennan and Charles Bohlen, and he was widely regarded as an expert on Eastern Europe. He went from Munich to Bulgaria. He opened our post in Sofia, which had been closed for a number of years. So he was only in Munich until the last part of 1959. I liked Page. He was a nice gentleman. Then he was succeeded by Ken Scott, W. Kenneth Scott, who had been in the administrative area of state and had not previously served abroad. A nice man, he didn't speak German. Page spoke fluent German, so it was tough for Scott to follow him. One of the things Scott did was to get rid of the so-called *Hochadel*. Bavaria was full of royalty, you know, going back to its independent days, and these people took themselves quite seriously. They were always on guest lists, and Eddie Page handled them very well. Scott wondered how important they really were. They were not important. They were important maybe socially, but they were not of any political or economic importance. So they were dropped as contacts, and of course they resented Scott as a consequence.

Q: No, I think a lot of our posts suffer from these sort of hangers-on who have been around for a long time. Well, what were you doing, to begin with?

SKOUG: In Munich. Well, I was assigned as a visa officer, and so I did visas. I did immigrant visas to begin with. Again, it was sort of like being at GW. I soon found that I had plenty of time on my hands. We had more than enough officers to handle immigrant visas, and frequently the consul - not the consul general, but the fellow running the visa section - would knock off and have a beer or do something in the afternoon. I used to go out to German events, in the evening or on weekends because I was interested. Of course, I was doing a Ph.D. dissertation, and I was hoping to get my feet wet on the political side. About three weeks after arriving, I attended a speech by Pastor Martin Niemoeller, who had been a German U-boat commander in the First World War. An anti-Nazi, he became a militant pacifist. He thought Adenauer was leading the country to war, building up the German army and so forth. Niemoeller was a very controversial character. He spoke on September 1, 1959, and I attended it with my wife. The question was *Wo stehen wir heute?* 'Where are we today?' It was 20 years since the German attack on Poland, and in Niemoeller's view the Federal Republic was going down the same road again. Well, the talk went on and on and on for literally two or three hours, so at a certain point, I got tired. I could see my wife was tired, and I was tired, too. And Niemoeller's message was quite clear, that we were in a very terrible situation. We went to the door to leave, and it seemed to be locked. And for the first time in my life, I experienced a situation where I was trying to open a door that was being pressed by a horde of people on the other side. There was a great crowd outside the door. Anyway, they finally allowed me to push it open. My wife and I walked out, and here was this hostile crowd standing there. First there was silence, and then one of them said, "*Die sind nicht Deutschen*" 'They aren't Germans.' They let us pass through.

Q: You were virtually walking out on the hero, is that it?

SKOUG: No, no, no. These were anti-Niemoeller troops.

Q: Oh, I see.

SKOUG: Niemoeller was very controversial, and Niemoeller only had a crowd of people, of enthusiasts inside. He also had some enthusiasts who didn't like him on the outside. They were going to egg him, I suppose, when he came out. I wrote this up. I wrote it as a report and I gave it to the chief of the Political Section, who sent it back, "Thanks, but we don't need this." His boss was an old-timer named W. Garland Richardson, the deputy principal officer. My wife later spoke to Mrs. Richardson and mentioned having heard Niemoeller. Richardson called me in and asked why I had not reported on the speech, I said, "I did report it, but it was rejected." He said, "Let me see the report." I gave him the report, it went out to Bonn and Washington unchanged. The Political Officer was upset, "Why didn't you tell me you were doing..." I said, "Well, that's for you two guys to work out." The long and the short of it was, they decided to set up a rotation program, and they decided to establish a joint political-economic reporting section - well, they were two sections - but this swing man would be reporting on both of them. I was named to that position in late October. Remember I'd been at post less than three months. I got pulled out of the Visa section to become the political-economic officer. We had an economic officer who did little reporting, so I did almost all the economic work, and I did a substantial amount of political work. I thought it was great. I was very busy, but I was learning a lot. But anyway, that's how I got from visa work to political work.

Q: Well, you mentioned something called "a wife." What was her background, and how did she get on the scene?

SKOUG: It's hard to say exactly where she is from. She was born in Uniontown, Pennsylvania, named Martha Reed, lived in Uniontown I think two weeks, and then went with her dad to Washington where he was working for the Roosevelt Administration closing or regulating banks. She went then to New York, where he was working for the Office of Alien Property on seized German and Italian assets. After high school in Forest Hills, her parents sent her to college in Virginia. I never met her in New York even though we overlapped there. In 1949-50, when I reached Columbia, she was a high school senior. She went to Randolph Macon Woman's College, and I met her in 1956, when I was in the CIC. We got married in 1958, and she's been with me ever since.

Q: What did she think when you thought about the Foreign Service?

SKOUG: Well, she knew that I was going into the Foreign Service, and I told her that this would not be the career for everyone. Well, she decided that she would do it, that she was interested in that. She had, you see, lived in various places, gone to college one place, lived in another. She studied French and German in college, so she was qualified.

Q: Once you start moving around it's a lot easier.

SKOUG: She was a tremendous Foreign Service wife. I mean, in the days when they still could comment on wives. I was sorry to see that end, because my wife always got tons of praise. She had been a prize-winning artist, an art major in college, and she used her access

to foreign countries to do a lot of water color and acrylic painting. She's still painting, winning prizes, putting on exhibitions.

Q: We used to... Let's face it, an awful lot of the wives were a hell of a lot more important in getting the job done than the men.

SKOUG: She was a tremendous asset. For example, when we had a CODEL - my first CODEL was Allen Smith from California along with a man named Henderson from Ohio. I escorted them all around, and we also had a nice cocktail party for them. She fell right in to that. You see, my wife was born knowing how to do that. So when a lot of wives complained about having to make cookies or make this or that, Martha never complained. She just did it and she did a great job. So she was a tremendous help to me.

Q: You were in Munich until 1961. Were you able to keep track of Franz Josef Strauss? Was he sort of a contact, or was he pretty much Bonn-centered?

SKOUG: Oh, no. He was a little too high to be a contact. I was a vice-consul, and he was the defense minister of Germany. But he was an approachable guy. He was very, very sensible. His German was beautiful. In Bavaria, even if you speak German and understand it, Bavarian German is a little different, but Strauss's, although he was the son of a Munich butcher, I think, spoke beautiful German. I attended some of his speeches. He was one of those orators who knew how to deal with hecklers. He would, for example, say, "If there were no German army..." and then the hecklers would say, "That's what we want," and he would say, "Then you wouldn't have the freedom to be here" or "You wouldn't be here to be able to say that." He could always use hecklers.

Bavaria had on April 1, 1960, local elections which proved very significant nationally and even internationally. The SPD in post-war elections had done well in local elections, particularly in major cities. But it had failed to win in national elections. The Social Democrats could govern cities and states effectively, but their vague melange of pacifism, neutralism and nationalism could not compete on the national level with the straightforward pro-Western foreign and defense policy of Chancellor Konrad Adenauer. In West Berlin, however, the mayor was Willy Brandt, a very popular Social Democrat who had just won an election there and who was even traveling abroad to win support for the Allied position in the face of Khrushchev's threat to the city. The SPD decided to try to use Brandt's popularity in the Munich mayoralty election where Hans Jochen Vogel was running against three rivals. Brandt did not speak in Bavaria, but his presence on the podium with Vogel and with another Social Democratic candidate for mayor in Regensburg, which Martha and I attended, was sufficient to transfer his popularity. The result was a tremendous success for the SPD in both places, a success which Brandt repeated in other local elections in the Federal Republic. He made it clear even to the party leadership, which did not much like his views, that he could help the party if given a chance. Even to the thickest skulls-and some were quite thick-it was apparent that if someone liked Brandt could neutralize Adenauer's foreign policy advantage in a national election, the SPD could hope to govern in Bonn. Adenauer at that time happened to be in Japan. I recall attending a victory celebration held by the SPD in Munich where it was confidently

predicted that the news from Munich would go right to Tokyo. I'm sure it did because Adenauer was astute politically and must have been disturbed by the outcome of that election. By the way, Adenauer did lose his absolute majority in the Bundestag in the election of September 1961 when the SPD ran Brandt against him and a few years later the SPD would be in power.

You already had the Bad Godesburg Party program, which was a reform movement in the SPD, and then you had the appeal for what they called a *gemeinsame Aussenpolitik*, a joint foreign policy. That was an appeal by Herbert Wehner, who had been one of the extreme left-wingers in the SPD, but Wehner was the man controlling power in the SPD who realized how important - he was the boss, you might say - how important it was to have Brandt as a candidate. And so you had essentially what the *Frankfurter Allgemeine Zeitung* called "Wehner's Brandt." Wehner helped bring Brandt to power although Adenauer immediately rejected the call for a joint foreign policy, saying more important than a joint foreign policy was a "*richtige Aussenpolitik*," a 'correct foreign policy.' Still, Brandt had an issue, and the SPD knew it, and they didn't let go of this. And so in the late 1960s the SPD came to share power in Bonn. In 1969 the SPD came to power in its own right.

Q: Well, then, this might be a good place to stop, I think. Is there anything else we should cover about Germany on this particular go-around? I put at the end where we are.

SKOUG: Sure, yes, I think so. I have a few additional recollections. A couple vignettes might recall the flavor of those days. The post had sent Hans Goppel, Minister of the Interior in the Bavarian Government, on a USIS sponsored tour of the United States. He was viewed as a "comer," and he later did become Minister President of Bavaria. But he was not at all impressed by his tour. Upon return he gave a lecture with slides to the *Columbus Society* in March 1960 which Martha and I attended. Goppel came late, and the room was dark when he began to speak and show his slides. His reactions were highly adverse until he showed a German merchant ship in New Orleans- "*Gott sei Dank, die deutsche Fahne!*" - thank God, the German flag. Then the lights came on and he saw us sitting there. "*Sie verstehen nicht deutsch.*" "(You don't understand German)" he said hopefully to my wife. "*Doch, Herr Minister.*"

In May 1960 the post got a traveling group from ICAF, the Industrial College of the Armed Forces, together with the top leadership of the Bavarian branch of the DGB, the German trade union federation. Erwin Essl, head of the far left Metal Workers Union, was holding forth on how hospitals, schools and transportation were what West Germany needed-not an army. A tranquil social order was the best security against attack. I inquired what happened to France in 1940 when attacked by a stronger power. Essl paused, then said that France was conquered because it lacked social justice. On that occasion the DGB deputy chairman, Seitz, smilingly called me a "kalte Krieger" (Cold Warrior, but worse in the German context) for seeing the USSR as some kind of threat.

Another memorable event was lunching close to Hans Seebohm, the federal Minister of Transport and "Speaker" of the Sudeten German *Landsmannschaft* who delivered a speech on the occasion. He not only belabored the Czechs, who had expelled his countrymen from

Bohemia in 1945, but also the American occupation authorities in Bavaria. He dwelt upon his own suffering under the Nazi regime, the facts of which were somewhat obscure. In those days the refugees wielded considerable influence in all the Bavarian political parties and had their own “Bloc” of those “Torn from their Homeland and Deprived of their Rights,” the GB/BHE. When Seebohm later spoke at “Sudeten German Day” in Munich, the huge square was jam-packed. But the refugees, fortunately, were all the while being enveloped peacefully into the democratic social order in the Federal Republic. Orators like Seebohm were useful to the Soviet Bloc propagandists as bugbear for a non-existent German lust for revenge.

Q: Well, why don't we stop here, and we'll pick this up the next time in 1961, and you're ready to go where?

SKOUG: To Mexico. The Consul General in Munich and the Political Section in Bonn wanted me transferred to Bonn, an assignment I would have welcomed, but personnel in Washington assigned me to Panama. When that fell through, they switched me to Mexico, so there we went.

Q: Mexico, great.

Today is the 29th of September, 2000. Kenneth, we're in 1961, you're off to Mexico from Germany. It sounds like almost a Zimmermann Telegram connection or something like that. When you went to Mexico, you were there, first, from when to when?

SKOUG: I arrived in the outset of November in 1961, and I left at the end of August, 1963.

Q: Okay. Had you had Spanish before?

SKOUG: Yes, Spanish was my first foreign language, learned at Columbia and enhanced by contact with Latin American friends. It was about as good as my German. My Spanish and German were always about the same, so I didn't get any language training.

Q: Where did you go in Mexico?

SKOUG: Guadalajara, the second biggest city.

Q: Could you explain what Guadalajara was like in 1961?

SKOUG: Yes, it was a really lovely Spanish colonial-style city with still the old-style architecture, the population was under a million, but it had growing pains. It had yet no reputation for being a drug center, which it later acquired. There was activity because there was a university there, a lot of radical activity, the students, but no sense of a terrorist threat. There were demonstrations, but the demonstrations could be kept under control. It was a place with lots of civic life. There was abundant night life, but it was the old-fashioned type

where you would go and drink and dance, have dinner - extraordinarily pleasant life in that sense. But my job involved the seamier sides of life in Mexico, too. I was in charge of protection and welfare for American citizens, and I saw the other side of Mexico as well, including the other side of Guadalajara. It was very different from Munich. Nothing can quite catch up with Munich, nowhere I ever served was quite as pleasant as Munich. Guadalajara was very different. It's a stark sort of beauty. Instead of the Alps with the snow covers and the green trees, you have the Mexican mountains, which are largely bare. But there's a magnificent beauty about that dry air and the sunsets, the stillness of it all, the large space. We had four states in our district, including Jalisco, where Guadalajara is located, Aguascalientes, which is small, Zacatecas, a very large central state and Colima, a small coastal state. Jalisco, Aguascalientes and Zacatecas lay on the old Spanish silver trail. Zacatecas held the mines that produced some of the wealth which was always being intercepted by British corsairs on the Spanish Main and so forth. That trail ran through Aguascalientes and Guadalajara down to Mexico, and it was built in the 16th century. Zacatecas, the second highest city in Mexico, had over 100,000 inhabitants in the 16th century. When I was there 40 years ago, it was down to 30,000. Standing at 9,000 feet on the Bufa, a mountain 1,000 feet above Zacatecas, you could see the outline of the old big city and the much smaller present city. At that elevation, in the dry almost desert-like air, you could look up and see more stars above you than you thought the universe could contain.

Q: Who was consul general? How was the consulate general set up at that time?

SKOUG: Well, there were a number of consulates. I can't tell you precisely how many. In Mexico, Guadalajara was, along with Monterrey, the biggest. They were consulates general. I think the rest were consulates. We had a Protection and Welfare Section, of which I was in charge, and then there were a passport, visa. and administrative officers, a deputy principal officer and a principal officer, Adolf Horn. He was an American born in Cuba. He spoke Spanish fluently but looked completely like a *gringo*, so they were always baffled and amazed at a man who spoke Spanish better than English and yet looked, with his blond hair and reddish complexion, very much like their stereotype of a North American.

That's the way we were organized. We worked a strange shift of hours that Horn had imposed at the request of the Mexican employees. We worked from eight until three-thirty, supposedly - they did - but Horn let it be known that any officer worth his salt would not be going home at that time. Horn was a stickler about long hours. He asserted once that putting in many hours overtime-which was uncompensated, of course-did not justify being even two minutes late to work. And by the way, there was no lunch hour. You were supposed to eat your lunch while doing your job. Eight to three-thirty is only seven and a half hours. You could add the other half hour by working at the job. But really, the work went on from eight until as long as necessary. Horn once rebuked a staff member for suggesting a 60 minute lunch break. It could be stressful. After one eleven hour day in January 1962, I named the building "The Hornorium." Another colleague complained that he felt like an American employee in a Mexican consulate.

Q: Guadalajara now is known as a place with an awful lot of retirees on pension. I assume your job... Was that the situation at that time, and could you talk about dealing with the Americans there?

SKOUG: Oh, yes, there was a substantial American community, especially in Guadalajara itself and in the small towns of Ajijic and Chapala, on Lake Chapala, the biggest lake in Mexico, a beautiful place. Americans went down there even in those days in large numbers because the cost of living was cheap and the climate benign. The Mexicans were pleasant people. The authorities didn't make much trouble for Americans as long as they were willing to pay the necessary bribe from time to time to make ends meet, because a lot of times these Americans who lived there didn't qualify under Mexican law to be retired in Mexico. So they would have arrangements. Some of them would be married to Mexican nationals or would have some relationship with Mexican nationals so that they could actually "own" property, although legally they were not able to do so. Obviously it was a situation where the American could easily be swindled, and some were. As I say, I had protection and welfare, with a small staff of one other junior FSO, one American staff employee for whom we obtained a vice consul commission and a Mexican secretary. There were 23 deaths in my first two months on the job and exactly 100 in the year 1962. This was very hard work, emotionally draining, and furthermore many of the deaths came with complicated estate cases. About half of them were tourists and half residents. In the case of tourists it was sometimes more difficult because, although their effects were fewer, it was harder for people back home, the loved ones, to understand the realities of Mexican life.

Q. Could you cite any examples of what this entailed?

SKOUG: Yes. Shortly after I arrived a Mexican bus swerved into the lane of a car containing five Americans, four of whom died in the crash. I assisted the single survivor, who told of being robbed of his possessions by onlookers and who needed immediate hospitalization. I attended the funerals of the others. There was a couple who lived in a trailer park, and I had to make arrangements for the protection of their trailer for many weeks, until a relative in the United States could come to retrieve it. The fifth passenger, a tourist, had a few possessions, but they had to be collected and sent home to a next of kin, when established.

Shortly thereafter, on Christmas Day, 1961, a 79 year old lady and her equally aged husband were seriously injured when their vehicle struck a cow on the highway. She was the driver and because her husband soon died of his injuries, she not only had a broken neck to worry about, but also the Mexican authorities. In this deplorable situation I worked until 3 a.m. to get her out of detention to a hospital. We were obliged to pay a Mexican policeman to sit at the foot of her bed to ensure she did not run away. This situation continued for months until she was able to leave the hospital. With legal help, she got out of the country.

In early 1962 a lady from Des Moines was struck and killed by a taxi driver. Her distraught husband called me at home at 10 p.m. and screamed in fury because I could not tell him if a private plane could come for him the next day. The husband, a medical doctor, later wrote

me a courteous thank you letter, but at the time I “shared his stress,” if not his pain. And these sad events took place at the rate of two per week, frequently at night or on weekends.

Sometimes these cases could have a humorous or ironic side. In August 1962, Horn sent me to the Hotel Fenix to deal with an American woman from the San Francisco area who was causing a disturbance. She was verbally abusive toward me and threatened me for two hours with a congressional investigation. The following day I received a telephone call from a different plush hotel that a female American had taken off all her clothes in the lobby and was scandalizing the place. My enthusiasm for this task was somewhat restrained by my foreknowledge that the lady in question was nearly seventy. This time the authorities had her restrained. I took charge of her personal effects and found that she had evidence of possessing at least \$111,000 in American savings banks, not an insignificant sum, especially forty years ago. We got her safely back to California, and the irate congressional scrutiny into my behavior which she had threatened fortunately did not materialize.

Sometimes it was cases of Americans doing in their own kin. I had to rally three doctors to get an American wife of a retired U.S. colonel out of a mental institution where he and his cohorts had succeeded in placing her. I had first to ascertain that the lady was at least as sane as I was. On another such case it was more difficult. A wife had closed a joint bank account with her husband and reopened it in her own name. We gave the poor fellow our lawyer’s list.

Another sad case was American wife of a Mexican doctor living in Zacatecas. She was in the house not only with her own children, but with the in-laws and lots of other folks. When she spoke to her husband about taking the children to the United States, he forbade it. She was obviously miserable, and the man she had met as a student in the United States was no longer the shining knight in her life. But she did not request consular intervention, and there was little we could do but express sympathy.

On one occasion, there was a long and patient effort to bring about the repatriation of a young American child who lacked any kin in Mexico but knew only a smattering of English. When Mexican immigration authorities finally consented to letting me put the lad on a plane for Chicago, we notified the Department and thought it a job well done. But in those days telegraphic communications went through the embassy in Mexico City, which did not pass our action telegram to Washington. As a result the boy wandered the streets of Chicago for hours before someone there came to his aid.

I think this gives you a flavor of protection work in Guadalajara in the early 1960s.

Q: Was it difficult dealing in that particular period of time with Mexican authorities? The situation was essentially one that ran on money, wasn't it?

SKOUG: Yes, it was. A bribe would sometimes work. However, some authorities were less well disposed than others. There were lots of very, very nice Mexicans, and some of our allies in dealing with the Ministerio Público, or the prosecutor's office, would often be

Mexican tourism officials, chamber of commerce officials. The Mexicans understood very clearly that they wanted and needed tourism. It was probably the greatest industry. Oil wasn't really that important at that time, and tourism was very important. And the average Mexican's attitude towards Americans was pretty favorable. They were not anti-American, although every Mexican is well aware that his country is a lot smaller because of wars with the United States. There are grievances, but they don't usually take them out on tourists. There is an underlying hostility among some persons, and it could be seen in the behavior of some public officials. We had pretty good relations at the top, but it didn't always filter down to these guys who did the actual work, so there were rough spots.

Q: Our regulations and ethos and everything else says "no bribes" and all that, but in a country where you have a responsibility for helping an American and a small amount of money to the right policeman or the person in authority might help make it a lot easier - really a lot easier - how did you deal with that at the time?

SKOUG: Well, with whiskey, during Christmas, you'd give presents to those Mexican officials and Mexican friends. A bottle of scotch, a nice card, sometimes a visit, or a phone call - that would open doors. Of course, we hosted representational lunches and dinners. We did not bribe the Mexicans. I never paid a nickel to them, nor did I ever encourage anybody to pay a nickel; but we'd take them to lunch and do things for them. And by the way, one of Horn's sayings was that if you do a Mexican a favor, he'll want to do six for you. I didn't see that at the beginning, but he was right. As time matured and my Spanish improved, I found that lots of Mexicans were anxious to be of assistance. So you have a climate where crimes did take place, but you also had a situation where it was possible to find a remedy.

For example, there was an American tourist whom I had visited in jail in Guadalajara. He had a drinking problem, but he was a very, very upright sort of citizen, the sort of guy you would invite into your home gladly. I could see he had a problem. I helped to get him out of jail. He went down to Puerto Vallarta, which in those days was a totally unknown place. Well, not totally unknown, but it was before they filmed Elizabeth Taylor in "*The Night of the Iguana*," so most people did not know what Puerto Vallarta was. This fellow went there and died, and his possessions seemed to have disappeared. Since he was a derelict, you might have thought that this would have been forgotten. Certainly the Mexicans who did him in or who took advantage of him probably thought that. But he had two parents who were divorced, both of them vigorously interested in him. Both of them had their congressmen, and pretty soon we had a real issue going on. Where was this man's typewriter, for example? Where was this or that? And, well, they'd been confiscated illegally, and they should have been turned over to us, but they weren't. The long and short of it was that eventually the federal prosecutors were brought in, and I think the mayor of Puerto Vallarta had to leave office. He was involved in this thing. So there was a remedy if a problem reached a certain level.

Q: I'm an old consular hand, and often you wind up, particularly being close to the United States, with almost two sets of people. You've got your plain tourists, and then you've got the ones who come, essentially pensioners coming in, and then you have the other ones

who are sort of drifters, almost remittance men or remittance women or something like that. Did you have a group of that, I mean either they're into drinking or drugs or just sort of living away from home?

SKOUG: It was innocent compared to the situation in recent years, but we did have people like that. It wasn't so much drugs. Drinking certainly existed in Mexico. It's a tolerant society. Problems with drinking were, in the case of the man I just mentioned, serious, but in most cases they were not. We certainly did have people, though, who abused the idea of repatriation funds, and I had been counseled before I went down there to put a stop to the reckless spending. It wasn't all that much anyway, but I did. I required these people instead of getting U.S. taxpayers' money, to make a collect call home, and if possible, have money sent to them at the telegraph office. So we did cut down on the funds which were used for that. Still, those people existed, but that was not one of the more serious problems. The problems were deaths, estates, arrests - that sort of thing.

Q: How about for elderly people? It was fine being in Mexico, your money goes a long way and all that, but all of a sudden you come up against medical problems. I would have thought that the hospitalization was not as good as it would be in a normal American city. Maybe I'm wrong.

SKOUG: No, you're quite right. The hospitalization was poor. There was an American-Mexican hospital, which was called the American Hospital, that was run by the Baptists, and that was probably the best, the only really good hospital in town, and it probably would not - I'm not an expert in comparing hospitals, but in terms of those days it was not up to the standards of American hospitals, certainly, but it was the best available. Speaking of hospitals-and doctors-some of the problem cases were those of veterans of the Second World War or Korea who had psychiatric disorders. Sometimes the Veterans Administration even encouraged such persons to go to Mexico. I remember one of those persons quite vividly. They say in protection and welfare work that it follows you home. One night in April 1962 as my wife and I were sitting down to dinner, there was a knock at the door. I had received advanced warning that a veteran with severe problems was headed our way. There he was, well over six feet tall, standing in our doorway. He explained his visit to my home by saying that he was subject to periods of violence and felt one coming on just then. I tried calling his father collect in the United States, but he refused to take the call. It was then that I asked help from Dr. Urrutia, our Mexican psychiatrist, who came quickly to our rescue and helped our guest to relax. Of course, psychiatrists, too, like to be paid, but he could count on it in most cases because the VA would pick up the tab. So that was the way it worked. Sometimes you would have to cover the indigents who didn't have financial resources by getting a lawyer or a doctor to take a loss from time to time, handle a case for which there would be no benefit, because they knew they was getting some other benefits. For example, the lawyers list. You prepare a list of lawyers who are willing to help American citizens and able to help them. And some of the lawyers on the list were marginal. We tried though to keep the list confined to people who would actually do things, but even within that list I knew there were not many guys that I could rely on to go out to the *Penal* and work 12 or 15 hours.

Q: The Penal being the -

SKOUG: Penitentiary, the state penitentiary there. I have in mind a Mexican lawyer with whom I had a fine personal relationship too, but he was willing to do that. One time he came to my house mopping his brow after having spent 12 hours out there. You ask what we do for them. I gave him tequila and we chatted. There was no money in it. He knew he wasn't going to get any money from this guy, but in other cases, when people came down looking for investment advice, in discussing the lawyers list I could say, "I know senior X is a hard worker." Now I was not able to recommend any one lawyer, but if there was a case where I could do something, I would do it for people who were willing to help indigent Americans.

Q: Could you talk a little, because this was your job, about the prison system and how we dealt with people in jail at that time and why they were there?

SKOUG: Well, they were there for the same sort of reasons, I guess, that people get in jail anywhere, except that where there's a language barrier and a barrier of customs and possible animosities between nationalities, it is perhaps a little bit easier for an American to find his way into jail. It's surprising there weren't more than there were. In jail, it wasn't so bad. It was like being in jail here. You might be out in a day or two. If you got in the *Penal*, the penitentiary, you were likely to stay for a longer time. There were not many Americans in the penitentiary, fortunately. There were quite a few who were in jail from time to time. We had, by the way, on our staff in the consulate an official who was called the legal attaché. In Mexico, the legal attaché was a special arrangement that the FBI had with the Mexican authorities, so that man was looking for American prisoners for other reasons. He was looking for prisoners who were wanted in the United States and who had gone over the border to Mexico. And I worked closely with him. Although our purposes were not always the same, we had a community of interest. If there were dangerous criminals, and there were some, I saw that Ed Johnson was informed if he didn't already know. Sometimes he didn't. On the other hand he could be helpful to me in telling me that he was just down in the jail and he saw somebody who hadn't been aware that he could call the consul and get help.

By the way, not all American visitors were what they said they were. Speaking of the legal attache, the FBI representative, two Americans giving the names O'Connor and Brill came to Guadalajara in December 1961 and said they were doing a story on the city for *Holiday* magazine. Martha and I attended a lavish reception some one put on them at a swank hotel. Our FBI representative also entertained them and spoke highly of them. They were very debonair. Later, however, reports came from Mazatlan that they had committed murder there, with one of them posing as Ed Johnson. It turned out that they were escaped felons. I believe they were later apprehended in the United States.

So what we did was to try to insist that Americans get their legal rights. Now, occasionally people confused that with some special authority they thought we had, a nonexistent one, to interfere with the Mexican judicial process. We didn't. All we could do was to give them the lawyers list, make sure they understood their rights, and ask for the best possible

treatment for them within the law..

Q: Did you find that you were having to in a way assist people particularly when they got into that penitentiary, because as I understand it, the system there, as in many other countries, people really require families to come and look out for you, more than just the minimum of food and all that, and some of these Americans wouldn't have that support system.

SKOUG: You're right. The Mexican system was like that. I do not recall that there were many Americans in the penitentiary, and when they got there it was tough for them. My predecessor had worked might and main to get one man out, and he did after a long period of time. The guy died the next day. My predecessor said he was proud. At least he died a free man - but he died. Yes, support of friends and family was important, and those who didn't have it had a difficult time. Nobody starved. There were the inevitable complaints of people who were in prison that things were not very good, but aside from putting them in contact with family in the United States who might be able to help them, we had no supplies for giving aid to them.

Q: How was some of the political system at that time?

SKOUG: Well, it was a situation where my second ambassador down there, Thomas Mann, stated that the Mexican president had more power than the president of Paraguay, and Senator Humphrey at the time rebuked him for comparing democratic Mexico with the right-wing strongman in Paraguay.

Q: This was Stroessner.

SKOUG: And he was absolutely right. The president of Mexico did have more power. He just exercised it under a form that we were willing to acquiesce in, and what did we have to say about it anyway? They had a one-party system which was nearly as tight as the Communist Party in Eastern Europe, but not so blatant, and with more interaction in the party ranks. I won't say there was democracy within the party, but there were certainly shades of opinion, and internal conflicts that existed - so it wasn't a monolith, but on the other hand it was pretty tight. It was run clearly by the government in Mexico City. The governors were all really responsible not so much to the state as they were to the party leader, although that varied. Some governors were more popular than others. Mayors the same thing. You might have a popular mayor, however. It was a certain amount of democracy, but the PRI always won, the PRI being the Institutional Revolutionary Party.

Q: Was there someone reporting on political or economic things at the consulate general?

SKOUG: Well, we were given states at the beginning. You see, part of the rap on me when I went there, which the consul general had heard in Washington, was that I had only had a short consular period in Munich and got out of it and did political and economic work. So he thought perhaps that I would want to do that in Mexico, and at the same time he assigned me two states, Zacatecas and Aguascalientes on which to do political and economic

reporting. He himself was doing Jalisco, the state where we were located. He began to press me to do some political and economic reporting in addition to the protection. Protection, believe me, was taking me - I don't know, I was working 90-hour weeks on protection and welfare. I had little time to do reporting, but I did do some reporting. And then pretty soon Horn retired after refusing a transfer and stayed on in Guadalajara, where he was quite a popular figure. But that left reporting up for grabs, because his successor, Thomas Linthicum, didn't speak Spanish and could not have done the political work as effectively as Horn. At about the same time there was an inspection of the post, and the inspectors recommended that a Political-Economic Section be established and that I be the political-economic officer, that I do full-time work on political and economic matters for the entire consular district. And that actually happened in the middle part of 1963, following the inspection. It was quite satisfactory to the post and to the embassy in Mexico City that I should do this, so I began reporting full-time. I was looking forward to a third year in Guadalajara in which I would do political and economic work. Of course we all did some visa work when necessary. You'd do the sort of things you had to at the consulate, but I was getting out of protection work and going into political and economic work. And at that point the Department assigned me to UN political affairs in Washington. I tried to get out of it. Again, it was a case of I wanted to stay longer, as in Munich I had wanted to go to Bonn, this time I wanted to stay in Guadalajara, and both times the Department said no.

Q: Well, just to get an idea, though, we're getting a taste of... Let's take political work first. In a one-party state, what were you looking at?

SKOUG: Well, there were factions within the PRI for one thing. There was a more moderate wing, and of course it was easier to establish good relationships with those people. They wanted to pull the PRI one way. For example, take the Missile Crisis in Cuba, which took place while we were there. I had just been visiting Zacatecas and had had a discussion with some Zacatecas politicians in which I pointed out that Cuba was a common danger to the Western Hemisphere, and they didn't agree. They couldn't see it that way. They sort of saw Cuba as Mexico had been a few years before. But I had laid the groundwork, and then when the Missile Crisis came along, I got some nice communications from those people saying, in effect, "Hey, *gringo*, you were right." That was the sort of thing you could do. Another thing that I did, I noticed that there was a newspaper in the state of Zacatecas which was following the Communist line very, very clearly both in its treatment of international affairs and on the domestic side. Certainly in all international affairs, it was against us, against the West Germans, for the East Germans, Russia, and Cuba. This was the only paper in the state's second largest city, and it was really controlled by the state government. I finally managed to point that out to some of my friends in Zacatecas, and there were some changes. There were some changes of personnel. You sow the seed to a certain extent, and then there are others who will come along to harvest the crop. Unfortunately the better attitude did not last very long. I'd "plowed in the sea." I did a lot of biographic reporting, about figures in Jalisco and the other states. I talked with the governors and the mayors. We were reporting on the attitudes of people in probably the second most important Mexican state at the time, although Monterrey was important, too. We were trying to influence them to see it our way. Curiously, my good contacts with Mexican officials led them to urge upon me the credentials of President

Adolfo Lopez Mateos to become Secretary General of the United Nations. I can think of few persons at that time who would have been less welcome as SYG from our point of view. He had, for example, visited West Berlin, but refused to look at the Wall when it was pointed out to him. He wanted to be “neutral in mind and deed,” I guess. But the dean of the University of Guadalajara Law School, who had given me a guided tour of that supposedly anti-American institution, also took my wife and myself to a wonderful farewell dinner which he used to urge the qualifications of Lopez Mateos. Of course, I couldn’t have been helpful to Lopez if I’d wanted to be.

Q: What about the economics of the area at that time?

SKOUG: Well, it's a prosperous area in Mexican terms. Certainly agriculturally they had substantial production - corn, cattle. The region had been the great mining center, although that had largely faded out. It was still a mining center. Zacatecas still has mines, but it doesn't produce anything like it used to. But aside from that there is of course a great deal of commerce, a lot of trade, a lot of small shops. The city of Guadalajara had a handsome look, nice stores, excellent salespeople. And of course the night life, the cultural life, was very good. Now not compared to Mexico City. Mexico being a Latin country, a lot is in the capital that isn't in the provinces. We had a pleasant life. There was poverty, of course, but not grinding poverty like Calcutta or anything like that. Strangely, an officer in the economic section of the embassy in Mexico City told me bluntly that it did not welcome any economic reporting at post. All could be handled by the embassy, I was told.

Q: How did you find Americans were received, American diplomats, the consular officers, at that time? I've always heard about this concern, the colossus to the north and all that.

SKOUG: Well, one thing, it helped to speak Spanish reasonably well, to know Spanish songs, to be able to enter into the life of the country and be interested in some of the things they were interested in. That would open a lot of doors. I found in Mexico, where I found Munich perhaps the most pleasant city or post I ever served in, in Guadalajara I made more personal friends than I ever had anywhere, even in the United States. That's the sort of people they would be. If you were friendly to them, if you respected them, they would respect you. We bowled, for example. The consulate had a bowling team in a league with seven other teams all of which were composed of Mexicans - doctors, lawyers, engineers, small businessmen. That was great. That was wonderful, because we shmoozed with them during the game. There was always tequila and beer afterwards, and a lot of friendship was made there. I think that the personal relations, all in all, were better there than any I've ever known, really.

I should also mention relations with the Mexican trade union, the CTM. When I took up political and economic reporting responsibilities in June 1963, I at once called on various union leaders-railroads, cinema, and electricians were the first. This was an area that had been neglected. It was thought that trade unionists might be cool toward an official American representative. It was quite the contrary. They were delighted at our interest. Then two officers from the embassy came to Guadalajara to look at the labor scene. We called at CTM headquarters. Consul General Linthicum held a “stag” party for trade union

leaders along lines we had used very successfully in Bavaria. It was a big success in Jalisco, too. The following day union leaders showed us industrial plants, union quarters, recreational areas for workers, etcetera. I wish I could say this led to lasting results. Since I was soon to leave post, I was unfortunately not able to give labor relations the personal attention it deserved. But before I left, I was able to make an impromptu speech at the “graduation” of some young men who had just completed training to be waiters. And three days before our departure the CTM leadership invited Martha and me to a wonderful farewell lunch at the Copa de Leche restaurant. So I left convinced anew that Horn was right-do a Mexican a favor, and he’ll want to do six for you.

One example to illustrate this last point. On a trip through the Mexican countryside with my wife in 1963, I stopped to help a dog who had been hit crossing the highway. The dog, bewildered and in pain, bit me and then loped off. When I returned to Guadalajara, my Mexican friends insisted that I start the treatment for having possibly been exposed to rabies. My best friend, a small businessman named Fernando Ochoa whom I’d met bowling, took a day off from work to drive me to the rather distant area where the incident occurred. Once there he made inquiries about the dog. No one had seen such an animal. They wanted no trouble. But Fernando disappeared and in a few seconds reappeared with the little dog. He’d seen a boy’s face indicate he knew something. “Chamacco, there’s a good tip for you if you find him.” So we took the dog to Guadalajara where I put him under observation of a veterinarian, another personal friend, who found him to be fine. Then I found a home for him with a local watchman. Forty years later those good friends are still in my heart.

Lastly, my most transcendent recollection of all was returning in our Volkswagen from a trip to Mexico City at dusk in spring 1963. As we descended a hill where the lights of the whole large city had just come on, an aguacero (cloudburst), struck. In an instant every light in the city went out. In five minutes we reached a main thoroughfare, the Calzada Independencia, to find it had become a raging torrent with water at the doors of our heavily-laden automobile. To abandon it meant losing the car and its possessions (at least). As we drove like a motorboat through the flood, the motor died several times, but came back to life. Once I felt the car lifted by the turbulent waters. By fortune we reached higher ground, arrived at our home, and rescued our black kitty from rising water within our pantry.

Q: Then you were brought back in the fall of 1963?

SKOUG: I was brought back for the UN General Assembly session that began in September, 1963.

Q: What were you doing?

SKOUG: I worked on the divided countries, and especially on Chinese representation.

Q: Oh, boy.

SKOUG: I suddenly moved into a totally new area. I had had an interest in East Asia. In college I had taken contemporary civilization of the Far East, so it wasn't totally a shock to find myself in that job, and it was an interesting one, although, as I say, I arrived disappointed to leave Mexico so soon. And in the Department of State it's never, as you may know, it's never as much fun because you're stacked up with senior officials all around and there seem to be a superfluous number of them, whereas when you're out in the field, the sky's the limit; you can work as hard as you want.

Q: Well, You were working with the UN, what, just for the session, or did you continue doing that thing?

SKOUG: No, I was assigned to UN Political Affairs, which was the political office within the International Organizations Bureau, called IO. IO had an economic office called OES, and it had a financial office, and it had an administrative office, but UNP was the political stronghold. The top names there were Joe Sisco, the director, who became quite an important official, particularly under Kissinger; Bill Buffum, who went to the United Nations and later became a UN official; and Elizabeth Brown. They were very smart people. I also found myself dealing with some smart Foreign Service officers who worked only on multilateral diplomacy. They had a mind that I was going to get into that groove and spend my career, really, doing multilateral diplomacy. In my specific job on Chinese representation, I worked for a fellow I had known in Germany, a very good officer. The biggest problem was there wasn't enough work for two. And he was in charge, and I was the deputy, and I soon found myself - after I had learned the ropes of the job - terribly confined, because only one of us could have done it. He became ill, and was hospitalized, so I in effect took over the job. That rescued it for me, at least temporarily. I had Germany, Vietnam, and Korea, but the real issue was China. How were we going to keep the Chinese nationalists in the United Nations and keep the Chinese Communists out?

Q: You were the guy, then, who was sending these telegrams before every General Assembly that went around the world. We spend untold man-hours, woman-hours, and capital of one kind or another on persuading Paraguay or Burma to vote our way on the Chinese issues.

SKOUG: Right. And the interesting things about this was that our allies were not the normal allies we would have. For example, Western Europe, if you happened to be in Western Europe getting these telegrams, the chances of getting a favorable vote were relatively slim because most of our allies did not support us. This was also the moment when the French recognized the Chinese Communists, as they did at the end of 1963. We didn't have much European support. We had solid support from Latin America. It required very little political capital to get Paraguay or even Mexico. They all supported us. They knew that this was an issue the Americans were uptight about, and therefore they took our side. It didn't matter as much to them, but some of those countries long after recognized the Government of the Republic of China - the GRC. And the other thing that might surprise you was Africa, except for British Africa where the Chinese Communists quickly moved in. French Africa didn't go that way because the nationalist Chinese had established such good relations, personal relations. They had gone in and worked with these people, not only

politically. They worked with them socially. They went out on their boats with them and helped them to catch fish. So we had good support from Francophone Africans.

The sort of thing that we had to do was make sure that we had a majority for a certain tactical approach in the United Nations. If we didn't have a majority any more for one approach, then we would have to shift to something else, and that was the science of knowing where you would get your support. And then, of course, this issue arose, not only in the United Nations General Assembly but also in every one of the specialized agencies, every conference, every meeting that took place - there were always efforts to seat the Chinese Communist in the place of the Nationalists. And it was our role to make sure that didn't happen. And don't forget that in this period of time the Chinese Communists were at their worst. As Sukarno was pressing his "confrontation" with Malaysia, the Chinese and the Indonesians together were touting GANEFO, the Games of the Newly Emerging Forces, which was to rival the Olympics. The Chinese wanted the United States and the Soviet Union to get into a conflict. It was a very bad time for China to make any advances while its message was so belligerent. In the long view of things, we were able to get the Chinese to compromise with us in the Nixon period in part because we had something to give them. We hadn't surrendered it before. They wanted to be in the United Nations, and we kept them out of it until we got something. So I think that this was not futile, even though many man-hours were expended.

Q: You spent an awful lot of time looking for sort of almost covert moves within the various organs of the United Nations to give implicit recognition to China, didn't you? I mean this must have-

SKOUG: We had to keep them out of every organization, even... There was a case of the International Bureau of Weights and Measures, which is not a UN organization but was an international body posted in France which concerned itself with standardized measurements. Our representative at the session in Paris was Dr. Astin, head of the National Bureau of Standards. We were concerned that the Chinese Communists would apply for membership in the International Bureau of Weights and Measures immediately before the session of UNESCO in 1964, which would also be held in Paris. We thought that if they got into the International Bureau of Weights and Measures and then into UNESCO, another scientific organization within the UN structure, they then could just get enough votes in the General Assembly to defeat us. So it was important to stop them in the IBWM, the Bureau of Weights and Measures. I remember going to Paris at the time and rounding up votes by visiting embassies of IBWM members. Our strategy had been to get the Chinese nationalists to apply for membership first, before Beijing could do so. The French didn't want to circulate their application because they, by this time, had recognized the Chinese Communists as the government of China. Yet they were obliged to do so under the rules of the organization. They, as the repository of the treaty, were supposed to circulate a application for membership. Well, anyway, it worked in the sense that the Chinese Communists did not apply, did not get in, and nothing happened in UNESCO, either, and we still were able to stem them off in the General Assembly, although that was the General Assembly which was obstructed by the so-called Article 19 issue. Article 19, in our view denied a vote in the U.N. General Assembly, to members who hadn't paid their debts,

meaning the Russians.

Q: Ho ho ho.

SKOUG: Yes, it was the Russians in those days. And we lost on Article 19, by the way. The Albanians did it. After the whole session had taken place unofficially - it had been delayed in opening and the whole session took place without a vote because we said that the Russians couldn't vote, and they said they could vote, and so there were no votes - the Albanians finally forced a vote at the end. There was a vote, and the Russian vote was counted, and so the U.S. position went down in flames.

Q: Were there any issues that you had to deal with first on Korea and then on Vietnam?

SKOUG: In those days, even though the war in Vietnam was beginning to heat up and we got involved more in the second Johnson term, or after the election, there were no problems in the United Nations. We always had an ample majority. More countries recognized South Vietnam than North Vietnam, and certainly in Korea there were no problems. There were some problems with Germany, but they were problems of a different nature. They were problems relating to the Federal Republic of Germany in older international organizations. The West Germans were still following the Hallstein Doctrine in foreign affairs. They claimed to represent Germany as a whole where Germany as a whole had to be represented, such as in the International Postal Union or the International Telegraphic Union, which are old conventions, and "Germany" was a member. One could have argued that, well, since Germany was divided you could have both the FRG and the GDR in there. We didn't want that. We didn't want the GDR in the United Nations at all. So we had to find out, had to have a formula, whereby the Federal Republic of Germany could be seen as representing Germany as a whole, and yet of course it really didn't in general, but it did in those special situations. In Germany there was always a need before the Berlin Agreement to be creative in finding a way to satisfy the West Germans, and we managed to do it.

Q: Joe Sisco was running IO at that time, wasn't he?

SKOUG: Yes, first it was Harlan Cleveland, and then Harlan Cleveland went to NATO and Joe Sisco moved up and took his place, and Bill Buffum moved up to take Sisco's place as head of UNP.

Q: Well, Sisco had the reputation of being probably the preeminent bureaucratic operator, certainly within the State Department and many other places. Was that apparent to you all down where you were?

SKOUG: Oh, yes, Sisco was quite a figure. He was very forceful, very, very intelligent, and very determined, but he knew his way around. He handled himself pretty well. I think our leadership was pretty professional under Sisco and Buffum. You could hardly find a smarter pair. Now their whole experience, as far as I know... I think Buffum had been to Germany, but basically their experience was in multilateral diplomacy, which was becoming for the first time in the Foreign Service a specialized field, and they knew it very

well.

Q: Did you get involved either first-hand or second-hand in dealing with some of the major countries? You mentioned dealing with France. How did you find dealing with France? This was the time when De Gaulle was riding high and all of that. How did that go?

SKOUG: Well, the French were difficult. In my one experience being there in Paris for three weeks in October 1964, they didn't want to be helpful. I felt that they could only be induced to be helpful if they thought they were going to lose, and so I was not very discreet probably in my open-line telephone calls from Paris back to Washington saying what we would have to do if such and such didn't happen. So eventually it was a compromise, although in the long run the French had their way, because the French never did circulate the Republic of China's accession to the Bureau of Weights and Measures. But we got over the conference, so we got over what could have been a land mine, but the French held their position.

I saw a lot of Nationalist Chinese diplomats, and some of them were extraordinarily good. We had all the countries of the world, of course, to consider. Some we knew. We didn't worry about how Czechoslovakia or Poland would vote, but many countries were up for grabs. In many countries there were politicians who supported one side or another. Pretty much between the Chinese and ourselves we knew who they were. We used to consult, and in these consultations we would take, let's say, the 15 most critical countries and try to figure out what we could do in each country to make sure that the issue was handled in the way in which we wanted. If an important meeting were coming up, we'd have to make sure that the right persons would be there. We would have to get telegrams not only getting the Foreign Ministry on board but making sure that the Foreign Ministry instructed its official at the conference or meeting to vote the right way; otherwise, somebody might thumb his nose and vote the way as he pleased personally because obviously it wasn't of as much concern to let's say, Kuwait, as it was to us. But we wanted Kuwait to vote the right way, and we wanted Kuwait's representative (I'm just picking that out of the air, but Kuwait was one of the countries which was up for grabs).

Q: At this time, we've always had a rocky relationship with India, but this is a time of actual war, or just finished the war between India and China over the border. India was pretty firmly in our camp on this issue?

SKOUG: Oh, no. India was totally on the other side. India on every issue was opposed to us. Now Pakistan might have voted with us, but even Pakistan played hard to get. A lot of the dealings, by the way, when you're in the Department of State - I really learned this at this point in my career - the battleground is sometimes not the foreign capital; it's the desk or the bureau in the Department of State. For example, before we could have any instructions, let's say, sent out to Pakistan, we had to deal with the South Asian Bureau, and they might disagree with us, and so great struggles would go on about writing instructions. Late one night I was arguing IO/UNP's position against Turner Cameron and Carol Laise until a call from my own office cut me down-we laughed about that. And furthermore, we had divisions within the Department of State even among China hands. The Germans would

say "zwei Seelen in der Brust." We had a Mainland China Desk headed by some very smart guys, whose goal was to "educate" Dean Rusk to change our China policy. They wanted a change of policy, and they worked for it, and we had to first to deal with them.

Bureaucratically speaking, they had a stronger position than INR. They were sort of like INR in the sense that they existed to think and come up with ideas, and they came up with hordes of ideas, most of which I did not agree with. Nonetheless, they were ideas, and they had to be dealt with because ACA had to clear off on some important action cables. So we had a lot of turmoil within the Department of State trying to maintain the line. The bottom line was always to have the votes for a certain position - and that 's what Sisco and Dean Rusk worried about - and I was the one responsible for that. I had to be able to assure them there are enough votes for this policy, because otherwise we have to switch to "two Chinas" or something else. You see there was another line of thinking that we should try to get two Chinas in the United Nations in order to save a seat for the Republic of China.. But I didn't think - and I wasn't alone, obviously there were other people too - but we didn't think that the two Chinas arrangement was possible. And I don't think it would have been an effective delaying device because the Chinese Communists never would have accepted it. That's what the two China people thought: well, you propose this; the Chinese Communists won't accept it, and they'll lose. But that would only have held for about one time, and then the next time the world would have said, well, let's move on.

Q: There were some countries that had it as a real issue, but for the most part the China thing was rather soft, wasn't it? I mean, this was not a part of firm conviction or anything else.

SKOUG: No.

Q: Were you caught by surprise by Kuwait or Jordan saying, Oh, we'll vote for you, and then not? I mean, did you find it got kind of loose?

SKOUG: That could happen. Of course, when you have an issue very important to you where you're winning by only a small number, those things are critical. And so you had to make sure that they didn't happen. It didn't happen. We always won. We always managed to maintain the line, although it was close, but that did not happen by accident.

Q: Well, I mean did you sometimes have - again, just picking a place we'll say Jordan - did you sort of sit down with the desk and figure out, okay, we want to make sure that Jordan is on our side. They're showing some softness on the issue. What can we do to make it more pleasant to vote for our way or unpleasant for them to vote the other way, or something like that?

SKOUG: Well, normally first of all each regional bureau had an international advisor, so we went to them, and we did deal with the desks. Let's say in the case of Jordan - I can't remember if Jordan was... it probably was. Jordan, I think, voted with us. We would have to figure out what was the most feasible way of approaching Jordan and ensuring its vote, whether it was the Chinese who would do it or whether it was we.

Q: You say the Chinese, you're talking about Taiwan.

SKOUG: The Chinese nationalists. Yes, Taiwan. We called them the nationalists. In those days, of course, it was still the mainland refugees, not the native Taiwanese, who ran things. Whether the Chinese nationalists would do it or we would do it or whether someone else would do it. Sometimes you would ask a third party. Let's say the Saudis were more solid; then the Saudis could go to the Jordanians and remind them that this is an important vote, for the Americans, and the Americans are important to us and so forth. There are various ways of approaching it. I can't say that we offered big rewards, like a hydroelectric dam or something, if they would vote. You couldn't do that because there were too many votes and we had no yummys to give anyway. We did consult and consider all the risks and advantages. It was a full-time job making sure that this was -

Q: Oh, yes. And you must have heard screams and yells from the field all the time saying, You know, we've got other things to do, and they don't give a damn. Chad doesn't care which way China goes.

SKOUG: Yes. Actually Chad was firmly with us. In Senegal there was an issue because the Senegalese finally rebelled against will-intended Chinese nationalist advice. They wanted Senegalese fishermen to have their appendix removed because Chinese fishermen have their appendix removed. Fishing was so important to the Chinese that they couldn't stop and go back with a fishing boat for some guy who was having a ruptured appendix on board the ship, so to avoid that you have your appendix out beforehand. Well the Africans couldn't accept that. I must say, I sympathized with them. But that was the sort of issue that would come up. How do we help them? We're helping their fishermen and so forth, but -

Q: I must say that in a way this certainly gave you a world view, didn't it?

SKOUG: Oh, yes. We had the whole world. We had to worry about every single country. They all had one vote.

Q: Did you find there was a significant lobby or group within the United States that was pushing for the recognition of mainland China?

SKOUG: There were advocates of that, but they were not yet very influential. I think that that was a minority view. There was always the view that there were 400 million, 500 million, 600 million, 700 million Chinese, and they're going unrepresented and so forth. But the Chinese behaved so badly at that time themselves that it was difficult to -

Q: It was I guess the Cultural Revolution was in its... They've had several things. I can't remember if it was the Cultural Revolution or the Great Leap Forward.

SKOUG: Yes, I think the Cultural... Well, the Cultural Revolution really began shortly after the Communists solidified power, and those countries that had recognized them, you remember - even the Russians - the British and the Dutch and the Scandinavians had their embassies wrecked by this turmoil going on in China. So the ones who were out in front

trying to get along with China were getting their faces slapped, and that's the way the Chinese behaved. Now by the early '60s, I'm not sure whether the Cultural Revolution, where it had peaked. Mao had so many internal policies. "Let a thousand flowers bloom," and then they cut them all off after they popped up. But as I say, in foreign affairs they were at their worst, agitating, condemning the Americans, assailing the Russians for not being resolute enough against the Americans, and supporting Sukarno in his confrontation with Malaysia. So there wasn't a lot of enthusiasm for China. And then of course you had already had the confrontations over Quemoy and Matsu. There were two of them, but they were in the late '50s. They also had left a rather bad taste in Americans' mouths. So I don't think... Of course, I got away from China after 1965 and didn't follow that issue so closely, but it seems to me that until the time when Nixon went to China we were under no great pressure to do anything about China. Nixon didn't go to China, obviously, because there was a lot of pressure on him in the United States to do it. He went there because he saw an opportunity to recognize that we were facing a hell of a difficult situation in Vietnam and the Chinese were beginning to realize that the Russians were a bigger danger to them than we. Not only were they a hostile power but *the* hostile power, the most dangerous power, so there was something possible with the United States. And I think in part the solution they reached later in the United Nations was facilitated by the fact that we hadn't given away what we later could sell them.

Q: Yes. Well, then, you were doing this from 1963 to what, 1965?

SKOUG: Yes, 1965. I don't want to leave this subject without mentioning one of the few perks - Chinese meals. The GRC embassy representatives would invite us to excellent local Chinese restaurants, arrange everything in the kitchen in advance, and the "Gambai!" - bottoms up.

Q: And where did you go after that? In the first place, how did you find relations with the Asian Desk, EA or whatever it was called then?

SKOUG: I guess you can figure because of the stand that we took that the relations were better with the Republic of China Desk and with the bureau itself headed by, really, Marshall Green. He was the deputy assistant secretary, but he took the lead on Chinese representation, and Louise McNutt, who was the daughter of Paul McNutt. She was a stronghold, a staunch supporter of the GR in EA. So all those people were allies. The Mainland China Desk was opposed. That didn't necessarily affect personal relations so much, but as a bureaucratic entity that's what the opposition was.

Q: I would imagine that within the European Bureau you would have been, in a way, tolerated at best, weren't you, because they sort of had their own agenda?

SKOUG: Except that I had Germany, too, and I was supporting the FRG, and so there was a certain sympathy there.

Q: Ah, yes. You could pull the German card. How did we feel about the Hallstein Doctrine? Wasn't there some concern that West Germany would basically pull out of things if the East

Germans were recognized, and in a way there was a concern that this might be a bit self-defeating?

SKOUG: This we can get to when we get either to Czechoslovakia or back again to German Affairs when I was deputy director. But in short, the Hallstein Doctrine, if you will, was that the Federal Republic of Germany itself would not maintain diplomatic relations with any country which also maintained diplomatic relations with the GDR. They made an exception for Russia, because they saw it in their interest to recognize the Soviet Union. They had to get back thousands of German prisoners of war. So Adenauer made a trip. It could have been called the Adenauer Doctrine because Adenauer fully supported it. Adenauer made an exception for the Russians. He obviously recognized the Soviet Union, but West Germans didn't have diplomatic relations with anybody in Eastern Europe. They already had relations with Yugoslavia, but when Yugoslavia recognized the GDR, that created a problem under the Hallstein Doctrine. Bonn then had to break relations with Yugoslavia lest everyone else would follow along. And that was still the situation as late as 1970. No one had recognized the GDR except the Communist countries, and yet there was a danger. I remember Egon Bahr, Brandt's foreign policy advisor, talking about "the Indian time bomb." According to him, India was going to recognize the GDR, so we had to do something first because otherwise everyone would do as India did. Well, anyway, that's how that all came about, but in the early '60s the Hallstein Doctrine was still set very clearly, and Germany would have pulled out without question. West Germany was in all the specialized agencies in the United Nations, in fact a big contributor to all of them, and West Germany represented Germany in all of the organizations like the UPU.

Q: UPU?

SKOUG: Universal Postal Union. The old conventions that had been brought along into the U.N. system where only the West Germans were in and where they wanted to represent Germany as a whole. The East Germans were not members. That was the Hallstein Doctrine. We fully supported it, and the British and French did, too. So we held the line there, at that time. You have to jump ahead seven years.

Q: Well, I mean, at the time, was there any concern that the West Germans didn't have representation, say, in Czechoslovakia or Poland or the Eastern European countries, or we kind of happy with that?

SKOUG: Why I don't think that we were either happy or unhappy, but we certainly had our own interests in the GDR not being recognized because we had our responsibilities in Berlin. Again, we're anticipating what happens a few years later. Well, actually, it had already begun in '58 with the Khrushchev crisis over Berlin, so it was in the background already and was one of the antecedents of the Berlin Agreement. We were concerned that the GDR would be given responsibility by the Russians over the access routes to Berlin, and dealing with the GDR on the access routes to Berlin wouldn't be like dealing with the Russians, because although the Russians had a certain interest, they had a lot of other interests in the world, and the GDR was focused on Berlin, and the GDR would clearly have made it very difficult for us to have maintained any sort of rights in West Berlin. We

didn't want that to happen, and so we didn't want the GDR strengthened. At the time before the Berlin Agreement, before we changed our policy, we felt that for the GDR to be enhanced in that way would be not in our interest, and so there was no problem that I'm aware of that the U.S. felt with Germany's policy.

Now there were critics in Germany, in the SPD, the Social Democratic Party, and in the FDP, the Free Democratic Party, for example, a lot of people argued against the Hallstein Doctrine and this became one of the reasons why the two parties got together in the Brandt period and formed a coalition against the CDU and finally forced the CDU out of office in 1969. In part it was to bring German influence directly to bear in Eastern Europe, which they thought they could do by accommodating themselves to the GDR. This is really the heart of *Ostpolitik*. And I think probably some Americans felt that way, but there was no pressure. The pressure of the United States was not on the West Germans to change their foreign policy. They changed it all by themselves.

Q: You left there in 1965, so you've had your two years in the Department, and then what?

SKOUG: Well, I was selected for training in Czech language and subsequently for economic training. And UNP didn't want to let me go. They didn't think that I'd want to do that, but I did want to do it. Just to fill in on the personal side, eventually the position of my boss, who had left, was filled by a nice lady who was a good friend of the deputy director of UN Political Affairs, and she was brought in to be my supervisor, to supervise me in doing what I had been doing, so this was difficult. It's one of these things where the Department of State has too many people at times. We perhaps have too few abroad and too many in Washington. Anyway, it was not a matter of personality. They were lovely people. But it was frustrating to me to find that I would now have somebody supervising me in doing this. So I was happy to be given the opportunity to study Czech and to go there. I looked forward to that with great enthusiasm. And I took it.

Q: Often when one is taking a foreign language you pick up quite a bit about the country from your teacher, just by viewing their personalities and all that. What were you picking up about Czechoslovakia as you were getting this? You were doing this between 1965 and 1966 about. How did you find the Czech language?

SKOUG: Well, very difficult. It was much harder than German or Spanish or French. Those were the languages with which I was familiar. I'd even studied Italian out of a Berlitz book and could get around Italy, but Czech was far more difficult for me, like Russian later. The Slavic languages are tough. At least they were tough for me. For one thing, I was older. I was already in my 30s, and it's not as easy to pick it up at that point. It was a challenge, but I did acquire Czech, obviously, well enough to handle my job. It's just that it took a lot of hard work.

Q: So you went to Prague in 1966, was it? Oh, no, you had economic training then.

SKOUG: Yes, I had Czech training for 10 months, and that ended in the summer of 1966. Then they had just started this economic-commercial course. I guess they just called it the

Economic Course, under Jacques Reinstein, and we were in the second group. Only one group had gone through there before with this program. It was a program that went from July until December, really an excellent, excellent program. My background was really political science, and my doctorate, which I had concluded while I was still in UN Political Affairs, was on the Eastern policy of the German Social Democrats, and I hadn't done much on the economic side. So this special course was of great value to me, and I did a lot of reading about Communist economics, which is totally different from Western economics, to put it mildly, so that when I finished that course, my Czech level had eroded a little bit in five months of not using it, but when I went to Czechoslovakia in January of 1967, I could speak Czech and I could speak economic language well enough to focus on what looked to be the main interest that I had in going there, which was that it was going to be having an economic reform.

Q: Oh, yes.

SKOUG: The new economic system was begun officially in Czechoslovakia January 1st, 1967, and I showed up two weeks later. So I thought this was an opportune time. That's why I chose the economic job. I had been given a choice of economic work or political work. I thought political work in a Communist country would be exceptionally difficult because it's so hard to get to talk to anybody... I had dealt with Communist officials before. I had dealt with them when I was in Munich in spring 1961. We had a session with the Russians and Czechs one time in Salzburg - I don't know if I mentioned that - at an international conference in which RFE and Radio Liberty were present. The Russians and Czechs were there spying on it, and we got to know them. The conference was taking place shortly. It was before the Kennedy-Khrushchev meeting in Vienna, so we invited them for a drink and then they had us for a gala evening in the Czechoslovak consulate. There I got my indoctrination in dealing with Communist officials. I still recall the ominous sound of the heavy door to the consulate being closed and locked behind a colleague and me after we entered.

I found it to be pretty hard at first in Prague. We were butting heads all the time, but in economics and business there might be some way. You see I was also the commercial officer as well as the economic officer, the only one in our embassy, and that gave me an entrée. They could always say they were talking business with me. It was always possible for Communist officials to talk business, but talking economics would have been not so easy for them to explain to their security monitors. But once there, with a foot in the door, I could talk about anything I wanted to talk about.

Q: You were there from 1967 to when?

SKOUG: Till the middle of 1969.

Q: Oh, so fascinating times.

SKOUG: Yes, and this is what I covered in my book, Czechoslovakia's Lost Fight For Freedom.

Q: Let's talk, in the first place, about the embassy when you arrived in 1967 and how you and your colleagues viewed the Czech Government in relations with the United States at that time.

SKOUG: Well, it was a small embassy, very capable guys with different points of view, headed by a professional officer, Jacob Beam, who was later ambassador to the Soviet Union and had already been ambassador to Poland, a thorough professional. Ted Burgess, the deputy principal officer or the DCM, had been the head of the Political-Economic Section. It was a combined Political-Economic Section that was next headed by George Kaplan. Kaplan was on the cutting edge of wanting to have a new policy, a much more engaging policy towards Czechoslovakia. Then there was myself and another political officer, the CIA establishment, the military representatives, the public affairs officer (Bob Warner, who just died - a very good friend of mine), the Administrative Section, and the Consular Section. So it was a small embassy. As a matter of fact, when we had an inspection, the inspector had been serving there in the embassy in 1947, and we had a picture for him showing how big the embassy was then and how few officers were now doing the same functions.

As far as our view of the Czech Government, we came at a very hard period. We had caught one of their spies bugging the office of the director of Eastern European affairs in state and kicked him out a few months before, and that was still festering. Then they kidnapped an American from an airplane coming from Moscow to Paris, kidnapped him by diverting it to Prague, where everybody was let off the plane and then everybody was let back on except him, and he was then arrested for a crime allegedly committed 20 years before. He was a Czech-born fellow who had been accused of crimes in the immediate postwar period. He was exfiltrating people out of Czechoslovakia. So that was the situation. This man's name was Kazan-Komarek. Komarek was his Czech name. He had taken a Russian name, Kazan. This was something that engaged the Secretary of State. So relations were bad at the beginning. We forced the Czechs to release Kazan-Komarek by cutting off visas and other means. It was very tough at the beginning. They backed off on this case, but this was the last year of Antonin Novotny, the year in which Novotny was going to be challenged within the party by his own intellectuals. Economic reform was on, and that was something that he was suspicious of anyway because he saw his own powers being eroded by this process. So they looked constantly for an American spy that they could blame all this on. And I was one of the candidates. An American citizen named Jordan, who was a representative of the Jewish organization JOINT, was found dead floating in the Vltava River. It was pretty obvious somebody had killed him, but it wasn't clear who. This mystery remains unsolved. Things got very tough as the year developed.

Q: By the way, were you married?

SKOUG: Yes, oh, yes.

Q: How did this affect the family?

SKOUG: Well, my family was the greatest consolation to me. It would be impossible for me to live in a country like that without a family. Now I had my wife, and I had my daughter. My son wasn't yet born. And our cat from Mexico. We were a solid nucleus. I can tell you that the family was very, very essential. It was tough, but my wife - as I think we discussed earlier - my wife knew I was going to be in the Foreign Service before we got married, so I didn't take her by surprise. It's hard, very hard for the ladies to live in those countries. They're so isolated and there's so much pressure. For example, our maid would do things like removing some silver or a place setting before a diplomatic dinner, so you were expecting to be ready for 16, and suddenly you don't have the wherewithal for it. Little things like that. I had Columbia University buttons on my jacket, and one day it had no buttons at all. The buttons were all sewed inside the lining. Well, it was pretty obvious that someone had done this, and who could it have been? That was the sort of little tricks that they played.

Q: Were there problems just sort of going about your business? You know, people coming up, "Here, take this," and trying to hand you envelopes or anything like that?

SKOUG: Oh, yes. And as the crisis got worse there were notes on my door to meet at a certain place, "You'll recognize me by the book I'm carrying." Well you can counter that sort of thing, but there were surveillances. I'm aware of intelligence work. In the business, there's the discreet, and there's the close. The "discreet" is when the target is not supposed to know that surveillance is on. The "close" is when he's supposed to know it. I had both, discreet and close surveillances while I was there in Czechoslovakia. But that anticipates a bit, because at the beginning that wasn't done. You asked what the attitudes were. In 1967, at the outset, because of this Kazan-Komarek case, there was concern that not much progress could be made on any issue. Beam, in his original interview with Novotny when he arrived in 1966, got a very negative reaction. Novotny didn't care. He asked Novotny what his main objectives were. "Stomping out the last bit of capitalism," was his response. It was clear that it was a harsh place. Along with Ulbricht in East Berlin, Novotny was the closest thing to a Stalinist left in Eastern Europe in 1967. Other countries, Poland and Hungary, had already demonstrated resistance to Soviet domination. The Czechs, on the other hand, were militantly loyal to the Russians under Novotny. So here was Kaplan looking for engagement and others skeptical. Burgess also was in favor of building bridges. After we got rid of the Kazan-Komarek case, we did build a little bridge. We started to. We had civil air negotiations. Since aviation was economic, I took part in the negotiations. We didn't conclude an agreement with the Czechs in early '67, but we did have really quite amicable talks, and it wasn't political, it was really financial issues, their inability to let Pan Am have enough compensating benefits, that prevented agreement. Eventually in 1969, we got the agreement signed, but we laid the groundwork for it in '67. So in that sense, things were getting a little better.

Later in the summer, the Germans concluded negotiations with Czechoslovakia to establish a trade mission in Prague. Willy Brandt was now in a coalition government with Chancellor Kurt-Georg Kiesinger - Brandt was foreign minister. It was still Kiesinger, a CDU-led government, but with the SPD participating. And they sent representatives to Czechoslovakia negotiating for a German trade mission, which would be a first step toward

establishment of formal diplomatic relations. The Germans already had trade missions in the other Eastern European countries, and they wanted to get one in Czechoslovakia. They really wanted diplomatic relations. They were willing to recognize the Czechoslovak state and government. At this point the Hallstein Doctrine had been jettisoned, by Brandt really. And they were willing to recognize Czechoslovakia, but the Czechs wouldn't do it. They did, however, agree on a trade mission, and a German trade mission was opened up in early 1968. And so there were contradictory movements. On the one hand, the East Germans were worried by this Brandt doctrine, and so the Russians tried to form an "Iron Triangle," based on would be agreements between the East Germans and the Poles and the Czechs. The Poles were hardening at this point under Gomulka. He had been, of course, or he seemed to be, a relatively liberal Communist in 1956. That wasn't true by 1967. He was a hard-liner at that point and very concerned about the West Germans. Ulbricht was still in power, and Novotny was under pressure to cooperate with Ulbricht and Gomulka in forming this so-called Iron Triangle. At the same time, Novotny was not uninterested in getting from the West Germans what they could offer, because he had this economic reform on. So there were various trends.

I got involved in that part. I went to a Quaker conference for diplomats in Zvikov, Czechoslovakia in June, 1967, and the West Germans were there. Since the Germans had no representation in Czechoslovakia, I was able to play a sort of intermediary role between the Czech vice-foreign minister and the German representative, who then had a nice talk. We passed telegrams on behalf of the West Germans back to Bonn to further their initiative, which we fully supported.

My own primary role was to look at the economic reform, and the interesting thing was that it gave me access to so many able Czechoslovakian persons, particularly in the management field, not only economists. I had some people I could honestly call friends. They eventually became friends whether Communists or not, some of the economists. And the management people, even those who were quite firm Communists, liked American management methods. They didn't want the Yugoslav system. They thought they could have a Communist system and yet have American business methods.

Q: The Yugoslav system is one of trained control over the workers' council, which is a lousy way to do things.

SKOUG: That's the way management specialists saw it. There was an argument over this, however. Some Czechs favored workers' councils. The chief intellectual father, Professor Ota Sik, eventually came around to it, but on political grounds. In mid-1968, with the Dubcek regime under growing Soviet pressure to halt the reform, Sik urged workers councils as a means to protect gains already achieved. After the Soviet invasion, trade union and even business leaders thought that workers' councils offered some way to resist the reconsolidation of centrist power under the hard-liners. But to begin with, the management people wanted nothing to do with workers' councils.

Q: Well, what was the economy like? One always thinks of Skoda and other outfits that Czechoslovakia, particularly in the Czech part of the country, had prior to World War II,

been probably a major manufacturing center.

SKOUG: Right, it had the same standard of living as Germany. The income was just about the same. It was a major manufacturing country, and it continued to be. But under the Communist system, basically it manufactured the wrong things, and the quality of the production went down. The Skoda works continued to exist and produced machinery and equipment for power engineering. Automobiles with the Skoda trademark were produced by the Czechoslovak automobile works in Mlada Boleslav. It also manufactured trucks, buses, motorcycles, etc...

I should say Skoda produced a lot of heavy equipment for engineering and metallurgy. They did a lot of mining and manufacturing in the northern part of the country. In fact, that zone was just about devastated. They called it the "lunar landscape" because there was given no environmental concern whatsoever to mitigate the extractive process. But you're right, heavy industry. And it also produced a lot of textiles. Textiles was one of their exports to the United States. The trade between the United States and Czechoslovakia, however, was insignificant. Their trade was really with Eastern Europe and the Soviet Union.

Q: Until the unification of Germany everybody thought the East Germans really at least can produce pretty well, but it turned out to be almost as much of a disaster area as the rest of it. But I would have thought the Czechs were close behind on it.

SKOUG: The Czechs and East German economies were very similar. They traded a lot between themselves, and they made goods of the same sort of type and quality. The production was made for a less demanding market, the Soviet Union. Much that the Czechs produced could be sold to the Soviets. It was usually better than what the Soviets could produce themselves. I like to call it the "Babe Barna" principle. Babe Barna was a ball player who at the end of the 1930s and in the 40s played for the Minneapolis Millers in Triple-A ball. He was a fearsome hitter, had a lot home runs. From time to time he would go up to the majors to play for the New York Giants. They thought that a guy with such powerful hitting in the American Association would be formidable, but Barna couldn't hit major league pitching. So he never was able to make it in the majors. He would go up on a trial and come down. He was a fierce hitter in the Triple-A. Czechoslovakia and East Germany were playing in the equivalent of Triple-A baseball. They were able to hit the ball very well in their own minor league. They were the Babe Barnas of Eastern Europe. When I was in Moscow, any product coming from East Germany and Czechoslovakia was considered by the public to be better than what could be produced in the Soviet Union. Lines of Russians would be at the store anytime anything new came from Czechoslovakia or East Germany. If those products had been traded in Western Europe, hardly anyone would have bought them. They would have failed. They had gone up to the Majors and went down. I later had analogous arguments later when I was deputy director of German Affairs in the Department of State. There were people in the Department of Commerce who thought we should be trading with East Germany, this seventh or eighth greatest industrial power in the world. But I had seen Czechoslovakia, and I knew it was a power only because of the market it was in. It was not a power that would be able to sell much in

the West. East German automobiles could be used anywhere in Eastern Europe, and Czech cars, the Skoda and others, were sold at home, but they could not have been exported.

Q: Did you find much knowledge of the United States or even of the West among the managerial class that you're talking about? Did they understand what was happening?

SKOUG: Well, progressive ones did. There was a management institute headed by a man named Jaroslav Jirasek, and Jirasek clearly understood that American methods were superior, and he was training managers, sort of like the Sloan Fellows of Czechoslovakia. He was training them. He wanted to get them to the United States to observe our system. We wanted them to go, so we already had a mutual interest in inviting American managers to Czechoslovakia to talk to them about American management methods, and in getting their people their people to visit the United States. This was really bridge-building, and it took place in 1967. The ones who opposed it were the hardliners. They saw the danger in this thing. They did not appreciate people like Warner and me who were facilitating, working for these things. But the managers, the progressive managers favored it, and some of the most progressive managers later, after the invasion, were among the last holdouts against the reconsolidation of Communist power. One in particular headed the Decin Engineering Works, up by the East German border, which produced forklift trucks. Miroslav Gregr, had been sent there to close it down because it was losing money. Instead of that, instead of closing it down, he began to advertise in the newspaper for more people to work there, and he focused on quality. He began to focus on selling his forklift tractors in Western Germany if they were good enough, and he did. He was a successful manager. He demonstrated that even under the Communist system, which was just beginning to be reformed - and a lot of people were criticizing him, but anyway he created a plant in Decin which was exporting to the West. Later he was one of the managers who studied with Jirasek at the management institute. Finally, in 1969, he was elected the head of the Czechoslovak Managers Association, which was newly formed. He then was asked about workers' councils which the Soviet occupiers opposed, and he said that they were not a problem. He said that "We'll work just as well with or without them. What I'm worried about is reconsolidation of power above me, not what goes on in my plant" So there were managers like that - although not enough. For most managers, of course, I can't speak, because there were thousands of entities there, and I imagine that most of the managers were not of that quality, but there were some who were, and it was those managers and those methods that the reform was trying to advance and make models for the rest.

Q: In looking at this, was the feeling that the Czech Communist Party, the hierarchy was probably some of the most rigid and unprogressive within the Communist Bloc?

SKOUG: In 1967 the top people were very hard, and the pressure that had come from the Russians in previous years had been to "loosen up, Baby." Even Brezhnev had been sent at one point by Khrushchev to tell Novotny to not be so tough, not to reintroduce methods that weren't used in the Soviet Union and so forth. That changed because in about 1966 the Russians under Brezhnev began to harden towards their own people, but the top Czech leadership in 1967 was considered to be one of the hardest. At the same time, there were some opportunists there. For example, the vice-premier, Oldrych V. Cernik, became one of

the leaders of the Dubcek system. In 1967 Dubcek himself was in the Presidium of the Party, and head of the Slovak communist party. He was already more liberal than was understood, but not so outspoken that he was intolerable to the hard line Communists. He was trained and had even grown up in the Soviet Union. So not all of them were as hard as they seemed. For one thing, the Czechoslovak communist party was enormous. It was a big party, one of the biggest in the world, relative to the population of the country. As Jirasek once told me, "Our party is like a national front. There are a lot of different views." It wasn't a monolithic party, but when Gustav Husak later consolidated power in 1969, one of the first things he did was to purge the party and cut its size. He cut out all the supposed liberals and social democrats who were in the Communist Party. As for the economic reform, they never reformed the economy. The economy was down and never got going. But what the reform did do, was to open up debate. Issues began to be discussed. Why are we producing this? It opened up questions that the Communist system doesn't like to see discussed. They like to have it decided by *Gosplan* or something at the top, by a few top people, and then the orders go out and, as Ulbricht once said, he wanted word to come back immediately from the farthest part of the republic, *Befehle ausgeführt!* Orders have been carried out. That's the way the hardliners thought. But if you have a reform, when you talk about a new system of management which is going to let managers decide how much of this to produce and where to sell it and so forth, freedom of choice slips in. Of course, they thought they were going to do all this within socialism. There would be no capitalism, but in theory still all these socialist firms would be trading and wheeling and dealing and competing with each other. It was an unrealistic objective, but at least as an objective it opened up debate. And the debate itself was the seed of the Prague Spring of 1968. One of the seeds of the undermining of the dictatorship was the economic reform and the discussions that went on, plus the fact that Otto Sik, although he'd been at Mauthausen with Novotny during the Second World War, came back with different views. Novotny was a Stalinist, and Sik was a social democrat within the communist party. Sik wanted freedom. He couldn't say it, but he kept insisting that for economic production we've got to have this, and everybody agreed production had to go up because it was slumping, had fallen. Their national income even fell. And so that wasn't acceptable.

Q: Was there the problem that often occurs in the Soviet system or the Chinese system - you know, we have an agreement, you don't pay me, and I won't work, more or less [I pretend to work, and you pretend to pay me]? There wasn't much in the way of incentive to really produce.

SKOUG: No, there wasn't, no. The incentive was to produce the wrong thing. Production of goods really wanted on the market was not stimulated by the system. The system prevented that from taking place, and they knew that. That was one of the things that motivated the reform. The reform was really over Novotny's dead body. He didn't want an economic reform, but he thought he had to accept one. There was no other way he could get around his falling production except to have it.

Other big problems were - the economy was only one of them - other big problems were the intellectuals, the playwrights, the movie producers. He'd got along, he'd managed them. Czechoslovakia had *The Shop on Main Street* and other critical films. People outside

Czechoslovakia couldn't understand how come such a rigid Communist country could be producing these plays, books, and movies.. Novotny had an understanding of sorts with these guys. They were good Communists. They were all in the party, except Havel, who wasn't a member. But most of the others were. And he rewarded them. This guy would be artist of the year and so forth, and they'd be given things. Talk about bribes - I mean, they'd be given a *dacha* somewhere. They didn't call it a *dacha*. They would be given material rewards, and they accepted the rewards. They accepted the honorifics. And their bellyaching was essentially that they wanted more freedom of expression, but as long as they got some freedom of expression they wouldn't challenge the system itself. And so this understanding or tolerance existed with the intellectuals, who were terribly important in Czechoslovakia because they had been among those who brought about the Czech renaissance in the 19th century. But finally they got hooked on the issue of Israel, of all things. Novotny was a determined follower of the Russians, and when the war between the Arabs and the Israelis broke out in 1967, the June War, Novotny immediately broke relations with Israel. And the Czechoslovak press took the Arab side completely. This took place just prior to the writers convention, and this time instead of sticking to more freedom of expression, they condemned the whole Novotny system. They made a broadside attack on Novotny, which of course leaked almost immediately. So the intellectuals were really in revolt against Novotny. He tried to crack down, but the more he cracked down, the more dangerous it got. At that time he still had some support within his system. For example, the Journalists Union later condemned the Writers Union for its audacity. Novotny was talking about a real purge, and they had some bloody purges in Czechoslovakia after 1948. That's what it looked like was going to happen again. Then, to compound matters, he went to Slovakia. He was considered a man who didn't like Slovaks, and the Slovaks and the Czechs had a very tenuous relationship. The Slovaks felt that the Czechs were clever fellows who dominated and manipulated them, and they didn't want to be dominated from Prague. Novotny did not have a light touch in dealing them. He made a speech in Martin, which was a center of Slovak nationalism, and he managed to insult the Slovaks. And after that, Dubcek, who had gone along with the tough measures that he had ordered against the writers, bucked him on the Slovaks because he was the leader of the Slovak party. Novotny then had Dubcek investigated by a "committee of five" to see if this wasn't "nationalism" - he didn't say "bourgeois nationalism," but that was the implication. Bourgeois nationalism was grounds for the death sentence. Dubcek in his memoirs tells about how he had to worry about the midnight knock on the door. This was happening in the fall of 1967.

Q: I'd like to stop here because I think we're coming to a very important stage and it's a good time to stop, before we do this. I'll put at the end where we are. We're talking about Novotny beginning to move into putting pressure on Dubcek and how the writers had revolted over his stand on Israel, because I think then we want to move into the whole process. And also, a question I didn't ask but we'll talk about next time if we could is about the Soviet presence there. I'm talking about when you first arrived.

Today is the first day of November, 2000. Well, you were in Czechoslovakia from when to when, this time?

SKOUG: From January of 1967, about the time the economic reform started, to June of 1969, which was shortly after the fall of Dubcek and the accession of Husak to power.

Q: Okay, we were talking about dealing with the writers and all. I think this was before the

SKOUG: Yes, I think we talked about the fact that although Novotny seemed to be firmly in control of the problem areas, and one of them was the writers, the writers strongly revolted against him in June of 1967, spurred on, I think, by the problem in the Middle East, where they took the side of Israel and felt that Novotny was one-sidedly pro-Arab, which was of course true. Another problem was Slovakia, where he had offended the Slovaks. It wasn't just a matter of bruising their pride; he had had a lot to do with the repression after 1948, and the Slovaks had suffered a great deal. The feeling was he didn't like Slovaks. Slovakia, surprisingly at that point, was a little more liberal, because Dubcek had something to say. He was the first secretary of the Slovak Communist Party and also sat on the Presidium of the Czechoslovak Party.

And then there was the economic reform, which by late 1967 was clearly showing problems, and yet it had awakened a lot of expectation, and more important, it had opened the way for people to speak frankly and clearly, within limitations, about economic problems, what needed to be done, what wasn't happening, whether due to this problem or that problem. This was a much more open discussion, even if it was within the Communist Party. The Communist Party was huge - one million members. In a small country that was a very substantial party. It was referred to by a Communist friend of mine as a national front organized as a Communist Party. Novotny knew that very well, and he was really crying for a purge of the Party.

So you had the writers, you had the economy, you had the Slovaks, and then you had the students after a m  lee with the Czech police, when the students had been demonstrating simply because they lacked light in their facilities. They weren't getting any response, and a Communist youth newspaper reporter was up there interviewing them when the lights went out. So they sat around playing guitars for a while, and then they decided they would go and demonstrate, and 1500 of them marched down Nerudova, which was the royal road leading to the Hradcany Palace, and they were shouting, calling, "We want light" and "We want work." You know what students will do when they get out. And it just so happened that the most contentious Central Committee meeting in Novotny's long tenure as first secretary of the Party was going on in the Hradcany. He was attacking Dubcek for nationalism at this point. In the bitter debate Dubcek was defending himself and the wraps were beginning to come off for the first time. Ota Sik criticized Novotny's system. Then they heard the students, yelling and shouting outside. The police asked the students, in effect, what's your purpose, and they said they wanted to see Novotny. So the police said, "Well, let's get a little delegation of you," to discuss this. The students laughed because in the past delegations like that had been accused of stirring up mobs and then been arrested. More police arrived and there was a confrontation. The students were being forced back up the hill, the police trying to keep the traffic open. Push came to shove. People started

getting arrested, and then the police chased the students into their quarters, which were sacrosanct, even under the Communists supposedly. When the students sat down, the police went in and beat them up. And that led to a public inquiry.

So you had all those things going on by November, and there was a very important plenum of the Party in October. The next one would be December, and that's when Brezhnev showed up.

Q: A couple of questions before we reach that point. You mentioned the writers. Now how did you see the role of the writers within the Czech context?

SKOUG: Very large, because it was the Czech writers who had kept alive the Czech language, to the extent that it was kept alive, in the centuries of Austrian domination. And they were very much responsible for building the Czech National Museum and so forth. The development of Czechoslovak independence in 1918 had a great deal to do with Czechoslovak intellectuals. During the first World War they couldn't fight for their independence. Instead the Czechs sort of lay down on the job, as did Jaroslav Hasek's Good Soldier Svejk in the First World War. There was nothing for them to fight about. They were on the Austro-Hungarian side and they didn't want to fight. So the writers enjoy a very prestigious position in Czechoslovak society which even Novotny had to respect. He had to cajole them as well, giving them awards and petting them, and they had their own *dachas* - they didn't call them *dachas*, but essentially country villas. They were well taken care of. And for the most part they accepted this, went along with it, but insisted on their own freedom to criticize this or that aspect of society. When they really got in trouble was when they began to criticize Czech foreign policy in June 1967, and particularly the allegiance to the Soviet Union, which was untouchable.

Q: Well something I forgot - the 1967 War. I was in Yugoslavia at the time, and the Communists, including the Yugoslavs, sort of jumped on the side of the Arabs, but most of the people in these Communist countries, particularly the intellectuals and the people who were following it, they were sort of rooting for the Israelis, and it caused a lot of problems.

SKOUG: I think that was analogous.

Q: Well, now, during this time, up to the time we've come to, how was the embassy operating? How were contacts, and was there sort of a spirit of "What's going to happen here?"

SKOUG: Well, for a while we didn't recognize that there was a threat to the Novotny regime. He seemed so firm. But after June, word got out. Within the embassy one of the people who had the most contact with the Czechs was the press and cultural officer, Bob Warner. Bob, who had USIA funding, and his wife Isa were a very gracious couple. They lived out in the middle of Prague, and he could always get the Czech intellectuals, who would be sent to the Salzburg Seminar or something. He had funds available to get some of them to the United States. He was well liked, and he very quickly picked up what was going on in the Writers Union. I would say that I had probably the other major element of

contacts because I had all commercial work and the economic reform. And I was lucky because those same principles I mentioned, of openness, willingness to defend this, willingness to accept criticism, admitting they were doing this wrong in the past - they were rather anxious to explain what the purpose of the reform was, and a lot of people wanted to talk to me. So it wasn't my blue eyes. My Czech language helped, but I had access to them. And then there was George Kaplan, the political chief, who was very shrewd and had served in Rumania. He spotted the weaknesses before anybody, by September. Then you began to have things like the death of Jordan. By the way, a Czech reporter called me about the Jordan case just about a week ago. He is doing a documentary film on Czechoslovak attitudes toward Jews and the Near East in the postwar era.

Q: Could you explain what that was?

SKOUG: Oh, yes, the Jordan case... Did we discuss this?

Q: I don't recall it.

SKOUG: Charles Jordan was a prominent American Jew, who had lived in Czechoslovakia prior to World War II and who was a senior official in JOINT, the Jewish joint distribution committee. He had been to Israel. In August 1967, he arrived in Czechoslovakia with his wife, Elizabeth. They were touring Eastern Europe. I've forgotten where he'd been. He'd already been in Rumania, but anyway, he was on tour to a number of Communist countries, and he planned to go also to Moscow. He visited the embassy. He spoke with Kaplan. He spoke with Ambassador Beam. And then that night he disappeared. We found out about it first thing in the morning, I think, when the wife, called up and said her husband had walked out to get a newspaper or a pack of cigarettes and had not returned. Well, we called, of course, for an investigation. The Department asked Ambassador Beam, who in the meantime had gone to Germany, to return to Czechoslovakia. For a while Jordan was missing. Then he turned up a couple of days later in the Vltava River drowned - no sign of physical violence. The Czechs were embarrassed - at least appeared to be embarrassed. We assumed that a visitor like that, who obviously had political connotations in a situation where Czechoslovakia had broken relations with Israel (even though this guy was an American, he was closely associated with Israel), he was being watched carefully no doubt by the Arabs, possibly by some terrorist organization. And so we pressed the Czechs to tell us what happened. The Czechs said they didn't know, that there had been loud voices, possibly a confrontation between the Jordans and so forth, raising the idea that Jordan had perhaps committed suicide or something, which seemed extremely unlikely. You don't jump into a river in Czechoslovakia, especially a river like the Vltava, for a swim. Somebody probably put him in the river, and the question was who it was, whether it was Arabs, the Czechoslovak secret police, or the KGB. I'm assume the KGB was involved since Jordan was an international figure and was planning to visit the USSR. Did they slip up and let this guy just wonder off... which is possible, but unlikely - or were they watching and thinking, well, the Arabs will rough him up or the Arabs will kidnap him and hold him or something, whatever? He disappeared, was found dead, autopsies conducted, couldn't find any violence, and the case has never been solved. We pressed it. Back in 1968, as I'll explain, we had a little more influence with the Dubcek Government than we'd had with

Novotny, and they simply said, "We don't know."

Anyway, this was a shocking case. There had been a kidnaping, by the way, earlier in the year when a South Korean team played volley ball in Prague. The victim was a sportswriter following the South Korean volley ball team and he simply disappeared. Possibly he was South Korean intelligence. In any case, we never knew his fate. The Koreans weren't represented in Czechoslovakia. I later learned he'd been turned over to the North Koreans and probably was tortured to death. So that sort of thing, common in the 1950s, was still possible in Czechoslovakia in 1967, as the Kazan-Komarek case also showed. They were ready to play hardball, and by the fall of 1967, Miroslav Mamula, head of the Eighth Department of the Central Committee, which included security and defense matters, had organized a militant movement to protect Novotny come what may and to find somebody responsible, whether it was an internal opponent or "Western spies."

Q: Well, all these movements - the students, the writers and all - what was the Czech media and other organs of the administration doing towards the United States? Were we responsible for it all?

SKOUG: Well, the Czech media betrayed no sign that there was any disturbance going on, but they condemned *Literarni Noviny*, organ of the Writers Union. They condemned the writers. Let's distinguish between the journalists and the writers. The writers were playwrights and people who made films or wrote books and so forth, sort of the intellectual writers. They were the ones in revolt. The journalists were not in revolt. The journalists' organization condemned the writers for their challenge to society. They were completely dominated by what faithfully reflected the Party point of view. You could read one newspaper and you'd read them all. We used to read several newspapers, and there'd be virtually no difference. So in 1967 you could not look to the press or to the media. There were good people in the media, but they weren't able to do anything yet. They hadn't passed the liminal where they could begin. The explosion of 1968 was precisely press and radio, but at that point in 1967 they were still placid.

Q: Well, then, you were saying Brezhnev came. That was sort of a crucial point, was it?

SKOUG: That was very crucial.

Q: He came when?

SKOUG: I think it was December 11th.

Q: 1967.

SKOUG: 1967. And the Central Committee was about to meet, and Brezhnev hadn't really been invited. No one knew who invited him. Apparently Novotny had invited him, hoping that he would come and attend the plenum and warn that, you know, "The Soviet Union is watching you," and that would calm things down. But he didn't do that. Instead, he talked to Novotny, he spoke to Dubcek about this nationalism thing, and he spoke to Jiri

Hendrych, who was the number-two man in the party, a faithful Communist and the head of the ideology department, the one who had been jousting with the writers and had condemned them and was considered, if anything, worse than Novotny. Dubcek had done a very clever thing. Dubcek had already challenged Novotny's double role, which was being president of the country, a very powerful office in Czechoslovakia because Thomas Masaryk's prestige built the presidency up, and he was also first secretary of the Party. And so this was sort of a duplication of powers or "accumulation of offices," as it was called, and Dubcek had raised this question. He had artfully suggested to Hendrych that if Novotny had to step down as first secretary of the party, Hendrych himself would make a good first secretary. Hendrych happened to be on the five member Committee deciding whether Dubcek was a "nationalist," and Hendrych voted he wasn't. And Hendrych told Brezhnev that he himself would make a good first secretary of the Party. When Brezhnev heard that, he decided that - well, who knows. Brezhnev said nothing, but one infers from his action that "It's up to you, dear Czechoslovak comrades." So he left. And Novotny later said it would have been better if he hadn't come, because with Brezhnev in Moscow Novotny could at least have taken the position "I've been talking to Brezhnev, and he is very concerned with what's going on." Instead he comes, and says, "It's up to you, Comrades." So it was up to them.

The big battle was the December plenum of the Central Committee. Of course, we were not getting daily reports. There was no CNN, and there was no interviewing this guy and that guy. Kaplan was no longer in Prague. I had a number of friends, and they were telling me that there would be changes in the government. It was obvious. There were too many issues that they couldn't all be swept under the rug. So it became obvious, and we were reporting, that Novotny might be replaced as head of the Party by - we were thinking - Cernik. Cernik was a deputy premier, and he was thought to be one of the liberals. It didn't quite work out that way. There was opposition to Novotny., but there was no rival candidate. The conclusion of this historic committee was then postponed until the end of December. It was at this point that the threat reached its maximum. Dubcek went back to Bratislava at one time waiting for the knock on the door. He thought that maybe Novotny would say, "Heck with this stuff. Let's crack down." He didn't. He never quite had the nerve to let Mamala run rampant, although the troops were ready. Some of the troops mobilized. By January 3rd, 1968, Novotny was still fighting for his position, but on January 5th he had to give up. There had been so much opposition to him, without anybody forming a successor. Some people wanted Jozef Lenart. Lenart was another Slovak who was thought to be a liberal, but he wasn't. Anyway, finally by a process of elimination, the party leadership settled on Dubcek as the one compromise candidate everybody could accept, not because Dubcek stood out for his leadership at this point, but because he seemed to be acceptable to enough people who did not want Novotny.

Q: Well, what had Novotny done? Was it just that he was too powerful a leader and had too many enemies?

SKOUG: Yes, and he was associated with the purge trials of the '50s, which he tried to deny, but it's quite clear that he was. He was a very senior member of the Party. When Klement Gottwald died in 1953, Novotny was there to replace him. And so he'd been in

power a long time. He'd made a lot of enemies. He'd been able to maintain power because he kept the country quiet, and that's what the Soviets liked. If anything, the Soviets wanted him to loosen up. On one occasion, when Khrushchev was still in power, he sent Brezhnev, and Brezhnev had told Novotny he should relax his style, let people out of prison - people like Josef Smrkovsky, who became one of the great men in 1968, possibly the greatest ally of Dubcek. He'd been in prison a long time. Even Ludvik Svoboda, the man who became president, had been in prison briefly at the time of the purge. The purges had really cleaned out the Party, and now these people wanted rehabilitation. In addition to that, of course, there were thousands and thousand of totally innocent people who had been purged, and they needed rehabilitation. Novotny was very slow on that. Novotny was slow on economic reform. The reformers wanted to do a lot more than he was willing to do. He finally agreed to it, but on the grounds or with the understanding that there would be no political implications - but he couldn't stop the political implications.

Q: Well, was it that Novotny was sort of out of touch, or was it just his type of leadership was passé?

SKOUG: Well, I think that he was aware that there was a lot of opposition. He made various threatening speeches saying liberalism is on the loose and we can't tolerate this, we can't tolerate this indolence in the population. He saw in a lot of this social criticism from the literary people an indication that the Czechs were not tough like Communists ought to be. The party was too big. The party was too soft. He wanted a more militant stance. And yet he lacked the authority. He lacked friends when it came to the push. When it came to the crisis, even people like Hendrych weren't willing to support him. So they were able to let him go. By the way, they didn't let him go entirely, because he stayed on as president of Czechoslovakia. As a matter of fact, when he laid down his office as first secretary of the Communist Party, unlike most people in a Communist-style takeover, Novotny wasn't trashed. He was thanked for his great service and so forth and was expected to stay on to do important things as president of the country. In 1968, Novotny continued the fight. He opposed Dubcek and quickly played on Moscow's suspicion that something was wrong in Czechoslovakia. Brezhnev, having made his mistake in December, 1967, was probably especially alert to this sort of thing because his colleagues in the Politburo would hold him responsible if things went wrong..

Q: How did things develop?

SKOUG: Well, Dubcek came to power. The Party published his life history, which we began to study. He had grown up in the Soviet Union, had been taken there as a small boy. He spoke Russian fluently. He'd only come back to Slovakia at the time just before the Second World War because the Soviets insisted that those exiled Communists like his father and mother must either become Soviet citizens or leave. And they chose to leave rather than become Soviet citizens. That's how Dubcek got back to Slovakia. He took part in the Slovak uprising against the Germans in 1944. His brother was killed in the fighting. He had the record of a lifelong Communist, the son of lifelong Communists, who had trained in the Soviet Union and ostensibly the Russians should have been very, very happy indeed. But really, they weren't so happy because they knew he had been there at the time

of Khrushchev, associated with a lot of Russian critics. Khrushchev in domestic politics was something of a reformer, and Dubcek shared that spirit, and he later wrote that although he and Milos Jakes and others - I think possibly Lenart - were all in the Soviet Union at the same time studying there, "We may have read the same books, but we didn't come back with the same ideas." He later maintained that he came back with a more tolerant idea, and really the record bears him out, because in the fight for rehabilitation of former political prisoners, Dubcek was on the side of rehabilitation; Novotny was on the other side. Dubcek, as he became head of the party in Slovakia, permitted the Slovak Writers Union much greater freedom than the Czech Writers Union had, particularly after the crackdown. *Literarni Noviny*, which was the organ of the Czech writers, was placed under the Ministry of the Interior by Novotny in 1967, after which time no one would write for it. And they all began to publish from Slovakia, where Dubcek was. So it could be inferred that Dubcek was not a hardliner - he was very pro-Russian and he maintained that outlook until his death. He always thought the August 1968 intervention was a tragic mistake. He liked the Soviet Union. If only the Soviet Union had been able to understand that he was trying to make communism popular again, whereas Novotny had abused it. If you really opened the windows, people would rally to the cause. And that's what Dubcek, in his naïveté, believed, and he believed that he ought to be able to convince the Russians. There are sort of two theses about the first months of Dubcek, and of course Dubcek did not have a long time in power, but he did have until the invasion about seven and a half months. During the first two months it was thought or sometimes said that the other Communist countries gave him a honeymoon, and the Czechoslovak population didn't see much difference between him and Novotny. I can assure you that neither of those are right, because almost immediately it was clear to any observer on the scene that there was a brand-new spirit in the country. A television program would appear without "Party spirit," without an ideological content. There was a documentary on the three houses which the Peceks prominent Czechoslovak coal barons had built in the 1930s. The television reporter simply pointed out that one of them was occupied by the American ambassador. Here's the American ambassador living in this Petschek house. The Soviet embassy is in another one, and the Chinese embassy was in the third one. And they didn't say "boo" about the exploiters being in one and the... It was just a documentary. Well, if somebody who didn't know communism had seen that, he would have said, "Well, it's like what you see on television." But you didn't see that on television in Communist countries or in the Novotny period. So very quickly there were real changes. And it was pointed out to us... There was an editorial in *Rude Pravo* right away-

Q: Rude Pravo being the main-

SKOUG: -being the *Pravda* of Czechoslovakia.

Q: What does it mean - "Workers' Truth?"

SKOUG: "Ruddy Truth," or "right," *pravo* is "right." It means "law" as well. This editorial said, in effect, the party needs to explain what it is doing because, for one thing, the *Rude Pravo* staff had rebelled against knowing nothing of what was going on in December. They themselves didn't know. They really couldn't explain, even though the press was totally

muzzled. They didn't know because nobody told them that there was a revolt going on, so they demanded to know. Particularly they wanted to know whether somebody mobilize the armed forces to protect Novotny? And it later developed that, indeed, that had happened. Well, this was pointed out to us as a very significant editorial, and we advised the Department of State to look at it with special interest. It was indicative, and although Dubcek didn't run around making speeches at the beginning, wherever he appeared, his spontaneity came through. You could see that this was not another Communist *apparatchik*. We speculated in our first assessment on how much power he was really going to have because he was already talking about "humanism," and a little bit of reform, but we wondered what was going to happen to the leading role of the Party. Of course, this was an issue that never was resolved. The issue was there from the beginning.

Moreover, the states around him were all concerned. The first one was Hungary, and János Kadar played the role of cat's paw. János Kadar was used by Brezhnev, "You be the good cop." And then the bad cop would be Gomulka.

Q: In Poland, yes.

SKOUG: Gomulka would worry that he would lose control in Poland if the independent mood in Czechoslovakia spread North. And Kadar would take the position, you know, "Well, we reformers have to be very careful," and so forth. Dubcek sensed this right on because he was invited - summoned, you might say - to Moscow by the end of January, and he explained to them that reform was needed after Novotny. He could see that his ideas of reform were greeted with great skepticism in the Soviet Politburo, which was going the other way. They had their own purge trials going on, a purge of writers and so forth. It was a hardening in the Soviet Union at the time when the Czechs were becoming more liberal. It was their misfortune they had missed a happier time when the Soviet Union might have been more tolerant.

Q: Well, did you sense a change in sort of the Czech attitude towards American diplomats? Were we opening up, or were we just sort of getting our information from tea leaves and newspapers and all?

SKOUG: No, they were much more willing to be open. For one thing, the civil air negotiations - I think I mentioned that in the last session, the civil air talks we had with the Czechs in 1967 - they resumed in Washington in early 1968, and I had a reception for the delegation before they left. They were happy to come. They talked about how they thought now things would be more propitious.

So they were decidedly more open, willing to talk. I can't say that the attitude towards the United States was altered on the gold/claims issue. That didn't change, because we - we, the British, and French, but really we - had the gold that the Germans had looted from Czechoslovakia, and we hadn't given it back because we were holding it for a satisfactory claims settlement, and there was a great dispute about this particular issue. And it didn't help when Jiri Hajek, who was a wishy-washy reformer, became foreign minister, because Hajek had been the one who had negotiated a draft claims agreement in 1961 with the

United States which we weren't willing to follow through on. The Department of State was sure the Senate would never accept such a small figure for property expropriated without compensation by Prague. So he was very, very negative. We had an openness then, and the real area of openness was cooperation within the management area. Actually the Czech reform was called "the new system of management," and my best contact in Czechoslovakia was the director of the Management Institute of Czechoslovakia, which was set up to really train managers and implement the system of reform. They wanted American management methods and techniques. They wanted to meet American managers. They wanted to visit the United States and see American firms. And we, of course, were very, very happy to pursue it. So they opened Czechoslovakia to me. I had already visited some factories. I had much greater opportunities in the company of Jaroslav Jirasek and his colleagues at the Management Institute. And there were other officials - there were management officials at the Higher School of Economics at Prague University. They were similarly anxious. They weren't quite as well wired. Jirasek was closely associated with ex-Premier Lenart, and although he was still somewhat skeptical of the Dubcek reform - he was really concerned with management reform and I think he thought Dubcek was naive - still it became much more possible to cooperate with them in the management field. Very little was done in trade. We didn't have much trade anyway, and as I say, the gold claims issue made matters worse. The United States had given the Czechs a rather tough proposal in November 1967, greatly raising the amount of money we were asking, for the very sound reason that Congress and the creditors in the United States wouldn't accept the original bargain the Department of State had negotiated in about 1961 - two or three million. It was something like three cents on the dollar, and nobody would accept that. So we had to live with this problem, and it didn't get any better.

Q: As I recall - again I go back to my Yugoslav experience - around 1965 Congress had insisted that there be conducted in the field investigations by federal benefits people - particularly Social Security people - to see that people were still alive and all that. And we got a very reluctant agreement out of the Yugoslavs, but I understand the Czechs also agreed to that. Were you seeing any results of this sort of thing?

SKOUG: That sort of thing was negotiated in the middle of 1968 at the time we were trying to work out a major settlement. We made them an offer which included the gold and would tie in the claims... Beam wanted to tie it to MFN treatment for Czechoslovakia. We didn't do that. But anyway, part of the deal was that they would get the access to those monies, the Social Security monies and so forth or Veterans' Administration or whatever social claims checks citizens might have, and there was a stipulation that people would come from Washington to verify the legitimacy of the claimants. The Czechs didn't like it, but they accepted it. They were willing to have them come. Unfortunately, by the time this agreement was to be implemented, the Soviet forces were arriving in Czechoslovakia.

Q: Did you feel the hand of Czech refugee or maybe not just refugee but sort of Czech or Slovak communities in the United States, immigrant communities? Did they play any role? I mean were they sort of coming in and getting some congressmen to make statements and all that?

SKOUG: No, compared, for example, to the Cuban situation, they were always very, very small. Congressman Vanik was not particularly involved. He was more involved in the Jackson-Vanik Amendment that affected the Soviet Union, but he wasn't really involved in Czechoslovakia. There was interest. Senator Pell, however, led the interest. Pell was kind of a dabbler in Czechoslovakia because he had served a tour of duty in Slovakia.

Q: He was very proud of having opened up Bratislava.

SKOUG: Yes, because he'd been in Bratislava before. But he was not willing to carry the heavy load because the heavy load, if he wanted a claims agreement, wasn't in negotiating with the Czechs so much as it was negotiating with the creditors and Congress. The creditors wanted substantial settlements. And that didn't change. As a matter of fact, that was tough. It was a general tendency, by the way, of the Dubcek government to keep the United States at arm's length because as the Soviet dissatisfaction and the East German-Polish dissatisfaction with events in Czechoslovakia began to rise, the Czechs saw keeping the United States at a distance a way to demonstrate to the Russians that they were loyal. They were not going the way of the Hungarians by any means. They would stand with the Warsaw Pact. There was never any question that they would be loyal to their obligations. And so they sort of welcomed a hard, formal relationship with the United States - no visiting trade mission, for example. They made that clear to me in February. "As long as the gold/claims issue remains, forget about having any trade mission here." Well, we didn't have a trade mission there, but we did send managers. We were able to work around it, but on anything that would catch public attention they wanted to be negative. Of course, they were top aid givers to the North Vietnamese, which didn't help, either; at the time, of course, the Vietnamese War was at a height, and next to the Russians and the Chinese, the Czechs were providing about as much help to the North Vietnamese as anyone. There was a major demonstration at the U.S. Embassy that went on for two days in the spring of 1968, in which a Vietnamese student tore down the American flag from the embassy and they kept the embassy hermetically sealed for two days. The Czechs permitted that. They thought that would be good news in Moscow, at a time when they were beginning to have bad relations, which made it more difficult for us to be helpful to the Czechs, not that we had been very able to help them much anyway.

Q: Did the ambassador sort of say, "Look, this is a developing situation, and while we wish them well, we could just louse things up if we get too close." Were we sort of deliberately keeping back ourselves, or did it just happen because that's the way the Czechs were?

SKOUG: For one thing, Secretary Rusk was not an admirer of the Czechs, for one reason or another, possibly their attitude on Vietnam. Also, Secretary Rusk had a plan going for LBJ. In 1968, LBJ had renounced running again for office, but he wanted a swan-song visit to Leningrad (St. Petersburg - Leningrad in those days), where he would meet Soviet Premier Kosygin. Kosygin was thought to be an important negotiator at that point. He wasn't so important, but LBJ thought he was. LBJ was to meet Kosygin in Leningrad and they would talk about arms control. Johnson and Rusk had in mind a great arms agreement which would go down on LBJ's escutcheon as, you know, along with the Great Society here's the Great Agreement with the Russians.

So in a way the Czech situation got in the way of this. Rusk himself did not want, never wanted the situation heated up. He resisted any effort to publicly make a stand, and he was supported by most of the top people in the Department - not all of them, but most of them - who said that it would be better just to talk to the Russians quietly. They only did it once. Rusk had one meeting with Dobrynin where he warned them very gently that it would harm our relationship, that is, the U.S.-Soviet relationship, if the Soviets did anything untoward towards the Czechs. And of course Dobrynin said, "We have no intention of doing anything like that." That was it. That was all. As a matter of fact, Rusk was quite indignant when questioned in public about this. "We have not raised this with the Russians." "Have you raised such an issue?" "No, we have not raised it with the Russians."

Beam tried to make progress where he could. He tried to make progress on gold/claims, but that was absolutely stymied. There was no way in which our position could be married to theirs because the Czechs insisted on this foolish agreement that we had initialed in 1961 and on which we had reneged because it would never have gone through Congress. Now we had a new proposal on the table that they said was an insult, and so back and forth it went. And then the bilateral issues, the Foreign Ministry type of issues - we were at loggerheads. Where we weren't, as I say, was managers, culture, popular things. The Prague Spring was spontaneous. As soon as the Czechs realized that there was nobody holding on the lid, the lid began to come off. And as people tried - like explaining the PetsOctober 30, 2003chek house - the next thing was a question about "what is your view of democracy?" and so forth - public interviews - here the TV is asking men on the street what they thought. One of them was asked: "What is your view of socialist democracy?" and the fellow said, "Well, that's when you have free elections, when you can say this..." You know, he enumerated all the things about democracy, and then the interviewer said, "And socialist democracy?" And the man just smiled. He didn't say anything. He didn't say a word. What he meant, clearly, was that democracy needed no loaded adjective. And this was a spontaneous freedom of expression that really began to worry the East Germans and the Poles.

Q: How were we watching? I mean, were we just basically sitting there watching this, and were we going Oh-oh, this might get to be a little too free and easy, or were we just sort of basking in how this thing was working out?

SKOUG: Well, in my book I pointed out that I wrote in my journal that there was a pendulum swinging way out. It was going in one direction and the population wanted it to keep on going, but there was a counterforce, and eventually the pendulum would start the other way. Well, the counterforce was really outside the country. There was a counterforce in the country, too, but it was insufficient. Novotny tried to be that counterforce, but it didn't work. Dubcek finally... They removed Novotny from the presidency after he had made speeches challenging the reform, and they removed some of the hardliners. But still, Dubcek was a man who surrounded himself with all sorts of people, and it so happened that the presidium in which he found himself had a lot of people who finally went over to the Russian side in August. Just about a majority went over. He never surrounded himself with enough friends, and he had friends by the million - but they weren't in the Presidium.

Sure, we were aware, very much aware. The embassy was pretty well informed at this point. And very much aware that Dubcek could get in trouble and was in trouble with his neighbors. The question was, would he have the smarts to get out of it? And he tried to crack down. The May plenum of the Communist Party was considered sort of a "Thermidor," where they said there wouldn't be any political parties outside the National Front and the press would have to be controlled, have to remember that our allies had to be respected, and so forth. The Soviets liked it. The Soviets later said after the invasion, they thought after the May plenum that maybe things would be okay. Some of the Czech leaders - Josef Smrkovsky, who was the best of people around Dubcek and who was president of the National Assembly, took a National Assembly delegation to Moscow and the Soviet Union. He'd been criticized sharply, particularly by the East Germans, as a rabble-rouser and a radical, but he won Soviet respect, at least temporarily. But of course the basic fact was Dubcek did not want to crack down and was not able to crack down on what was happening spontaneously in Czechoslovakia. The questions was whether it was reform or revolution. You had all sorts of opinions being expressed. You had people like Vaclav Havel and others who were not Communists at all expressing views that if you don't have freedom for another political party-that is a democratic alternative-then what is the control on this democracy?

The leaders were using the term *democracy* so the liberals who were outside the party, or even some inside the party, began to explore what democracy really means. Democracy means the right to run against you. And pretty soon the hardliners were saying, "Now wait a minute. Who said that?" Then after several meetings with the Communist brethren, the Five who later invaded the country, from which the Romanians and the Yugoslavs were excluded (the Yugoslavs were frequently excluded, but the Romanians were also excluded this time), and these guys would gang up on Dubcek in meetings, and then the arranged for military maneuvers in Czechoslovakia. The Soviet forces maneuvered in Czechoslovakia in June and July, and at this point - this was when the public first turned to warning - there was the "2,000 Words Manifesto" of Ludvik Vaculik, the guy who had really attacked Novotny the year before at the Writers Congress. He came up with a manifesto called "2,000 Words," which was signed by a number of prominent Czech intellectuals, warning that they would go if necessary to the end to save the government if it saves itself, clearly implying that the Czechs must resist an invasion. Wow, that set off Brezhnev. He was furious when he read "2,000 Words." Now the counterrevolutionaries are running wild he thought. It was at that point that the Soviets called a meeting in Warsaw, but the Czechs wouldn't go because they wanted to meet individually. They said that they'd meet the five angry brethren individually with each of the Five, but they weren't going to be summoned one more time to be spanked by the Five collectively. So in Warsaw the Five met, and came up with what was called later the "Warsaw Doctrine." This was "You can do this and you can do that, but this thing, socialism - *To je vasi vec, to je nasi vec*" - 'that's your affair, but that's our affair too' - socialism. When you begin to fool around with socialism that's not just your affair. It was very clear. They were right on the table. The Brezhnev Doctrine at this point emerged in the Warsaw Letter. And the Warsaw Letter was addressed not to Dubcek but to the whole Central Committee because the Russians thought, with reason, that on the Central Committee and on the Presidium there were a lot of people who shared

their concerns. But by this time, Dubcek had already been obliged... Dubcek was really not the leader of this - he was going along with it, but he was no means the leader of the Prague Spring. The real mass leadership within the Party called for a new Party Congress, which would be an extraordinary Congress. Dubcek had resisted calling an extraordinary Party Congress because he didn't want to rock the boat. They, the patriotic or liberal faction, wanted to rock the boat. They wanted to get rid of all these guys that were holding back on reform and who were taking the side of the enemy and so forth. They wanted to go forward with a real liberalization. So they set a date for the Congress, the 14th Congress. And they had elections to the 14th Congress. A lot of the hardliners were losing these elections, and so it was clear to them that if this Congress met, they'd be finished. And at the point when the Central Committee met to discuss the Warsaw Letter and to respond to it, which was in July of 1968, a lot of the people who were going to be elected to the Congress, which was set for September, were invited to the meeting so that Dubcek would have a majority, and Dubcek got himself a majority by hook or crook. And he completely cowed even the most extreme of the radicals so that the answer by the Czechoslovak Communist Party to the Five Communist Party for the Warsaw Letter (the response was about three times as long as the original letter) in effect said, "Yes, there are a lot of people out there, Americans and West Germans and so forth, who are trying to screw us up, but we know what we're doing. We can manage. Socialism is not in danger in this country. We're in charge here." And so forth. So they responded, in effect, by thumbing their nose while agreeing that there were still some anti-socialist forces around: "We've got them under control. Don't worry about us."

Q: During this period, with the Prague Spring and things opening up, was there a sort of an influx of the "glitterati," the intelligentsia, whatever you want to call it, the flower children of Western Europe and the United States coming to Prague to see what's happening? And the media too?

SKOUG: There weren't so many flower children. Of course, I'm a little bit out of touch because it was after I left Washington in January of 1967. When I left the United States, there weren't so many flower children.

Q: Not flower children, but I'm talking about the -

SKOUG: The people who later took over in 1968 in the United States, certainly they were not involved. They didn't come to Czechoslovakia.

Q: Were you getting good German socialists and the literary figures and all coming to see this blossoming. Or was it pretty much in a vacuum?

SKOUG: There were a lot of journalists coming in to see it. There were people like - this was a singular situation - Robert Vaughn, the movie actor came in. But he was making a movie. Of all things, they were making a movie of *The Bridge at Remagen*. The Bridge of Remagen had long disappeared down the Rhine, but there was a bridge in Czechoslovakia which looked just like it. And so they brought in some old tanks from the Second World War, and the actors were there. They went down to a Czech town on the Vltava river, Davle,

and there they did a lot of scenes of the movie. Well, the Russians and the East Germans made much of this. "Here, look, they're already bringing in their weapons." And it became a big issue. When the invasion came, Robert Vaughn was the first to escape. Shirley Temple was there. There were a lot of people, a big community. It became short of chic to be in Czechoslovakia. It was the most interesting thing that had happened, certainly, since Hungary, and Hungary really was bloody, whereas Czechoslovakia was not. And so you could come there and see a situation where Communism was imploding, where people were lining up to buy newspapers because newspapers now said something, and the press was relatively free - not free, but it was a lot freer than it was anywhere else in the communist world. That's where the situation stood when the Czechs responded to the Warsaw Letter. At the time that happened, the Soviet forces were still around, and there was a lot of criticism of that. The Czech leadership had to apologize for the Russians being there, explain why they were there and so forth. Eventually the troops left, but they didn't really withdraw from the region. They just went away over to the side, to the border. I had a chance to see some of that. Senator Pell came to Prague in 1968, around July 4th, and he wanted to go to Košice. Košice was a town in the Hungarian part of Czechoslovakia in the part taken from Hungary after the First World War. It was very close to the Soviet Union. He just wanted to see what Košice was like. He didn't have a visa. And then he wanted to go on to Uzhgorod, a town about a mile from the border, which had been in Czechoslovakia prior to the Second World War but, became part of the Soviet Union. So we had to scurry around. The Russians, believe it or not, gave Pell a visa in one day, and Pell and I and Jim Lowenstein - you probably knew him -

Q: Jim and I served in Serbia together, served in Belgrade together.

SKOUG: Jim and I and Pell flew to Košice, and there we had a chance to see what the Prague Spring looked like a few miles from the Soviet Union. It looked like it looked in Prague, people dancing and the big beat, and so you couldn't imagine you were in a Communist country. There was freedom from of expression. There was the spirit, particularly among the youth, which the Prague Spring inspired throughout the whole country. The next day we went to Uzhgorod. We went to the border. And this border looked like the Iron Curtain - two Communist countries, but there was a Soviet motorized infantry regiment maneuvering. It had just come back from Czechoslovakia. You could hear them firing, firing all the time. You could see the barbed wire and the plowed earth. It was just like the Iron Curtain. Pell was traveling, as senators did in those days, with an official passport. I suppose Lowenstein had an official passport, too. I had a diplomatic passport, of course. Pell was carrying a small gray canvas bag. He had been using me as an interpreter in Eastern Slovakia, and then we got to the border and the Soviet border guard asked him to surrender that briefcase. He didn't have any immunity, so he did. He surrendered his briefcase without informing me. I didn't know it, didn't see it. And then we sat on the border for nearly an hour. And finally Pell said, "You've got to get that briefcase back. It's got all my notes." He had had all these interviews with Czech leaders in Prague the previous day, and they'd got all the notes and were undoubtedly copying the whole damn thing. "You've got to get that back." Well, I knew that the more of an issue I made of it, they'd show more attention than ever. But anyway, fortunately, he got it back, got his canvas bag back. We went to Uzhgorod. We spent maybe 45 minutes in Uzhgorod eating

lunch, and then he wanted to leave. That was his trip to the Soviet Union. I'm probably the only person who ever visited the Soviet Union for one hour. We left the Soviet Union, and I could see the guard almost passing out, the one who'd had us for an hour, and here we come going the other way. Well, I guess Senator Pell had plans to do things in Slovakia in the afternoon, so anyway, he went back. Well, then the next day we flew from Košice to Bratislava, where he wanted to see Bratislava, of course. He told me, as we were on the plane, that gray canvas bag had become lost again. When you report this, it's a small, gray, canvas bag." Well, the Czechs turned it over to him at Bratislava. But anyway, it was an experience, and one of the reasons the Soviets were probably so curious about this trip to Uzhgorod was that a couple of days later they selected Uzhgorod as one of the points where the whole Soviet Politburo and the Czech Presidium should meet. And the reason they called for this meeting, either in Cierna and Tisou or in Kiev or in Uzhgorod, was that they thought that Dubcek had a lot of opposition, and he did, in the Presidium - and their Politburo, of course, was fully united, and they would be able to overawe him because he wouldn't have enough of his friends around. The Russians thought, too, that the Czech Communist Party was divided. They thought that the Central Committee was divided. But the further down you went in Czechoslovak system, the less division there was. The Czech population was really fully united. The Czechoslovak Central Committee was not united, but it was stronger for Dubcek than the Presidium which, had five or six guys who were bad. And so the Czechs didn't accept Uzhgorod. They couldn't accept a place outside Czechoslovakia because they felt as soon as they got there, they might be arrested, and that could quite easily have been done, as had happened to Imre Nagy and Paul Molitor in Hungary in 1956.

Anyway, they finally decided on a border point Cierna and Tisou. Cierna is right at the border, near Kosice. They did meet there, the two Presidiums, and they reached an agreement, and then they went to Bratislava the next week with the Poles, East Germans, Hungarians, and Bulgarians to formalize their agreement. All problems had been resolved, and so forth. So that was the situation in early August, and it looked like maybe there had been some reconciliation, but it wasn't clear. We were worried. I remember going to the airport to see Bob and Iza Warner off on August 17. There, Karl Peterlik, a very well-informed Austrian diplomat who had been born in Prague, mentioned a rumor that Brezhnev had given Dubcek a small amount of time to get affairs cleaned up "or else." And I wrote in my journal, "Maybe the honeymoon is over." Well, that was the day that the KGB began to send people into the country preparatory to what happened three days later.

Q: Were we at the embassy waiting for the shoe to drop? Were we listening to what we were hearing from East Berlin and from Moscow and Warsaw and Budapest and all that?

SKOUG: Everyone was hedging their bets. The embassy in Moscow claimed that they had predicted this, but they hadn't. You know, you can write a telegram in ways that some parts will say, you know, "You're on collision course; the Soviets will not permit this to happen," but the Moscow embassy also predicted that they would wait for the 14th Congress to see what happened there. Well, the 14th Congress was over a month away. The hard-liners didn't want the 14th Congress to meet. That was the thing. That's why the Soviet's acted when they did, to prevent it. And there was a Slovak party congress coming up in

Bratislava, which would have thrown out a lot of hardliners there, even before the September date. Those two congresses had to be headed off. Well, you know, we were worried that there could be an invasion. I was in particular. I thought the chance of seeing Soviet soldiers in Prague was considerable, but no one could say, "I said it was going to happen." You said it was going to happen, but if, if, if. Everything was hedged. But we were much more concerned than they were in Washington, where for some reason Dean Rusk had decided that the whole threat had sort of blown over, and so forth. The conversations quoted in the documents coming out of Washington are horrendous. Where they got those ideas... They wanted to think that way because they wanted this meeting in Leningrad, they wanted that trip. And on August 19th or 20th, Dobrynin had attended a dinner on the *Sequoia*, the presidential yacht, and he had said, "Kosygin accepts this date." Of course, Dobrynin knew at this point that the Soviets were going to invade the country because they made their decision on the 17th to invade. He must have known this.

At the same time that they made the decision to invade, they made a decision to receive LBJ in the Soviet Union. We and the Russians agreed on an announcement, and it was going to be announced the following day, on the 21st of August, that Johnson was going to the Soviet Union. When Rusk got the word that they were invading - actually it was Johnson - Johnson got the word directly from Dobrynin on the night of the 20th, who announced that the Soviet government and its allies had entered Czechoslovak territory "At the request of the Czechoslovak Socialist Republic. Johnson thanked him for bringing this important information, which he said he would read and study. He didn't react in fury. He didn't say, "What are you doing?" It was just "Thanks a lot." An unbelievable show. And Rusk's reaction was - what a slap - he called it "a rotten fish," or something. He had some term like that, "a slap in the face to the United States." "You slapped us in the face - we're going to get an invasion of Czechoslovakia. Well, it is not pleasant reading to see how official Washington responded to the news.

Q: Talk about your experiences during the invasion.

SKOUG. Well, I was awakened at two a.m. on the morning of the 21st by the duty officer, Ted Figura, who said, "The Russians are in Bratislava." Now it took me a while to clear up my head, and remember that the Russians had no business being in Bratislava.

Well, they'd reached Bratislava first, because that was one of the closest targets, but they were also coming to Prague. I could hear the drone of engines, which had just started. They began landing at about two in the morning at the Prague airport. They landed with perfect precision. These aircraft were bringing in the invasion force. It was hard to tell what was going on because the conspirators, who were considerable, had got control of Prague radio, and were refusing to publish a statement issued by the Czechoslovak leadership. It had been heard once, and that's how the United States was informed that the country was being invaded without the knowledge or consent of the Czechoslovak Government or Presidium or anybody. But then this message was stopped, so you couldn't hear anything on the radio which would tell you what was going on. In the middle of the night another officer and I went for a long walk in the area; we walked past the Czech government building where the

Premier, Cernik, would have been. We were not able to walk as far as the Party building where Dubcek was because that was on the other side of the river and a long way away. There were couples, a few of them strolling around. It was the middle of the night, but there were cars moving here or there. You couldn't tell what was going on. Already at this point Cernik had been grabbed by the Russians. He was the premier. Shortly thereafter, Dubcek and Smrkovsky were nabbed, and others that the Russians had on their list. They kidnapped all of them and took them separately from Czechoslovakia. They took them first to Poland and then they took them to the Soviet Union around Uzhgorod, as a matter of fact.

We walked the streets, came back, and by the time we got back to the embassy there were new guards and they weren't going to let us in. One of them blocked me with a powerful arm from going into the embassy, and then somebody who knew me said, "That's all right, he belongs to the embassy." They had put these guards, the conspirators had put these guards on there, people in the security services who were cooperating with them, to prevent a lot of Czechs from running into our embassy grounds. They didn't want them to escape in the embassy once the invasion started. Well, that's what it looked like in the middle of the night. Then I went for a walk the first thing in the morning, and you could see the impact of the tanks. The tanks were just arriving. The traffic was just arriving. I don't know about Belgrade, but Prague goes to work early in the morning.

Q: Oh, yes, very early..

SKOUG: And the streets are so narrow in Prague, and the streetcars couldn't pass the tanks. The tank would be here, and there'd be a streetcar and then a tank over there. Tanks were islands surrounded by irate Czechs shouting at them. "What are you doing here?" "Well, I have come here to save the Czechs," the drivers seemed to respond. Then the Czechs would say, "We don't need any saving." That was the immediate mood. But then things very quickly got harsher. When I had been out on the walk with my colleague, we had noticed that there was an airplane flying in circles right over the middle of Prague, right over Wenzel Square, Vaclavski Namesti, and the Czech radio was right there. What the drone was doing was guiding the forces coming from the airport towards the heart of the city. As the tanks came through the city in the night to take over the downtown area, they then went for the radios. And I did not see that particular thing. I had gone back to report from the embassy. The radios by this time had come on and they were broadcasting for all they were worth, and they were broadcasting that a group of students and civilians were trying to keep the tanks away from the building. You could hear the firing, the heavy machine gun firing, which shattered concrete walls. They later called the walls El Grechko's mural. Marshall Grechko was a prominent Soviet military figure.

Q: Yes.

SKOUG: They were firing on the radio station. And then finally there was a very poignant moment when the radio announcers said, "We're going to have to sign off the air now. When you hear the radio again, you'll hear other voices, but don't trust them." It was really quite something, and then you heard the Czech national anthem, which is particularly

beautiful. And then there was just the firing, gunfire following, and there was silence on the radio. And then it came back on, but they were not the bad guys after all. The Czechs had been prepared. They thought the Americans or the West Germans might invade the country, and they had a whole elaborate scheme for broadcasting. For one thing, they broadcast from hidden facilities in the radio itself. The Russians didn't find them for a couple of days. And in addition, they began to broadcast from transmitters which were mobile, and they began to pass from hand to hand, not only in Prague, but in 15 or 16 points throughout the country. And it was those radios that told the world that the Czechs were still resisting. Without that the embassy couldn't have reported it. The embassy could have reported the thousands of Czechs who took to the street in protest as it did, but it wouldn't have been so descriptive of the widespread nature of the resistance. But with the radio itself and as a Czech author points out, it became the government of the air, it became the government of the resistance, and of those who made it. When the radios told them to demonstrate at noon, they demonstrated. When the radios told them to do this, they did it. It showed how effective and how far the democratic processes had gone in a country that had been a democracy. There just was enough... They weren't dealing with people who didn't have any understanding of democracy.

Q: Well, then, when the Soviets and the East Germans and the Poles and the Hungarians came in, when you saw this, was this... saying, "All right, it's over now?" I mean, was this pretty clear that -

SKOUG: Not because of the resistance. The amazing thing was that suddenly you saw on the city's walls the names of Czechs and Slovaks who were traitors. They were the ones who had betrayed Dubcek. Everybody rallied to Svoboda. *Svoboda* means 'freedom' or 'independence' in Czech. He was the president. He was a general who had been a hero in the Soviet Union, but he refused to give in to the conspirators at this point. So he was adulated at a level together with Dubcek - wrongly, because Svoboda was not really a good man; he just was an old soldier who went along with the population. He was dazed and he thought that somehow they could work this out. He flew to Moscow, and he did work it out in the Moscow Agreement, which was a total surrender. But for the moment he was a symbol of resistance, and the fact that he was resisting quickly became known. All of the Communist Party leadership had been kidnapped. A new leadership quickly arose, including guys I knew quite well.

I'll tell you one story. I got a call the second day or the third day of the invasion, while the resistance was going on led by these guys. By the way, the 14th Party Congress took place. These guys organized the Party Congress. All the delegates went in dressed as workers. It took place right under the nose of the Russians. And so the thing that they had come to prevent took place under their nose. Unfortunately, Gustav Husak and a lot of the Slovaks didn't get there. Husak didn't want to go, really, and he later used that as a protest for undoing the 14th Congress and saying it was not a Congress because the Slovaks weren't there. But be that as it may, the popular resistance was everywhere. It was obvious that people were resisting, and so it was obvious to the world, and of course we were even reporting that as was Czechoslovak radio. The radio was being picked up all over the country depending upon what resistance was taking place at this or that point. So no one

could assume that the Russians had won. They had the country physically; it was beautiful. Their military operations couldn't have been better. They had worked it all out during their maneuvers, of course. The forces that had maneuvered, were the same forces that had come back. The ones that had been maneuvering, had gone over the border when the maneuvers ended, came back. They knew exactly what they were to do, but they didn't have a political plan. They had planned to have a workers-peasants government headed by Alois Indra, who was a key Party secretary close to Dubcek. As I say, they had five or six guys on the Presidium, and a few in the secretariat, who supported the invasion. But they lost their nerve when they saw how much resistance there was. Finally, they all trooped up to Svoboda, the president, and asked him to approve a government, and he refused. Instead of that Svoboda went to Moscow taking some of them with him. He was really playing both sides, although the Czech people thought they'd won. They thought that they had won when the Soviets had to negotiate after having invaded the country and being unable to take it over. The Czechs really thought they had won. And of course at this point Dubcek and the others were released from their prisons where they were probably going to be shot, and they were brought to Moscow because Svoboda had insisted that his colleagues take part in the negotiations. Well, they didn't really take part. Dubcek certainly didn't. He was present, and according to his memoirs, he opposed... there are various accounts of this, but the bad guys had a majority, even on the Czech group that was negotiating with the Russians in Moscow. At the time the resistance was standing down the Russians in Czechoslovakia. The Russians would have had to employ force. Svoboda said he didn't want any bloodshed. I don't know what the Russians could have done if the Czechs hadn't given in, but the Czechs certainly could have driven a better bargain than they did. There was a... They caviled and gave in. They signed a very bad agreement. Their only thought was that, like Good Soldier Svejk, once they had got out of this thing they could somehow hoodwink the Russians, but they weren't dealing with Austrians. They were dealing with hard-liners in the Kremlin, who were not about to let the Czechs go. That would usher in a new phase, but the Soviet troops would remain. The resistance in Czechoslovakia thought they had won. When the delegation came back from Moscow, the Czechs turned out in the thousands. And then when they heard the speeches of Dubcek and Svoboda and Smrkovsky, they knew that they'd been totally sold out. That model collapsed on August 27th a really devastating day. That was seven days after the invasion.

Q: Well, while you were there, were East German, Polish, Hungarian troops evident?

SKOUG: Not in Prague. The East Germans were involved in their area, up around Decin, I guess. I think they were pulled back early because it was recognized that it wasn't a good idea to send German troops into Czechoslovakia. The Poles and the Hungarians and the Bulgarians were despised, but the Czechs knew who did it. They knew it was the Russians. They blamed the Russians. Not much about the others. Outside of Prague it might have felt different.

Q: Were there any problems with Soviet troops? You know, people going up and saying "Why are you here and that sort of thing."

SKOUG: Sure there were lots of incidents, and there were a number of people killed. The

Soviets rode around town with their machine guns loaded, and in one case they went over a bump and killed a young woman. She was just standing there. She wasn't doing anything. There were several incidents like that. I myself saw a Czech grab a Soviet officer's submachine gun and run off. The Soviet ran after him. He would have been shot by his own people if he hadn't got his gun back. I heard a round of gunfire, but I don't know what happened because they were out of sight.

I was in the embassy on one occasion early in the invasion when a Soviet armored personnel carrier with a large cannon mounted on it came right to the embassy. It sat there a long time facing the embassy with a gun aimed at it. It didn't fire. The next thing that happened was that we spotted some Soviet soldiers who were on the grounds of the embassy, our grounds, high ground above the embassy which belonged to us. Whether they knew that was part of the embassy or not I don't know, but they were eating apples from one of the apple trees. Ambassador Beam sent our political counselor, first secretary of embassy, Mark Garrison, who was a Russian speaker, to tell them they were eating American apples. Well, they didn't leave immediately, but eventually they did. But there were other problems. The security officer had a shotgun stolen from his apartment. You can understand why that would happen, I guess, but they broke in. They must have known it was an embassy apartment. It wasn't in the embassy. It was an officer living outside the embassy. And there were plenty of other incidents. They shot up the Swiss embassy very badly. No one was killed there. They came prepared to use their weapons. We could see them firing tracer bullets. A lot of them were in the yard. My apartment happened to front on the wall facing the high ground, and so the bullets were coming down there. We still had our daughter there and my wife made the decision not to leave. My wife made the decision. I didn't make it for her.

An interesting thing was the special train. We had a lot of people visiting. There was a geologists congress. There was a whole delegation of young people from somewhere out in Kansas. There were many, many visitors. I mentioned Shirley Temple was there, and the "Man from U.N.C.L.E." [Robert Vaughn] was there, and a number of Americans were there. The question was how to get them out. You'd organize a column of cars. Shirley Temple got out that way. But the cars couldn't take out anything like the number of people who were trapped in the city. And of course no one knew what was going to happen. They didn't know whether the Russians would begin firing or not, and so the hope was to get them out. I think this was the second day. I had an earlier opportunity to meet the vice-minister of transport because an American official, Deputy Assistant Secretary of Transport Robert Agger, had paid a visit to Czechoslovakia in June and I accompanied him. We had taken the transport minister's special train to Plzen and so had a bit of contact with their transport people. Many phones were out and other attempts to obtain transport proved negative. We had tried to get these people out by buses, but the Czechs wouldn't let them risk it. They said the Soviets would destroy their buses in no time. So the train was the only hope. You couldn't count on anybody being anywhere in particular. But I called the Ministry of Transport cold, and Tichy, the vice minister, answered the phone. I said there were a lot of Americans still here, could he possibly organize a special train? I thought he was going to say, "Don't you know there's a war on?" But he said, "Yes." He organized it, but he said, "It can't leave from the main station because the Soviets are occupying it." So it

was agreed that this train would leave from another station, and the Consular Section then tried to get all Americans out, including the students from Kansas. Many foreigners also took this train, and I suppose maybe some Czechs too. Anyway, this train was loaded with people, and it left by night. And I was really worried about the train getting through because although the Soviets had not by this time occupied a lot of southern Bohemia, it would have required just one or two armored personnel carriers or tanks spotting a train moving to make them blow it to smithereens. And I was glad to hear on one of the local radios, the radio coming out of, I guess it was Ceske Budejovice, one of the southern Czech towns, that a train had just passed through there headed for the border with Austria. When it reached the border they had a long discussion there with border officials, but anyway all those people made it successfully. And I think the ambassador got a lot of praise for being able to evacuate people quickly.

Q: How did you feel about responses? You mentioned that neither Rusk nor Johnson had responded adequately when they heard that something was going to happen. How about later, some hours later and all?

SKOUG: The main concern was damage control. Messages went out saying that this should not lead to any problems in international bodies where we were talking to the Russians about disarmament or something. In other words, they didn't want this complication to interfere with other things going on. It was not a good show. The only one who did anything was George Ball, who was our representative to the United Nations. He gave it to the Russians, but with a lot of humor. In fact, Dobrynin complained about Ball's remarks as not in the spirit of U.S.-Soviet relations and so forth. He's the only one who made the Russians squirm a little. Rusk even emphasized in his meetings with foreign diplomats that we had had our problems with the Czechs under Dubcek and we were just taking this position to show the way we would support any small country. This cool attitude was his reaction to the Czechoslovak government's attempt to curry favor with the Russians by being tough with us. They did nothing to seek our sympathy. They didn't think they were going to be invaded. They didn't think they needed us. If we were going to be of any help, they said we could give them back their gold. That was essentially their position. But our rather limp reaction, of course, overlooked the fact that there were millions of Czechs who were going to suffer from Soviet action. It wasn't just Dubcek and a few people around him who were going to suffer: it was the Czechoslovak population, which lost everything in the invasion. But there was never an American statement about it, or any other Western country, for that matter. We'll see when we go into the subject on Germany, that the Germans didn't react any better. Our first concern was that the Germans not overreact, make sure the Germans don't put anybody near the border. The whole thing was damage control. NATO through embassies in NATO countries, was warned not to let this heat things up. It was business as usual.

Q: Was the Consular Section besieged by people trying to get the hell out of there? What about the exodus?

SKOUG: Well, that's what I say. There were two main means for doing this, and the Americans who wanted to leave. One was the automobile caravan, which was stopped for a

while but then went through - a young embassy officer driving the first car -

Q: I want to talk about Czechs now.

SKOUG: Oh, Czechs. Not many tried to enter our compound. A lot of them were outside of Czechoslovakia on summer vacation, and they had the choice on whether to come back or not. I know some young people really hesitated to return. One fellow who was with a Czech company called "Made in Publicity," believe it or not, said that if it had been just he and his wife (he was probably in his middle 40s), they would have stayed out. They spoke German and would have made it. But he had two boys 16. That led him to choose to return. I'd say most Czechs came back. Some stayed out, particularly those like Ota Sik. Sik realized that he would be arrested, he would go to jail. People who were clearly associated with the freedom movement probably stayed out. Many of them did, or defected thereafter. There was for a short period of time open borders, where any Czech who wanted to flee could. Obviously some people did, but I can't say that a great many did. I guess the great majority loved their country and wanted to remain. So outside of a few prominent people, I think most Czechs did remain. They just had to take it.

Q: Well, then, what happened?

SKOUG: Well, that set up what I described in my book, divided into four sections; one, Novotny, two, the Prague Spring, three, the invasion, and four, the period after the invasion, when the Czechs did their best to retain what freedoms they could. In this last phase the population, the literati, the communications media and some trade union leaders, resisted, and the Soviets gradually applied pressure, using the Slovaks. And they used Husak shamelessly. The first thing they did was to nullify the 14th congress of the Czechoslovak Communist Party because enough Slovaks weren't there. Then the battle in the fall of the year was essentially over people in radio and television losing jobs, freedom of the press slowly being cut off, Party Central Committee meetings becoming tougher and tougher, a crucial meeting finally being arranged in Kiev without all the top leadership. That is, they summoned Dubcek but isolated him by not letting him bring Smrkovsky. They warned in Kiev that Smrkovsky was the leader of the radicals, that he was holding together the students and the union leaders. Smrkovsky was the other guy who, like Dubcek, was really genuinely pro-Russian. He'd been a radical at the time of the 1948 coup. He was a head of the Young Communist Group. He had been bloody minded at the time of the Prague Coup in 1948. There are some horrible statements he made then. But later he went to jail. He was in jail for quite a while, and he came out of jail a changed man. He had a lot to do with Dubcek convincing people that the Russians wouldn't invade the country to save Novotny in December, 1967, and as I say, as head of the national assembly, he went to the Soviet Union in June 1968. He tried to conciliate them. Although he was the most popular spokesman with youth because he was so sincere, he tried to convince them the West Germans were the threat, and not the Soviet Union, and they wouldn't accept that. So here was a man genuinely pro-Russian, but since he was more pro-Czech, he became a main target. The Czechs had rallied around their great four: Dubcek, the head of the Party; Svoboda, the president of the country; Cernik, the premier; and Smrkovsky, the head of the National Assembly. Well, the Russians wanted to divide and conquer. The one that really

wanted out of there first was Smrkovsky. In this they had the help of Husak. Husak in December, 1968, announced that it wasn't fair, that the division of power between Czechs and Slovaks should be equally divided. There was a change in the Constitution coming into effect on January 1st, 1969, which would place Slovakia and the Czech lands on a parallel basis, but he said it would be wrong to leave three Czechs and only one Slovak in the top leadership. The only Slovak at the top was Dubcek. Svoboda, Cernik, and Smrkovsky were all Czechs. Therefore, a Slovak had to be chairman of the Federal Assembly, which replaced the National Assembly, and Smrkovsky was to be downgraded. Well, a big fight went on because people knew what that meant: they aren't dumb in that part of the world, and a lot of the trade unions, which were by this time shifted into the van of resistance, the trade unions and the students, fought very hard to save Smrkovsky. There were some really abusive sessions where Smrkovsky was denounced as a traitor, and eventually he was beaten down and forced to resign. So at that point Dubcek had lost his best ally. Dubcek wept. That's the sort of man he was. He could cry, but didn't have the capacity to deal with this. He was trying to preserve what he could of the Prague Spring, but slowly it was being shut down. The hard guys were Husak and Lubomir Strougal, who was a veteran Communist. Strougal became the head of the Communist Party in the Czech lands; Husak became the head of the Communist Party in Slovakia. Dubcek was sitting above them technically, but really they had the power. He was sort of a front man. The Russians hadn't got to the point where they could get rid of him, but they were pressing for it, until January 1969, when a young man named Jan Palach, who was a student, burned himself to death. He burned himself and died a few days later. That was a shock. No Czech had done that. That was common, I guess, in Vietnam or in the Far East, but it wasn't common in Czechoslovakia. But he got the attention of the whole country. And of course the hard-liners were furious, but the funeral of Palach was something to behold. It was so quiet, and they were worrying about provocation - there was no provocation. You could hear the birds singing. There were thousands and thousands of people marching behind the funeral bier for this man. Well, that gave the hard-liners pause, but not much. They were still waiting. They had to find a means to bring down Dubcek. The means were provided in a strange way. There was a hockey match. Ironically, the European hockey tournament was supposed to be held in Prague, but they canceled it or transferred it to Stockholm because they didn't feel that they could provide the right atmosphere - this was after the invasion. They didn't feel that the Czechs would be very receptive to a Soviet hockey team. They expected that this would be bad, so they got the tournament transferred to Stockholm. The Czechs played the Russians, and the Czechs, with the whole country watching, defeated the Russians two to nothing. And the television played this up by showing the defeated Russians. It did everything that a clever television crew can do to accentuate the defeat. The Czechs refused to shake the Russians' hands. They did all the things that the people wanted, that the audience wanted. Well, that night there was a demonstration in Old Town Square, and some Czechs were arrested. This fact was mentioned briefly in the paper. This was one of the interesting things. It never would have been printed in the paper in the bad days of Novotny. What the arrested demonstrators said was: we were arrested because we said the Soviets didn't bring their tanks to Stockholm and so we beat them. You could read in the paper what the defendant was saying. Well, that let any intelligent person know that there had been a demonstration. The Czechs had to play the Russians a second time for the championship, and the Czechs beat them again. And this time I, like any observant Czech,

knew what was going to happen. As soon as the last strains of the Czech national anthem being played in Stockholm were over, my television set was off, and I was running for the downtown area. Extra streetcars had been laid on for this for some reason. *Everyone* came to the heart of Prague. The score was five to three, and this was shouted over and over, with someone pounding out the numbers on buckets. People were shouting, "Five to three" everywhere. What it meant was "the hell with the Russians!" You had to know it. It wasn't a sports demonstration; it was a demonstration of national pride by over one hundred thousand people, and it went on for hours. In Vaclavski Namesti, you could hardly move.

Finally, there were a couple of shouts, "On to the Soviet Embassy," but it was miles away. These were totally nonviolent people. Czechs are totally nonviolent. But as I went back, started to walk home, I heard the tinkle of glass, and here at the building of Aeroflot/Intourist, a big glass area at the base of Vaclavski Namesti, big burly guys were standing there at their leisure throwing paving blocks through the windows. Nobody did anything. No police, no nothing. Then they went in there and they were trashing the place. I said to myself, That's a provocation. These guys are not demonstrators; they're hoodlums. I tried to convince some of the people in the American Embassy of that, and I couldn't convince my own boss, Mark Garrison, who asked in jest: "Were they wearing stb [Statni Bezpecnost (State Security)] shirts?" Well, they weren't, but that's where they got their money. Later it turned out - and I learned later and Dubcek confirmed - it was a plot by the stb leadership in Czech lands to provide the Russians with a pretext to force out Dubcek. So immediately the Soviets said, "Now we know where the counterrevolutionaries are; they're the ones that smashed Aeroflot and Intourist and so forth." So that's what brought Dubcek down. That was it. Dubcek was not in control of the situation, so he had to resign as chairman of the Party. Husak replaced him. Svoboda made the speech "I know Gus Husak, he's a wonderful guy, and now we're going to settle all our problems with the Soviets and everything's going to be harmony." At that point, that was the final death as far as I was concerned. The chief of the political-economic section, Mark Garrison, didn't think so, though. The reporting from the embassy was very cautious. He saw it as possibly a clever move by Husak to preserve the gains of the Prague Spring, while at the same time being careful to go along with the Soviets. In Washington, INR also speculated that Husak would resist the Russians, but that wasn't the case, unfortunately.

Q: What was Garrison's background?

SKOUG: He had been in Bulgaria and served the office of East European Affairs. Later he served twice in Moscow, the second time as DCM. He's a good friend and a very professional officer, but he read events with an optimism that I did not share. Even Ambassador Beam, in his book on his career describes the Aeroflot incident as one where some people said it was a provocation. Perhaps I wasn't very convincing, anyway. A lot of the incredulity was there. Many experts on Czechoslovakia weren't willing to accept it at the time. They accept it now. It is absolutely known now, but for a long time it wasn't known because they didn't have the evidence proving that it was a provocation. And a lot of them couldn't bring themselves to say, yes, clearly that's a provocation.

Q: Were we doing anything to help get Czechs who seemed to be in danger out of the

country?

SKOUG: Yes, somehow I'm forgetting one incident. A professor of management in the School of Economics name Vopicka - or a person saying he was Vopicka - called me, I think the third day or the fourth day of the invasion. He said that he'd like to talk to me and asked that I meet him at the Alcron Hotel for breakfast. So I said I'd be glad to. When I got there, it wasn't Vopicka at all. He'd already gone to the United States. It was another fellow, a colleague of his in management but also a senior official in the Communist Party who had been leading the resistance when they took the top people off. When they kidnapped the top people, the secondary Communists were working in the resistance to the invasion. He was one of those who were running the part and now was afraid for his life when he saw the way the wind was blowing. "I could go to Austria," he said, "if I stand in the line outside the Austrian legation for a visa, but it's just miles long. If I stand in that line, they'll see me there in the line." So on that occasion I went to my friend Karl Peterlik in the Austrian legation, and I told him, "Here's a guy who needs our help." So they said, "Well, send him around." We got him in there, and he got to Austria. There must have been many cases like that, of people getting out that way. I know of that one because it happened to me personally. I can't think of any other examples of actually intervening with other countries.

Q: Sometimes when you have something like this happening you find that it's a bit hard to control the junior officers who have made friends with students, and often the ones who may be standing out a little more, but it sounds like in Czechoslovakia your ties weren't that close - or was there a... and the junior officers may go beyond bounds in helping people get out and all that. Did this happen here?

SKOUG: Well, in the first place, we didn't have many junior officers, and you didn't usually put too junior people in a Communist country. They would have had to have some other assignment. No, our staff was very mature, very professional. I don't think that anyone got out of bounds, not that I'm aware of.

I met a young man named Vaclav Klaus, in this period after the invasion when things were going badly but when Czechs were continuing to resist. Vaclav Klaus was leader of a group called the club of young Czechoslovakian economists. He invited me to attend a meeting of this organization in Lublice Castle outside of Prague. When I offered to take him there in my car, he accepted my offer. So I drove him to the meeting, which hardliners must have taken note of. The incredible thing was the courage of the Czech intellectuals, knowing what was happening. Vaclav Havel, for example - I heard him at a reception hosted by John Baker, the DCM. Havel was talking about the failure of Communist Party leadership in Moscow and the failure to lead a resistance to the destruction of the Prague Spring. I was listening, and I thought, "This man is going to jail." Well, of course, he did go to jail. But he wasn't afraid. He continued courageously to maintain his point of view. Years later, he is president of a free Czechoslovakia.

One of my friends was Jan Pleva, who was one of Sik's associates at the Economic Institute of the Communist Party, the ones who had sponsored the economic reform, a dedicated social democrat. He may have been a Communist. He assuredly a dedicated socialist - he

didn't want an inch of free enterprise. I asked him, "How about an enterprise with five people?" He said, "It would be better if it were a cooperative." But he was totally for democracy, freedom of expression. He was a superb source, completely candid and never given to naive optimism. He invited me to his apartment, and I had dinner with him and his wife and his small daughter. He really paid the price. I have him in the appendix of my book, because they totally destroyed his career. The poor guy died there. It's too sad a story.

There was another case. I told you about the Management Institute and its chief, Jaroslav Jirasek, and about a star pupil, Miroslav Gregr, head of the Decin engineering works. Well, Jirasek's aide drove me up to see Gregr's fork-lift truck factory around the German border. It was in January of 1969, just about the time of Palach burning himself to death. Gregr was probably the best manager in Czechoslovakia, a graduate of Jirasek's Institute. I mentioned previously that he'd been sent to close up this fork-lift truck factory as inefficient. He found it could be efficient. He turned it into an enterprise that sold fork-lift trucks to Germany for hard currency. He advertised in the paper for additional workers, and he got them. He did the sort of things that, let's say, most Communist managers would not know how to do. Well, anyway, I went up, and he took me through his factory. I didn't see a single political slogan. All I could see was the Czechoslovak flag and a statement from Seneca: I've forgotten precisely what the quotation was, but it was something like, "only a free life is worth living" - something like that. That's what the factory looked like. They had prepared a table for lunch, and as I was about to sit down beside Gregr and four or five other officials, Gregr said, "That's where Ambassador Chervonyenko sat." They hated the Russian ambassador because they thought that he had helped bring on the invasion - which he had. Ambassador Chervonyenko sat in this chair when he was here. So then I pretended I was too modest to sit in it. They said, "That's all right. It's been fumigated." They were wonderful people, the Czechs are. I felt very sorry for them because there was really nothing we could do for them. We couldn't do much for them, if anything. Jirasek, by the way, came up to Decin separately so that he could accompany me to Prague. He was pressing a compromise gold/claims settlement which he later got the Foreign Ministry to endorse, but alas it was too late. Washington was no longer open at that point.

Q: How did the Voice of America react to this, from your perspective? After the 1956 Hungarian thing, I imagine they were very chary.

SKOUG: I think they pretty much told it as it was. As a matter of fact, the embassy sent a couple cables criticizing the Voice of America for being too negative on Husak. I think VOA did a good job. RFE was a bigger factor.

Q: RFE is Radio Free Europe.

SKOUG: Yes, Radio Free Europe was very much welcomed by Czech radio because, as Cestmir Suchy of Prague radio later told me he would hate to see it jammed again, because it addressed issues and then he could say Prague radio had to address those issues, too. They could address an issue with the pretext that RFE had mentioned it-to the common benefit. It allowed the Czechs more freedom to discuss things. No, the radios did a good job, I think.

Q: Well, then, you left there... How did things develop by the time you were getting to leave?

SKOUG: Well, by the time that I left, Husak was first secretary of the Party, Dubcek was still on the Presidium, but he was totally without power. When he would make a presentation, the population would applaud him but then be silent when the hard-line message began. They always talked about the *vychodisko*, "the way out." "We have to find the *vychodisko*." Nobody believed that. So they applauded him, the symbol. They felt sorry for him, they pitied him, but he was broken. The resistance by this time was broken. One of the last deeds was a demonstration by students about Yugoslavia. Under Soviet pressure, the Czechs boycotted the League of Yugoslav Communists meeting that took place in 1969. The Yugoslavs had been one of the real backers of the Czech régime. The Czechs in turn were forced to thumb their nose at them, and the students objected to that. I still remember the demonstration. They were shouting "Tito Yes, Brezhnev No" - They chanted Husak's name in a blend of dread and loathing. Anyway, the resistance really was not totally over because in July or actually in August, I think at the anniversary of the invasion, there were some demonstrations, and some people were beaten up, put in jail. I don't know if anybody was killed. There was violence. There was still violence going on in the latter part of 1969, but it was over, and by the end of the year Husak had endorsed the invasion, said it was necessary. The new leaders had done all the things that they said they never would do. They completely had given in. It was back in the box. As a matter of fact, Embassy Moscow reported in late 1969 that it could hardly have worked out better for the USSR. That's what people thought for a long time, but I don't think that that was the final result. I think the Russians paid a price for using force on the Czechs. They still had problems in Poland and East Germany. They replaced Ulbricht the next year with Honnecker. They replaced Gomulka at the same time. And still they weren't really in control because the Polish resistance at that point began to pick up. Outside, they did get their world conference, which condemned China, but by and large the only effect was that their quarrel with China was self-defeating for them. It's true that the West overlooked the crushing of Czechoslovakia. The Four Power agreement on Berlin was signed. The Conference on European Security took place, which the Russians wanted. But the Conference on European Security set up a human rights committee, which began to look into human rights in Eastern Europe. So one could say that the Soviets were not so successful. And later on, finally, I can say it must have had some effect on the Velvet Revolution.

Q: Sure, it meant that the Soviets were very shy at trying to do anything.

SKOUG: Gorbachev was not going to be caught doing what... He had, strangely enough, gone to school together with Zdenek Mlynar, one of the leading Czech reform Communists. He was in the Moscow negotiations of August 1968, where he's a main source, as a matter of fact, for Svoboda giving in. Mlynar, who had been with the resistance, wrote why they gave in. "We were all believing Communists." They finally all signed the "agreement." He wrote Dubcek's speech for him on the return from Moscow. I don't know how much effect he had on Gorbachev back when they were students together. Gorbachev must have said, Well, if a guy like Mlynar was on Dubcek's side... Perhaps Gorbachev thought in 1989 that

it was going to be like Dubcek in 1968. It wasn't of course. Maybe he even thought he could reform the Soviet Union. Then you'd become more popular and you wouldn't lose support. But that chance, if the Czechoslovak Communist Party ever had a chance to do that, and I question it, but if they ever had a chance, it was lost in 1968 when the Russians came in. Because you never could have had a Prague Spring a second time with Dubcek.

Q: No. Well, then, just to put at the end here, you left there in 1969. Where did you go?

SKOUG: I was supposed to go to Berlin. My personal effects went to Berlin. I was assigned to replace Bob Waring, a man who later was killed by terrorists in Lebanon. Waring had volunteered for Vietnam. While I was in Washington preparing to go to Berlin, Waring, was turned down for Vietnam. This was before the personnel system was changed. Personnel thought it would be more difficult to find a place for Waring than it would be to find a place for me, so they let Waring re-up for two more years in Berlin. He stayed in Berlin. And that required me to find a job on my own. Jobs weren't so easy to find, especially when you don't have any lead time, but I went back to the Office of German Affairs, where I'd served briefly in 1959 - and you knew the famous John Hemenway.

Q: Oh, yes.

SKOUG: John Hemenway was leaving the service. He had been forced out due to that strange up or out policy. He hadn't been promoted in eight years.

Q: Later he became quite a controversial figure with AFSA.

SKOUG: AFSA, right. Well, John headed up a two-man Berlin section. There was also a one officer East German section. And German Eastern policy was about to become more interesting. The Germans were very active toward the East, despite the invasion of Czechoslovakia. They were not deterred from pursuing a policy which we can discuss later. But anyway, Jim Sutterlin, who was the new director of the Office of German Affairs, asked if I would like to head up a new section which would include Berlin, East Germany, and German Eastern policy. So I took it, and I was assigned to the Department in August..

Q: Well, then, so we'll pick up with your dealing with German affairs from 1969 to when?

SKOUG: 1973.

Q: All right, we'll pick it up then. Great.

Today is the 3rd of November, 2000. Ken, who was the head of German affairs at that time and of European Affairs - sort of the wiring diagram.

SKOUG: The director of the Office of German Affairs was Jim Sutterlin throughout the entire period. He was probably one of the most knowledgeable men the Department of

State ever had on Germany. He seemed to know it thoroughly. And his boss, the assistant secretary for Europe, was Martin Hillenbrand, who had been my boss when I briefly worked in that office eight years earlier. I was there in 1961 during the Geneva talks, doing some preparation before going to Germany. Martin was at that time the office director, later ambassador in Hungary, and after his assignment in Washington he became ambassador in Bonn. And of course the Secretary of State was Bill Rogers.

Q: Again, would you tell me what your responsibilities were, and what was sort of the status of play when you arrived in 1969?

SKOUG: Well, that's a very interesting question. First of all, the assignment to German affairs, although it came about haphazardly because of the failure of my Berlin assignment, was still not inappropriate. I had, after all, served in Germany, worked on German affairs, had done a doctoral dissertation on the subject of the German Social Democrats, and I'd served in Eastern Europe, and Eastern Europe was going to be a big, important part of my work in German affairs. I was first of all, for a period of about three months, director of a new section which Jim Sutterlin shaped for me, which included not only Berlin and East Germany but also German Eastern affairs, or the *Ostpolitik*. Hans Imhoff, who was the deputy director to Jim Sutterlin, tragically died suddenly, and Jim pulled me up to take his place. So I became deputy director of the Office of German Affairs in December, officially, and I remained deputy director to Jim Sutterlin until I left the office in 1973.

The setting for this is very interesting in a number of respects. You had very soon, that is in the fall of 1969, the first Social Democrat led government in Germany since the Weimar Republic, and I will try to explain the significance of that.

When I came into the job there was what was called the "Grand Coalition" between Kurt-Georg Kiesinger, who was chancellor, and Willy Brandt, who was foreign minister. It was comprised by the two biggest political parties in Germany. There was almost no opposition to the coalition, but in the elections, although the CDU-CSU - the governing party, which had always been the governing party up to that point in the Federal Republic - actually gained in strength, the Social Democrats gained, too. And the third party in Germany, the Free Democrats, the FDP, lost ground and almost fell below the five per cent clause, which is the minimum for maintaining representation in Parliament. In fact, the FDP might soon have disappeared. I was present at the German Embassy with Martin Hillenbrand and Jim Sutterlin, and we were all observing the German elections when we learned that a telegram had been sent by President Nixon - of course drafted by Henry Kissinger - congratulating Kiesinger on his victory.

Q: Kissinger was the head of NSC, not Secretary of State.

SKOUG: He was the head of NSC. To spell this out, Henry Kissinger... And another of the aspects here was the new administration in Washington of Richard Nixon, which had Henry Kissinger as national security advisor and William Rogers as Secretary of State, with all that that came to mean in the ensuing years. Kissinger drafted the telegram from Nixon to Kiesinger, the apparent winner of the German elections. Well, Martin

Hillenbrand and Sutterlin and I looked at each other, because that wasn't necessarily the result. Nobody had won a majority, and the way it turned out, Brandt formed with the FDP, which was on the brink of going out of existence, a coalition government against the CDU-CSU. So for the first time in the postwar era, we had a German government led by a party which had voted against NATO, which had voted against the draft, which had been dragged kicking and screaming into the Western Alliance and which long had focused almost exclusively on German reunification as an objective. In Washington you have this new government led by Nixon and Henry Kissinger determined to run foreign policy, particularly to run German policy. Kissinger wished to keep State out of the loop and was willing to use the most audacious subterfuges to do so. And then the third element was the situation of Berlin and the Soviet Union. Berlin had always been a focal point, of course, including the Berlin blockade of 1948-49 by the Soviets after the West German mark was introduced into the Western sectors of Berlin. That was overcome, but the fundamental problem remained, and in 1958 Khrushchev started a crisis when he gave us six months to make our own arrangements with the German Democratic Republic, which would in effect have frozen us out of Berlin in another way. This led to the visit of Khrushchev to Eisenhower and the visit to Roswell Garth's farm and so forth. Anyway, the crisis was delayed, but those talks finally failed after the Gary Powers incident and the refusal of Khrushchev to -

Q: In May of 1960.

SKOUG: Right. Then in 1961, the Soviets let the East Germans build the Berlin Wall. And incidentally I had a chance to fly over the Berlin Wall in the brief period when I was head of Eastern Affairs. I flew over it in a helicopter, the whole length and breadth of it, and saw what a formidable and imposing element it was, with barbed wire, plowed earth, and police dogs and all the paraphernalia that the East Germans would need to capture or kill anyone trying to escape into the Western sectors of Berlin. That was the situation of Berlin in 1969, but the Soviet Union... You remember that they had just crushed Czechoslovakia the year before and seemed to be getting away with it because it was quite clear even before that Brandt, in his phase as foreign minister under Kiesinger, was already pushing German Eastern policy, seeking the establishment of German diplomatic posts or trade missions if necessary in Eastern Europe to promote the West German cause in Eastern Europe, where it wasn't represented except in the Soviet Union and partially in Yugoslavia. This was a breakdown of the Hallstein Doctrine, which said that the Federal Republic of Germany wouldn't maintain relations with any country that also recognized the GDR. So you had Berlin at the focal point, the West German Government easing towards a new understanding on Berlin, and you had the Social Democrats, of course, once they won the election, pushing very hard.

Q: Well, now, one of the things, when the Kennedy Administration came in in January of 1961, I talked to people who were in Berlin at the time, like Dick Speiser and others, and all say they were very concerned about his administration being soft on Berlin - you know, talking about coming to some deal or something. They had built up this very elaborate sort of "Berlin Bible," or whatever you want to call it, of how things were conducted, and any deviation from this could mean a slippage of our control there. You were there when the

new Nixon Administration came in. Was this a concern, or did we feel that basically the Nixon people were pretty solid on maintaining the status quo?

SKOUG: The crisis that Khrushchev started in 1958 and reached its climax in 1961 with the Berlin Wall. There was a receptivity in the Department of State, particularly after the death of John Foster Dulles in mid-1959, to negotiations, and yet there was very little to negotiate with the Soviets. They were of no mind to improve the situation in Berlin. We never had anything we could concede in Berlin, and so the very fact of negotiations were really a stalling device. Fortunately, nothing came of those negotiations. With regard to the Berlin Wall, however, and this was a bitter pill for a lot of West Germans and West Berliners, including Willy Brandt, who was mayor of Berlin. They were angry that the Western powers didn't do more to prevent it. That was very, very difficult because the Berlin wall was built entirely within the Eastern Sector of Berlin or the surrounding areas of the German Democratic Republic. We had no way of getting over there. Had we tried with military force, they had ten times the military force that they could bring to bear very easily. Our basic concern in Berlin, before and after, was access to the city and egress, of course, through the air, through trains, through the *Autobahns*, all of which I traveled, and commerce - the ties between the Federal Republic of Germany and Berlin - although we didn't let Berlin become a *Land* or state of the German Federation. We encouraged the construction of ties, because only the Federal Republic could supply the force that was needed to sustain the Western sectors of Berlin. I don't think it was fair to say that we let the Germans down, although certainly Brandt was embittered and felt that this proved that the Germans themselves would have to do something about Berlin.

Q: Well, then, how did things... I would have thought that Henry Kissinger and Nixon would be very, very leery of Willy Brandt. I mean, was this a case, was it apparent?

SKOUG: You see, Brandt was undergoing something of a metamorphosis. To go back a little bit to Social Democratic history, I mentioned how the Social Democrats had vigorously opposed NATO, opposed the draft, opposed West German rearmament, had opposed even the European Community, all of which they thought would make it more difficult to get German reunification. You have to understand that East Germany was the traditional stronghold of the SPD. They felt that if Germany were reunited, it wouldn't be Konrad Adenauer who would be sitting in Bonn; it would be a Social Democrat sitting in Berlin as the head of the combined country. So they assumed from that that the CDU, for its own reasons, didn't want reunification, which was unfair. The CDU, I think, was realistically aware of the fact that it wasn't going to get reunification on any terms Germans would have accepted. The SPD held out for that. During the Khrushchev crisis, in 1960, the Social Democrats began to appeal for a joint foreign policy with Adenauer, and this was at the time when Herbert Wehner, who was the left-wing stormy petrel and the most formidable, if you will, among the radicals in the SPD, suddenly took a much more moderate position because he wanted to win the election. He realized that Adenauer, having won the elections by increasing majorities in 1949, 1953, 1957, was dominating the German situation. And so Wehner and Brandt together adopted a foreign policy which was very close to Adenauer's. Adenauer didn't like it. Adenauer, of course, was resisting, but the net political result was that Adenauer lost his absolute majority in 1961. He stayed in

office for a while. Eventually he stepped down and was succeeded by Ludwig Erhard and then by Kiesinger. But under Brandt the SPD had made itself acceptable to the West German electorate, because Brandt seemed to be carrying on now the pro-Western policy of the CDU. In actuality, Brandt, after his embittering period in 1961, was by no means as pro-Western as it appeared, but it took time for this to develop. The Berlin negotiations, the Quadripartite Negotiations over Berlin, began with a probe. The three powers - the U.S., Britain and France sent a note to the Russians in September of 1969 asking if they would meet with us to talk about certain objectives. This was a West German initiative. It had come about in the Quadripartite Dinner, which is held before the semi-annual NATO foreign ministers meetings. The Germans, the French, the British, and ourselves - get together. The Germans had pressed this idea of talking to the Russians saying, in effect, if they stopped some of their actions - they were having the Bundestag and the Bundesrat meet in Berlin; they were having the Bundesversammlung, which elects the president, meet in Berlin - the Russians didn't like it - they were harassing it, they were causing trouble. The Germans themselves were willing to say, "If we curb these things, will you help us in strengthening the ties between the Federal Republic and the East as well as the ties between the FRG and Berlin, itself?" So anyway, we agreed on a probe, although, as Jim Sutterlin told me - I was just learning what they had in mind - "What we want to do is get a few more telephone lines, what we'd like to do is get a few more passes so that West Berliners can get across the Wall." It wasn't much. It was very limited. And in return, we were willing to tell them that, well, the West Germans won't do these things in Berlin any more. They'll have other things, but they won't do that. Not much.

But even so, I saw with my own eyes a note which came back from the White House: "What is the State Department getting us into now?" And I believe that it was in the handwriting of Dr. Kissinger. He was very skeptical. The Nixon Administration was very skeptical. They wanted to know why we were proceeding with these talks. I say we were essentially responding to a West German request. The United States had never encouraged these high-level demonstrations of Federal Republic presence in Berlin, because we had prevented Berlin from becoming a *Land* of the Federal Republic. We had our rights and responsibilities, and we wanted to protect the West Berliners. We felt we could do it better if the West Germans didn't try to claim Berlin as a constituent part of the Federal Republic of Germany. We did favor strong ties between Bonn and West Berlin, however.

So that's how it began. Then when these probes had really elicited no Soviet interest, Brandt won the election. Brandt came into power with the FDP as his minor coalition partner. And Brandt immediately signaled that he wanted to implement a much more far-reaching Eastern policy than had ever been done before under Kiesinger. The first thing he did was send his collaborator, Egon Bahr, to Moscow to negotiate an agreement with the Russians. This was sort of a framework agreement which gave the Russians what they wanted. The Second World War ended with a lot of unfinished business, including the detachment of a tremendous amount of prewar Germany into Poland and into the Soviet Union. A lot of Germany had been occupied by the Poles. For a long time it was the basic view of all German parties that they wouldn't surrender those territories, nor would they admit other claims desired by the Soviet Union until there was a final peace agreement and Germany was reunited. In other words, this would be a *quid pro quo* for the Russians.

You'll get your Kaliningrad, which had been Königsberg, and you'll get the territory turned over to the Poles once you agree to reunification. The SPD by this time had decided it wasn't going to get reunification anyway quickly. They wanted a detente with the Soviet Union. And so they conceded all these things for the Federal Republic, but with the understanding that it couldn't be a concession by "Germany" until there was a peace treaty and Germany as a whole was spoken for. In other words, this was sort of a provisional acceptance of the Oder-Neisse as a border and of Kaliningrad being part of the Soviet Union. Well, this treaty wasn't exactly received with joy in West Germany. The West German CDU/CSU, which was now in opposition for the first time in the history of the Federal Republic, remained the strongest political party in Germany a powerful opposition. It was concerned that it even had been given up provisionally. "What have we got in return?" they said. "We haven't got anything in return." The SPD was staking its hopes on that with the policy of detente, on relaxation of tensions in the region, things would be easier over the long term. At least there would be contacts with the "German Democratic Republic," which they were willing to recognize. And Brandt also went to East Germany. He went to Erfurt on March 19, 1970, where he was greeted as a hero by the East German population. But this was a first meeting of heads of government between East and West Germany. These were big changes in Germany's postwar outlook, and not well received by the CDU. There were then three *Länder* elections. *Länder* are the German states, and they're very important because the *Länder* determine who will be in the Bundesrat, the upper house of Parliament. It's not as powerful as the U.S. Senate, but it's a lot more powerful than, say, the House of Lords.

The CDU gained strength in all of those elections, and the FDP was at the brink of disappearing from state diets for not winning five percent of the vote. This frightened the FDP for fear it would be eliminated from the Bundestag, the lower house of the Federal Parliament, in the next Federal elections. They had the foreign minister in the coalition led by Brandt. Walter Scheel, a Free Democrat, was the foreign minister. The FDP was worried that it was going to go out of existence because of opposition to Brandt's Eastern policy. So they then came up with what they called a "linkage." And the linkage was that the treaty with Russia would not be presented to the Bundestag for ratification until there had been a satisfactory Berlin agreement, and that was the key because, you see, that made the Berlin agreement far more important. It was no longer talking about Steinstücken (a little segment outside the Western sectors), it wasn't talking about telephone lines; it was talking about much more. In other words, the West German opposition, which had scared the FDP, was insisting that, by golly, if we're going to give this up we've got to get something in return. The SPD knew this, too, because it needed the FDP to survive as a coalition, and actually this greatly increased their pressure on us to come up with some sort of an agreement with the Russians.

Q: During this period, this is Germans working with Germans, but what role were we playing while this was going on? Was this presented to us sort of as "Here it is," or were we involved, or what?

SKOUG: Well, a little bit. We were involved, and the Germans kept us informed, but the Germans did not keep us informed about everything. For example, on the Moscow Treaty,

it didn't have any reference to quadripartite rights and responsibilities for Germany as a whole, which we wanted to have in the agreement. The Russians didn't want it in the agreement. The Germans knew that the Russians would resist it, so they gave in, and then they told us afterwards. So there was some cooperation, but there never was 100 percent cooperation between the Willy Brandt government and the Nixon Administration. Now, as I say, we were negotiating. We'd had a couple of sessions of four ambassadors in East Berlin. Our ambassador was Kenneth Rush, a political appointee, a former Union Carbide official. Rush became a kind of special agent for Henry Kissinger. Then the British and the French had career diplomats, and of course the Russians had their ambassador in East Berlin. And these four gentlemen were the ones who then began the negotiations which would end in the Quadripartite Agreement.

Now this raises another element. You already have a certain amount of duplicity in the relationship between the Brandt government and the three powers. You also had the manipulation of American foreign policy by Dr. Kissinger. This is described in detail in a book which was written by Jim Sutterlin in 1990 called *Berlin*, together with David Klein, who was our minister in Berlin. They wrote a book about Berlin, and they described this period, and I'm relying on their description, but it certainly was increasingly evident to us at the time. Moreover, the first volume of Kissinger's memoirs boast of his deceit. Rush, the political appointee, was commissioned as Kissinger's negotiator, and a channel was established through a U.S. Navy office in Frankfurt for communications between Rush and Kissinger. Rush acknowledged this bizarre channel in "White House Years," as a means of "keeping in touch" with Bahr and Rush. It was a means to exclude the Department of State and the Foreign Service from key elements of diplomacy. It wouldn't be seen by the Department of State or by the CIA, which Rush apparently felt was too close to the representatives of the Department of State in Bonn. So Kissinger had his own channel for giving instructions to Rush, in the mean time using fully the U.S. standard instructions, "NSSMs" and NSDMs," and we had an inter-agency committee which met all the time. It seemed like every holiday, every evening we were meeting with the Department of Defense, the CIA, and the Legal Office. Kissinger's staffers, Hal Sonnenfeldt, and Bill Hyland, were kept meticulously informed of all inter-agency developments. The management of the Berlin talks from the U.S. point of view, which as I say were already important and became much more important in 1970-71, seemed to be in the European Bureau of State. We had no idea, of course, nor did Bill Rogers, that the secret channel existed and that sometimes, as it finally worked out, the Department of State was being kept "busy" while the real work was done by Rush at Kissinger's instructions. Rush emerges as a kind of hero in Kissinger's account of the negotiations because he was Henry's cat's paw.

The negotiations were very tough. The Russians had finally to make a decision as to whether what they gained from all of the treaties which Brandt was negotiating was worth making concessions which would probably mean that Berlin couldn't be used thereafter as it had been used by the Russians since the war, as a pressure point on the West. Was it worth it? Because on the one hand they would gain a great deal: the GDR would be recognized, it would come into the United Nations, relations would be established with it, it would cease to be a pariah in international affairs. So therefore it would be greatly

strengthened. On the other hand, West Berlin's position, sitting right in the middle of the GDR broadcasting television and radio that could be heard all over the country, would still be there. The East Germans and Walter Ulbricht certainly would not welcome that. But Ulbricht wasn't making the rules. The rules on the communist side were being made by Brezhnev and company.

The negotiations were tough and protracted, and it didn't look like we were getting anywhere, particularly I should say that the German negotiator in all of this, who has a role at least as important as Willy Brandt, was Egon Bahr. Bahr was a German Jew with a background very similar to Henry Kissinger. Bahr was a very intelligent man, but his real objectives were not clear. He could be very critical of the United States. He was very interested in pushing *Ostpolitik*, and so the Russians were interested in him. For example, Gromyko spent much more time with Egon Bahr than he had ever spent with all of the West German ambassadors in Moscow since diplomatic relations were established. They would meet for hours at a time. So there was a question there. Anyway, the idea appeared that the Soviet Union might reach this agreement with us, and I should say that the area about which we were talking was always disputed. We said there were quadripartite rights for Berlin and Germany as a whole. The Soviet Union said the Three Powers had some rights in the Western sectors of Berlin, but they didn't have any right whatsoever in East Berlin, the capital of the GDR. As for Germany as a whole, they didn't attack that as much, but they made it clear that they were not talking about East Berlin. We had to insist that if there were quadripartite rights they didn't apply just to West Berlin. That would have been a step backward.

Q: Yes.

SKOUG: So that was a major issue, whether we were talking only about the Western sectors or all of Berlin.

Q: Did your office get involved in this work?

SKOUG: Well, we were the leaders of it. Jim Sutterlin was the -

Q: What were you all doing?

SKOUG: Well, we prepared the position papers and responded to them and took part in the discussions with the embassies of our allies, which were intensive, saw the representatives of West Germany, Britain and France particularly, briefed other countries as to what was going on, briefed the press. That wasn't the only thing, certainly, that I was doing, because Sutterlin was leading the effort. I was merely advising him, helping him.

Q: Was Eleanor Dulles still a player in this business?

SKOUG: No, Eleanor really never was much of a player. When her brother was Secretary of State, her views were taken into consideration. As I passed briefly through the office of German Affairs in 1959, she had, let's say, a dissenting role or she had a possibility of

saying, "Well, I can take this to my brother, the Secretary." In 1969 she was still around as an advisor, but I can't say that she was involved. The ones particularly involved were our embassy in Bonn, especially Jonathon Dean, (Jock) Dean, of whom you may have heard. "Jock" Dean was our political counselor. Whether Jock Dean knew of Rush's secret role is not clear. I suspect he did, but I don't know that. He met on a daily basis in Bonn with the West Germans, the British and the French in what was called "the Bonn Group." He also met with a special Soviet representative who was a German expert. Anyway, given the ambiguity about the area we are talking about, the Russians wanted a consulate general in West Berlin in the Western sectors. We were not pleased - and I say "we" in the Office of German Affairs - we were not very receptive to this because it might strengthen the thesis that the quadripartite rights were in the Western sectors. And since there was an article in the final agreement, which we tried to get out, that the situation in the area concerned will not be changed unilaterally, that could be understood to mean that we had no power to change anything unilaterally in the Western sectors and that the Soviet consulate general was an indication that the Four-Power rights applied to West Berlin. Now that could have been a big step backward. That became rather crucial, and we, in responding to White House guidance, suggested that we should get something in East Berlin in return for conceding a Soviet consulate general. If they really wanted that, okay, but then we had to have something in exchange. And we turned to Frank Shakespeare, who was head of USIA, and suggested that USIA be prepared to run certain things in East Berlin. Well, he was furious. He didn't want to do anything in East Berlin, but we finally convinced him that this was a ploy because the Russians would certainly turn this down, but we might be able to keep them from getting the consulate general.

Anyway, the final written instructions sent to us by the White House said that we should not concede the Soviet consulate general in West Berlin unless we got substantial counter-concessions in the Eastern Sector. The Soviets rejected this, but nonetheless, Ambassador Rush seemed convinced that he had an agreement at hand. Egon Bahr seemed convinced that an agreement was about to take place. Egon Bahr was in very close contact, too, with Kissinger. He was in the loop. So was Rush. Rush, Egon Bahr, Kissinger, undoubtedly Willy Brandt - they were the loop. Remember, Bill Rogers was out of the loop, and everybody below Bill Rogers was out of the loop in that respect. We had our guidance, but we didn't know why Rush was so optimistic. He was so optimistic because he had instructions from Kissinger to sign the bargain. And he went ahead, and we learned in August of 1971 that Rush had gone to Berlin apparently to initial an agreement, and yet the documentary evidence stood against the relevant national security decision document. So how could he be going to do this? As it so happened, Martin Hillenbrand was on vacation and Jim Sutterlin was on vacation but were aware of the problem. Russ Fessenden was acting in Hillenbrand's place. Russ had been recently minister in our embassy in Bonn, deputy to Rush. He was a wonderful Foreign Service officer. Charlie Brower, who knew Berlin well, and was married to a Berliner, was acting legal advisor. On the day before, I had spoken with either Buck Borg, the number two in Berlin, or Klein - I've forgotten who it was, one or the other - and asked what the situation was (and you had to be very careful talking around this because this line was not a secure line, coming from Berlin), and he said that it looked like an agreement might be signed. It was a matter of concern because Jock Dean had apparently stated that there should be no telegram come out of Berlin until the

thing was finished. So we were getting nothing on paper. On the morning of the August 18, 1971, at about five in the morning, David Klein called me and he told me that, in effect, this agreement was going to be initialed later in the day - I think it was probably 11 in the morning in Berlin at that time. And I asked, talking around again, How about this and that? No, that's not in there. And David Klein said to me, the only way you can stop this is to get a first-person telegram signed by the Secretary of State telling them to hold up on it. Nothing else will suffice. This was a telephone conversation, not a telegram, and Hillenbrand wasn't around, nor was Sutterlin. Well, I went to work very early, called back, asked if the situation had changed. Nope. So I got together with Brower and Keith Huffman, the legal adviser for Europe, and went to Russ Fessenden, got him on board. He knew the subject as well as I. And then we all went to John Irwin, the deputy secretary of state, and we laid out the texts of the NSDM and of the draft agreement side by

Q: The NSDM being?

SKOUG: The NSDM being the instructions we had gotten, among other things that we shouldn't concede a consulate general in West Berlin unless we got some adequate compensation in the Eastern sectors. We didn't know, as I say, that this was not a condition that Henry Kissinger took seriously. It was just a condition for the Department of State to work on. So Irwin, being a lawyer, read the thing and said that the agreement was inconsistent with the NSDM, and so then we all went together to see Bill Rogers, and Rogers was going somewhere else. He was in a hurry. Rogers looked at our short draft telegram, which said, in effect, "Don't initial until we've had a chance to review this." Rogers looked at it and said, "Well, all we're asking for is a short delay." We said, "That's right." He signed it, and as he walked out of the room to go to wherever he was going, he said, "The President's on board with this, isn't he?" We were dumbfounded. Bill Rogers was a very nice gentleman, but if he thought that his minions in the Department of State went to the President of the United States first before they went to him, of course he was mistaken. He had to take that decision. This was before the China Wall incident, by the way, but it was a clear indication of unfortunately how irrelevant Rogers sometimes was in major policy decisions. The telegram went out. We thought it would work. I called Klein and I said, "The telegram you asked for is on the way." But then it really hit the fan, because Kenneth Rush had his orders, and we didn't know about his orders, and in effect he said that he was going to initial the agreement. And then we tried. Sutterlin came back. We amassed a telegram full of information to send. By this time in came a breathless letter from Willy Brandt addressed to Richard Nixon, endorsing the bargain. This letter from Brandt, Kissinger boasted in his memoirs was at his suggestion. As soon as we saw it, we knew that we were undercut, even though we didn't know half what we knew later. But the long and short of it is that Rush emerged completely triumphant. He trumpeted in his "secret channel" with Kissinger that the bureaucrats "had been foiled." Rush soon returned to Washington where he became deputy secretary of defense. Later he became Deputy Secretary of State. At this particular moment, Rush went out to the western White House at San Clemente and got Nixon on board. Sonnenfeldt informed Jim Sutterlin that Nixon and Kissinger were satisfied and had got the best deal attainable. But why conceal this from loyal U.S. diplomats?

It was kind of a case study of how not to do business. We were always excluded from knowledge of meetings that Nixon would have with either Brandt or with Rainer Barzel, the head of the CDU opposition. Henry Kissinger would attend them. One time when I was running the office, I got the Department of State's chief German interpreter, Harry Oaks, into a meeting in January 1972 that was going to take place with Barzel and the President. He actually got in the room. He was sitting there with Barzel and Kissinger, and Kissinger turned and looked at him, and immediately he saw an enemy. He said, "Who are you?" "I'm the interpreter." Kissinger snapped, "We already have an interpreter," pointing to the German interpreter. He dismissed him. So you see, we didn't know. In this case Barzel was nice enough to send us a copy. He knew very well what was happening to us, but he said, "You'll be getting this anyway, but here's a summary of the discussion." Otherwise, we wouldn't have had the foggiest notion of what was going on. That was the way it was to operate in this climate of misinformation. The key result of the Nixon-Barzel meeting was Nixon's assurance to Barzel that the United States government would not put pressure on the CDU/CSU to ratify the treaties Brandt had negotiated with the East. That had been State's recommendation which Nixon accepted. However, Henry Kissinger in March 1972 may have given Egon Bahr the support he needed in the Bundemag debate on the Eastern treaties.

Q: Well, looking at it in some perspective, did you feel that what we were doing was really being too giving to the East Germans and the Soviets?

SKOUG: The way it turned out, no - because what the West Germans gave up was their high-level performances in West Berlin, which were really irrelevant. What they got was an agreement that, in effect, said the ties between the Federal Republic of Germany and Berlin will be strengthened. You see, the Berlin Agreement which was initialed by the Four Powers, was only a general agreement on principles. And then it required the two German states, under the aegis of the Four Powers, to negotiate. And it also required the Berlin Senate, which was the West Berlin government, to negotiate with its East German counterpart - it actually turned out to be the East German Foreign Ministry - on access for West Berliners into East Berlin. So what the other side got out of this was a full recognition of the GDR as a state under international law which could no longer be held back, although Kissinger for some reason didn't allow the United States to establish diplomatic relations with the GDR for quite a while. I've never understood what he had against it, because we had given this away in the Berlin Agreement, in return for which we got confirmation of access, confirmation of the ties, and confirmation of the right of the Federal Republic of Germany to represent the Western sectors of Berlin in the United Nations and in foreign countries. In other words, up to that point, Berliners had been without protection of German officials, but technically it wasn't very important in the Soviet Bloc because the Germans didn't have any representation anyway, except in Moscow. But once they got representation, as part of *Ostpolitik*, the West Berliners were able to be protected by them. So the agreement itself was a pretty good agreement. And the Soviets, for one reason or another, did not exploit any opportunity to make use of the Consulate General to claim quadripartite rights applied to West Berlin.

There was, however, a communiqué from Moscow, which referred to the Quadripartite

Agreement on the Western Sectors of Berlin. This was okayed by Hillenbrand. I was baffled, because we had fought so hard to keep the thing ambiguous. The agreement itself just said there's a quadripartite agreement. It doesn't say what area it covered because we never could agree. We never could square the circle on whether we were talking about West Berlin or all of Berlin. But this made it appear we had been talking about West Berlin. That made it look as if we had left an opening the Russians would exploit. But to my knowledge they never did exploit it. The situation in Berlin was not a crisis or a focal point for tension after the Berlin Agreement was finally signed. And then after the Germans had negotiated, there as a final quadripartite protocol signing the whole thing up as a package.

Q: Well, what about the French and British during these negotiations? They were part of the occupying powers.

SKOUG: That's right, and they kept after it very seriously because they didn't have much of their colonies left. The French in particular seemed to regard the French Sector of Berlin as part of France d'Outre Mer or something, but the British somewhat less so. They were very particular about their rights and responsibilities. I remember the French talked about a *droit d'observer* or something like that, a right to be informed, a right to observe, to know what's going on. They wanted to know what was going on in Berlin. We didn't take it quite that seriously. There were plenty of differences between ourselves and the British and French. There was a subsequent quadripartite declaration, which was also negotiated bilaterally but which the British and French were asked to sign, and the French insisted on the change of one word - not very relevant, but since the agreement had been reached originally, I think, between either Kissinger and Dobrynin or Kissinger and Gromyko, the thing had to go back through that channel. But the French and British did not know that.

Q: Didn't the French and British feel you were selling them out or the Americans were selling them out or something?

SKOUG: Selling out? No, no. They agreed. They were ready to recognize the GDR. They had no objections to the Germans giving up their claims. There was a problem with some people in the SPD chancery in particular - they had a chancery, which was somewhat like the NSC with Henry Kissinger. Horst Ehmke was the minister for the German chancery under Brandt, and he had a gentleman named Sahne working for him. These people were very critical of the United States. They were always condemning us for holding them back, and there was great pressure on us, not only from them, but even from people like Averell Harriman, who called Martin Hillenbrand and said that the United States has got to put pressure on the CDU to agree to ratify the Eastern treaties. We didn't want to. We didn't want to get involved. And I pushed hard. That was one issue where I got quite involved and said this would be the worst thing of us to get involved in what is an internal German decision. If the Germans feel that this is right for them, let them do it, but certainly we shouldn't be asking them or putting pressure on the CDU to do something that was really German business. I think that view prevailed. I think that Nixon accepted that. I'm not sure because we were not privy to Henry Kissinger's activities.

Q: Why would Harriman be involved at this point?

SKOUG: Well, he just liked to meddle, I guess. He was just calling out of the blue, but obviously some Social Democrat had got to him. Harriman carried no credit with the Administration, so he couldn't call Nixon. He called Hillenbrand instead and tried to make it look like a Department of State recommendation. Hillenbrand had counter-recommendations from Sutterlin and myself, and he agreed with us. And so did Rogers. In Germany there's the *Dolchstoß* legend from the First World War, where General Von Ludendorff claimed the German Army was "stabbed in the back," by civilians and so forth. We didn't want there to be foreigners who could later be accused of having sold out Germany's historic rights. We made the Germans make that decision. They approved the agreements.

Q: Well, then, this agreement was signed about when?

SKOUG: Well, the Quadripartite Agreement was signed on September 3, 1971. But then the inter-German talks and the Berlin-East German talks continued for a while, and finally it was brought together by the final Quadripartite Protocol of June 3, 1972.

Q: Well, then, at that point, what were you getting from the embassy, and those of you who were dealing with German affairs, how did you feel about Willy Brandt?

SKOUG: Well, there were various views. The East German spy nest around Willy Brandt emerged somewhat later. He did have a lot of East Germans working around him. He knew that Sahne, for example had expunged any criticism of the GDR from certain reports and statements of the West German Government. There was a concern about Brandt. Brandt paid a visit in 1971 and stayed in Blair House. He gave a reception there for the so-called "friends of Willy Brandt." And he shook our hand as we came in, but he was busy talking to the wife of Claus Soenksen, an embassy officer regarded as Willy Brandt's man in the embassy, and Mrs. Soenksen was regarded as Willy Brandt's woman in the embassy. They didn't fully trust their embassy either, you see. They didn't trust the professionals in the German foreign service. Brandt was not the individual he had been as mayor of Berlin. When he was mayor of Berlin he seemed to have a purpose. He was pro-American and personified his city's role as an island of light amidst the surrounding darkness. He had to work within the milieu of the Social Democratic Party, which was very confused at the time. Brandt stood out as a guy who knew what he wanted. I think Brandt's Eastern policy in the long run was very helpful, the way it worked out, and particularly as it was implemented by Helmut Kohl, in part, who was a subsequent CDU chancellor. Germany played a big role, a growing role in the Soviet Union and Eastern Europe after the *Ostpolitik* got started. And it was partly because of the *Ostpolitik*, I think, that Gorbachev didn't want to disturb things in 1989. He had more to gain from a good relationship with Germany and the West than he had from coming to the aid of those embattled communist regimes. So you can see that in the long run the Berlin Agreement and Eastern policy, as they worked out, were to the advantage of the West. I would say that, definitely.

Q: What about during this time were you and your cohorts looking at the ties between France and Germany, because this has always been the key to stopping these damn wars in

Europe? How were things going there, looking at the German side on this?

SKOUG: German and French relations were usually pretty good in the Postwar Era. Adenauer made good relations with France one of the key elements of his foreign policy, a rapprochement with France so that there could never be a war again between France and Germany. De Gaulle more or less picked up on this. De Gaulle and Adenauer understood each other. After that there may not have been the emotional tie there, if you can refer to an emotional tie between France and Germany, but there was an emotional tie between those two old men. But still, I think, relations remained pretty good. They had their differences. Of course, the Germans knew very well that the French were not pulling their weight in NATO. They knew that in many respects the French were conducting an independent foreign policy, and they must have known that many times with reference to France people talked sportingly of trading one NATO member for a couple of members of the Warsaw Pact, but by and large the cooperation within the European Community was strong. That did not diminish under Brandt or Helmut Schmidt, his SPD successor as chancellor.

Q: Did you sense any unease coming from the NSC about Brandt and all, from Kissinger and company?

SKOUG: Yes, there was unease. Kissinger had two fellows over there working for him, Helmut Sonnenfeldt and William Hyiland. They were his agents for dealing with the Department of State. They always seemed to be suspicious, but at the same time, Kissinger had his own special and secret ties to Willy Brandt's right-hand man, Egon Bahr. So if he was suspicious, he nevertheless was working closely with him. As I say, Bahr was in Kissinger's loop, quite clearly, and the Department of State was not in the loop.

Q: Well, then, after the Berlin Agreement, for you, what were you active in?

SKOUG: Well, I was sort of active in cats and mice. Anything that Jim Sutterlin didn't want to handle - and of course, I was in charge when Jim Sutterlin was away - I worked on things like preparations for the Conference on Security and Cooperation in Europe, which the Germans didn't want to take place until they had successfully concluded the Berlin Agreement. And we basically shared their view. In other words, this was added, since the Soviets wanted this so badly, as another goodie that they could get after they had reached a satisfactory agreement on Berlin. Of course, there were other issues, like the concern of the German ambassador, Pauls, a very arrogant former military officer who had one arm - lost an arm in the Second World War - for his personal security. Aware that other German ambassadors had been kidnaped, he wanted armed protection. He was not satisfied with the guarantees which he received through a protocol that we were able to work out. Finally, he wanted to bring in some armed guards, and Jerry Wilson, who was chief of police, didn't want armed guards, because this would be a bad precedent if embassies started arming themselves. So I had to go with Marion Smoak, the head of Protocol, and Gentile, the head of Security, with whom I worked closely to change the chief's mind. We finally did. We finally got Ambassador Pauls satisfied with his armed guards, and then two months later he unilaterally sent them home.

Another issue in which I was directly engaged was with RFE - Radio Free Europe - and Radio Liberty. Those stations were on German territory, and while the CDU was in power there was never any problem with them, except during the Hungarian invasion by the Soviets in 1956 when the Germans thought that the activity of RFE had encouraged the Hungarians, and so then they investigated it. But they did not reveal that the RFE and Radio Liberty were actually CIA stations. In 1969, and certainly immediately after the election of Brandt as chancellor, the SPD let it be known that it wanted those stations off German territory.

Jim Sutterlin and, I think, Martin Hillenbrand, were not inclined to oppose the Germans. I, having just come from Czechoslovakia, having seen the importance of Radio Free Europe in getting some ideas of freedom to the Czechoslovak population and having worked with the radio stations when I was in Munich ten years earlier, was of a rather different point of view. But it was a situation where I had to follow the instructions I was getting from my boss, and I did. However, the White House disagreed. The White House was not willing to see the stations moved out of Germany, and they got a gentleman named Freddie Valtin engaged, and we conducted some discussions in Washington as to how we could change the management of the radios. As a result there was established the Board for International Broadcasting. The question was whether the two radios should be put under USIA. It was finally decided not to, to put them under the new board and to take the CIA out of the picture. Brandt was obliged to accept that, and so the radios stayed in Germany. They were now simply a U.S. station in the Federal Republic. As I say, I don't think they gave most Germans any problem. They gave the left wing some heartburn, and of course the Russians and East European governments were critics of it. But the Germans undoubtedly told them, look the Americans are making us do this.

Q: Were our troops in Germany causing any problems? This was during the time of Vietnam, and we were drawing on our troops, and we were having morale problems and lack of discipline and all this. Did this cross your desk at all?

SKOUG: We didn't really have any major problems with our troops in Germany, no. There may have been some disgruntled people. I met a disgruntled soldier myself when I was over there on one of my trips, but by and large no. There had always been some problems. Usually the problems were caused by troops committing crimes against German civilians, particularly female civilians, but there were not any unusual problems. There was a problem when Helmut Schmidt took it upon himself on one of his trips to the United States - I think in late 1972 - to deliver a broadside about Vietnam, publicly. He lectured us on how concerned Germany was about the situation in Vietnam. It was quite clear that it was not the support that we used to get from our German friends and we would like to have had from them. So someone finally had to tell Schmidt that we did not appreciate that sort of public activity in the United States by a minister of a government what was getting an awful lot of support from the United States.

Q: Schmidt at that time was minister of the treasury?

SKOUG: Yes, he was minister of the treasury.

Q: Were we seeing any other problems with Germany? For example, weren't we beginning to draw down within Germany? We had all these Amerika-Häuser and other apparatus within Germany. I was wondering whether we were beginning to-

SKOUG: Well, some of that proliferation of agencies and representation had stopped much earlier. We used to have facilities and FSOs stationed in small towns in Germany. That had long since ceased to exist. I don't think there was a big build-down. However, a major issue in U.S.-German relations was the so-called offset talks between ourselves and the Germans, where we wanted them to compensate us for the balance of payments outflow caused by our troop presence there. We had a trade imbalance which began about that time - it wasn't so bad with Europe, but of course our trade imbalance was growing after 1972 when Nixon had to cease making settlements in gold. We tried to get the Germans to provide compensation for our costs of stationing troops in Germany, although it wasn't costing us a lot more to have those troops in Germany than it would have cost to have them in the United States. Anyway, we took the position that the dollar outflow needed to be offset, and the Germans were highly reluctant to pay, but they knew they had to pay something. And so there were annual negotiations as to how much the Germans would pay, buying U.S. Treasury instruments and so forth to offset the flow of dollars. Of course, all this time the dollar was falling against the mark. It fell to two marks to the dollar at about that point and kept on going down. So we had a lot of concerns about that, but we were not drawing down our forces in Germany. They still were maintained. There was a lot pressure to do so. There was the Mansfield Amendment and there were other challenges coming out of Congress which said that we should be drawing down our forces, that we were over-represented in Germany. And the administration, I think successfully, resisted that.

Q: What about events in East Germany during this time? Was your office looking at East Germany?

SKOUG: Oh, yes. We were the only office that really did.

Q: How did we see it there?

SKOUG: Well, in 1969 we saw the consolidation of an unpleasant dictatorship which had cut off eight years earlier the outflow of its citizens but which still maintained a shoot-to-kill order all along the border. We saw, of course, a country which had just been involved in the invasion of Czechoslovakia. We saw a place which still had a harsh dictatorship. It had Walter Ulbricht, who was as close to a totalitarian extremist as existed in the entire East Bloc, except in Asia. He was replaced by Honecker as head of the party in 1971. Willi Stoph remained premier. There wasn't much change. They lacked the zeal and maybe the suspicion of Ulbricht, but they certainly carried out his policy. Our quarrels were essentially with other people in the U.S. Government who thought that the East Germans offered a tremendous economic opportunity for us. In a way it was like the discussion of Cuba these days. But in those days, I remember one particular argument in the Department of Commerce that I got into with a middle level Commerce official who insisted that the Department of State's restrictions on trade and business activities with the

GDR was denying us commerce with the seventh or eighth greatest industrial power in the world. He was adding up the steel and coal and other things produced in East Germany, and I suppose by those standards he was right. But of course again, it was the Babe Barna principle that I've mentioned before, that the East Germans were heavy hitters in their own minor league, but they were not a fitting trade partner for us, and I doubt whether we lost any trade at all.

Q: Did we feel a diminution, after this business, of the Soviet threat - the tank armies flowing through the Fulda Gap and all?

SKOUG: I think basically the threat was still there, although they did not use Berlin as a pressure point. The missiles went in there. The Brezhnev policy of building up Soviet military power and trying to prevent us from keeping step went on, not only in the Nixon and Ford Administrations but also on into Carter. I never noticed any indication that the Russians were relaxing; however, they didn't use Berlin, and there weren't any other outstanding opportunities for them in Western Europe. Their pressure point in Europe had been Berlin. We were pretty well protected in the rest of the area. So what problems there were cropped up in Greece and Cyprus, which came along later. There weren't any crises such as Khrushchev had touched off. The Brezhnev leadership in the Soviet Union - I'll get to that perhaps when we come to Russia - but the Brezhnev leadership was reactive to developments. It was always opportunistic as to what gains it could make. It certainly was intent on demonstrating the military power of the Soviet Union. It was expansive, but it wasn't risk-taking in the sense of Khrushchev. Khrushchev started many problems with his mercurial policy, and Brezhnev really didn't do that. The Berlin Agreement that we signed was a Western initiative. It didn't come as a result of a Soviet threat.

Q: What about the start while you were there of what became known as the Helsinki Accords?

SKOUG: The CSCE.

Q: The CSCE. How did you feel about it at the time, when it first was proposed?

SKOUG: Well, the direction for CSCE was placed in the hands of RPM, Regional Political Military Affairs. Ed Streator and Arva Floyd used to run that under Jack McGuire, and I sat on the inter-agency body for the German question. They were quite concerned that we were being euchred into something which would not be serving U.S. interests, that something like a CSCE would be another propaganda area which the Russians would exploit, that the feeling of Western unity might be weakened. There were all those concerns. At the same time, I would have to say that Henry Kissinger's policy towards the organizing phase was very wise. The Western Europeans expected us to get out in front and be very critical of human rights violations, let's say, and critical of everything in the East Bloc. And Kissinger took the position that we should sort of lie low, we should participate but let others take the lead. This was a European-centered body; let the Europeans do it. At first, I think that they held back, but later on, they took the position: "You aren't saying anything." So they said it. And it was more effective, in a way. It wasn't a body where the United States wailed at the

Russians, and it was one where the Europeans began to put some heat on what was going on in Russia and Eastern Europe.

Q: Is there anything else in Germany during this 1969-73 period we should cover?

SKOUG: Well, we covered the ambassador's weapons and the radios and the CSCE, the Berlin Agreement - those were certainly the major issues.

Q: The really major issues, yes.

SKOUG: Yes, the Berlin Agreement was a very important development. It worked out well, but the way it was negotiated was not good because of Kissinger's calculated deception. Ever after we were concerned whether instructions were really instructions or whether they were make-believe instructions. It weakened credibility - when you don't have confidence in the leadership to tell you what's going on. So that definitely was a down side in what was essentially a good agreement. I think that's probably it.

Q: All right. Well, then, 1973 - whither?

SKOUG: One of the things I should have mentioned was that when I was in Prague I had been promoted to what was then O-3 rank, or O-1 under the present system.

Q: Basically a colonel.

SKOUG: Basically a colonel. And I had been the first in my group to reach that rank. I thought that I was probably going to have some very interesting assignments coming up - not that the one in Germany wasn't interesting. But I didn't get promoted, despite a lot of good recommendations from Sutterlin, and so I went to senior training, which is available to the old O-3, to colonel officers. I went to the National War College for a year. It was a good year, a pleasant year.

Q: It should have been an interesting time to be working with American military officers, because Vietnam basically, we had pulled out - not completely, but I mean our troops had disengaged by that time - and was Vietnam sort of a cloud hanging over it?

SKOUG: No, it wasn't a cloud, but it was a wonderful opportunity to talk to guys like my classmate John McCain and six other officers who had been held by the North Vietnamese for about seven years, some of them in solitary confinement. We had seven of those guys, and they were very impressive. John McCain was the most impressive, a scrappy guy who always had a lot of questions, and the National War College was designed for that, for discussion and debate, and it was a good year to relax, to get to know the guys in the military service. Of course, I'd had some military service, but I wasn't a colonel. And it was also a time to get back in physical condition. I had been a runner in college, and I was able to resume running with Tony Lukeman, for example, who later became a Marine lieutenant-general. It was a good year to just sit back and see the world. I went to East Asia with McCain and some others, visited countries that I had never seen before, including

Australia, Thailand, Hong Kong, Korea, Japan, and Malaysia, with brief stopover in Singapore and New Caledonia. It greatly broadened me to have that opportunity, and then subsequently when I went back there I felt I had some sort of basis. We flew over Vietnam on the plane which was put at our disposal by the CINCPAC, the Commander of Pacific Forces in Honolulu. It flew us all over East Asia, actually. That was the first time I'd ever seen Vietnam. At that point it was fairly quiescent. It looked like Nixon was succeeding. Nixon was still President. And if Nixon hadn't had his Watergate, I'm not sure Vietnam would have died. I think Vietnam died at Watergate.

Q: Well, then, by this time, 1974, you're up for assignment.

SKOUG: Right, and again there was a prospect of an assignment to Germany as political counselor, but it didn't quite gel. I've forgotten just why. I remember talking to Martin Hillenbrand, who was ambassador there at the time and who looked forward to it, but it didn't gel, so I became an inspector. I might say that as a result of Henry Kissinger coming over to the Department of State, things weren't so auspicious for some people who had been involved in German Affairs. Russ Fessenden, who certainly should have gone to an important ambassadorial assignment, didn't get one. He retired, and the service lost a fine FSO. Charles Brower left the Department of State. Jim Sutterlin, had been named head of the Policy Planning Staff by Rogers, without Kissinger's knowledge, one week before Rogers left. When Kissinger came over, he kicked him out and put Winston Lord in there. Sutterlin became inspector general. At that point Sutterlin began looking around for employment outside, and he soon went to the United Nations for a new career. But before he went, he put me on the staff as an inspector. So I spent the next couple of years as an inspector.

Q: Well, this would be 1975?

SKOUG: From mid 1974 to early 1976, when they gave me six months of Russian training.

Q: Well, now, the inspection corps had sort of changed over time. During this time, 1974-75, what was it like? I mean, what sort of powers did it have, and what was the thrust of inspectors in those days?

SKOUG: Well, it was still the inspection corps that it had been for a number of years. It was composed of Foreign Service officers who had come up through the ranks, knew a lot of the issues, knew the areas, and knew that they would be going from the inspection corps, for the most part, back into other assignments. Sutterlin was in charge in 1974. Bob Yost, who's dead now, was his senior deputy. Ambassador Bill Schauffele and Bob Sayre were successors of Sutterlin. So it was thoroughly professional, in the sense of Department of State professionals looking into Department of State business. It was not led by outsiders looking to find fault as it became 15 years later. One of the peculiar aspects of it in the period when I was there was that we were supposed to look at policy. As well as looking at whether policy was being carried out, whether people were reporting with their shoes shined and so forth we were also to go out to these countries or internal inspections as well and see if things were being overlooked, if we shouldn't be doing some things otherwise.

There was always a certain amount of concern that Foreign Service officers felt about that, not only the ones we were inspecting but the inspectors themselves. For example, was our policy towards Indonesia the right policy? Was that something an inspector should look into? It was when I went there. We were supposed to look at policy in the United Nations or towards Indonesia. The same with Malaysia and so forth. So there was that element. That was controversial. The other element, rating people - we still rated people individually. That came to an end later. Later they only rated chiefs of mission, I think, or deputy chiefs of mission. We rated everybody. Every officer and every secretary got an IER, Inspector's Efficiency Report. Those things could be painful for employees, and they were painful for the inspector, because since OERs, as you know, very seldom had any criticism - everybody was a water-walker - the promotion panels - and they used to tell us, they would talk to the inspectors and say, "Your reports are crucial. We count on you guys. You're just in there for a while, you make a quick report, you're not going to be working with these people any more. We expect you to do an objective job." Well, that was tough.

So being an inspector was not easy, and it led to some bruising results. For example, when I was inspecting the Bureau of European Affairs, together with Ambassador Bob Sayre, Bob was in charge of the inspection. Bob spent most of his life, almost all of it, in ARA, and there was a period of time when Bob felt - and I thought he was right, but he felt it very strongly - that EUR was too big, that there were other areas in the world that needed more officers, and EUR was getting too many resources and so forth. You can imagine how that attitude went over with Art Hartman, who was the assistant secretary for European affairs, when we recommended something like seven or eight cuts when they wanted increases in the size of EUR. And since I was working for Sayre, and loyal to him, he signed the inspection report and I signed it. Sayre became inspector general during the inspection, so much of the inspection was left to me. In fact, I had to do 85 percent of the interviewing, in my old bureau, as I'd spent most of my career in European Affairs except for one trip in ARA and the one in IO/UNP. I wasn't present at the head-to-head battle between Sayre and Hartman, but I know it was, as the Germans would say, "hart an hart." It was tough. And I don't imagine that the European Bureau... because every time that I would conduct an interview, they would say, oh, you know where the bodies are buried, and that sort of thing, and so they probably felt that I should have done more to protect EUR. I didn't feel that I... Although my next assignment was to EUR, to Moscow, I never was assigned to EUR again, and I never was sure... I mean, I was a German specialist. I should have gone to Germany. I never got back. That was one of those things.

But there were some very interesting aspects to inspecting. As I say, if I had broadened my horizon by visiting countries in East Asia with the War College, it was much more broadening to go out and conduct inspections in Jakarta, Medan, and Surabaya.

Q: How about problems? One thinks of alcoholism, sexual harassment, taking too much money or representation losses. Were these problems that came up, or were you more or less ready for them before you got to the posts?

SKOUG: A lot of this is disclosed at the post. For example, in one post, the Ambassador's wife was selling flowers, which she was raising on the embassy grounds, to the embassy

for official functions, and we let the Ambassador know that this was not proper, just to suggest an example of what had to be done. I can't say that that was a frequent occurrence. I remember his response was, "You inspectors come, and then when you go, you leave behind little apples of discord." But, yes, and they also said, you know, every inspection started with two lies - the first lie was told by the DCM as he welcomes the head inspector and says, "We're glad to see you here," and the second lie was when the inspector responds: "Thanks a lot. We're here to help."

Q: Did you find that sometimes you could sort of come and sort of untangle unpleasant situations and all?

SKOUG: Yes, sometimes you could be confronted with them. In one post, for example, I had a situation where the deputy chief of mission had found that the chief of a large Economic-Commercial Section had some very unhappy subordinates, and yet this officer had a successful career and was insisting that it wasn't his fault, that he was not the cause of the problem. The DCM, in fact, said he was. So that problem was waiting for me. There was no way I could get out of addressing it. I had to interview at great length everyone in the section, of course, including not necessarily the national employees, but all the American employees, including the secretaries, as to the problem. And it came out that basically the DCM was right, and that had to be stated, and it was very tough to do with a fairly senior officer, but that was an inspector's duty. As I say, I learned a lot, but it was hard work. In another case, I inspected a consular section chief for whom I had once worked and found he was being unduly severe with a junior officer. I was able to correct that.

Q: You were saying how things changed. At that point, was sexual harassment on your radar screen particularly, as we know it?

SKOUG: Not as such. It could have fallen strictly under how employees treated other employees, but there wasn't the slightest hint of that. I never had anybody suggest that to me. I had some very unhappy female officers along the way, but never was that subject raised. A lot of times women... and again, in Indonesia, the women had a party, the secretaries, and I think I was the only man there, along with one other inspector, and they were really going to lay it on the line as to the problems women were having out there, but they didn't. I mean they didn't really identify for me what was wrong in any way in which I felt I could supply a remedy. Maybe there was a problem and it was still premature to address that issue, but maybe I was somewhat skeptical of it, maybe they didn't make their case when they actually saw me. But nobody could cite chapter and verse as to how they were being discriminated against. It was just perhaps that their interests weren't being taken sufficiently into account.

Q: Were you seeing any residue from the Vietnam War of officers - we had such a large number of officers serving in Vietnam, and by this time Vietnam had fallen and that whole apparatus there, of course, was no longer in existence, and the absorption of some of these people who had spent considerable amount of time in Vietnam - were you seeing any results of this?

SKOUG: No. Actually, Vietnam fell while I was inspecting Indonesia. It was the spring of 1974 when it collapsed, and so that element would have... That was the spring of '75, excuse me. No, I didn't see any. There were beginnings of human rights as an issue. We had established under President Carter a Human Rights Office, and I inspected that. I did not foresee what a tremendous movement this would turn into. I must say that I'm not a friend of having the Department of State write critical comments about human rights violations in other countries. I don't think it's the responsibility of the Department of State to do that, but that's my personal view.

Q: That was mandated by Congress, actually prior to the Carter Administration. This was there.

SKOUG: They had to do it, there's no doubt. It wasn't something the Department of State volunteered to do. And undoubtedly the Department of State was not able to prevent being saddled with the responsibility. But I think it was sort of a feel-good thing. Maybe it's done some good, but it also can harm our relations, too, if it's done with too much zeal.

Q: Kissinger was still the Secretary, although Nixon was gone. Were you getting any feeling, in looking at policy, that maybe Realpolitik was a little too apparent and that we were too close to régimes that we shouldn't be close to, or not?

SKOUG: Well, that didn't come up in my inspection. Of course, we were in Indonesia, but at that time we were pursuing good relations with the Suharto Government, and I certainly don't recall advising that we should be tougher on human rights violations. Under Sukarno, Indonesia had been "confronting" pro-western Malaysia so it seemed a big improvement to have a friendly government in Jakarta. Malaysia was much friendlier than it is at present, and it seemed to be a pretty free place. Singapore I inspected; now that was a case where it was clear that Singapore was very tightly run by Lee Kwan Yu, but certainly I wouldn't have criticized our embassy for not being more critical of him.

Q: At the time, I don't think these were under particular question.

SKOUG: We were facing a major problem of the Soviet Union in the world. We needed Allies and could not be judgmental about them at the cost of our common security. We just had been involved in Vietnam, with the threat to Cambodia that flowed from it. Of course, we were trying to get along with China, and China under Mao wasn't exactly a thriving democracy. There were a couple of other inspections that were of interest that I was given. I was given various special inspections to conduct, sometimes alone. One of them was on American constituent posts, which ones to close. So I had to do a study of all the constituent posts in the world, not that I wanted to close any posts, but being given the instruction that we, as a cost-cutting measure, had to cut some posts, which ones would you cut? So I had to line up 10 posts, and one of them was unfortunately Surabaya, which just opened again recently. I was just reading about it in the paper the other day. But Surabaya was the place where I was notified of my promotion to "brigadier general" - O-2 - so I had a soft spot in my heart for it, but still, by any reasonable count it qualified in 1975, along

with posts like Rotterdam and others, for elimination.

And then I had an internal inspection of the CIA function, how the chief of station was fitting in, whether the chief of station was doing what he ought to do in terms of the overall mission responsibility. This was without going out into the field. I certainly came to some conclusions that they weren't always doing what they should do.

Q: Okay, well, then you finished with the inspections corps in, what, 1975, 1976?

SKOUG: I was really not finished. They had to assign me several other inspections. I had a very good relationship with Ambassadors Yost and Sayre, and they wanted me to stay on. On the other hand, I had been in Washington seven years and I was offered economic counselor in Moscow. I saw that as an interesting assignment which would be somewhat similar to what I'd done in Prague except with a much bigger country. And so I opted for that. They gave me, however, only six months of Russian because the regular 10-month program started the September before and would end in June. I started, I think, in February 1976, and I continued until August. That was not enough for a language like Russian. Furthermore, I was older at this point. It's not always a good idea to train an older officer in a hard language.

Q: Really, you can do the social amenities, and that's about it.

SKOUG: Well, I could read adequately. Of course, I knew many Czech cognates. They thought that my knowledge of Czech would greatly simplify my understanding of Russian. It really didn't because the languages are sufficiently different, and when I got to Moscow, occasionally I fell back on Czech words. In Prague, if you can speak Czech at all, they'd try to help you. I figured the Russians would say, Well, he speaks a fellow Slavic language. They did not think that at all. As a matter of fact, my first Christmas in Moscow someone sent me, without attribution, a Czech-Russian dictionary, which I still have and use. I got the point though, and ceased throwing in Czech words.

Q: So you were in Moscow from when to when?

SKOUG: I was in Moscow for three years, from August 1976 to August 1979.

Q: What was the situation in 1976, when you arrived?

SKOUG: Well, the big issue was the one that was frightening all the people studying Russian and frightening a lot of people who were on the staff. They had just discovered that there was radiation which seemed to emanate from Russian transmitters. In other words, in addition to bugging the embassy or perhaps in order to bug the embassy, they were radiating the place. And of course they denied it, but it was tested, and it was clear that radiation was coming in. Screens were installed on embassy windows. Art Hartman for a long time didn't want to concede that this was an issue, but there was so much public outcry from the ranks that finally a study was made. There had been many people who had fallen ill. As a matter of fact, Walt Stoessel, who was the ambassador there and who left shortly

thereafter, was very ill and when he came back to a senior post in the Department, he died soon thereafter. As to whether or not there was any connection between disease among our employees and what the Soviets were doing isn't clear. It was said that the screens placed on the windows reduced the amount of radiation that was coming in. To my knowledge it never was determined whether this radiation was really harmful or not, but it was thought to be harmful. A lot of people were unhappy, particularly those who lived in the embassy. Now those were not too many, because most of us did not live in the embassy. We lived elsewhere. But that was certainly the situation. Otherwise, the first thing of note, really, was that there was another election in the United States and Carter won it. Ford left office. The Soviets were always a little concerned at any change. They got to know people. I guess they knew Ford and Kissinger. There was an effort to maintain detente that had begun with Nixon. This had been offset somewhat by the Jackson-Vanik Amendment, which made it impossible to give the Russians most-favored-nation treatment and raised the issue of Jewish "refuseniks" who were not allowed to leave the country. This became an issue between the United States and the Soviet Union. That was already going on, and then it became a bigger issue under Carter. Although the Soviets thought at first that Carter might be more agreeable, they found after the first visit by Secretary of State Vance that it wasn't going to be so easy to get along with him. But still, there were a lot of negotiations, in the political area in particular. Economically, the most interesting issue was Soviet oil production. I sought to get to know the Soviet economy - as well as an outsider can get to know something that was kept under wraps - by looking at what I could, making what visits I could, and developing contacts. The CIA made an estimate that Soviet oil production would peak and then start down, and Marshall Goldman of Harvard-MIT challenged this, and he was a frequent visitor. It was a lot of fun dealing with him dealing on his visits. Soviet officials didn't want to give out much information. Trying to get it was hard. You would request a meeting with a senior Soviet official, and they would usually delay it if they could for months. When you finally cornered them, they'd tell you at the last minute, all right, 9 o'clock tomorrow you have an appointment for an hour. And then the guy would have a prepared text which he would try to read throughout the whole time. You had to quickly learn that you've got to stop that; otherwise, all you do is hear a recitation of irrelevant statistics, you don't get to ask any questions - after you've been waiting two months for a meeting. It was sometimes easier to engage Soviet officials if they appeared at public receptions. You had to prepare yourself for unexpected opportunities to pose a few key questions.

Q: This is something that over the years, our people have gone to the Soviet Union and come back and said that the damn system doesn't work, and yet at the same time we were treating the Soviet Union as an economic colossus. You'd been in Czechoslovakia, but the Czechs are a different breed of cat. What was your impression of the Soviet economy?

SKOUG: There was a saying in my time in Moscow that were it not for the Red Army, the Soviet Union would be a joke. There was substance in that aphorism. The USSR focused its substantial human and material resources on building a powerful state with a formidable military establishment and a remarkable, goal-oriented space program. The military always had first call on production from the best Soviet factories. In my own factory visits, which were not to plants normally regarded as strategic, I frequently observed Soviet officers

walking about to inspect production. The civilian economy and especially the consumer goods industry were orphans by way of comparison. Although the Soviet Union could never have caught up with and overhauled the U.S. economy, per Nikita Khrushchev's vainglorious boast, it most certainly was a fierce competitor in terms of military strength. It was indeed not a joke.

The Soviet economy, which had undergone very little real reform, was still directed toward continually augmenting its output of basic commodities such as iron, coal, steel, and particularly oil and gas. The entire economy was based on central planning, and the Soviet leadership was very proud of this steady growth of output. Oil was especially valuable because it, along with weapons and gold exports, essentially paid for essential imports from Western Europe and Japan. Despite a CIA study correctly forecasting future problems for the oil industry, as it pressed deeper into producing areas and further afield for new supplies, the Soviet Union was in no danger of economic collapse. Some of my Soviet interlocutors even expressed appreciation to the CIA for having called attention to problem areas, which could be and - to some extent - were remedied. Its biggest shortcoming was the lack of market factors which might have identified the true economic costs and benefits of current production. Although the average Soviet citizen, especially those who did not reside in Moscow, Leningrad, or other "hero cities," lacked meat and many of the commodities available in even the more advanced Communist countries of Eastern Europe, he or she was normally warmly clothed and sufficiently housed. The low standard of living which we observed around us was slowly advancing, not contracting. Aside from minority groups, the average Russian took pride in his country's strategic parity with the United States and in the unchallenged dominance of its athletic teams. There was a deep sense of patriotism and a timeless capacity to endure privation. It was other basic problems, the most prominent of which was the war in Afghanistan which did not directly involve the Soviet Union until the very end of the 1970s, that caused the later collapse of the USSR. Repressed nationalism in the non-Slavic areas existed in the 1970s, but until Gorbachev allowed Eastern Europe to plot its own course a decade later, the breakdown of the Soviet Union was not on the horizon. While Gorbachev, who became a party secretary under the Brezhnev leadership, could never have reformed Soviet society or created a progressive economic system, there is no reason to suppose that the Soviet state would have collapsed on economic grounds alone.

In the 1970s, then, Soviet production was measured mainly in terms of quantity of output. There was relative inattention to quality, especially since there were no market factors by which to measure it. Distribution was poor, particularly because so little attention was given to transportation and roads. Agriculture was barely sufficient to feed the population. Importation of wheat and corn was a constant, with only the amount in question based on the adequacy of rainfall in Kazakhstan. This was one of the few areas where trade with the United States had become a necessity for Moscow, and it gave us some limited insight into one of the greatest problem areas of the Soviet Union, since we had a bilateral grain commission which met semi-annually to discuss trade. In sum, the country lived badly, but the population had no basis for comparison except for the horror stories its government told it about life in pre-Communist days. It was not an economic colossus and could never have become one as long as the military and space programs had top priority on national output,

but it was not about to collapse until exogenous factors began to develop in the 1980s.

By the way, some latter-day academic critics in the United States have faulted the CIA for overrating the Soviet economy. In fact, the guidance we received from that agency was, to the contrary, to seek out every indication that the economy was in difficulty. We devoted great energy to that task and hunted every sign that things were not as rosy as the Soviet authorities pretended. But the most diligent search for weaknesses in the economy would never have told us that the whole thing would collapse in less than fifteen years.

Q: You were saying you could see the lines in front of the Czech and East German stores.

SKOUG: Yes, because there they would have a chance to get some quality goods - in their terms. There was no hope of getting consumer goods from Western countries although all Western countries would have been very happy to sell them that sort of good, but the Soviets would buy only strategic heavy industry goods from say Germany and Italy and France. What they wanted was Western investment capital, to a certain extent ours as well, although to a much lesser extent, in return for which they would export oil and gold and not much else.

Q: Early on, when you were there they appointed Ambassador Watson, didn't they?

SKOUG: No, not during my tour. What happened was very interesting. When Walt Stoessel had to leave, President Ford named Malcolm "Mac" Toon, who had been ambassador previously in Czechoslovakia, Yugoslavia, and Israel, to replace him in late 1976. Mac Toon had the reputation of a no-nonsense Foreign Service officer. He came from a well-to-do Eastern family. He told me his brother was president of the Pennsylvania Railroad. When Toon arrived in Moscow and the chief embassy officers met him at the airport, he greeted us all by name. He was a very, very impressive gentleman. But it was clear that he was Ford's appointee, and after Ford lost the election it was well known in Washington and in Moscow that Carter might pick this up and appoint somebody else, perhaps Watson. He didn't particularly want to appoint Toon, who had been ambassador under a number of Republican administrations.

The Russians knew that Mac Toon was no sucker - and they like suckers. The Russians really liked to have a businessman or a romantic come out there as chief of mission. They could pull the wool more easily over his eyes. They never could pull the wool over the eyes of the Bohlens and the Kennans and the Stoessels and the Toons. So they hoped that this would happen, and they didn't accredit him. And Mac Toon just stuck it out. It became an issue in the press as to whether or not the President would recall his appointment and appoint somebody else. Toon used to tell us that he'd had a very interesting and rewarding career in the Foreign Service; if it ended right there, that's the way it was. If it didn't, he'd be glad to be ambassador. And well, Carter lacked the nerve, I guess, to recall him, so he stayed. And he was ambassador throughout much of the Carter Administration. I don't think he got utilized in negotiations as much as he would have liked, particularly some negotiations that took place in Vienna and other places. But he was there as the main eyes and ears of the U.S. Government for all the time I was there, the rest of the time. I started

with Stoessel, but Mac Toon was still there when I left three years later.

Q: Did you get involved in wheat sales?

SKOUG: Yes, I was present when the Joint Commission met to discuss wheat and other farm issues. We were very interested in knowing as soon as possible what the wheat crop was going to be so we would have an idea of how much the Russians would buy because this had an effect on American prices. They might buy so much that it would cause a very substantial price spike. And knowing this, they wanted to buy wheat, naturally, at a lower price, so they would try to conceal the fact that they needed it. And yet we negotiated certain parameters where they would have to buy so much and they could buy so much more. And they had to do that because it could be that, you know, there would be a worldwide demand for wheat, and there wouldn't be enough wheat for them. So they knew that they had to have a floating scale in there. The guys from USDA came out from Washington to lead those negotiations. Some of the talks were back in Washington. I always participated in the negotiations in Moscow. I wasn't invited to go back to participate. The people in Washington would follow that. But of course we enjoyed that because it gave us access to ministers - or vice-ministers. We didn't get access to ministers. But those contacts were very important. Without contacts in that part of the world, you are dead.

Q: Well, what about contact? I would think you would just end up in that type of situation they would recite the figures to you.

SKOUG: That's true. They'd recite what you read in the press and so forth. There was a term, as a matter of fact, that we used. It was called "reading down to the *adnyaka*." *Adnyaka* is "however." I don't know what it is in Serb, but anyway, the column: "this was fulfilled" and so forth and so on, "this was beautifully done," blah-blah-blah, and finally, way down here, you'd see "*Adnyaka*..." and then you'd know that "However..." potatoes weren't so good or something like that. And so a lot of reporting was done from the press. I didn't do that because I had two guys who were covering - one on the foreign trade side, one on the domestic. It was easier on foreign trade, obviously, because you had Western countries which would give you some supplemental information, although even there trade, being competitive by nature, was a sensitive matter. We had a group of counselors who would meet - Germany (Ambassador Stulpnagel, who had been an ambassador in Africa), Italy, France, and Britain were included, and I think Canada got in. I happened to like the Canadian very much. I had known Ian Wood in Czechoslovakia, and he was a minister, of all things, a great big guy, about six feet six inches tall. So the six of us used to meet, but everybody would be holding back, and of course I had very little information to give anyway because our trade was limited by Jackson/Vanik, our strategic controls, lack of MFN, etc. We had less trade than any of them, except maybe the Canadians. The Germans had the most, and they were always competing for projects, and they were always trying to figure out what their rivals were up to. Of course, I also wore the economic defense hat, and we had to try to keep things from being sold that violated COCOM standards (COCOM being the international committee of Western countries which cooperated in maintaining such embargo as there was on trade in strategic commodities with the Soviet Union and other states). There was a lot of fun in that in dealing with your Western colleagues.

But you had to have the contacts with the production ministries. It was easier, for example, with the Ministry of Civil Aviation because we did have active commercial subjects to discuss. Pan Am went in there, and Aeroflot was flying to the United States. Constantly we were having problems. There was a standing commission which met periodically. That gave us entrée. We knew the people we were talking to, and that's a big help. You've got to know them personally in those countries, or the chances of getting anything are not very good. Then the same was true in maritime matters because theoretically we would like to have had the wheat carried in American bottoms, but there never were enough American bottoms around. The Russians preferred to use their own ships or those of third countries. It saved them precious hard currency. And so we were always trying to see to it that we got as much as we could. And that involved discussions with Morflot, the Soviet merchant marine. I was able to draw, for example, on those good contacts with Morflot when I made a trip to Vostochny Port (East Port) on the Pacific Ocean, at the other end of the Soviet Union, in early 1978. Speaking of having to stay a week, this was a situation where you could take a flight to Khabarovsk, which is a city seven time zones from Moscow, and you still aren't there. If you've flown seven time zones and you stay in Khabarovsk, then there's a boat train that goes from Khabarovsk to Nakhodka. That's the town. Vostochny Port is the port area there, East Port. You get to Nakhodka and the next night train (for foreigners) is not going out for a week. So you've got a week to spend in Nakhodka. Well, since I and my colleague, Bill Farrand, my deputy who ran the Commercial Office, both spoke Russian - despite my problems I did speak Russian - they were not anxious to have us hanging around in Nakhodka for a week. We insisted that we be permitted to ride the day train back to Khabarovsk. They gave their consent although the train ran past Vladivostok, home base of the Pacific submarine fleets, where nobody could go. That was a closed area. Well, you couldn't see anything. I saw Vladivostok from such a distance. And then the train crawls along the Chinese border, but you would have to be right on the Chinese border, and even there you probably wouldn't see anything. They were just so super-suspicious. But anyway, I had a useful schedule in Nakhodka. We stayed there, I think, two days, saw a lot of people. It was all arranged because of our contacts in Moscow. Otherwise, you'd be frozen. You could go there and walk around, but you wouldn't be able to do anything.

Q: Well, were we having any problems about the quality of the wheat which was being delivered, because I've heard criticisms sometimes that the shipments of the wheat were... There was too much... Well, not edible stuff in the wheat. Was that an issue that arose?

SKOUG: Yes, the Russians did complain. I can't say that the complaint was such that they threatened to stop buying our wheat, but they did let us know when they got bad shipments of wheat, and I'm not quite sure what we could do in those situations except to promise we would try to police it better. Again, those talks, the agricultural talks, were very useful, and the civil air and the maritime. In other areas, you had to develop the relationship, stressing mutual interest. Again, management and technology were of interest to the Russians, as they were to the Czechs. In most discussions, the Soviet side was led by Gvishiani, son-in-law of Premier Kosygin, just as it had previously been Adzhubey, who was the son-in-law of Khrushchev. So it seemed to be a job for bright sons-in-law. Gvishiani had an office where he had all the latest technology which could be bought or produced, not

much of it produced in the Soviet Union. What was produced in the Soviet Union was for military or space. Their best production was clearly going into the military.

Q: Well, did you feel you could over time establish a certain rapport, or was it all pretty official relations?

SKOUG: Well, it was not the rapport that I had in Czechoslovakia. In Czechoslovakia they called me the Czech equivalent of *tovarish*. They called me "comrade" because I knew them so well and we got along well, despite the fact that I was representing the chief capitalist power - but I understood them and they understood me. That relationship did not exist in the Soviet Union. No one ever called me *tovarish*, and no one ever answered me by saying, "You know more about that than I do" or "You're better informed than I am about that." They didn't say that. But there were some good conversations. In particular, the Soviets had an official named Mordvinov in Gosplan, the economic planning bureau, who was really a wonderful guy. He had a younger deputy named Dvarets - and they were a joy to be with. It was always fun. Lunch with those guys was very pleasant. Even in the hard times - and there were some hard times when inevitably there were problems, and I'll get into some of these problems - our personal relations were excellent.

Q: Maybe this might be a good time to stop, don't you think?

SKOUG: Yes. I'll just finish with what Mordvinov told me. After one of those meetings when bilateral relations were exceedingly bad, he looked at me with a mischievous smile and he said, "Well, it can't be said that we exchanged information. We exchanged views."

Q: Well, I think we might stop at this point. If you'll sort of make a mental note to yourself, you were talking about some hard times. In our next session, I'd like to talk about the specifics of those hard times during this time in Moscow.

SKOUG: Right, right, one of them being the Crawford case, another one being the Korean airliner that was shot down.

Q: Great.

This is the 16th of November, 2000. Ken, in the first place, you were in Moscow from when to when?

SKOUG: I went to Moscow in mid-August 1976, and I served just about exactly three years - a few days over. I left in August of 1979.

Q: Okay, we were talking about the hard times. You mentioned the Crawford case, and what was it, CNN?

SKOUG: The KAL.

Q: Oh, the Korean Airlines.

SKOUG: Well, most of this period was the Carter Administration dealing with the - let's say - mature, even ageing, Brezhnev régime in the Soviet Union. Brezhnev had come to power in 1964, so he'd already been in power 12 years when I got there, in the twilight of the Ford Administration. Brezhnev in general was less adventuresome in foreign policy than Khrushchev, but as we know in Czechoslovakia he was quite willing to use military force. And at home, there was a tightening up, so that people began to go on trial in the Brezhnev Administration who might not have gone on trial under Khrushchev. And the same people were in power in the Soviet Union for a long period of time, people like Brezhnev, Kosygin, Suslov, and Podgorny for a while, although he was forced out as president because Brezhnev wanted to be president himself and made himself president, and Podgorny became virtually a non-person for resisting his own demotion. Now when the Carter Administration came to power, it focused on human rights to an extent that the previous Nixon-Ford administrations had not. There was a human rights function in the Department of State-

Q: It had been mandated by Congress.

SKOUG: -mandated by Congress, but it was not applied generally as much as it would be under the Carter Administration. And early in the Carter Administration the Secretary of State, Vance, came to the Soviet Union, and at that time, and as I recall even in the period before he arrived, there was, of course, emphasis on human rights which would also apply to human rights in the Soviet Union. This new approach was very badly received in the Soviet Union. When Vance came, and the first meeting took place in late March of 1977, so Carter had been in power a couple of months at this point, and the Soviets were very angry. Gromyko made a toast at a lunch, which I attended, and said that - I'm not sure I can quote him, but what he said was, "Non-intervention in domestic affairs is essential in bilateral relations." In other words, it was quite clear that he would see emphasis on human rights as intervention in Soviet domestic affairs. And the Soviets quickly determined that this primarily, although not exclusively, concerned the Jewish question. They quoted triumphantly Senator Ribicoff to that effect, that human rights was the Jewish emigration question. This question was a little older than Carter, of course. It was in the Jackson-Vanik amendment, that as long as there wasn't freedom for Jews to emigrate, we would not give the Soviet Union most-favored-nation treatment and they would also not get commercial credit. So you had a serious economic issue already existing. There wasn't much trade between the United States and the Soviet Union. They were very bitter about that, but they had somehow been able to... They thought they were working around it under Kissinger, but with Carter and Vance they suddenly realized that they had a new administration they had thought would probably be softer in foreign affairs but was sticking on this question of human rights. That in itself didn't mean a crisis, but it meant a cooling of relations.

Q: By the way, at the embassy, did you all feel that human rights meant the Jewish question exclusively, or was it bigger than that?

SKOUG: Oh, it was broader than that. The people who were being put on trial were frequently Jews. There was an Orlov, who was on trial and, I think, unjustly convicted, and then the famous Sharansky case came up. That was clearly Jewish. Obviously there were Pentecostals and there were a lot of other people who were suffering from violations of human rights in the Soviet Union. You could say the whole Soviet population was denied the most basic essential human rights. It was a tight Communist dictatorship. But the people who seemed to feel it the most, at least the ones who were willing to do something about it, were frequently Jewish dissidents. They called them *refuzniki*. They had been refused permission to leave the Soviet Union. And that's where most of the issue came, although the question of freedom, if you want to put it in those terms, for the Soviet Union meant everybody. It meant people in Russia itself, people in the parts of the Soviet Union that were dominated by the Russians - the Ukrainians, the Georgians, the Balts - everybody. Everybody was suffering. And we, for example, refused to visit the Baltic states at a senior level because we never regarded them as lawfully part of the USSR. More junior officers could go there, but nobody of senior rank could go there because this could be interpreted as acknowledgment of the Soviet claim that they were sovereign in the Baltic states.

The next incident was an arrest. I happened to get involved in it because I was the ranking substantive officer, and Toon had me go in with a protest. I helped write the protest. It was the arrest of a journalist named Toth, I think of *The Los Angeles Times*. And it turned out that he was accused of currency manipulation. I should explain that the Soviets had everyone who was living there under close scrutiny. There were a lot of American journalists and other journalists; there were a lot of American businessmen, perhaps 30, representing American corporations; there were American scholars over there, exchange students - there was a certain community - and they all were... many, I would say, not the exchange students, but certainly the businessmen and the journalists had maids and so forth, and the maids would be paid in rubles, but they also wanted to be paid in coupons, which would buy seven times as much as a ruble and didn't cost the American any more. He got a ruble coupon for the same price he paid for a ruble. You weren't supposed to give it to anybody else, but in practice everyone had to because that's the only way they could hire and retain servants. All of this was organized by and known to the authorities. So the KGB had a tank full of people swimming around, all of whom were somehow violating Soviet law because that was the only way to exist in the Soviet Union. And so whenever they wanted to spear somebody they could do it. For some reason they picked on Toth. Whether Toth was more indiscreet than others or whether they simply didn't like what Toth was saying or writing, he was arrested. It ended up that he was expelled, although there was a little go-around about it, where I presented a protest and they refused to accept the protest and gave me a counterprotest on something else. That's the way the Soviets are - or were. You never could pin them down and say, "I protest." You know: "I reject your protest, and I have this to say." They always would. They were fierce in argumentation, particularly when you had to do it in Russian. So anyway, there was this Toth case. That wasn't the last of the issues between us and the Soviet Union.

I can put the dates in perspective as far as incidents. There was a visit by Vance the following spring, that is, April of 1978, when things were perhaps a little better, but there was really very little progress, and I believe it was the first Vance visit since the one of

March 1977, after which Gromyko went on television as soon as Vance had departed. We could observe him up at Vnukovo Airport as he was pacing around, pacing, pacing. He was preparing to meet the Soviet public on television, which he didn't do very often. In fact, we hadn't seen him on television very often. But he went on with a long presentation, without any notes that were obvious, about the perfidy of the United States and all the adverse things that could be said about the United States and bilateral relations. It was devastating, a devastating attack, and so that's what really set the tone for our relationship, because he revealed to the Soviet population this perfidious American administration which had so much to learn about how to deal with the Soviet Union as an equal and sovereign state and so forth. It was really a performance that most of us did not realize Gromyko was capable of. I happened to have sat with him at lunch about that time when Ambassador Stoessel was leaving, and a few of Stoessel's staff were there, and a lot of top Soviets under Gromyko. It was amazing how witty and sharp, but in a cool sense, this fellow could be that Khrushchev used to refer to as their "donkey" who would go out and bray when they told him to.

Q: He was a survivor, of course.

SKOUG: Yes. He was about the only foreign minister the postwar Soviet Union ever had.

Q: I know.

SKOUG: From 1948 or so. He was indeed a survivor, and he had learned a lot, forgotten nothing, but it was always with a malevolent approach toward the United States. He could be debonair if he wanted to be briefly, but his attitude was not a warm one, and that's why I think when Gorbachev later came to power, Gromyko was one of the first to go. He got rid of that limitation on their foreign policy.

Well, anyway, Vance came for the second time, they were really talking about arms limitation. And I must say that I never got much involved in Vance's visits because they had nothing to do with business or economics, with the exception that on the first trip he came and he wanted to sign a couple of agreements - civil aviation and maritime - and there was no basis for a civil aviation agreement. Our relations with the Soviets in that domain went down steadily until Pan Am eventually was forced to conclude its operations. It couldn't make a cent. Maritime may have reached a formal agreement that I'll get into separately. It was very difficult, and this concerned mainly shipments of grain from the United States, on which bottoms they would go, and so forth, and marine insurance. There were special talks on that. But that was not what Vance was there to talk about. So my only connection to Vance was essentially, after inevitable lunches and arrivals and so forth that would take place.

Q: Did you all at the embassy get the impression that Vance, when he first arrived (I think it was March of 1977 or so), came sort of with a half-baked idea of maybe a new relationship or something and he came out with a bloody nose?

SKOUG: He came out with a bloody nose, yes, definitely. Gromyko totally rejected him

and the agreements were insignificant. The maritime agreement, whatever it was, was totally insignificant. It had no real importance. And there was no civil air agreement, and there was no agreement on anything. When Vance came back the second time to talk about arms control, I suppose some progress was made, because they were moving towards an agreement which they reached the following year, but at this point there happened the first Korean Airline incident, the one that's generally been forgotten, but unfortunately was a harbinger of what happened later. In April of 1978, just as Vance was there, a Korean airliner coming out of Paris wandered over the Kola Peninsula in the northwest corner of the Soviet Union. It flew over the Norwegian border and into Soviet territory. The Soviets tried to warn it off. It kept on flying, and so the Soviets opened up with machine gun fire, and they killed somebody on the airplane. One person was killed by the machine-gun fire. So then the pilot and the navigator followed orders to land. It must have been a miraculous landing because they landed in an area not anywhere near an airport. They landed, I think, on a frozen field or something in Karelia.

Q: A frozen lake, I think.

SKOUG: A frozen lake, yes. It was a very difficult landing, and one person was killed in the landing. It's lucky that no more were. It must have been a very able captain. I always dealt with civil aviation matters, and there was no rivalry about this, because other people in the Political Section were dealing with Vance and disarmament. My first contacts with the Soviets-

Q: Wait a minute. There was obviously no South Korean representative.

SKOUG: There was no South Korean representative at all in the Soviet Union. I kept thinking back to the case I mentioned when I was in Prague, where a Korean journalist following a Korean sports team in Czechoslovakia disappeared, and I learned when I was in Korea with the National War College - I was at a small dinner - I mentioned the incident, and the man I was having dinner with said he knew that man very well, he was a close friend and he had disappeared and been turned over to the North Koreans, and that was the end of him. Or if he's still alive there, he's suffering, I'm sure. I had that in mind, and I said to the Soviet officials I was dealing with that we wanted everybody out, "passengers and crew." And I won his agreement. They either weren't focusing on this or the people I was dealing with were anxious to resolve a question while Vance was in the country. So anyway, I got an agreement over the telephone with the officials I was dealing with that everybody would be allowed to get out, and I was arranging the repatriation of these people. But then it turned out that they decided that the captain would have to be prosecuted. He had flown over Soviet territory and refused orders and so forth. And then they wanted the navigator as well, so we had a dustup with them about that. And I wanted to use Vance, and Vance was leaving that day. And Vance had been, as you know, head of Pan American Airlines. He had an interest in civil aviation. I tried through Marshall Shulman, who was with him, to get Vance to make some statement of his own concern or to take it up with Gromyko on their way out to the airport, but he didn't do it. He didn't, I guess, want to endanger whatever he was working on in the arms control area by bringing in this Korean question. So I essentially took the position - stretched my liberties a little - and told the

Russians, in effect, that I assumed Vance was very upset about this thing. He wasn't going to raise it, but he was really, really concerned about it. Well, the result was that the pilot and the navigator got out. And so it had a happy ending, except for the two people who did not survive it. I felt that if the captain and navigator had been interrogated, they might eventually have been turned over to the North Koreans, who would only have been too happy to see that.

Q: Yes.

SKOUG: Of course, in the mixed up world of Soviet justice, they might have been executed for violating Soviet territory and then "causing" the death of two people. Well, that was that case. And then relations then took another downturn because of the connection between intelligence activities by the Soviets and the at-risk status of Americans in the Soviet Union. I'm not sure Toth's arrest was connected to any espionage, but I rather thought it was. I thought that Toth had been arrested pursuant to some problem with Soviets in the United States, but it was very clear in the next case that it was.

Just about the time of the Vance visit, as a matter of fact, just before it, a very senior Soviet official, Shevchenko, who was the deputy under secretary for political affairs in the United Nations, defected to the United States. I was curious because Jim Sutterlin, my old boss, was his deputy. And Shevchenko was running an operation, and Sutterlin later found out they gave it the code name "Jim." He thought it was for him. But anyway, the FBI arrested a couple of culprits caught red-handed in May, about a month after this second Vance visit with Gromyko. And these guys did not have diplomatic immunity in our view, and so they were going to be put on trial, convicted, and sent to jail. I don't think they were allowed out on bail.

Q: These guys were-

SKOUG: They simply worked for the United Nations, you see. They were not on the Soviet delegation to the United Nations; they were employees of the United Nations, but like all Soviet employees of the United Nations, they worked for the Soviet Union, and they were engaged in espionage activities. So the Soviets did not like this, obviously. And a couple of weeks later - I think on about June 12, 1978 - an employee of International Harvester named Francis J. Crawford (he went by the name Jay), who happened to be engaged to the American secretary in our commercial office, had attended a function in the commercial office, and the two of them were driving to their homes. They came to a red light that stayed red. They couldn't go through it. The red light was there. And then the Soviets pounced on them. And they roughed her up, and they grabbed him and arrested him. And again, I believe they got him on currency violation or something - anything that they could have got him on. They also knew... They were very clever. They had this group of Americans, and they picked out one of the most vulnerable ones. Although he worked for International Harvester, they knew he was not very significant. He was the number-two man for IH there, and he was thinking of resigning, planning to resign or had quit. He was sending telexes out of the commercial office that revealed their plans. The commercial office let businessmen use our telex, and the telexes, or course, were monitored by the

Soviets and had no protection whatsoever, obviously. They knew that he was not of much importance to International Harvester. They knew he was connected to an employee of the U.S. Government, planning to marry her. They knew they had something they could charge him with. So they thought they had somebody that they would hold for these two Soviets. And the first question was, Who's going to be the second one? We figured there would be another one. The business community was worried, but spineless. They were not willing to say much because each of them was afraid for himself. There was a U.S. Trade and Economic Council there, whose representative said that the Council would try to help Jay Crawford. He told Jack Matlock and me that Crawford would probably be sentenced to eight years in jail; they would try to get it reduced to two. We didn't think that that was very helpful. International Harvester had had as its local representative a New Zealander named Brian Reardon, but then he showed up on this occasion and was very busy and came to see me. I thought he was going to tell me what he had been doing on behalf of Crawford. The first thing he said, however, was that by dint of his efforts he'd established that International Harvester's business operations would not be affected by this incident - you know, washing their hands of Crawford. Large American corporations didn't understand what was going on because, seen from afar, it just looked like a case of corruption. He wasn't being accused of espionage at this point, although the hint was that maybe there was more than just his corruption. Americans could posture and say, Well, American businessmen have to obey the laws of the country they're in. That's essentially the position that they started to take. And International Harvester itself hosted at precisely this time a Soviet high-level delegation of commercially interested ministers in the United States. The delegation was received by several American companies. So it looked like the American business community was trying to wash its hands of this low-level guy. Well, I must say that Bill Farrand, who was my deputy and headed the commercial office, and I didn't see it that way, and we got Jack Matlock, who was the DCM, engaged, and then we got Ambassador Toon on board. And Toon was willing to go and tell a press conference that International Harvester ought to cut its business operations in the Soviet Union until its employee was released. Well, that isn't what they were looking to hear. But we got Shulman engaged, and by the time I-

Q: Shulman being?

SKOUG: He was the advisor to Vance, a Harvard professor - excuse me, I think a Columbia professor - and expert on the Soviet Union. And he was hired as advisor to Vance. I forgot what his... He wasn't the counselor of the Department, but he was Vance's man. He must have become engaged because later on he wrote us and said that he had been blamed along with the embassy by Caterpillar for harming U.S. business prospects. Caterpillar was playing a big role - in fact a much bigger role than International Harvester - in the Soviet Union. They were building a lot of the tractors that were used on the gas pipeline in Tyumen in the far north, and they were in competition with the Japanese for a lot of the business that was foreseen in Siberia in addition - Yakutia and other large developments. Apparently Caterpillar believed that our defense of Jay Crawford's rights as an American citizen was bad for business. Well, there was a reception at Spaso House in August. It was August 25th.

Q: Spaso House being the ambassador's residence.

SKOUG: Spaso House being the ambassador's residence. Yevgeni Shershnev, who was the deputy head of the so-called Arbatov Institute, the Institute for the USA and Canada, engaged me there in a long discussion about how Crawford was clearly guilty, but he then said at the end that due to the spin the embassy had put on the matter, the amazing thing was that even Armand Hammer appeared to feel that Crawford was innocent. And this was a telling blow because Hammer had earlier in the year made a speech about the great Lenin and the great leader Brezhnev and so forth, but Hammer came down on this issue in support of Crawford. By this time, not only thanks to the embassy but thanks in part to the *Chicago Tribune* (which didn't like International Harvester and is right next door to it), the correspondent (I think his name was Carmichael) of the *Chicago Tribune* was giving International Harvester a very bad name for the activities of its officers in receiving the Soviet delegation and in just trying to protect its commercial interests, paying no attention to Crawford. So the business community was turned around, and that was very important to getting the Soviets to back off. But finally, the dénouement was that Hammer paid a visit to Brezhnev at Yalta, and he came flying back to Moscow, and I was to meet him at the airport to get Brezhnev's decision. I met him after midnight at Sheremetyevo Airport as he came back from his meeting with Brezhnev. Hammer told me, "This guy is guilty, but they're going to kick him out of the country." I said, "Thanks a lot, Dr. Hammer. We don't have the same opinion as to whether or not he is guilty, but I'm glad to hear the good news." And so we got Jay Crawford out. All these things had a price. Obviously I was not the most beloved person in the Soviet Union as far as they were concerned because, although I was economic and commercial, I also got involved in these messes.

Q: I can't think of his first name, but Carter had sent Ambassador Watson out there, who was from the IBM Watsons. What was his first name?

SKOUG: Tom, I think.

Q: But my understanding was that it was being done in order to open up business relations, and that's why a businessman was sent there. And so I would have thought that you would have... I mean, how did you find yourself working with the ambassador? You know, you are the economic-commercial officer.

SKOUG: After Walt Stoessel's departure in 1976, our ambassador all the remaining time I was there was Malcolm Toon. Watson came later.

Q: Oh, he came after.

SKOUG: Yes, Toon was a hard-line Foreign Service officer, and no fool. He was in his fourth ambassadorship, three of them to Communist countries, and he was a tough guy. He supported business, but he also, as I have said, in cases where human rights were involved, such as the arrest of an American businessman, he took the same position that we had taken for Kazan-Komarek in Czechoslovakia. We came first of all to the defense of an American citizen, and then after that there was business. The business community's relationship with

the Soviet Union was an interesting one, and I might say that a lot of the top business executives that wanted business with the Soviet Union, particularly Donald Kendall of Pepsi-Cola, did not have a high opinion of Ambassador Toon and in fact tried to undermine him. An incident at the Trade and Economic Council session in Los Angeles in November 1977 illustrates this point.

The Soviets were represented in Los Angeles by Patolichev, the minister of foreign trade, a very, very tough guy. His counterpart was Donald Kendall, who was retiring as American co-chairman of the Council.

Ambassador Toon had sent with me a letter of support for the Trade and Economic Council, but it was not the fulsome, effusive sort of praise that some would have liked to see. It was more of a cautious message because we did have this other aspect of dealing with the Soviets, the strategic rivalry, not to mention human rights concerns. I brought the letter to Kendall, who took it and looked at it and put it in his pocket without comment. It was clear to me that Kendall, whom I asked to read the letter at the session, was not going to do it. So I had to work around him and try to get somebody to read the thing. But it never was read, although it was announced by one of the people on the American side that Ambassador Toon had sent his greetings to the meeting. But they didn't read his message because, I suppose, they didn't like his message. Certainly Kendall didn't like it. Eventually, we got the Council to publish the letter in the document that it sent out on the proceedings in Los Angeles. But this incident was sort of symbolic of the relationship. A lot of American business leaders that wanted to export to the Soviet Union would rather have had a businessman ambassador than a professional diplomat who was aware of all of the aspects and who knew the Soviet Union very well. It was Toon's third tour in the Soviet Union. As far as I know, Watson had never been in the Soviet Union, or at least not very often.

Q: Was it the feeling that you were getting that for the business people business is business and we don't give a damn about anything else?

SKOUG: There was certainly that feeling. Now the guys who were actually on the spot didn't entirely share that feeling. Their outlook was influenced more by fear and helplessness. They knew more than their bosses about the grim reality of life in Brezhnev's USSR. What can we do to help Crawford? We're all in this ourselves. What we encouraged them to do was to inform their home offices of the reality of the situation. In order better to represent their genuine concerns, I worked very hard to set up a forum in Moscow to parallel the forum which the Soviets had with the Department of Commerce in Washington. Our people in Commerce were very attentive to the Soviet trade people, led by a man named Mkrtumov. He had no trouble in getting to senior people in the Department of Commerce, whereas it wasn't easy for me to get to even a deputy minister, not to speak of Patolichev. I could never get to Patolichev. Even Ambassador Toon only got to him one time. I did see the various deputy ministers of foreign trade, but only with a major effort. Therefore, I tried to set up a panel of regular meetings with Deputy Minister Manzhulo to talk about problems that American business had in the Soviet Union - one example being Caterpillar's need or desire to bring in a D-10 tractor, which was a brand-new model at the time. The D-10 was too heavy for Soviet roads, supposedly, and yet there was no other way

to get it in except to drive it. We did get it in. But the Soviet side resisted having this forum established. They said that I could meet at a lower level; I could meet with a man named Melnikov, who had an intelligence background and was a minor figure with very little clout in trade matters. I had to get to a higher level, like Manzhulo. So my counterpart, who was the head of the East-West Trade Office in the Department of Commerce, Alan Reich, informed Mkrtumov in Washington that they would not have their meetings unless I could meet with Manzhulo. Well, the Soviets didn't like that, and it led to a great protocol question, was I was reaching too high to get to a deputy minister of foreign trade? Eventually they gave in. We had a meeting. The atmosphere in the meeting was frosty, but we did discuss various issues with some resolution of them. Then they delayed holding another session. There were only three such meetings in a year, but at the end, Manzhulo acknowledged that they had been quite useful. He was probably not free to meet. He probably would have been willing to meet himself if he had been a free man, but he was held back by the Soviet system.

There also was competition among the Soviet deputy ministers as to who would really be responsible for relations with the United States. Manzhulo, who was a veteran foreign trade man, lost out to a younger guy named Sushkov, who was a crook, actually, and finally went to jail in the Gorbachev period. But he was Patolichev's man, and Patolichev loved Sushkov. Sushkov really was the counterpart to Kendall and his successor, Miller, I think, as head of the U.S. side of the Trade and Economic Council. There was always a certain friction between the Trade and Economic Council, which was totally business-oriented, and the embassy, which had the overall national interest to represent.

Q: What were the Soviets after? I mean, obviously they needed wheat, but were they after prototypes and then they'd copy them or was it a real trade relationship?

SKOUG: Well, they would have liked, yes, the latest computers and so forth, and there always was COCOM, which theoretically governed trade in strategic goods. It was clear to the Soviets that the U.S. was tougher than, say, France on controls of Western equipment that could be used for military purposes. The United States also tried to discourage its Western allies from selling this sort of thing to the USSR. There was a lot of jockeying around among the economic-commercial counselors or ministers of the major Western countries. Although we discussed many things, those supporting major deals by their own nations would hold back. The Italian counselor later told me with a laugh: "We fought like tigers to protect our trade." The Soviets did want access to the latest technology in the West. There is no question about it. Essentially the Soviet Union was organized in a way to support first of all the military power of the state, and the military would have first call on almost anything. And if they could get access to the latest technology, so much the better. They did have other interests. Their interest was in obtaining a sufficient amount of grain when their grain harvest was not good, and two of the three years when I was there it wasn't good, so they did need to buy more than the agreed minimum tonnage. They wanted permission, and there was always a flexible range. They could buy so much, and they had a possibility of buying so much more. These were negotiated out essentially with the Department of Agriculture in the United States sending out a representative for regular biannual meetings with the Soviet. There was no clearly political side to this problem

because it was established that food was food, and we were ready to sell it to them if we had enough. The other question was what ships would carry this, and it usually turned out that we didn't have ships available to do it, and so their ships carried it, or it was carried on the bottoms of third countries. They did technically agree that one-third of this should go preferably on U.S. ships, but we didn't always have those ships available. Our people wanted them to buy our marine insurance. They were very resistant to it. They didn't, of course, want to spend any hard currency if they could avoid it, preferring barter. Those were the sort of issues that we discussed.

In civil aviation, we tried to establish conditions where Pan Am could operate profitably. It soon turned out that it was so unprofitable they had to give up, and Pan Am ceased to fly to Moscow in 1978 except on charters. We also had an issue with the Soviets on charters other than Pan American because essentially we had no flights in there then except charters. They wanted the Foreign Ministry to receive a note before every charter flight, which made it very, very difficult because it added an element of delay when you ought to be dealing with the Ministry of Civil Aviation. These are typical of the sort of issues that sound small but nevertheless were very time-consuming and important and sometimes led to heated discussions.

Q: Well, this is the web and woof of relations between relations between countries, particularly countries such as the Soviet Union, where everything had to be spelled out very carefully. What about life in the Soviet Union, getting around? Was it possible for you?

SKOUG: Well, travel was very interesting, also very difficult. I like to travel. I think I mentioned that in early 1978 I went to Nakhodka on the Pacific. Maybe I didn't mention that.

Q: I'm not sure if you did.

SKOUG: I made a trip to Khabarovsk and to Nakhodka with Bill Farrand, the commercial attaché. We wanted to look at the operations of an American company there that was doing business with the Soviets in fishing. They had an operations in Washington State, and they also had one man in Nakhodka, which is on the Pacific Ocean not far from Vladivostok, on Wrangel Bay, the biggest bay in the entire Pacific, I think. The Soviets were building what they called Vostochny Port - East Port, Siberia, out there. Now you had to get there by flying to Khabarovsk, which is right on the Chinese border, and there was a nine-hour flight from Moscow through seven time zones, so Bill and I left Moscow at night, and reached Khabarovsk in the morning. Now Farrand unfortunately had checked a bag. I was carrying a little bag, so we could get away from the airport quickly and spend the day in Khabarovsk. We knew the train was leaving that night for Nakhodka. It was a once-a-week night train, and they had permitted us to go down there. And we would theoretically have to stay a week in Nakhodka to get the next night train back. Since they had Bill's bag and wouldn't disclose where it was, we were their prisoners, and we had to waste our day in the train station in Khabarovsk. We normally would look all over a town at what was going on, look at the meat market, etc., but this time we got to see very little because we were held by

the missing bag. We did, however, take the occasion to shed a little light on the local scene. We had copies of *Amerika*, the magazine put out by USIA - and it looked just like *Soviet Life* or *Soviet Woman* or *Soviet Culture*, except it was quite different in content. We had nothing to read that day except their propaganda, but when we departed on the train we left a few *Amerikas* buried in the stacks in the depot. We knew that they would find it out eventually, but we thought that before they did somebody might have the chance to read something interesting. Then we boarded the train to Nakhodka. We spent a day or two there. We were then allowed to come back by a day train. The day train comes within distant sight of the tightly closed city of Vladivostok and follows the Chinese border, which was very tense at that point, but you don't see much from a train. It was interesting, however, to have ridden that train, to see how people meet the train at little stops. It wasn't an express train; it was a local, one might say. Travel by train in daytime was totally contrary to normal procedure in the Soviet Union. All of our travel to Leningrad or to Helsinki, for example, was by a night train. When we went to Kiev, we went by a night train. They didn't want you to see the country. Why, I don't know - how much could you see from the train anyway? But we did have an opportunity to jostle Soviets and watch them selling food and selling articles on the train when it stopped, buying tea and so forth. When we got back to Khabarovsk late in the day, they were waiting for us because we had pulled this little trick on them. They'd pulled a trick on us with the bag, and we pulled a trick with the *Amerikas*, and now they were ready to do another trick. A close surveillance. We were under discreet surveillance at all times, but a close surveillance was when they want you to know you're being surveilled. We were in the hotel, and as we got in the elevator - there was an elevator for eight persons, and I was the eighth person. There was a lady standing beside me in the elevator, and the KGB surveillant wanted to get on. He was a big burly guy, and he got in there, too. Then there were nine persons in an elevator for eight, so it wouldn't go, of course. The KGB man then took the little woman by the shoulders and put her out, and then he rode up to the first floor with Bill and me, where there was also a *dezhurnaya* waiting. A Soviet hotel always has to have such a person, whose task it is to observe anything taking place in the corridors of the hotel or other lodging facility where she is assigned. It was probably true in Yugoslavia-

Q: No, but I did see it. They had it when I was in Bishkek, in Kirghizstan in 1994.

SKOUG: Ah, I see. The *dezhurnaya* was to watch everybody on our floor, so in addition to her and this guard, Farrand and I were well covered. We entered our room, and we stayed there a while. It being evening, they apparently thought us there to stay. Then we looked out, and the coast was clear. Instead of taking the elevator we went down the stairs. Outside the hotel building we hailed a taxicab. We asked the taxicab driver where there was something going on in Khabarovsk, and he said, well, the other hotel. We went to the other hotel, and here were many young people who were building the BAM, that is, the Baikal-Amur-Madzhistral, the main-line track that they were building to parallel the Trans-Siberian Railroad. So we spent the evening drinking and talking to people who were out there working, asking them what they thought, checking on conditions. Thus, we did eventually see a little bit of Khabarovsk. A little after midnight, we walked back to our own hotel. We walked through Khabarovsk back to the other hotel, came in, and they were surprised to see us. "We thought you'd gone to bed."

The next day, we faced what they called the *bran*. *Branirovan* is 'to reserve' in Russian, and paying the *bran* means you pay an extra day for a hotel room. And this happened in other hotels in the Soviet Union. I always fought it, and I fought it there, and the lady in charge finally backed down and said, "All right, we won't charge you for the *bran*, but I'm accusing you before the such-and-such committee meeting in Moscow for exceeding your diplomatic..." I never heard of that again, but they did take the air out of my tires when I got home. There was always some prank being played like that. The pranks would have been worse if I had been of lower rank. Some of our guys were given rough treatment, but they never did that to me because I was a counselor. But they did take the air out of my tires.

Inevitably, the KGB would get involved in these trips, and even with my children, because frequently when I had a chance to travel and they had some vacation from school, the four of us would go, my wife and the two kids. My daughter was only 13, 14, and 15 there, but they still tried to take advantage of us. Someone would always ask her to dance. Someone would always be trying to see her. There would be phone calls. The KGB never lets you go, and certainly you know they're there. They want you to know you can't do anything without their being part of it. But the program nevertheless was very broadening.

I never was in a Soviet home in all the time I was in the Soviet Union except in Armenia. We had a session in environmental economics in Armenia in October 1977. I was a member of the delegation led by Sid Geller of Commerce, mainly people coming out of Commerce, Interior, and EPA. We flew down to Yerevan, Armenia. We then were driven by automobile to Tsakadzor. Tsakadzor is a town about 8,000 feet above sea level, just about the height of Mexico City, and it was where the Soviet Union's team had trained for the Mexico City Olympics, to get the same altitude. It was interesting because there were a lot of Armenians present at the meeting, and the Armenians had a different point of view than the Soviets. I'm skipping. I was in Armenia twice. First of all, I was telling about being there with my children. I might mention one thing. We took a trip to the Caucasus. We went to Soviet Georgia, which was very interesting. We were there at Easter and watched their services in a Georgian church. We took the train from Georgia to Armenia to spend a couple of days there. In the Soviet Union, when you arrive at one point, you immediately try to confirm your reservations to the next point, because they are not taken for granted, and I had a train ticket from Armenia to Baku, in Azerbaijan. I went to the hotel in Armenia, and I said, "I have the ticket, but I don't have the hours written in." She said, "There's no train." I said, "I know there's a train because I've got tickets on this train." We argued for a while, and then she said, "All right, there is a train, but you won't be on it. You can't ride that train." Sometimes in the Soviet Union, you can win by being tough; sometimes you win by knowing when to quit. I recognized that it was time to quit. That train ran right through the Nagorny Karabakh, you know, the area of Azerbaijan which is populated by Armenians. Tension was high there, but at that time the problem wasn't so well known. The reason I could not travel by train was that it would have gone through that part of the country, so we had to fly to Azerbaijan instead. And I considered myself lucky because they arranged all the air tickets. Otherwise, I would have had to spend all my time in Armenia arranging my travel out of it.

Going back to the second trip to Armenia, the one to Tsakhadzor, which was with the Department of Commerce, the KGB had a big hand in that, but the interesting thing was that the Armenians were really concerned about the environmental disruption going on there. Lake Sevan, I think, had dropped 18 feet, a beautiful lake that is very romantic in Armenian history. Armenian history is really focused on Lake Van, which is now in Turkey, but Lake Sevan was the modern equivalent. The lake had been seriously depleted to provide for electrification in the area, so they were very concerned. At the meeting, Dr. Olga Dzhugaryan, who was their representative on the commission, hosts of the meeting, and the wife of a noted architect who had built the sports stadium in Yerevan, invited us to her home: Russians, Armenians, and ourselves. We sang songs and drank Armenian cognac, and it was a very pleasant evening. It was the only time I was ever in a Soviet home. I saw Dr. Dzhugaryan later when she visited the Commercial Office in Moscow. I was sure she'd paid a price for having invited us into her home. She probably paid a big price. But she said nothing about it, knowing only too well that the Commercial Office was thoroughly bugged.

Q: Did you ever get involved with the ongoing contacts with the Jewish dissidents and not only the Jewish dissidents but others, the Pentecostals and all that?

SKOUG: Well, Pentecostals did break in during my period, and there was a great issue then as to how they were to get out, because the Russian position was that they would have to walk out the door the way they came, and then they'd be arrested. They wouldn't go, and we took the position we wouldn't force them. Usually, you know, you don't permit that to happen, because if the Russians had wanted to, they could have sent thousands of people in there who would have been glad to come in there and not come out. But because of the situation being what it was, the Pentecostals occupied, I think, the area which a barber had been using in there. For the rest of the time I was in Moscow, the Pentecostals were still there on the embassy grounds. Eventually they did get out, however, in a way that they could migrate. I think they did emigrate.

There was another incident. A fellow came in who said he had a bomb on him, and he demanded to be allowed to leave the Soviet Union. The Russians were informed in this case, and they sent people in, persuaders to try to deal with him. He was sitting in the Visa Section. Of course we evacuated the Visa Section. The outcome of that wasn't so good because they could not persuade him to surrender, so they pounced on him, and he did have a bomb which was to explode outwardly, and it went off, but it was not of the capacity to destroy the Visa Section. However, he was badly injured, and they carried him out. We never knew what the end of it was. It certainly wasn't a good one. They either shot him or he died. That was one sort of incident.

Speaking of the refuseniks, we had a fellow in the political section who was working specifically on the Jewish dissidents and the other critics of the Soviet system. He came to dress like them and to let his hair grow long and his beard and so forth, but one day the Soviet police at the embassy grabbed him as he tried to enter. They claimed that he looked like a suspicious character trying to break into the American Embassy. Now whether they really thought that or whether they just wanted to rough him up, anyway, they did rough

him up. I've forgotten whether he shaved and cut his hair after that or not. They could play hardball.

Q: This wasn't quite in your bailiwick, but by the time you left there in '79 - it happened after your time, but there was a lot of speculation about how come Brezhnev and company decided to move into Afghanistan. I mean the guy was getting old, and this was a geriatric Politburo, and they wanted one last move, and they just went a little bit gaga. Was there any feeling about Brezhnev at that time, that he was losing it, while you were still there?

SKOUG: Oh, yes. There was considerable speculation about his health. I'll comment on the Afghan thing in a minute, but as far as Brezhnev's health, I saw him at two dinners in the Kremlin that he gave for American businessmen attending the trade and economic sessions in Moscow in 1976 and 1978. The Soviet elite thought they were really dealing with their counterparts when they dealt with American captains of industry. They invited to these dinners chief executive officers of 40 or 50 major American firms and banks. Well, Brezhnev was sort of a hero on these occasions. The first time Brezhnev spoke, everybody was standing up cheering. American labor leaders wouldn't have done that, but some of the American business tycoons did. When he left the dinner a little early, he made a little pirouette, and he went out. How the capitalists cheered! That was 1976. The second time, in 1978, he did essentially the same thing, except when he made his speech, he spoke for a short period of time, and then the interpreter would speak for much longer. He was reading a little, and then the interpreter would read a lot more. It was very difficult for him to speak at this point. He was already having clear physical problems, but whether that meant that he also had mental problems I don't know. He had physical problems. I think his mental faculties were probably still normal. There was criticism of him *sub rosa*. For example, he made his son, Yuri, a deputy minister of foreign trade for maritime affairs, and everyone thought the guy knew nothing about the subject, and they more or less laughed about it. There were jokes about Brezhnev's supposed senility at this point. In fact, though, Brezhnev's colleagues dreaded change so they were content to carry on as if everything were normal.

As for Afghanistan, I think that essentially the Soviet leadership was reacting to outside events it could not fully control. The Politburo thought that Soviet power was rising, not declining. They still felt a little bit - not nearly as much as Khrushchev - but they still felt that in military affairs, particularly after Vietnam, they were becoming the paramount world power. They were snookered by the Cubans into supporting the Angolan side in the civil war, but that didn't involve commitment of much Soviet military power. When it came to the Horn of Africa - I happened to be in Moscow at that time - I remember dealing with the Somali ambassador, who was just amazed at the Soviets' sudden change of position. The Soviets reacted to Mengistu's coup in Ethiopia by switching sides in the Somali-Ethiopian conflict. They only sent a senior military officer there, but they got several thousand Cuban troops under his command to help the Ethiopians win the war with the Somalis. When it came to Afghanistan, where they already had a big stake (they were heavily involved), it probably looked to them like consolidation of a régime by a little bit of manipulation. There turned out to be more manipulation than they were anticipating, and this time they didn't have their Cuban allies. The invasion took place after I left.

Q: Yes, in December of 1979.

SKOUG: The Russian interest in Afghanistan is an old one. They must have underestimated the risk in 1979. I remember, I used to be involved in debates in our embassy about how the leadership would move as the situation in Afghanistan became ever more complicated in 1979. We debated the subject frequently in the embassy, and the primary spokesman for non-intervention, that the Soviets wouldn't do it, was Peter Thompson, a very bright guy who'd served in India and knew that area well. Peter said that if they went into Afghanistan, they would really be caught. They'd find somebody who wouldn't back down. And I would cite the example of Czechoslovakia. I said, "Well, don't conclude that the Soviets won't do it because if they see their interests in jeopardy, they'll take the risk." And Thompson would reply, "Well, but the risks are so much greater. If they do it in Afghanistan, they'll be caught. They'll be up to their knees in it." Ambassador Toon would listen, and Toon essentially thought, well, the Czechs were so gutless that they don't count as an example. He hadn't seen the Czechs the way I'd seen them. He wasn't in Prague in August 1968. But anyway, here I was arguing that they might very well do it, and here was Thompson saying they won't do it because if they do it they'll really get hooked. And I've seen Thompson since then, and he points to me and says, "You were right," and I say, "No, you were right." We both were right.

Q: This was one of the great blunders, which in a way helped to lay the foundations for... or helped shatter the foundations of the Soviet Union.

SKOUG: Oh, absolutely.

Q: It wasn't the thing, but you could point to this as being one of the major blunders.

SKOUG: You can, and furthermore, I don't think that... It's commonplace now to say that the Soviet Union was collapsing, but it wasn't collapsing at that time. It had problems. It had problems that it could have overcome. But the involvement in Afghanistan was a major burden, and if they had avoided that, they would certainly have been able to stagger on for more time than they did.

Q: Well, looking ahead, 10 years after you left, the Soviet Union was in the process of falling apart, and one of the major things was the economy, and yet we - particularly looking at the military's work, so overestimating the Soviets economically, I think because of the concentration on their military production - why weren't we - or maybe we were seeing it correctly, but it looks like - why weren't we getting a true feeling for the weakness of the Soviets in the economic field?

SKOUG: Well, we were of course under, not pressure, but we were stimulated to report every weak side in the Soviet Union we could because, of course, everything you would read and see, unless you read down to the *adnyaka*, the 'however,' would be that great glory of the Soviet Union, this plan was fulfilled and overfulfilled, and the Soviets would never give you any information which would lead you to assume that they had a problem. But we

knew they did have problems, and one of them was in the famous oil study by the CIA, which came out in the late 1976 and predicted that Soviet oil production, although it was one of the highest in the world, was on a level with the Saudis, would peak and then head down. And Marshall Goldman of MIT, I believe, made a small part of his career out there criticizing the CIA estimate and trying to show that oil production would continue to be higher than they thought, although not as high as it was. The Soviets obviously listened to that. One Soviet official told me they owed the CIA some gratitude for pointing out problems for which they could find a remedy. We did our best to get hard facts. I remember calling on a deputy minister of oil with Jack Carlson, who was the vice president of the American Chamber of Commerce. That's how we got in to see the deputy minister. And anyway, he was very careful with what he said, but as we left, we were taken to the door by a stolid, square-jawed KGB guy who had been in the meeting, and Carlson said sportively, "We'll go back and tell the CIA their estimate was wrong." And the guy responded bluntly, "You can go back and tell the CIA you didn't get any statistics." That's the way it was. It was very hard to get any statistics.

Well, we looked at the Soviet economy. We looked at how they lived. We reported their shortage of meat and vegetables. Cabbages sometimes seemed to be the only thing they had to eat. We reported on accidents, aviation accidents, if we could find out about them. For example, one day - it was Christmas day in 1976 - my family and I saw ambulance after ambulance after ambulance and a fleet of fire engines headed in complete silence toward what could only be Vnukovo Airport. The silence was to limit public attention to what was obviously an air disaster. They finally had to reveal there had been a major accident out there, because there were foreigners involved. If they'd only been Russians you never would have known. They tried to conceal all information possible about social or economic problems, but still, along with the downside, there was the side that they produced all this steel, they produced all this coal, they produced all this iron ore, they produced all this oil. And by hook or crook, they managed to keep it going. They were producing a steadily rising amount of natural gas. They seemed to have tremendous resources, and although they needed Western equipment to get it out, nonetheless, somehow they were able to pull this thing together. So I think that that's why I say I don't think the Soviet economy would have collapsed without other things like Afghanistan. The Soviet economy would have made it difficult for them to continue the space race, and so forth, but they essentially did themselves in by devoting so much to the military side. This started right after the missile crisis in Cuba 1962, this buildup of the Soviets armed forces, which they always denied - they always maintained that their military budget was something like nine billion rubles or something when it was ten times as much. I was present at a meeting between Premier Kosygin and Secretaries Blumenthal and Kreps in 1976 where Blumenthal asked this question, and Mrs. Kreps followed up somewhat indiscreetly, and Kosygin shouted at her. It was very impolite for him to have shouted at a woman who was a member of President Carter's cabinet. Kosygin asserted: "Why don't you believe us when we say this is our military budget? This is what it is!" He was very agitated. Well, of course it wasn't the truth. It was the emphasis given to the military side and to space, I suppose, the attempt to play the great world power, that put the additional strain on the economy so that changes were needed. Gorbachev was coming along at that point as a new Communist Party Secretary. And he did not share all the views of the Brezhnev Politburo. I saw him in 1979 as he came

through an exhibit I was running at Krasnaya Presnya. He came in, and the reason that he did so was the Vienna meeting between Carter and Brezhnev was coming up. There they would sign SALT II. So, there was a window of opportunity, an opening when the Soviets showed a friendlier face to us. As a sign of temporary favor, a high level Soviet government and Party group came through and looked at our exhibit at a fair called *Melyoratsya*, which is 'improvements,' you know, improvements in technology. Gorbachev was with them, and he was not like any Soviet Communist Party Secretary I'd seen. Party secretaries seemed to observe but say little. They were dour, and their business was the Party's business, and they certainly didn't have any public relations functions. But he was talking and, you know, gesturing, and was much younger, practically a generation younger than all these old guys in the Politburo. It appeared that he had a fresh outlook. And a lot of the younger Soviets that I was dealing with did have that. It looked like a change in generations, and I think he saw himself, in a way, as a reformer. He thought he could make the system work. That's essentially what he would later try to do, to make it work. He was not willing to intervene to protect the Soviet empire in Eastern Europe, and he certainly did not foresee what was going to happen.

Q: No. Did the computer generation, word processing, all that, was beginning to build up in the United States and Western Europe, particularly in the United States. Were you getting any glimmers that this thing might prove to be a difficult one for the Soviets to handle? We're really talking about information more than anything else.

SKOUG: Yes, well, I can't say that I would have been able to predict in 1979 what happened in the United States in the 1990s and the year 2000, but the Soviets were attuned to it. Gvishyani, the son-in-law of Kosygin who was the deputy chairman of the Soviet Committee on Science and Technology, was very interested, and the chairman, vice premier, Kirillin, was highly intelligent and one of the nicest senior Russian officials I ever had a chance to talk to at length. On one occasion in July 1977, I went out to Sheremetyevo Airport to see Kirillin off to the United States, and since they were delayed, I had about an hour with him. And in that chat he conceded that the USSR did indeed have an energy problem, saying, "We all have an energy problem." And Gvishyani was very bright. He was an Armenian? Georgian, I guess. I think that he was Georgian. They were very much attuned to getting the latest technology, mainly, of course, from the Western Europeans, and he had gadgets in his office of all sorts. They were brilliant. I mean, one can't say that the Soviets didn't have technical capacity. They just didn't have enough of it. And they did not have the sort of system that could turn invention into innovation and then into serial production.

Q: Also, the technical capacity opened up fields of information and things that allowed you to print things and do all sorts of things without some control.

SKOUG: Yes, well, that's true. They were very concerned about control. But there wouldn't have been the danger, perhaps, in the Soviet Union. In Czechoslovakia you had a broad range of people who were qualified and able to use technology and who could, for example, make those radios operate when the Soviets came in and could do other things. You wouldn't have had that spontaneity in the Soviet Union because it just had no history

of that. There weren't enough people who were trained to think like that. They didn't have enough. They had some good ones, but not enough.

Q: Is there anything else we should cover on the Soviet Union? If there is something we should discuss, I would be happy to.

SKOUG: Well, there's one little vignette. Probably my best source, or one of them, in the Soviet Union was Yevgeny Shershnev, who was the deputy director at Arbatov's Institute for the Study of the United States and Canada. He was assigned in 1979 to a senior position at the United Nations, one of the Soviets delegated to work there. On one occasion, shortly before he left, he told me about a trip he had taken to Iran, and this was at the time when the Bakhtiar Government was trying to hang on there. The Shah was already in a lot of trouble, but the worst had not yet happened. Shershnev said that he had been in Iran the previous fall as the guest of Vinogradov, the Soviet ambassador, a good friend of his. Shershnev, who was not a boastful man, said that he could see the problems that were going to bring down the Shah. He said he could see that the street and the Islamic clergy wielded a tremendous power there, and that the Shah was going to fail. He said that Ambassador Vinogradov didn't see that at all. Vinogradov argued with him. He liked the Shah. He even supported the Shah. Of course, the Shah had sent back to the Soviet Union a Soviet flier who had defected in a MIG aircraft. The interesting thing is that the Soviet ambassador was no more able to predict what was happening than anybody else, whereas Shershnev said that he could foresee it, and he said this even before the clerics really came in. I warned at that point that it would be going back to the middle ages, or could be, and he said, well, if they had to go back a little bit, it wouldn't matter. The future would be brighter. Obviously, he was thinking that the Tudeh Party would inherit power once the "Middle Ages" were over.

Would vignettes would be of interest?

Q: Go on, because it helps give a feel for the times.

SKOUG: Right.

I might mention a dinner my wife and I attended at the Uzbekistan Restaurant in Moscow in July 1977. The dinner was hosted by Pan American Airline to see off a senior Soviet civil aviation official, a man named Samorukhov, who was going to the United States to be Aeroflot's North American director of operations. Beside him sat a senior and very tall (about six foot six inches tall) American official from Pan American's West European division, whose name I won't mention. Then there were others at the table, including a man named Smurov, who was clearly a KGB watchdog, and the dinner went on, and there was dancing and a lot of vodka was drunk because it was Samorukhov's farewell. And he was having a lot to drink, and a lot to say, and he was talking to the tall Pan Am official next to him, having toast after toast together. We began to know what was going to happen, and I was watching Smurov, and Smurov was watching me. Smurov was shaking his head in despair, and finally Samorukhov said to Smurov, "You're KGB - I'm KGB, too." And Smurov kept shaking his head about the levity. Finally, though, the evening ended on a bad

note because as the tall American and Samorukhov jumped up to make a toast - and sometimes when you've had a lot of vodka a sudden movement can do it - the American passed out at the table and fell with a mighty crash. He almost fell on my wife. My wife's a little woman. She would really have been crushed. Anyway, here we were with everyone looking at us then because it made a lot of noise when a man that big falls over. We had to carry him out. Samorukhov, although he was plastered, was able to make it out under his own steam, but we had to carry out the American contender, and we got him out on the street, and there was his car. The car for him was a Volkswagen Beetle. We had to fold him to get him in the back seat of the thing, and off he went. That was life in the Soviet Union - a lot of drinking.

Drinking, of course, was one of the things that Gorbachev tried to crack down on and didn't succeed. Drinking vodka was one of the things they permitted because, like sports, it was a way out. Get people drunk and get them home and they won't make trouble for the Party. I used to go out early in the morning and run. You'd find in the morning that there would be all these poor figures lying in the street, no matter how cold it was, who had been out drinking at night and were lying there in the morning. Perhaps the alcohol kept them from freezing.

Q: Let's go back to Moscow. Talk about the embassy fire.

SKOUG: Yes, on the night of August 27, 1977, which was a Saturday, the American Embassy caught fire, and it was a major blaze. Now on that day I had received the local Pan American Airlines representative, who was smoking cigarettes. Right outside my office was a lot of equipment that had been brought in to improve the firefighting capacity of the American Embassy, which the inspectors had recognized to be at risk. I had a hotplate, which was used for making coffee and so forth in the Economic Section of the embassy. So when the fire broke out and it was said that it was started somewhere around the Economic Section of the embassy, I was concerned. I wasn't able to get in there during the fire, but immediately after, I ran for the hotplate, and the hotplate was still there but not plugged in. So the hotplate was not the cause. Someone who lived in the embassy or who worked in the embassy building had noticed a sort of a spark on the television set, some indication that there had been a loose connection. My office had a false ceiling and a thick carpet, and it all went very fast, and it was very, very hot - the fire. Our family went down to the embassy and watched it burn. The Soviet firemen fighting the fire showed a tremendous amount of courage, going up there to keep the roof from burning off. We knew if the roof burned off that would be a disaster for us. But it did burn despite their efforts, and I must say that those were certainly professional firemen doing their best to put out the fire, but they didn't succeed. I went back in as fast as I could the next day, early in the morning, and in my office there were seated about seven persons in the uniform of firemen. My thought was that not all of these men were firemen. There were other people there.

Q: All of a sudden a bunch of people in brand-new fire uniforms showed up.

SKOUG: Yes. They were all watching me as I went over to my desk, blackened by the heat of the blaze. I had a lot of things in that desk. And I pulled slightly open a drawer with these

gentlemen watching me, and I could see there wasn't much in that part of the drawer. The wooden desk was totally burned on the outside, but inside - wood is not a good conductor of heat - it was not. I pulled open the drawer a little further, and there sat my diary among other things and all sorts of pieces of information that these guys would love to have had - reports, nothing classified of course, but still a lot of things they would like to have got their hands on. I had brought a little gunny sack with me, and I loaded these things in the gunny sack while these guys watched. I knew that they had gone through the other parts of the desk, but they hadn't realized that there was this "inner compartment." You could pull the desk out and there was another set of drawers. So I rescued what I could from the office. In the meantime, the files were just the opposite. The file cabinets, being metal, looked normal, but inside everything was cooked to ashes. It was just totally destroyed inside. The stench of charred paper was sickening, and it did not soon go away.

Well, because the roof was off, we were in terrible shape. There wasn't a crane in Moscow available to us that could be used to work on this, and we were facing, of course, the Russian winter. This was only August, but still, it takes a long time even under the best of circumstances, and snow starts falling in late September. Well, Ambassador Toon went with me to open the American part of an international exhibit at Sokolniki Park, the fair grounds, and there the ambassador spotted a 34-meter-high Harnischfeger crane which was on display. He said this would be wonderful to put the roof back on the embassy. Harnischfeger had no problem with this. Well, the Soviets sort of agreed that this could be done, but in practice, they wouldn't let the crane out of Sokolniki, which has gates around it, barred. The enterprising deputy chief of the commercial office, Steve Sind, was out at Sokolniki, and he noted an open gate. The gates were open for something. He drove out on the Harnischfeger crane, dashed with the huge crane through the streets of Moscow - it's a long way from Sokolniki to the embassy - and he got the crane there, and the crane was used, and we got a roof over us. The Russians were mightily upset by this, contending that it had damaged the streets.

All of us transferred our activities, including the ambassador and Jack Matlock, the DCM, to the commercial office, which was a discrete building not far from the embassy. The ambassador had not been there more than a day or two when we learned that Department of Commerce officials were threatening to complain to Congress about the alleged misuse of the commercial facility in Moscow. They were asserting that the purpose of the U.S. Commercial Office is to promote trade and business, not to be used for extraneous matters. So they're telling the ambassador of the United States, whose building has just been burned, that he shouldn't be doing business in the Commercial Office. Well, Toon and Matlock got out, and they went back into the embassy, but I relocated myself in the Commercial Office for two or three months. Since my office on the eighth floor of the embassy was totally gutted, I worked out a deal with the chief of the Political Section on the seventh floor. His office, though badly burned, still could be used, and it was being used because a hole was drilled in the wall and people repairing the embassy came through there. He offered a little alcove to us, so I put three of my economic officers and a secretary in that alcove, and I worked with them, but I also worked out of the Commercial Office - except, of course, you couldn't send anything classified out of there. Finally, I went back over to the unheated embassy itself, and we sat every day in the winter with our coats on, with our *shapkas*

(that's the Russian for "fur hat"), and gloves, sitting and carrying on business as usual through the whole winter. But we wouldn't have been able to do that without the roof.

Q: Well, you left there in, what, the summer of 1979?

SKOUG: Yes.

Q: Where to?

SKOUG: Well, hah, that was a good question. I had been expecting, had been bidding - I think the new system was just being set up - I had expected to go as DCM in one of three points, and my fallback was consul general in Vancouver, Frankfurt, Düsseldorf, or Barcelona - places where I spoke the language. At the time I went to the Soviet Union in 1976, I had been offered either the Soviet Union or consul general in Munich. Bob Sayre, who was advising me at that time, strengthened my own view that I should go as a counselor to Moscow rather than be the big fish in a smaller pond.

Q: Oh, sure. Moscow was the big enchilada.

SKOUG: It was the big enchilada. I was number four on the diplomatic list. It was better than being number one in Munich. So I felt that going as a consul general from Moscow would not be as interesting as being DCM. It turned out that there were no DCM-ships available for me. And I had had a lot of good ratings. For example, the CIA, which was the primary end-user of our economic stuff, said that they couldn't in their memory recall any comparable record over the three years that I was there. I later found out that that sort of information couldn't be in my personnel file or be made available to promotion panels. And there were other comments like that that apparently didn't get in. The long and the short of it was I did not get any of the DCMships which were supposedly available, nor did I get any consul general position. So although I was going to be promoted the next year, I wasn't getting an appropriate assignment. They finally came up with a diplomat in residence at Lehigh University, which I really did not feel was appropriate. Here I was, how many years into my career, 22 and a half years in the career, and suddenly I didn't find any interesting positions being offered to me. Well, I finally accepted the diplomat in residence, but the next day they came up with economic-commercial counselor in Caracas. Technically, the job in Caracas was rated one level above the one in Moscow, believe it or not, but it wasn't-

Q: But it wasn't of the same caliber.

SKOUG: It wasn't, and furthermore, where the job in Moscow was essentially economic and secondarily commercial, it now suddenly mattered that the job in Caracas was going to be overwhelmingly commercial and only secondarily economic because the Department of Commerce was taking all those slots away from us. So I took the job as economic-commercial counselor in Caracas, returning then to Latin America after 16 years away.

Q: You were in Caracas from, what, 1979 to when?

SKOUG: Well, my career... I never got back into European affairs after leaving Moscow. The rest of my career was spent in ARA, and I was three years in Caracas.

Q: That would be 1979-82.

SKOUG: Then I was coordinator for Cuban affairs in the Department of State for six years. Then I went back to Caracas. So my last eleven years in the Service were spent dealing with Venezuela and Cuba.

Q: Well, let's talk a bit about 1979. What was Venezuela like at that time? I mean the politico-economic situation and relations with the U.S.

SKOUG: Well, they had just had an election. The previous president had been Carlos Andrés Pérez, one of the big names in Venezuelan history. Pérez was a leader of Acción Democrática (AD), the social democratic party of Venezuela, the Party which had been the main builder of the democratic reform after dictator Marcos Pérez Jiménez was kicked out in 1958. So Venezuela, which had almost no democratic tradition before 1958, had 21 years of democracy by 1979 with elections every five years. Three had been three social democratic presidents. The first one, the great one, was Rómulo Betancourt, who died when I was down there. I never met him, but 25 years earlier I had helped to call off an FBI investigation of his supposedly subversive activities in the United States. After Betancourt came two others, Raul Leoni and Carlos Andrés Pérez, who had just left office with a reputation of having been a man of the people who knew how to take care of himself, who filled his pockets and who had almost been convicted of corruption charges. He just barely escaped that. So he left under a big cloud, and to power came Luís Herrera Campins, head of the Catholic Party, COPEI. They're the Christian democrats. They had had one president before, and he was the second one, but he was not of the same faction as Rafael Caldera, one of the old men who, like Betancourt, had been a builder of Venezuelan democracy, pretty much like Konrad Adenauer and Kurt Schumacher in Germany. You had the Catholics and you had the socialists, except that these Catholics were socialists, too. As a matter of fact, Caldera was more of a collectivist than Betancourt, probably. Herrera Campins came in as the second Christian Democratic president of Venezuela, and he stated that he had inherited a bankrupt country. He claimed that despite the dramatic oil price increases in the 1970s, Pérez had spent so much money that Venezuela had very little left. Well, Herrera Campins set out to do exactly the same thing. There was a very nationalistic bent to the Herrera Campins government, much more so than the social democrats, who were easier to get along with - just the opposite of Germany. In Germany the social democrats had been the prickly nationalists and the Christian Democrats had been the international allies. The social democrats, Acción Democrática, had been more cooperative. The Christian Democrats were the more nationalist, and they wanted to exploit above all the high price of oil. So they tried to diversify their markets for oil, among other things, too, sell their oil all over the world, not just to the United States and a few other countries. It was clearly a régime which was going to be more aloof from the United States than the previous governments had been.

Herrera Campins was not a popular individual. He had been elected president with about 29 percent of the vote. The Venezuelan constitution provided that the candidate with the highest number of votes would be elected president. Just a plurality sufficed. As long as you had more than the next guy you would win. The more candidates there were in an election, the lower your percentage need be to win. So he won with a very small percentage of the vote, and he became highly unpopular very quickly. As a matter of fact, one of the telegrams I remember the embassy sending out was "How Has This Man Become So Unpopular So Soon?" Well, the truth was, he never was very popular to begin with, and his style was amazingly bad. But he presided over an economy that seemed to be booming, and it was borrowing money. Despite the fact that they had this tremendous income from oil, they decided to borrow at the same time. This led to bad results later, but at the time it wasn't so evident. It was a time of "*Tan barato, dame dos.*" "It's so cheap I'll take two." That was said of Venezuelans who poured into Florida. They came in and out of Miami buying. They would go back loaded to the gills, not only with suits of clothes and so forth, but more particularly with electric goods - stoves, refrigerators, anything. Oh, it's that cheap? I'll take two.

The currency, the bolivar, was four to one dollar. It was very difficult to live on that currency ratio because the bolivar was so overvalued. And yet they argued it was undervalued. I had a Venezuelan friend who was an MIT economist working for Pedvesa, *Petróleos de Venezuela*, the oil company. He insisted that they were undervaluing their currency. One of their big problems was that they had a welfare state. They had fixed prices which never changed. And the price of oil, for example, their gasoline was the cheapest in the world because they felt that that's one of the things they deserved from having the oil, that they might as well give it to their people cheaply, so people used it flagrantly.

Well, that was the general structure of Herrera Campins' government.

Q: When you got there, who was the ambassador at the time?

SKOUG: The ambassador was a guy I had known when I was in the Soviet Union, Bill Luers. Luers had been deputy assistant secretary for European affairs, and he had come out to Moscow together with Adlai Stevenson III on a visit. They were roommates in college, and he had come out there with him. I had arranged a series of meetings for Stevenson, a very interesting series of meetings with some good contacts of mine, and Luers enjoyed it. I think that's one of the reasons Luers was pleased to have me come to Caracas. But Luers was a guy who was totally hands-on. He did everything himself. He was an ambassador who just dominated everything. He had all the meetings. You would have a staff meeting and the ambassador would be there. The economic staff would meet - the ambassador would chair the meeting. The Political Section would meet - the ambassador would chair that meeting. He chaired everything and was involved in everything. So it was not easy to make much of an impact in Venezuela if you were not Luers, because anybody could call Luers and he was available. He worked constantly, all the time, a working demon. The big issue was still the fallout from the nationalization of the oil companies, which had happened under Caldera, the first Christian Democratic president. And it had left a residue of ill feelings because the oil companies felt that they hadn't got any compensation, and

they had claims on the Venezuelan Government that the Venezuelan Government really wouldn't hear. Now they had a new Christian Democratic government to deal with, and they were getting very little satisfaction. And the attitude of the American ambassador was ambivalent. He wanted to get along with the Venezuelans. He wasn't too sympathetic to the oil companies' claims. He had been there earlier, in Venezuela, I guess at the time when the oil companies were riding high, so he didn't have as much sympathy for them as he might have. That was part of the picture. There were, of course, a lot of American interests, a huge business community there. When I think of the little community in Moscow, which was so dependent and so friendly and so interrelated with the embassy, that wasn't the situation at all in Venezuela. There was a Venezuelan-American business chamber, which was enormous and very influential, and businessmen felt their interests were represented better through the Venezuelan-American Chamber of Commerce than through anything the embassy could do - although there came a time later when they were very glad that the embassy was around. That will be in my tour in Caracas.

Q: What were sort of the feelings when you arrived there that you were getting from the Desk? Did you feel that democracy was well installed in Venezuela so that the problem was going to be one of dealing with various particularly economic things and all, but we weren't going to be particularly concerned about politics?

SKOUG: Well, the democracy was very strong. Venezuela, along with Costa Rica (and Costa Rica's so small, whereas Venezuela is large) was something I later contrasted, in speeches I made on Cuba. The Castro regime in Cuba came to power shortly after Betancourt was elected president of Venezuela. Thus, they both started at the same time; one went one way, one went the other. We certainly felt that democracy was succeeding in Venezuela and was not in any danger. The military was strong. The military was bought off by getting more weapons than the military ever needed, but our military guys were advocates of this. Our military attachés were supporting the Venezuelan military. Yes, they need more jet fighters, and so forth. The only danger on the horizon there was that they had and still have unsatisfied claims on the Esequibo Territory of Guyana. Every Venezuelan map shows the Esequibo, which is a very substantial part of Guyana, as a part of Venezuela... I can't now...

Q: Yes, you can't say that. We were talking for the transcript, anyway. But Guyana really isn't much of anything, as far as -

SKOUG: No, and the Venezuelan attitude, for example, during the Falklands War was so anti-American because they saw this as similar to Guyana. They felt that if the Argentines got away with their seizure of the Falklands that this would not only justify... They didn't think they needed any justification; they thought the Esequibo award to Guyana was wrong and that they should take it back. They assumed that there wouldn't even be any resistance because the British - at the outset - hadn't really resisted the Argentine takeover. And when the British subsequently did resist it, and when the Americans seemed to side, did side, with the British, many Venezuelans were furious. Some saw this as scuttling the plans for an easy takeover of what they thought was their rightful territory.

Q: What was it? Most of Guyana is jungle, and it certainly hasn't been developed or anything else. I mean, we learned that a couple of years earlier, when this whole Jonestown thing happened, I mean, way out in the hinterland and practically beyond the known... beyond the beyond, or something.

SKOUG: Well, those territories don't have to be valuable. Other territorial disputes, between China and the Soviet Union, or some of those areas where you've been - it isn't that the land itself is of such value. Territorial disputes often arise over issues of pride. But the Venezuelans feel that since the area of Venezuela south of the Orinoco River has a lot of raw materials, the Esequibo might be full of raw materials, too. There might be oil; there might be gas; there might certainly be iron ore, something down there. Venezuelans have been so lucky in the distribution of goods that they thought that it could be there. They even found bauxite, for example, south of the Orinoco.

Q: When you got there, was that affecting you? The Malvinas/Falklands thing didn't happen until about 1981, I guess.

SKOUG: Yes, it happened while we were there.

Q: Oh, it happened while you were there.

SKOUG: Well, I was there.

Q: But how did you find working with the Venezuelan Government particularly and Venezuelan business?

SKOUG: Well, working with Venezuelan business, their business was the government essentially. It was a socialist economy. For example, the major producer, and the one which had the most to do with arranging the relationship was the state-owned oil company, PDVSA ("PEDEVESA") and those people were very, very good. They all came from a background of business. They all had worked for major corporations, and they knew how to manage the production of oil very well. There was no problem there. As a matter of fact, they were masterful at everything they did, and that was true not only in my first tour but the second. As long as those professionals remained, the company was very, very well managed. But it was, of course, a government corporation; it was not a private industry. It only ran so efficiently because those men had had such experience in private business.

Government ministers under PDVSA reported to the Ministry of Energy and Mines, which was more state oriented, more ideological, less well disposed to the United States. There was a lot of friction between them. The ministers under Herrera Campins varied. Some of them were okay; others were very hard to reach and aloof. They were not hostile, but I can't say that a lot of them were particularly friendly to us. They thought that they were riding high. That was a period remarkable for their feeling that they were in position to manage without us, cut back on sales of oil to us. They had their own program for helping the Caribbean and consumers in Central America of Venezuelan oil. But they passed along the

price increases, and then they cut back and offered part of it as a loan, but actually they were still making a good deal of money even where they were selling.

There was concern in the Herrera Campins government about developments in Central America. I think they were as concerned as we were about Nicaragua. In Nicaragua, the Sandinistas had been helped by Carlos Andrés Pérez. He'd been one of the major non-Communist supporters of the Sandinistas. Herrera Campins realized that the Sandinistas were not well disposed either to the United States or to Venezuela. So we used to consult with them at a high level, at least the assistant secretary of state for Latin America level, with their people about what to do about Nicaragua, but essentially they were not involved in helping the Contras, for example. They probably didn't even know about it. But they were concerned without being actively engaged on one side or the other.

Q: Well, what sort of things... I mean, here you have an activist ambassador who's reaching down at all levels. Did you find yourself a bit frustrated?

SKOUG: Very, yes, very much. In addition to the fact that Venezuela was not as interesting - much more pleasant than the Soviet Union, but it was not as interesting to begin with - and then of course we all look small compared to the giant. It did make it difficult. Then the fact that a fellow a couple of ranks junior to me was named the commercial counselor.

Q: He was from the Department of Commerce?

SKOUG: No, he was from the Department of State. The Department of Commerce did not take him into their commercial Foreign Service. But he became at that point the commercial counselor. My job was not nearly as-

Q: Really sort of cut everything out from under you.

SKOUG: Yes, my career suffered a grievous blow at the end of my tour in the Soviet Union. At that point I thought I was going to the top, but that's the way it got sidetracked.

Q: And also, too, you run across the bureau thing - I mean, moving from the European Bureau, if you can get another European assignment, and you're part of the Moscow club, and you have your credentials - but go over to ARA, which is its own club... And Venezuela is not, I don't imagine, at the top of their list. It wasn't a problem state particularly.

SKOUG: No, Venezuela was an interesting country. Particularly it was interesting my second tour, I must say, when my point of vantage was a little different. But it was hard in the job I was first in.

Q: Is there anything we should cover, do you think, on this first tour in Venezuela?

SKOUG: I really haven't reviewed my notes as much as I might have.

Q: I'll tell you what we can do. We'll pick this up later. We've talked about your coming to Venezuela, 1979-82. We've talked about Luers covering the embassy like a bucket of paint, I guess, and that you had somebody lower ranking named commercial counselor, so you were sort of left out during the time. If you will review your notes, that you might want to talk about; otherwise, we'll move on to the far more interesting time when you were dealing with Cuban affairs. Great.

[Moscow Embassy fire described here, moved to a point earlier in the interview]

Q: Well, for the transcriber, if you could take this particular section and move it back into the Soviet thing, and I'll put at the end where we left off: we talked about your assignment in Venezuela, 1979-82, and we said that the ambassador did most of the work and you had a commercial counselor who sort of took away from you. We've talked about the government there and the oil situation, but if there's anything else, we can fill in, and then we can move on to Cuban affairs.

Q: Today is the 22nd of November, 2000. Ken, is there anything more we should cover on Venezuela?

SKOUG: Well, I think it would be useful to mention that we lived as families, of course, and in terms of my assignment in Venezuela it was very important for me to have a good school for my children, particularly my daughter, who had had a tough ninth grade in Moscow because they really didn't have a ninth grade in the international school there. So that was one of the reasons we were skittish about taking a diplomat in residence assignment where we might have been one year and she would have been forced to go to a high school for just one year. So one of the real advantages in Caracas was they had an excellent international school, where she became virtually bilingual and got an excellent education. That was one of the reasons I was willing to stick it out for three years in Caracas, in order to get her through high school. In addition to that, Caracas had a lot of benefits. Of course it had lovely climate; it has magnificent scenery; we had a nice house, none of which we had had in Eastern Europe and Germany. And the smiles on the faces of the people, the availability of goods - we raised a lot of animals there. We had 19 cats. We were giving away kittens right and left. We had two producing mothers there quite by accident. I got to know my family a lot better in Caracas. That was a really positive side. There were some inevitable problems of living in a place where traffic was very dangerous and crime incidence was high. They had as many traffic deaths in Venezuela as we have in the United States with one-fifteenth the number of cars. The noise level sometimes, where parties or clubs go on till five in the morning, that sort of thing would set you on edge.

Back to the issues, though, I think we mentioned that we had a very hyperactive ambassador, William Luers, and there was an element of substance there, too, because Bill Luers, as he stated, had fallen in love with Venezuela. He really did have a tremendous

empathy for Venezuela and a tendency to defend it vigorously, more vigorously than some of us thought was appropriate. When Bill retired, he made a talk in the Department of State which Jack Crowley and I (Crowley was DCM there) attended, and he saw us there. He said, "There's my old DCM and my economic counselor with whom I used to argue every day, every day." And that was overstating it just by a little bit perhaps. For one thing, the Venezuelan economy was not well managed under Herrera Campins, who was very socialist. The oil industry benefited only from the fact that all those top people had cut their teeth in private industry and thought in terms of profit and loss and relative scarcities and so forth, and that didn't apply to steel and aluminum and a lot of the other very large entities which had been developed and which were all managed and run by the government.

Q: Were these designed mainly as a nationalistic thing, or was this a job-producer thing, or did it make economic sense to have these industries?

SKOUG: It was very nationalistic. It made economic sense to have the industries, but they were not structured or managed to be efficient. It was a sense of taking back the country from the foreign capitalists who had developed it. And of course in the case of the oil companies it was primarily foreign capitalists, although they divided PDVSA, the national oil company, in four parts. One of them was called CORPOVEN, which was composed of former Venezuelan-owned oil companies. So there was already a Venezuelan component to the oil industry before nationalization, but for the most part it was taking back industry from foreigners and so forth, and in part to give jobs. There was a good deal of what we would call "featherbedding" in the state-owned industry in general. That was, again, one of the problems why the economy didn't work. We used to have regular businessman's meetings I think once a month. Some pretty good American or European economists down there, outside economists, anyway, would attend, and I recall on one occasion when the ambassador had given a very upbeat assessment of the Venezuelan economy, he was contradicted by one of the economic experts. And Luers then turned to our financial officer, and asked him to rebut this private criticism, but the officer was too clever to do it, because here we were sitting with a lot of bankers and people who knew what was going on, and that rosy glow about the Venezuelan economy just wasn't appropriate. As a matter of fact, when we got a new country director for the Andean Pact countries, he began to complain about the overly rosy glow which the reporting in Caracas was putting on. Of course, the most important thing was the oil industry, and there you had a strong nationalist in the ministry which oversaw PDVSA. A key problem was they had nationalized our companies and hadn't compensated them. As a matter of fact, they were charging additional money or claims on the companies, which in some cases were higher than the companies' claims for expropriation.

Q: What were the claims for?

SKOUG: Well, back taxes and so forth, and failure to assess correctly damage to the equipment taken over or something. The details of it are at this point, it's been so many years, I'm not sure.

Q: Was this sort of a contrived thing to cancel out the expropriation?

SKOUG: Well, yes, from our point of view I would say it, although they were rather insistent that it was fair. The tax structure down there is very complex and very difficult. As a matter of fact the encumbrances on doing business were substantial. Humberto Calderón Berti, who was the oil minister in Herrera Campins's period, wanted to diversify markets. He wanted to sell to as many countries as possible, getting away from selling to the United States. And backing up, in the earlier period, when there had been an oil embargo by the Arab countries against the United States, Venezuela did not take part in that, because Venezuela, of course, is not an Arab country and didn't feel that OPEC solidarity stretched that far. So they sold to us, but Calderón Berti, nonetheless, was trying to get away from some of its dependence on the U.S. market. At the time when we wanted oil, he was not particularly interested in selling it to us. As the situation changed, however, and it did change, the oil scarcity which had led to these high prices became a glut because of the high prices, and pretty soon the Venezuelans found themselves looking for markets, and then Calderón Berti would reverse himself. He tried then to stress the reliability of Venezuela as a supplier. They wanted to get the U.S. petroleum reserve to buy at current prices so many million barrels, with a falling world market, so in effect it would have held the price up. Now Luers almost always would favor these sorts of things, and in the case of nationalization, he was not very sympathetic to the claims of American companies and they knew it. The petroleum attaché, Paul Wisgerhof, used to get into rather heated arguments with the ambassador, and I found myself in the middle of those things. I could see that we weren't there just to represent the oil companies; on the other hand, we were in part there to represent them against any hostile or unjust action by the host government. They were American interests. So there were problems of that nature. Then there was a Caribbean Basin Initiative, which was an attempt by the new Reagan Administration, which came in in 1981, to give assistance to the Caribbean region, including Central America. Well, the Venezuelans already had what they called their "oil facility" for regional consumers of Venezuelan oil. As prices went up, the Venezuelans tapered off the increase to a certain level for these countries that were in the oil facility with them. The purchasers would thereby get oil at less than the market price. Of course, the market price was steeply climbing, so it was a Venezuelan aid program, but it was an aid program coming out of rapidly rising proceeds from oil. The recipients of Venezuelan "aid" were paying steadily more for the same amount of oil until the shortage finally turned to glut.

The Venezuelans thought that they were doing far more than we were and constantly made that point, which was really not accurate, but that was their point of view. And the foreign trade side of Venezuela was outside the Foreign Ministry. They had a "Foreign Trade Institute," they called it, but essentially it was a ministry of foreign trade, headed by a man named Sebastián Alegret. Alegret and Pérez Guerrero, the international economic expert of Venezuela, were very much dependence-theory economists. They believed that the Third World had got a very bad shake from the developed West. They were very, very critical of the West, particularly of the United States. Although more polite there were arguments as vigorous as any we would have had in the Soviet Union. There were a number of another range of issues, again all of them touched by Venezuelan sensitivity to sovereignty - calls by ships, research vessels in Venezuelan waters would require constant attention to get any possibility of having them come in. Venezuelans always suspected it was espionage of

some sort. So when you think of Venezuela as a friendly Western country, it has to be tempered by the fact that it was going through a hyper-nationalistic, chauvinistic period in the time of Herrera Campins and his foreign minister José Zambrano Velasco. Zambrano's attacks on the United States and the West were at time scurrilous, and this really began to rise to intensity in the spring of 1982, when the Argentines, who were no particular friends of the Venezuelans - there was, after all, an Argentine military government and the Venezuelans were critical of military governments in general - but when the Argentines seized the Falklands, the Venezuelans, in part because of their interest in the Esequibo Territory, in part through their strong sense of Latin American solidarity, went fully over on the Argentine side, took the side of the Argentines. When the British eventually demonstrated that they were going to go back into the Falklands, the level of animosity rose to hysteria in Venezuela. It was sort of adumbrated in ways what's been happening in recent months in Venezuela, where you have a strong nationalist, chauvinist general taking power as president of the country and with a good deal of popular support. There was a lot of popular support for Argentina and condemnation of the British and the United States, probably more than the British. After Haig took the side of the British, Venezuelans lost all restraint. Now, again, this was an issue that Luers had with the rest of us, because Bill was more understanding - he always was more temperate towards the Venezuelan position. Frequently, throughout his whole period as ambassador, he would do something which I found unusual. I'd never known any other American ambassador in my experience to do it. He would talk by long distance telephone to Marcial Pérez Chiriboga, the Venezuelan ambassador in Washington, and they would confer on how to assist Venezuela and how to explain things more carefully, how to put a better face on things.

Q: Well, I was trying to pick up the spirit at the time. I was here in Washington, and there was no doubt about the basic support of the British taking back the islands, particularly the way they were taken and that odious junta that had done this thing, I think, the real planning, and doing it to distract from the nastiness that they had been doing. Do you think Luers... Were there conversations? Did he understand how the United States was going on this? Did he see that when the chips were down we sure weren't going to come down on the Argentine side?

SKOUG: I'd say the position he took was similar to the one taken by Jeane Kirkpatrick, who also felt that it was a big mistake for us to take the British side. Obviously I didn't feel that way. I thought the British did the only appropriate thing under the circumstances. But Luers was aware of those considerations. I'm not saying that he was supporting Venezuelan chauvinism, but he was much more inclined to explain it, to try to help out Herrera Campins. And Herrera Campins made a visit to the United States about that time, shortly before, I think, where he had talked about the... He was always complaining about the "policy of blocs." It sounded like Third World neutralism, but most of the criticism was directed to us, so it was easy for the chauvinism... They really battered the United States at this particular time.

Q: How about the media and all that? Same thing?

SKOUG: The media were very bad. Occasionally you would meet a restrained Venezuelan,

and I think the Adecos, the Acción Democrática people, who were out of power, were more balanced than COPEI. But the press was pretty bad during the whole episode. And I happened to leave, and so did Luers, at about that time, and there were virtually no Venezuelans at his farewell, despite all the things he had done for them, how hard he had worked for Venezuela. At that very time hardly any Venezuelans showed up. They were just boycotting us. They thought that that somehow would have a positive effect for them, I guess. I don't think it did.

Q: Was the boycotting because of the Falklands/Malvinas thing?

SKOUG: Yes.

Q: Did you find that your sources were sort of shut down during this period?

SKOUG: Well, they were always a funny lot. Venezuelans would stand you up, not return phone calls, not show up at lunch, not come to accept an invitation. It was something Latin in that, I guess. They're not as reliable as Germans or even as Russians in that respect. It did become a little harder. I had some good economic contacts, though, who were interested in reform. There was a lot of emphasis coming out of a place called IESA, which is the school where there was a lot of sympathy to the economic philosophy of Friedrich Hayek at the University of Chicago. They were called Venezuela's "Chicago boys" with great scorn by people like Sebastián Alegret and Humberto Calderón Berti. But they were very bright scholars, and when Venezuela later, on my next tour down there, tried to reform the economy, they took the lead. It was the IESA boys who pushed market economics in a socialist culture. And so I had pretty good contacts there. As a matter of fact, in private conversation, most people did not bring up the subject of the Falklands, although some of them couldn't help but sympathize with the Argentines. I remember we talked about the explosion of the hockey demonstration in Prague against the Russians. It was something like that in Venezuela, strange to say, when in the World Cup in soccer in late spring of 1982, the Italians defeated the Germans. True, there are a lot of Italian Venezuelans, or Venezuelans of Italian extraction, but not that many. But the whole place went wild, as if it had been just a tremendous victory, sort of a Latin victory over the Anglo-Saxons perhaps. The city went wild, and you couldn't move about by automobile because the streets were jammed. People were honking their horns and so forth. It was a spontaneous demonstration of popular feelings.

Well, those are the basic considerations about Venezuela. The pleasure of the tour for me was, as I say, largely through association with the family, the excellent schooling for our children, and the marvelous climate. There were some Venezuelan friends, but it wasn't like Mexico. In Mexico you could make a lot of friends. In Venezuela it was much more difficult.

Q: And then in 1982 you came back to Washington.

SKOUG: Well, in 1982, strange things happened there, too. I was in contact with Ambassador George Landau. He was about to be assigned to a post in Latin America. And

an intermediary, a businessman who was very well informed and who kept shuttling back and forth between the United States and Venezuela and who knew Landau indicated that Landau was about to be named ambassador in Panama and wondered if I were interested in being DCM. Well, I was, so I thought that I might be going to Panama. But then - this was March, I think. Eight days later, the intermediary told me that "You'd be amazed: Landau is not going to Panama; he's coming to Venezuela as ambassador." I had already been in Venezuela nearly three years at this point, but the question was obviously would I like to serve as DCM in Venezuela. So I said again yes, I'd be happy to serve with George Landau if he's interested, but we already had a DCM who'd been there two years, and Landau did not want to force him out if he didn't want to leave, and that eventually turned out to be the case. So I left about the same time as Bill. Before I departed, I did a long, reflective wrap-up cable on the Venezuelan reality as I saw it. Ambassador Landau had encouraged me to write such a cable. I learned later that Landau regarded that summing up as a very accurate and penetrating assessment that was a very helpful introduction for him. I now returned home. I was assigned to the Executive Seminar in Washington. But I got a call from the ARA executive secretary, Don Bouchard, who said, "Would you like to comment. Enders is thinking of you for taking over Cuba, but he wants to interview you." So I went flying up to Washington. I realized that if I went to the Executive Seminar for a year, I would still need a job at the end of the year.

Q: Oh, very definitely.

SKOUG: And no guarantees. If I had turned down a job that Enders wanted me to take, and Enders had just become assistant secretary for ARA, I might not be in too good a position. So I took the job. I came up and was interviewed by Enders. One thing I didn't like about it was that the fellow who was working on Cuban affairs appeared in line to move up to deputy assistant secretary of state, in which case he might still be following Cuba. This guy was lower-ranking than I was, but Enders liked him. Well, I accepted the assignment because I had worked on Cuba before, and I felt I knew Latin America pretty well, I knew the Communist countries pretty well, so I probably was as appropriate for that job as most guys.

Q: What was your conversation with Enders like?

SKOUG: It was very brief. He knew me anyway, but he just wanted to see if I still had two ears and two eyes, I guess. He didn't ask any particular questions. I got the impression that he managed Cuba himself. He made a lot of decisions with respect to Cuba, and he relied upon this other guy as his man.

Q: Who was the other guy?

SKOUG: His name was Myles Frechette.

Q: You had the Reagan Administration come in, and of all places where it hit the State Department, it was in ARA. There was blood in the corridors when basically relatively right-wing people came. This was sort of the one place where, let's say, the farther right

wing of the Republicans was given a little more leeway than in other areas.

SKOUG: In what respect?

Q: Well, I'm thinking more "true believers"-

SKOUG: Where were these people put? They weren't really put in ARA - unless you mean the ambassadors.

Q: Well, some of the ambassadorial appointments... It took a while for Haig sort of get things in line. There was the feeling on the part of some, and I think the Republican Party, that the Carter Administration had been soft on Communist, and they wanted to get rid of the ambassadors, and you know, that whole thing. And it seemed to impact more - at least this was my impression, I never served there - it impacted more on ARA than anywhere else.

SKOUG: Well, if so, Enders prevented that from happening, but at a price. Enders was assistant secretary and a career Foreign Service officer. Number two was Stephen Bosworth, also a career man. Both of them were quite young, but obviously up and coming. And there was one other deputy, Ted Briggs, son of the former ambassador, and he was leaving. So really there were only two men at the helm in ARA. There was an assistant secretary and a deputy, and there was no one else. The reason was that Enders wouldn't accept any political appointees, so there were no political deputy assistant secretaries. The people who were most influential in ARA were the group around Enders. In fact, in all the time that I was in ARA, there was only one deputy assistant secretary who was a political appointee, and he had really the smallest realm. Tony Motley and Elliott Abrams came later. They were political appointees, it is true, but Elliott Abrams was a Democrat. He was a strong anti-Communist.

Q: He was a Reagan Democrat, I guess.

SKOUG: Yes, a Reagan Democrat, right. But he was the third one, but before him was Tony Motley. Motley was in between Enders and Abrams. Motley was a businessman. Obviously he was on good terms with the Reagan Administration, but I wouldn't describe him as right-wing. He had been ambassador to Brazil.

Q: I was really not talking at the top. I was really talking about the initial coming in, and Enders, my understanding is, didn't have a lot of assistant secretaries because he was going to hang onto his own people, and so he had people acting as assistant secretaries who weren't because he wasn't going to let Congress get control. This was, I guess, in collusion or something with Haig, so I'm not inferring that Enders was, but I mean the initial impulse had been to fire all the ambassadors. I mean, this was the place that aroused most the ire of the right wing.

SKOUG: Maybe so, but they didn't do it really. I mean, you're right, Enders, certainly with Haig's backing, wasn't accepting any deputy assistant secretaries except Bosworth, and it

really got bad in the first period I was there. There was no one to go to. He was using people like Tony Gillespie as a deputy assistant secretary. Now he was lucky in the case of Luigi Einaudi, who was a thoroughly excellent general service employee - he was a professor who headed the policy planning office in ARA. Luigi was also one of the insiders. There was definitely an inside group with Enders, and Frechette was part of it. But they weren't deputy assistant secretaries.

Q: When you took the Cuba job, were you thinking or were others telling you or something that this could be a very politically sensitive thing, because we think about the Cuban refugees in Florida. This was not one on which one can treat this as just another foreign policy thing.

SKOUG: Oh, yes. Frechette, as a matter of fact - when I came up in the spring before I took the job and I spoke to Enders, I also spoke to Frechette - Frechette had wanted to go to replace Wayne Smith in Havana as the head of the U.S. interests section there, but he was blocked by the Cuban-Americans. The Cuban-Americans blocked him because there had been one incident - which I'll get to later, but there had been a young Cuban who smuggled himself into the United States on an airplane and was found out by INS and sent back to Cuba. Now this was very much like the Lithuanian sailor who had been forcibly returned to a Soviet ship. It infuriated the Cuban-American community. I must say, rightfully so. Why they blamed Myles Frechette for this I'm not sure, but I think it was because they thought he didn't block INS from doing the sort of thing INS occasionally does. Anyway, they held it against him and decided that he should not be head of the Cuban-American interests section. The "community," of course, was none too happy that this interests section existed at all. They saw it as a stepping stone towards full diplomatic relations, which is probably what the Carter administration had in mind. Enders agreed to this, but Enders wanted to help out Frechette. He wanted him to replace Briggs as deputy assistant secretary. But when the Cuban-American community found out about that, particularly the Cuban-American National Foundation, headed by Jorge Mas Canossa, they said that wasn't the deal, that he should get deputy assistant secretary in ARA. So there was an imbroglio about that. The upshot was that he went to Cameroon. That was some months later. But no, that's true, about the power of the Cuban-Americans. Eventually I found that I could deal with the Cuban-Americans, had to deal with them. In fact, you couldn't be in that position without being a player, and their views were similar to the views of the Reagan Administration in many respects, but in some respects they were quite different. The last chapter of my book, *The United States and Cuba under Reagan and Shultz*, is called "Ménage à Trois," - ménage à trois being Washington, Havana, and Miami. Miami and Washington did not always see eye-to-eye. So that was certainly one of the elements of it. Managing Cuban affairs was more than just managing a relationship with a given foreign country. Obviously there are other parallel cases. I suppose managing Israel or Ireland.

Q: You were there during this 1982 to-

SKOUG: -to 1988.

Q: Good God! You must have liked it - or you couldn't get out of it.

SKOUG: At the beginning I started to find myself a supernumerary. It was working out the way that I had feared. Enders was a man not given to confiding much to people. That's what George Shultz mentioned when he finally asked him to leave and go as ambassador to Spain. Enders kept things to himself and his little coterie. I was trying to do the job of managing Cuban affairs and was finding that Frechette was dropping in on my and saying, "This is what Tom really wants." When he prepared an address to a congressional hearing on Cuba, he turned more to Frechette and to Luigi Einaudi to prepare it. He had confidence in them. I found that it was very difficult for me to get a relationship established. There were a number of disagreeable aspects of my early months in ARA. I didn't get an OER (Officer Efficiency Report); I got a memorandum or something from Bosworth. So I had no chance. And the year before, my last year in Venezuela, they hadn't got my efficiency report in time for me to be considered for a performance pay bonus, so I didn't have it that year and I didn't get it the next year. After that I got it every year, but those first two years, including the first several months in ARA, I felt that I was present but not really in charge.

Q: I had a long interview with Tony Gillespie, and he would talk about how, sort of, after hours this group would sort of get together and kick their shoes off. He talked about Tom Enders not being dictatorial, but apparently within a group he could be very collegial, but from what I take from what you said, it didn't percolate down.

SKOUG: No, there was no communication from the top down. He was a very cold fish.

Q: Before we get any farther, could you talk about the state of relations with Cuba at this particular... well, 1982, when you took it over, so we'll know where to go?

SKOUG: Yes, Cuba was pretty much on a roll in 1982. The one downside for them was that they were forced in August of 1982 to ask for rescheduling of their hard currency debt to a number of Western countries. In the Carter Administration, the United States had relaxed its efforts on the embargo question. The embargo was a national policy, but we did, before Carter, urge other countries not to trade with Cuba. That stopped with Carter, and a lot of foreign investment went into Cuba. The Cubans couldn't handle it, so they were forced to ask for debt rescheduling. It wasn't so unusual. I guess a lot of other countries were asking for it, but the Cubans were not able to deal with that. Strategically, things had been going their way. They had been engaged in supporting the Sandinistas in particular and had seen the Sandinistas really come to power in Managua. So for the first time it looked like there was another country in the hemisphere which was going to go their way. They also had a revolution going on in El Salvador, with various *comandantes*, all of whom looked to Fidel Castro as a model. Their reputation in the hemisphere was up because they looked successful. And of course in Grenada they had had a windfall. It wasn't their doing, but when Bishop came to power, they suddenly found themselves with a guy who had a similar outlook and who was governing an island which had an airport which could easily be upgraded to support their operations in Africa, which also had been going reasonably well. They had come out the winners in the Ogaden war with Somalia, and they were doing all right in Angola. The Soviet Union had long tried to hold the Cubans back, tried to keep the Cubans from their natural proclivity to promote revolution

in Latin America, because the Soviets didn't think it was ripe for revolution. In 1982, they began to feel differently, that maybe the balance of power was undergoing a favorable shift. Marshall Malinovsky made a statement that there had been success in Nicaragua, success in Grenada, and that there was a fight going on in El Salvador. These were the guys who had gone into Afghanistan. They were the guys who had gone into Ethiopia. It looked like the Soviet-Cuban relationship was rising. And this is what Reagan had to deal with. At the same time, the biggest issue that we had with Cuba, by far the biggest issue, and one which left the Reagan Administration more or less hamstrung - they really wanted to be tough on Cuba - but here were all these Mariel "excludables" that had come in in the Mariel boatlift of 1980, in the Carter period. Carter hadn't been able to get them back. As a matter of fact, Carter had looked helpless in that we weren't able to deal with this influx of thousands of Cuban refugees including a lot of people who had been released from prison or from mental institutions. And some of these persons were causing havoc in Florida and elsewhere. They were taking over facilities, and some who were released were committing serious crimes, going back to jail. While the vast majority of the Cubans who came with the boatlift were successfully absorbed into the Cuban-American community, there were several thousand persons whom the U.S. government deemed "excludable" under our immigration law for having committed serious non-political crimes in Cuba or the United States. These were the "excludables." The Cubans had met with U.S. negotiators at the very end of the Carter Administration. Frank Loy led the U.S. side, and Mike Kozak was part of the delegation. The Cubans' position was we'll take back any excludable who wants to return and on a case-by-case basis. In other words, you give us the name of Juan González, and we'll look him up, and Juan González has to want to come back and we have to want to take him back. Well, no one would have gone back, not on that basis. As a means of inducing Cuba to relax its stand, the United States was not taking any former political prisoners - let's call them refugees, although they were in their own country, they were outcasts by Cuban terms - they called them *reclusos* ('recluses') but they were outcasts - and we weren't doing any visa work in the interests section in Havana because of a Cuban sponsored riot during the Carter Administration. Reagan continued those policies: no visas, no refugee program, but we finally agreed - I should say the Administration agreed, and this was the situation when I arrived - we were getting ready to ask the Cubans to take back the Mariel excludables - we would give them a list of people - and if they took back the persons on the list then we would give them another list and then we would give them another list. When they took everyone on those lists back, when they took back all the "excludables," then we would start issuing visas and start taking in refugees.

Q: What was in it for the Cubans?

SKOUG: Well, that's the point. Nothing would have been in it for the Cubans unless they could engage us in negotiations, and they had wanted to. You see, the Carter Administration, to the very last day, was negotiating with the Cubans. They had set up the interests sections. Our interests section in Havana was in the old U.S. Embassy. In fact, it was the old U.S. Embassy, but it was under the Swiss Embassy for purposes of form. The Cubans were using their old facility. They were under the Czechs, but the Czechs and the Swiss had very little, almost nothing to do with our bilateral relations with Cuba. The interests sections operated as embassies. The Cubans would like to have built on that, but

they recognized in the Reagan Administration that it was going to be very tough. They were worried, and the feeling of some people in the administration - certainly it was Haig's feeling - the United States was so big and strong the Cubans will have to give in. But they never had before and the question was, why would they now?

I was present with Enders when he called in Ramón Sánchez Parodi. Sánchez Parodi was head of the Cuban Interests Section. He had been treated as an ambassador in the Carter period, but he was not treated as such by the Reagan Administration. He dealt with me and not with Enders, but for this particular occasion he was to deal with Enders. Enders was a great big guy, cold, and Sánchez Parodi is short. Until you got to know him, you wouldn't realize how clever he was. He was a very powerful individual, and influential in the Cuban power structure, too. Well, anyway, Enders handed him a list of 739 names and said, "If you take those back, we'll give you another list." And so on. And Parodi said, "Is it going to be like last time?" meaning when the two sides had got together and talked about what the United States would do and so forth. Enders said, "No, Sir." And Parodi left with the list. Enders approved my memorandum of conversation without changing a word except the "No, Sir." He took out "Sir." He didn't want to be caught saying "Sir" to a Cuban official. That was the only time in the Reagan Administration that Sánchez Parodi ever got to that level.

Well, the Cuban reaction was cold. They maintained their position. They maintained their position in principle, and they didn't want negotiations, really, although they were careful not to rule them out. They might have talked, but they certainly had no interest in taking back the Mariel excludables. They did, however, have an interest in resuming visa issuance and in getting the "reclusos" out because they didn't like those people. They wanted to get rid of them to begin with. The safety valve of emigration was always one of Castro's tools in retaining power. He used it to get rid of the people that didn't like him. He couldn't kill them, as he might have liked to have done, but he could get rid of them that way. Secondly, the Cubans made a lot of money by processing visas, and they needed that money. So they did have an incentive, but it wasn't big enough, and in the meantime, of course, there were a lot of other issues coming at the same time, and they became mixed.

When I wrote my book about it, I did it on a chronological basis because it's impossible to understand the various machinations in migration matters without knowing, for example, that at the very same time the United States was pressing to set up a radio station which would broadcast to Cuba, and the Cubans were absolutely frightened to death about the idea of this Radio Martí. This was one of the strong thrusts of the Reagan Administration. They really wanted to do this. They really wanted to give the Cuban people a radio like Radio Free Europe or Radio Liberty which would be addressed to them. It wouldn't just be VOA stuff about the United States or the world in general. It wouldn't be just an hour like there used to be in a program called "Cita con Cuba" ("A Date with Cuba") which would appear on VOA. It would be a surrogate radio broadcasting as if it were a Cuban station dealing exclusively with Cuban issues. Cubans were frightened to death of this, and Reagan was determined to have it done. They set it up on 1040 KHz, the same frequency as assigned to a very powerful station in Des Moines, Iowa, which broadcast all over the Middle West. At the same time that this was going on, and even before, even in the Carter

Administration, the Cubans were developing powerful transmitters which could broadcast at 10 times the power permitted by the FCC to any U.S. radio station. For example, WHO in Des Moines had 50,000 watts. The Cubans had stations that could broadcast at 500,000. They could be heard to Alaska - not well, but they could be heard that far. They could disturb radio broadcasting throughout the United States. So when the Radio Martí bill, which passed the House easily, was in the Senate in 1982, just about the time the Cubans had to appeal the rescheduling of their debt, they turned on their transmitter, on WHO's frequency and plays havoc with its Middle Eastern audience. So then the National Association of Broadcasters was very concerned that Cuba could expand its disruptive broadcasting by using the big new transmitters. AM radio was, I think, more important 20 years ago than it is now, but they were afraid, and the big agricultural companies were afraid, too, that they would lose the market if the Cubans turned up this disturbance, which they made clear they would do, if Radio Martí ever went on the air. You could expect this sort of broadcasting as retaliation by Cuba. If Radio Martí would be on 1040, the Cuban transmitter would be on 1040, WHO would be on 1040. And they had other big transmitters, too. They could create havoc. One of the first things Secretary Shultz asked was, What can we do to stop this? What countermeasures do we have? And that became a very important issue as well.

We were already talking with the Cubans at a technical level, with NAB participation. I didn't participate in these talks, which were talks by our radio people in State and the Federal Communications Commission about, well, interference. How do we get rid of the mutual interference and so forth. We knew, however, that the Cubans - certainly I knew, although the NAB might not have known - that the Cubans were conducting these talks only because they wanted to head off Radio Martí. And they succeeded there, because the Senate, after having heard this warning blast, voted by voice to reject Radio Martí. This was the end of 1982. It started over in 1983 with new bills, but the same issue. The broadcasters were frightened, the agricultural people were frightened. There were a lot of people who were frightened. In Congress many wanted Radio Martí. They wanted to be tough, but on the other hand they, too, were worried about what Cuba might do in retaliation. The Cubans knew this, and they were playing it for all it was worth. In the mean time, we started looking around for countermeasures. How do we deal with this broadcasting interruption? Because the Cubans had started this before there was any Radio Martí idea, and so obviously they had some idea of using those stations anyway, we needed contingency countermeasures. So that was going along at the same time as efforts to deal with the Cubans and the refugee situation, in fact, even earlier.

Q: I've sort of heard it at third hand that Radio Martí was almost handed over to - what was his name? - Mas and company to run, or not? At that time. Was that true?

SKOUG: Well, we're getting ahead of ourselves here, but certainly the people who were pushing, the people on the executive committee of the Presidential Commission on Broadcasting to Cuba, were ex-Senator Stone of Florida, who was close to Mas, Mas himself, and F. Clinton White, the chairman. And so Jorge Mas was intimately associated with it from the outset. Jorge Mas had an open door in Washington with the Reagan Administration. He was a new kind of lobbyist for the Cuban-Americans. I mean,

Cuban-American lobbying had been going on ever since the 1960s. In the late '50s there had been people who came up as refugees from Castro. It was mainly what the Latin Americans call *llanto* - "wailing, complaining" - but with very little policy content. Jorge Mas modeled the Cuban-American National Foundation on the Israeli lobby, and that was how he saw it. He was a hard tough guy. He knew what he wanted. He knew how to compromise. He knew what was the best deal he could get. He wasn't at all like the old ones. The old guys were around. I used to deal with them, too. They would like me to make a speech in Miami and write it for me, you know, the most maudlin stuff you could imagine. Jorge Mas wasn't like that.

To follow through a little more about that, then, in the spring of 1983, after Radio Marti had been rejected once in the Senate, it looked as if it was going to be rejected again. Lowell Weicker didn't want it. He was opposed to it. A lot of people were opposed to it, and the ones who were in favor of it were afraid. The American broadcasters were deathly afraid, with the exception of the South Florida broadcasters. They favored it, being largely Cuban-American. In the spring of 1983, I got engaged in the issue. It was about this time that I really took over Cuban affairs. I had been there for nine months. I had been working, but I was not really running the thing. At this point, Enders was transferred to Madrid right after he had called in Sánchez Parodi, as a matter of fact. About a week later, he was out as assistant secretary. He got ambassador to Spain, so it was certainly a very soft landing. Tony Motley was brought in to replace him. And at this point - to go back to our earlier theme - Motley came in with a bunch of deputies. He didn't try to carry on as Enders had, with virtually no one. Enders was terribly lucky - not just Enders - ARA and the Department of State were terribly lucky in that the Department assigned Jim Michael to ARA as principal deputy assistant secretary. Bosworth had gone, and there wasn't anybody except Jim Michel. He became the number two man in the ARA Bureau. He had been deputy legal advisor of the Department of State. I had known him from an earlier association on Germany. Michel was terrific. Michel didn't know Spanish at the time, although he was married to a Latin American woman. But he came in, and he managed, in the spring, when Enders was alone fighting all sorts of demons. Michel, cool, calm, masterful, handled things. So when Motley came in, Michel stayed on, fortunately, as his principal deputy. And then several other officers were appointed to be deputy assistant secretaries. There was one political appointee - Dick Hallowell - who was to head the Caribbean subregion, but the rest of Latin America was in the hands of professionals, including professionals who had been very close to Enders, who, in a way, were carrying on the Enders line. I had an outstanding relationship with Jim Michel that continued until he left to be ambassador in Guatemala. The management of Cuban matters was now clearly up to me, and I reported to Motley (and later Abrams) through Jim Michel.

I was asked by the NSC at this point to try to do something to save Radio Martí, which seemed to be hopelessly bogged down in Congress. My association was Yale Newman, who had been working on the subject. We went up to Congress and spoke to Senator Paula Hawkins's people. She was a leading "hawk," you might say - no pun intended - on Cuba due perhaps to her constituency, but she had become skeptical about the depth of the Administration's commitment to Radio Marti.

That's when I made the acquaintance of Jorge Mas and Frank Calzón, who was his Washington representative. They were over talking to Hawkins and the staff, too. Hawkins had the idea of a compromise, where the radio would be under VOA after all. At first that didn't sound very good. It wasn't the radio that the Reagan people wanted. They wanted a surrogate radio on the RFE model. The VOA was supposed to be a U.S. government station, talking about the United States, more or less. But Jorge Mas decided that that was the best he was going to get, and it would work. Somehow he could make this work. So when the chief lobbyist, the guy pressing hardest for Radio Martí, said that this was okay with him, we accepted. But we took one additional step. The thing had passed the House in two versions and was coming up in the Senate. In the Senate in discussing the subject with John Ferch, head of our interests section in Havana, on an open telephone line, it was treated as a compromise. I called it the Weicker compromise because Weicker went along with it and Weicker was popular with Castro. The broadcasters thought they'd won, that the U.S. Government had been skunked. So I believe the vote in the Senate was unanimous. It was a voice vote, for Radio Martí as part of VOA. Then the bill passed by the Senate went to the House, but before it was taken up there, we consulted Dante Fascell, chairman of the Latin American Subcommittee of the Foreign Relations Committee. Fascell represented Miami. Although not a great backer of the Cuban-Americans, he was supportive of Radio Martí. At our suggestion, he was willing to state in the House that this bill was for a surrogate radio broadcasting to Cuba. After he said we're talking about a surrogate radio, there was a debate in the House because a number lot of Democrats opposed it. The vote for Radio Martí in the House was by no means unanimous. There were more than 100 votes against it because they knew, by this time, that it wasn't going to be just like VOA, although it was called the Cuban service of VOA. So the compromise that came out, and the only way it ever could have passed the Congress, was to put it under VOA but to have it as a special radio. So then they began to organize, and it was soon discovered that to have such a radio you had to have people who, one, spoke Spanish fluently and, two, knew a lot about Cuba. Well, who were they going to be? A lot of these people had to be naturalized American citizens born in Cuba and they would all need clearances, since they were going to work for the U.S. Government, not the Board for International Broadcasting. A lot of investigation had to go on, and security clearances for all of these people obtained. This took quite a while. So Radio Martí was enacted and signed into law in 1983 - and remember this was well before (because this gets complicated) the migration talks began the following year. So you had Radio Martí legislation adopted, but you didn't yet have any radio. It was going to take a long time to get the radio in operation.

Q: One question bothers me, and that is frequencies, because frequencies are like airline routes. You can't put airlines on collision courses, and we've got a whole set of agreements. Now was Radio Martí coming up with an approved frequency that could broadcast without upsetting the whole broadcasting balance?

SKOUG: Yes, it would, except that the Cubans had placed one of their big new transmitters on the same frequency, but that frequency had already been assigned as a U.S. Class 1A clear channel frequency. It best met the three FCC criteria of minimum interference in the United States itself and the rest of Latin America, along with maximization of service over Cuba. You see, we had the high ground legally, and the

Cuban transmitter had not been notified on that frequency to the International Frequency Registration Board. The Cubans wanted changes in broadcasting patterns which favored the United States, but there were regular international bodies for discussing precisely that. So legally it was quite in order for us to broadcast on 1040.

In the mean time there were a lot of other issues with Cuba. There was, for example, a spate of hijackings of aircraft to Cuba in 1983 that attracted considerable public attention. There we were able to reach a *modus vivendi* with the Cubans. I was invited to appear on "Nightline" with Ted Koppel to discuss the subject. Just before I did so, the Cubans, who had never responded to previous requests, gave us a diplomatic note spelling out the specific punishment meted out to persons who had hijacked aircraft to Cuba since the 1980 Mariel Boatlift. The note showed that the jail sentences became progressively longer as time passed. Thus they revealed that they were not only putting hijackers in jail; they were willing to tell us that they were in jail. This should have discouraged other people from hijacking if a jail cell in Cuba was on the other end. I pointed this out on the Koppel show. So it looked like this was a realm where some agreement was possible. The hijackings did not cease immediately, and the FAA became insistent that Cuba return the hijackers to the United States for trial here. The Cubans were unwilling to do so, and the hijacking agreement - which they had denounced but were still respecting required them only to put the hijackers on trial in Cuba. Soon the hijackings stopped. The issue was complicated because Cubans desperate to leave the island sometimes seized small boats to do so. Cuba saw this as a comparable crime. While the hijacking flurry was in progress some Cubans commandeered a boat which they brought to Florida. However, the crew was well treated by the "boat-jackers," and we of course permitted it to return to Cuba at once. But then there was a boat commandeered, and the captain was thrown in the water. He managed to save himself with a long swim. It didn't sound very good. The Cubans protested strenuously that the man's life had been endangered. They demanded that something be done because the captain had allegedly nearly drowned. We strongly encouraged the Department of Justice to investigate whether a crime had occurred and, if so, to put the culprits on trial in the United States. The matter remained under investigation for a couple of years, and Justice considered prosecuting the boat-jackers, but finally it became convinced it would be impossible to get a venue outside of Dade or Broward Counties, where they would inevitably have been found not guilty. At least Havana was aware that we had made an effort in this instance.

There were various areas where we could have some dealings with them, in the range of bilateral issues that were not necessarily ideological or power political. In other words, there was a level where we could talk to them.

Q: What were the mechanics of talking to them? Who were they, and how did this work?

SKOUG: Well, the main diplomatic notes and conversations were passed between the Cuban Foreign Ministry and the U.S. Interests Section in Havana, headed by John Ferch at that time, or between Sánchez Parodí and his deputy, René Mujica, and my office. Other channels might occasionally be used, for example, for radio interference where the ITU might be utilized. Bill Jahn of the Economic Bureau of State had been dealing with the

Cubans in the ITU for several years on radio issues. On civil aviation, there had been the hijacking agreement negotiated by the Nixon Administration which was denounced by Cuba after the so-called Bridgetown Incident, where a Cuban airliner was blown up in mid-flight, killing 76 persons. After Cuba denounced the agreement, they soon realized they had overreacted because the United States had no part in this event. They said they would implement the agreement as if it were in force, and they did so with respect to hijacking. Occasionally we drew on other agencies for support. After two successive *Cubana* overflights were diverted to pass over a U.S. Air Force base in upstate New York, I invited a senior FAA representative to join me in handing a diplomatic protest note to the Cuban Interests Section in my office. By engaging the FAA, this had the most unusual effect of eliciting a rare Cuban apology, and the overflights of the airbase were not repeated. The Cubans were reluctant to be seen as jeopardizing air safety.

Now before getting on to what happens in the migration and Radio Martí area, I ought to mention one other important development. The only one that really impacted on multilateral relations was Grenada, and as you remember, in Grenada there was a *coup d'état* where Maurice Bishop and some of his friends were killed by a faction led by Bernard Coard, a rival in the New Jewel Movement, and troops under Hudson Austin, the commander of the Grenadian armed forces under Bishop. So Bishop was killed by his own confederates. The Cubans were terribly unhappy. For one, they liked Bishop. Fidel Castro regarded him like a son. He had been in Cuba just a week or two before he was killed at home, and the airport that the Cubans were building in Grenada was going fine. They thought Bishop, who had a certain amount of spontaneity, was an excellent leader.

Q: We thought of Bishop as being rather flaky, didn't we?

SKOUG: Yes, we didn't really know where he stood, but he did not inspire confidence. Bishop had been up here, too, but yes, he was regarded as flaky and off in spiritualism and things of that sort. Anyway, when he was killed, the Cubans immediately sensed that the Reagan Administration would seek to take advantage of this. They tried to think of a way to head this off. One, they sent down a senior officer, a colonel named Tortoló. They already had some military on the island, but basically they had a bunch of armed working men. Cuban working men are armed and are prepared to defend themselves. So this guy went down to make sure the Cuban working men used their weapons if attacked. The Cuban instructions to these men was that if the Americans come in only to recover their students, don't interfere with them, but if you're attacked, defend yourselves. Now the students and the Cuban workmen were cheek by jowl because the university was so close to the airport. And so they were -

Q: What was the situation on the ground? Why would we be concerned about the students?

SKOUG: Well, there was concern about the students because of the danger that they might be taken hostage. I mean, you had the hostage situation in Iran before this. It had just been resolved when Reagan came to power. Now here was a situation where Coard, fearful of intervention, might seize the students in an effort to forestall it. On the other hand, of course, Coard and Austin were assuring us that this wouldn't happen. The Cubans were

advising the Grenadians to be careful not to give the United States any pretext to invade the island. They knew the students could be a pretext. The real reason, as far as I was concerned - it occurred to me immediately, just as it occurred to Castro - as soon as I heard of the problem, I thought this presented the perfect opportunity to get the Cubans out of Grenada and to stop the building of a militarily useful airport. The same thought must have occurred to President Reagan. Certainly it occurred to Tony Motley, Enders' successor, who was masterminding the thing. He really masterminded the whole thing, but he didn't tell anyone. And I did not find out about it from Motley. As a matter of fact, I found out because Jim Michel had two or three of us prepare all the contingency work in case something happened. So we were prepared in case it happened. I was absolutely certain it was going to happen. I must say, though, that there had been similar preparations in the case of Desi Bouterse in Suriname, and Reagan decided not to do it. So it was always possible that he would decide not to do it. I think the thing that perhaps tipped the scale was the bombing of our people in Lebanon just beforehand. He couldn't very well have a disaster there and then -

Q: Islamic extremists had blown up the Marine Corps barracks and killed 300 or so Marines.

SKOUG: It was under the immediate impact of the disaster that the decision was made to implement contingency plans in Grenada. Our action with respect to the Cubans' theme was complicated by the fact that we had no communications at that point with our interests section in Havana. There had been flooding in Cuba that impeded telegraphic communication, and the Cubans hadn't made the repairs so that we could communicate. They thought that was to their advantage. Actually, it was to their disadvantage because a telegram we tried to send them didn't get through... They had sent us a telegram. It was a very unusual one. Almost always their communications would be dripping with venom. This one absolutely had no Party spirit or hostility to it. It said, Look, you've got citizens there, we've got citizens there. We don't think our citizens are in any danger, and we haven't heard yours are. If there's any problem, let's consult. Well, of course, they were trying to stay our hand, so no answer was given to that, but the response was going to be, If you don't get involved militarily, we're not coming to shoot you, you know. You won't be hurt if you don't interfere, if you don't get involved. So in a way, the Cubans didn't want a fight, and we didn't want one, but there was no way to communicate, and the telegram on the morning of the intervention didn't get through... I reported on D-Day at five in the morning to the Operations Center trying to be permitted to get the communication through, and for a while we thought it had got through, but then it turned out it hadn't. Then I wanted to call John Ferch on a clear telephone line because there was no secure telephone to Ferch's residence. I wanted to call him and read at dictating speed the U.S. statement, which conveyed the hope that there wouldn't be any fighting between Americans and Cubans. But I was not authorized to do that until it was sure that the troops were ashore. By the time the troops were ashore and the news of that fact reached the task force - by the time that happened, they already were probably shooting. Anyway, I called Ferch, and at dictating speed on an open line, gave him the message. It was seven in the morning in Cuba. It was six in the morning here, I think. So the Cubans would have known. They would have intercepted that call and could have translated it easily and had it to Castro in no time. Still,

it would have been too late, I think, to affect the course of events on the island. Castro denied he'd been informed until late that afternoon, but that is most unlikely. I'm sure that they probably got him some formal communication at once. I'm sure also that he did know about it very quickly. We called in Sánchez Parodi and gave him the same story, and Ferch talked to Ricardo Alarcón, the vice-foreign minister, in Cuba. But there was some shooting between our forces and the Cubans. There were some Cuban fatalities. This was, I believe, the first and only armed clash between U.S. and Cuban forces in all history and certainly since 1959. At first, Castro thought that all his people had been killed. He had expected that if they fought, they were to fight to the death, but strangely enough, there were more casualties among the workmen than among the professional soldiers. The workmen fought more than the military guys. The military fled to the Soviet Embassy, and were later evacuated from there. At this point the Administration, responding to advice from Senator Childs of Florida, tried to get the Cuban prisoners in Grenada linked with the Mariel excludables. He waged a bargain. His thought was that we would hold the prisoners until they agreed to take back the excludables, too. I was obliged to chair an interagency board working on this. And everybody on the board knew that it would never work. You can't do it. You can't violate international law by linking the return of prisoners of war to an extraneous issue. Well, anyway, Reagan accepted our conclusion. He did not insist on the linkage. We finally told him that it wasn't going to work and that what we would do is we would proceed with another effort to get the Cubans to talk about taking back the Mariel excludables.

So that we did in early 1984. We had the Grenada thing behind us. We had Radio Martí enacted, but just in the building stage. The hijackings were behind us. So the next thing was to approach the most important issue, the Mariel excludables. We gave them a note thinking that since we had gained their attention in Grenada, they might now be willing to talk to us. Nothing doing. They refused to talk. In the meantime, of course, Wayne Smith was claiming that the Cubans would be glad to take back the Mariel excludables. According to him, all we'd have to do is sit down and talk with them. This was disinformation. Here we were trying to talk to them, and they were refusing. We gave them another note, and then they said they'd talk to us after the (November) election. They seemed to feel - and even Professor Jorge Domínguez of Harvard (I covered this in my book) felt - that the Administration needed to negotiate with Cuba. That was the furthest thing on the mind of Reagan. Reagan didn't want to negotiate at all, but he did want to get these excludables back, and so he was willing to accept some sort of negotiations if it was just confined to those things and not to anything else. That's the only thing he would authorize us to talk about. There we stood, in the spring of 1984, with the Cubans still saying no. At that point, Jesse Jackson, who was running for President on the Democratic ticket, decided that he would go to Cuba. He got an invitation, which he had solicited from Fidel Castro. Well, that was quite a shock, and I was given the name of a Cleveland attorney who worked with Jackson - Ed Coakum by name - and I got him on the phone, and I told him that there was a little problem about going to Cuba, "You should see the Treasury regulations on it. It tells under only what circumstances one can lawfully visit Cuba." So he said, "We're in deep water." And he asked me to send him the regulations. I did. He studied them. He came in to see me, and he said, "The way I read these regulations, the only way that Reverend Jackson can go to Cuba is for humanitarian purposes." This

was permissible. I agreed. That was the only way out. What is humanitarian about the visit? It looks like a political visit. "Well, Reverend Jackson likes to do humanitarian things." This wasn't so well known at this point. Jackson hadn't done a lot of other things, but he had made a couple of trips. So I said, "Well, there are a lot of political prisoners in Cuba who are presently in jail." They had been in jail for 20 to 25 years. "And if he could get some of them out, that would be one humanitarian purpose." Then we're trying to talk to the Cubans about a system which would get many more political prisoners out and get the Mariel excludables back home and restore visa issuance to a normal state. This would also be humanitarian if he could advance this. So Coaxum said he'd take a try. Jackson, in the meantime, was being approached by a Florida Democrat, Luís Laredo, who had once told me while visiting Venezuela that he was the ranking Cuban-American in the Carter Administration. He must have told Jackson something like this: Hey, you're going to go down to Cuba. You're going to hurt the Democratic Party unless you can do something positive. So his approach was separate but similar to ours. And Frank Calzón came up with a list of political prisoners Jackson should ask for. In the mean time, Castro, being no dummy, had already released one Cuban political prisoner, a poet named Jorge Valls - a good poet whose own views were well to the left, a good man - and let him go to Venezuela or France, I think. This was to be the gift to Jackson, but that wasn't gift enough. He had got out just as Jackson was setting out to go there. So the next thing they worked out was that Jackson would bring back some prisoners, but the number was very instructive. The number he stated - he thought there were 21 prisoners. Well, we knew right away that that wasn't the political prisoners. Those were Americans who were in jail down there, most for narcotics violations - in other words, picked up with narcotics in Cuban waters. The Cubans normally held those people a couple of years and exploited them by letting congressmen or their aides come down and get one released. For example, as I was on my first trip to Cuba in 1982, a Senate Foreign Relations Committee staffer was down there picking up two such guys. In June 1984, they were handing them all to Jackson. This was then to be the humanitarian aspect, as foreseen by Castro. We had nothing against the early release of the persons, but we did not see it as justification for Jackson's visit. We put pressure on Jackson. The spokesman of the Department of State said that bringing back common criminals is not a humanitarian act. It has to be political prisoners. So then Jackson got political prisoners. He got about 22 real political prisoners, although mainly not those on the Calzon-Lauredo list, and he said the ball was in the Department of State's court, and it was. But we had INS to deal with, and INS didn't want to do this. INS had certain standards for taking people into the country and did not want to bring in political prisoners directly from Cuba without having them interviewed and screened. INS insisted that those guys go to a third country. They said let Jackson take those prisoners to Nicaragua and interview them there. This was going to be a big problem between us and INS throughout the whole negotiations that would soon be starting. The upshot was that the issue went to George Bush as Vice President, and Bush decided for us, for State - that is, we could take them directly from Cuba. So Jackson came in to Dulles with two delegations, two groups. He came in with the Americans who had been released, and he came in with the delegation of political prisoners. They had been released that day from jail. We knew it would be a tremendous shock for those men, so we had Armando Valladares, who had been one of the main political prisoners and who had written a book and who had been out of a Cuban prison for something like six months. Armando Valladares was to play a great role

in the human rights fight in Cuba, because he had written a book, *From My Wheelchair*, about his suffering in Cuban prison, and then he wrote another book, *Against All Hope - Contra toda esperanza*, originally - telling about his more than 20 years in jail in Cuba. He was very much admired by other Cuban political prisoners. When they saw him at the airport, of course, they all perked up. As horrible as those poor guys looked when they arrived here, they could see Valladares; he'd been transformed by six months in the United States. He had his wife, he was happy. So it was a tremendous impact. It wasn't really the impact Jackson expected from his trip to Cuba and Nicaragua. He had also with him Andres Vargas Gómez, who had been a Cuban ambassador under Castro. I believe he had been Cuban ambassador in India. Anyway, he had been a political prisoner in Cuba for having disappointed Castro, and he came out with Jackson. Jackson said he wanted him to say a few words into the microphone. Of course, the press was there and the networks, and Vargas Gómez spoke. Vargas had told Jackson in advance, "I'm not going to be able to agree with you." And Jackson, to his credit, said to Vargas, "You're a free man now, you can say just what you want." Vargas Gómez said, in effect, it was a moral offense to undertake any agreement with the Cuban Government. Of course, this mirrored the attitude of the Cuban exiles, particularly of the Cubans who had been in prison under Castro, you can understand. It was very, very bitter, very strong.

But that was the result of the Jackson visit, as far as the political prisoners were concerned. As far as the negotiations were concerned, he had raised that, too, and the Cubans responded: well, if the Democratic Party and the Republican Party would both certify that they want this, we'll agree to it. We said nothing doing to that. The Department of State spoke for the government. We gave Cuba another diplomatic note which proposed a date for talks in New York in July of 1984, and they accepted. So that was the background of how we finally got the talks started in July of 1984. Jackson was our agent, and just through serendipity.

Q: Well, I imagine, just to get the feeling, when somebody like Jackson comes in as a freewheeler with political aspirations, the initial repulse is, Oh, God, stay away - isn't it? I mean, did it take a while to sort of come to you that, you know, maybe we're getting something out of this?

SKOUG: Well, we tried to exploit the visit, as we always did in all these things with Cuba when you're playing hardball, and you take advantage of things. You can't control what elements will be at play, but when an element comes up, you try to use it or at least try to have it not used against you. We knew that Jackson's real reason in going to Cuba and Nicaragua was to condemn U.S. policy in Central America and condemn our policy towards Cuba and, in effect, to make common cause with Castro. To avoid that happening, we took the course that we did, and the feedback I got from people who knew what was going on in the Cuban interests section was that they were appalled the way it worked out, because there was so much more emphasis on the political prisoners - that got much more attention. Of course, the stuff on the negotiations with Cuba wasn't public knowledge. We never referred to it. We didn't even inform the press until the talks had taken place. We were not too anxious to broadcast the news that we were negotiating with them. It would not have been well received in certain quarters. And there was also the matter of personal

security. Such talks might be dangerous to the participants.

Q: We're trying to capture things at the time. We're talking now in the year 2000. There's quite a bit of public pressure saying the embargo on Cuba doesn't work, we should open it up, as we have, get our people in, get all over, and eventually the Cubans will... because we have much stricter rules with Cuba today than we had with the Soviet Union or any of these other countries. Was there much in that at this time, or was this a later development?

SKOUG: There was always criticism of the embargo, either as ineffective or overly effective or both. Lifting the embargo was next to expulsion of the United States from Guantánamo Bay the chief goal of the Cuban Government in bilateral relations. To say the embargo had no effect is contradicted by the fact that the Cubans were so engaged in trying to get around it or to get rid of it. It was important to them. Now there are two charges, basically, against the embargo. One, it didn't work - Castro's still in power. That was stated in 1984 as much as now. Well, it may be stated more now, but obviously Castro was still in power and the embargo hadn't stopped him. Secondly, it was stated that the embargo, although it didn't have an effect on Castro, nevertheless was hurting the Cuban people. They were suffering. It wasn't Castro who was suffering; it was the Cuban people. Well, the embargo was started under the Kennedy Administration as a measure to penalize Castro, not to overthrow him. Only the use of armed force could have done that. People might have hoped for that, but I think the objective of the embargo was much more modest. Kennedy wanted to do something where we'd been frustrated - we had failed to give the anti-Castro Cubans any military support. The Kennedy Administration had failed clearly to take any military action. The question was, well, what sort of action could it take in the case of Cuba, which had nationalized and expropriated U.S. property without any compensation and which was very actively engaged as a hostile force in international affairs. Well, one of them was to cut off trade. And it was stated, of course, well, then you just drove them to the Russians. But it didn't drive them to the Russians. They were already dealing with the Russians because they needed their military backing, and what they would have liked, ideally, is to deal with the Russians in part and to deal with us and have the best of both possible worlds. They would have an ally of the USSR but would have traded as they saw fit. The embargo prevented them from doing that. The Cubans basically made the wrong choice when they signed up with the Soviet economic system. It left them with monoculture, which had always been criticized by Cuban liberals and the left in Cuba as weakening the national economy - that is, if you only produce sugar, you will always be a backward country... They had a few other things they produced. They produced tobacco, for example, cigars. They had raised a lot of money from tourism and gambling under previous administrations, and that had dried up. But unfortunately, when they went into CMEA - that is, COMECON, the Communist economic trading bloc - the one thing the Russians wanted them to do was to intensify sugar output for the Soviet Union and Eastern Europe, in return for which the Soviets and East Germans and Czechs would supply the industrial goods and the oil. To begin with, oil was cheap and sugar was fairly costly at that point. But as that relationship developed, and the terms of trade altered, oil became very valuable and sugar far less valuable. So what started out as fairly balanced trade soon became a growing subsidy, a mountainous subsidy from the Soviet Union and Eastern European countries to Cuba. And Cuba was totally locked into this. They were a producer

of sugar, and they didn't produce it all that well. Their equipment is archaic. They were in an awful position. Their economic distress and the distress of the Cuban population really wasn't from the embargo; it was basically from the misdirection of the Cuban economy. And even when the Eastern European countries and the Soviet Union turned to economic reform - the Soviet Union didn't really do it, but the Eastern Europeans reformed their economy... I'm getting ahead of myself in terms of this rendition, but when Gorbachev came to power with *Perestroika*, the reorganization of Soviet enterprise, Castro's response was a misleading "rectification of errors" campaign in Cuba. The system was wonderful, he explained, but there were human errors involved, "errors" committed by even prominent Cuban politicians. So the Cuban economy was really crippled by Cuba's own actions and its relationship with the Soviet Union and the fact that oil became valuable and sugar did not. He was producing a commodity of which there was a glut on the world market, and there was no flexibility in the Cuban economy. Cuba, a wealthy country in 1958, now gained its meager existence only with the help of Soviet subsidies. As a model for other Latin American countries it was fatally flawed. The embargo conducted to this result so that is why the Reagan Administration sought to tighten it.

So certainly the Cubans would very much have liked to buy from the West. However, we saw what happened when they were able to buy from the West Europeans in the late 1970s. They quickly got themselves in a situation where they had to solicit a rescheduling of foreign debt through the Paris Club. The same issue applies even in the year 2000. It applies to the hopes of the American agricultural community. This is the big difference. Now there were some businessmen who wanted to get rid of the embargo in 1985 such as Congressman Alexander in Louisiana, a few people like that. Basically there was not an appeal by business to get rid of the embargo. Now some large firms of the farm lobby, like Archer-Daniel Midland, seem to feel that Cuba would be a great market, but even with permission to sell food and medicine to Cuba, the Cubans have no means to buy it unless they have the standard commercial credit that we give in selling to other people. And if you're going to do that, then the American taxpayer is going to be financing, really, and you'll end up the same way as other creditors of Cuba. Until Cuba gets in a position where it's able to really earn foreign currency, to sell as well as buy, it will be a basket case, really.

Q: Well, this comes back to something, again the perception that you had during this period about with Castro. Was it the feeling that Castro's motivation was hanging on to power? Was he a dedicated, real dyed-in-the-wool Communist and so believed that the system would eventually work out? I mean, did we see Castro as being part of a team, or was everything Castro?

SKOUG: Well, Castro is a fascinating individual, and it's just unfortunate for the United States that he has made his life's destiny to oppose the United States, because the man has got a tremendous amount of charisma. You really have to spend a... to have a thumbnail sketch of Castro, go back to his early motivations. He's the son of a Spanish soldier who fought against the Cubans in the Cuban war of liberation but who then went into business in eastern Cuba and established a pretty lucrative system. Castro and his brother Raul are illegitimate children of a female servant in the house who was also Spanish. Later they were legitimized when they had to attend Catholic schools in Santiago. So Castro is totally

of white Spanish extraction. He's also very much a Spaniard in his mental processes. As a matter of fact, many years later, López Michelsen, the president of Colombia, went to visit him and said, "I came here expecting to find a *caribeño*, and I find an *español*." That's essentially the way Castro is. Castro grew up trying to memorize the speeches of José Primo de Rivera, the founder of the Spanish Falange. He always loved oratory. Nothing is said in Cuban hagiography on where Castro stood on the Spanish Civil War. There's not much doubt that he was on the Falangist side. And in the 1940s he was very supportive of Perón, at a time when Perón was backing Germany and Italy. Perón, after the war, when the Axis was defeated, still had the reputation of having been pro-Axis in a country where there were a lot of Germans and Italians living. Castro first appears on the international stage paid by the Argentines to go to Bogotá, where he participated in the famous Bogotazo in 1948, which was at the time of the founding of the Organization of American States [OAS], which Peron opposed. There was tremendous outbreak of violence when a liberal Colombian politician was assassinated. Castro was involved in the violence. He was only able to escape by taking refuge with the local Cuban Embassy, which got him safely back to Cuba from Bogotá. This was in 1948, when George Marshall was Secretary of State. Castro also wanted to participate in the abortive invasion of the Dominican Republic, something called *Cayo Confites*, from the place in Cuba where the Caribbean Legion was organizing an expedition to overthrow the Trujillo dictatorship. Now the Caribbean Legion was made up of a bunch of honest revolutionaries. They were mainly democrats, social democrats, liberals - they wanted to overthrow the Trujillo régime, which was probably the most infamous in the Americas. However, the expedition was aborted due to pressure by the Truman Administration. Castro may have resented that. His real opportunity, however, in Cuba itself came after Fulgenio Batista seized power in 1952. Castro the following year led an attack on the Moncada Barracks in Santiago, with a bunch of guys who didn't know what they were doing were attacking a military base where the officers had been out partying all night. The soldiers had no idea they were to be attacked. It was a peaceful country. Castro didn't get there in time for the first wave, which shot its way into the barracks. Then the soldiers responded, and the officers were not as drunk as he thought they were going to be. They overcame his men and killed a lot of them after they'd surrendered, but the Castro brothers got away. Through the interposition of the Catholic Church, they were not executed. They were tried in a public trial, where Castro was able to state his position and to publish later on what he had said, in which he defended the democracy of Cuba in glowing terms. Now in later years he attacks all this. So was he a Communist at this point? Probably not. He was a revolutionary from the first day. He wanted power. He supposedly had killed somebody in a university shootout at the university of Havana. He was a revolutionary who wanted power, who had a certain sense of social justice, who had come from the far right but was moving - opportunistically (after all, Perón only was pro-German probably because he wanted to call the old world to redress the balance with the new, you might say). He got out of prison after 15 months or so because the United States pressured Batista into granting amnesty for all political prisoners. It was a big mistake for him, of course. He let the Castro brothers go to Mexico. There they met Che Guevara, who was coming out of Guatemala, and they organized an invasion of Cuba, which took place on December 2, 1956. He was soon located in the hills of the Sierra Maestra Mountains of Oriente Province by Herbert Matthews of *The New York Times*, and for years thereafter he was the shining hero of Cuba in the pages of that influential

newspaper. His attitude towards the United States was demonstrated when he wrote to his girlfriend, Celia Sánchez Manduley: "When this war ends for me, [the one against Batista] a longer, larger war is going to start. This will be the war I will lead against the United States. This is my true destiny." Now, you can say he's just talking, but that letter was kept as one of the great memorabilia of revolution. And about a week later, his brother seized a bunch of unarmed U.S. servicemen who were in the city of Guantánamo - Guantánamo City is a ways away from the base - and took them up in the hills as prisoners. And our consul, Park Wollam, in Santiago had to negotiate their release. This was 1958.

In the meantime, the United States was trying to negotiate a... Did I cover this when I was talking about Cuba before? Anyway, when we tried to negotiate a settlement in Cuba where Batista would leave and a third person would come in, the United States certainly didn't want Castro, but they had no idea how powerful Castro was going to be. Nobody did. I mean, the Cubans themselves didn't know much about Castro. He was a guy who had managed to elude Batista's heavy-handed attempts to capture him out on the eastern end of the island. Meanwhile, fighting was going on between the student revolutionaries and Batista's police in Havana. They were the ones who were taking the heat of it. We failed to persuade Batista to accept a solution like that. Then his fortunes turned worse, and he just fled the island on December 31, 1958. Castro came to power immediately. On January 1, 1959, he addressed a crowd in Santiago. Seeing numerous women in the crowd, he said, "Women make great soldiers." Although he had completely won the war, he announced that he would acquire sufficient weapons and knew where to get them." This is what he said on Day One of his 40 odd year Reich. By the 16th, when there had been some American criticism of the executions going on in Cuba, he said that if the Americans invaded the country, 50,000 gringos would die, using the Mexican pejorative for Americans - instead of *yanquis*. Then he corrected himself: he said, "Six million Cubans would die." That sounded more dramatic. This is the cut of the man two weeks into his empire. He then went down and talked to Rómulo Betancourt in Venezuela and said, "I'm going to have a little game with the gringos." His attitude was clear from the beginning, and it really hasn't changed. And so when Mikoyan, who was watching all this, offered the arms, Castro was quite happy to accept. He was, he thought, pulling in the old world to redress the balance of the new. The only way that he could run Cuba the way he wanted to run it, the only way he could extend the same revolution to other Latin American countries, which was certainly his secondary objective (and maybe Che Guevara's first objective), was by getting some help from the Russians.

Q: I thought we'd just finish this little bit and then we'll stop.

SKOUG: The Russians didn't like his approach to instigating or supporting revolution in third countries, and they tried to curb him. Particularly after Guevara was caught and killed in Bolivia, there was a period when the Cubans were not too active in South America or Central America. They did support Allende, of course, but after that light went out, they got active in Angola and they intervened at Soviet behest in East Africa. They demonstrated that they were valuable for the Russians, who were acquiring a stake in Africa. The Russians always regarded Cuba as a source of great value to them. While they grumbled about paying the subsidies, they paid them because they knew that it was in their

interest to do it. The Cubans knew that, too, and they felt that they were not being "given assistance" by the Russians, that the Russians were doing what they ought to do for them. Castro always has a strong feeling that he is right. He has always been right. He's been asked, "Did you ever make any mistakes?" "Well, maybe I tried to do too many good things too fast." Or something like that. Never that he made a mistake. He's not capable of admitting such, but he can be... When I talked to him for three hours... He can be very suave, very diplomatic. He can be very engaging. He'd charmed a lot of people. When he speaks he still has the ability to mesmerize. He knows how to catch something like the "unpayable foreign debt," which he latched on to to rally a lot of Latin America in the mid-1980s, and very successfully. He is a very singular historical figure. It is our misfortune that he, for whatever reasons, decided that it was his destiny to oppose us. He can't get away from that. He's trapped by his own past, his mystique, his legacy. I think there are times that he would like to, but there isn't any way that he can. He always has to have been right. He can't say, "I made a big mistake; I wish now that we could work things out." That isn't Fidel Castro. He will never do that. And he wasn't prepared to do it in 1984, particularly when Gorbachev came to power - but we're getting ahead of ourselves. What I'd like to do is follow on the theme of the negotiations and come back.

Q: Okay, so we'll pick up in 1984, the negotiations, and let me just throw in a laundry list of things that we can talk about during this 1982-88 period - the Central America-Nicaragua-El Salvador thing and how we saw that; the role of Canada at the time; what was in it for the Cubans in the African adventures; during this time how the Soviets operated there (who was calling the shots and all?); the effect of Radio Martí; and the role of the Roman Catholic Church; and obviously there will be other things because we want to develop this in some detail.

Today is the 6th of December, 2000. Ken, you wanted to talk more about negotiations, or had we finished with that?

SKOUG: No, actually, we were just getting to the negotiations, which were really, surprisingly, the main focus of the Reagan Administration with Cuba. They concerned the issue of Mariel. The Administration had reluctantly come to the conclusion that the only way to get the so-called excludables back to Cuba was with the consent of the Cuban Government, and the Cuban Government's consent could only be obtained through negotiations. And so as a matter of fact, it was difficult to get the Cubans to the negotiating table. Thanks to the help, probably unintended, supplied by Jesse Jackson, the Cubans did agree to meet us in New York in July of 1984 to begin talking about the return of a list of excludables, and they wanted to talk about a number of other things. But we were unwilling and unable to broaden the list beyond migration.

Q: You say "unable"-

SKOUG: The Administration had no wish to have the broad-gauge discussions that the Carter Administration had entered into. It didn't undo what Carter had done. Carter

essentially had established the two interests sections, the Cuban Interests Section in Washington and ours in the old U.S. embassy building on the Malecon in Havana. And those remained the focal points for negotiations and for normal discharge of business between Cuba and the United States. A senior Department official, Deputy Secretary John Whitehead, later stated - or opined, I should say - that the United States did its business with Cuba through third parties. It was completely untrue. All the business, almost without exception, was done through those interests sections, and Reagan didn't change that. And the Reagan Administration was willing to continue the radio interference talks with Cuba up to the point when Cuba walked out of them. When Radio Martí was adopted by Congress and signed into law, the Cubans refused to talk further about radio interference, so there were no other negotiations involving Cuba. In Angola, Chester Crocker, the Assistant Secretary of State for African Affairs, was talking to the MPLA about a solution to the ongoing struggle in Angola, in which the Cubans were heavily engaged. Our objective in those talks was Cuban troop withdrawal. But the Cubans weren't participating in those discussions - they would like to have, and Crocker was very much tempted to include them, but we didn't think it was appropriate to include the Cubans at that point, when they were in fact stepping up the number of troops there. Later came a time - but again, I don't want to get ahead of the story. In 1984-1985, the Cubans were still in Angola, very much involved in the fight against Savimbi.

So the negotiations were in New York, and they were publicly announced after they had taken place. We didn't welcome any attention to those talks. Indeed, there was a good deal of security concern, not only for their delegation but for ours. Talking to the Cubans in New York City was a gamy subject.

Q: Where were you talking?

SKOUG: We talked in various hotels there. We began at the Hyatt Grand Regency. Later we resumed the talks after they were suspended, at the UN Plaza. We ended up at the Roosevelt. The UN Plaza was very swanky. Its Perez de Cuellar Suite, which looked all over New York City and down to Staten Island and out over Long Island, was very impressive. Perhaps the grandeur of the facility, with its awesome view, conduced to the agreement we finally attained.

The discussions were with a delegation on our side headed by Michael Kozak, who was deputy legal advisor. He had been very much engaged in ARA and legal matters, and he had been on the Carter period talks on the same subject. Frank Loy had headed those talks, and Kozak was on the team. It had been foreseen that Diego Asencio, who was an assistant secretary for consular affairs, was going to head this up, but he was appointed ambassador to Brazil, and Kozak was a good choice. Jim Michel, who was sort of the gray eminence in Latin American affairs, had a big hand in picking Kozak. Michael had been the principal deputy legal advisor and knew Kozak quite well. Kozak, most of all, was a guy who was amenable to taking policy guidance. Some lawyers weren't. The other members of the negotiating team were I and a fellow from the Immigration and Naturalization Service, Craig Raynsford. Raynsford was the deputy general counsel of INS, and he was put on the delegation because in the past there had been differences between Justice and State as to

what precisely we were doing. It was thought that having an INS man on the delegation would conduce to more understanding. That, in fact, did not happen, and there were serious problems between ourselves and INS, sometimes nearly as serious as with the Cubans.

We were backed up by some excellent people from my office, from the Office of the Legal Advisor, from Refugee Affairs, and as needed from Consular Affairs - so we always had experts on tap who could be used. Kozak did most of the negotiating. When it came to discussions, as we frequently had, it was usually he and I who would talk to the head of the Cuban delegation, Vice Foreign Minister Ricardo Alarcón de Quesada. Alarcón was a former ambassador to the United Nations for Cuba. He was obviously a man of considerably higher rank than Kozak and I, and that was done deliberately. They wanted rank as high as possible for the talks, but of course they had to accept the team which we provided. We didn't send Seventh Floor personalities to meet with Alarcón, as he perhaps wanted on the basis of his own rank. The other leader of the Cuban delegation was José Arbesú Fraga. Arbesú was the deputy to the famous "Barba Roja," the "Redbeard," head of the Cuban intelligence service. His name was Manuel Piñeiro Losada. I was later to meet him in Havana. I had met Arbesú and Alarcón on a trip to Cuba in 1982. On the Cuban delegation was Ambassador Joaquín Mas, head of the American desk in the foreign ministry, but he did not really figure in the negotiations. They had a lady lawyer named Miranda, a nice lady but, again, not particularly involved. And then they had an expert on prisoners. I suspect that he was intelligence, and he knew all about the people we were talking about. He wanted to know about the "excludables" we were trying to send back, and he also knew about the people that they called *reclusos* - we called them refugees or "outcasts." - the people who were convicted of political crimes in Cuba, were released from prison but were living on the margin of Cuban society, unable to work, practically unable to live. We wanted to bring them out - I say "we," the Department of State. Kozak and I wanted to bring them out as part of a refugee program. We had been willing to have a small refugee program even before the talks, but INS wouldn't allow it because they said - and they were right on this - that this was a big bargaining chip for the Cubans. The Cubans wanted to send these people out. They wanted to get rid of them, and so that was part of the negotiating process. The other big bargaining chip for us was the restoration of normal migration, which had been suspended in Havana at the time of Carter, after Mariel took place and there was a riot at the U.S. Interest Section in Havana. The Reagan Administration had never resumed it. It was under a lot of criticism, particularly from Democrats like Rodino in New Jersey and Teddy Kennedy, for not doing it. Finally we had to rely on attorney general's orders. The attorney general formally ordered us not to issue any visas in Havana until the Cubans had agreed to take back the excludables. This is Section 243(g) of the Immigration and Nationality Act. It says that if a state, upon being requested to take back one of its nationals, refuses, the attorney general will instruct the Secretary of State to suspend immigrant visa issuance in that place.

So we felt each other out in the negotiations. They came with a long laundry list, and Alarcón can be exceedingly insulting. By the way, he is now, apparently, in the year 2000, considered in line to succeed Fidel Castro, if that day ever comes. Alarcón's own background is that he was a protégé of Carlos Rafael Rodríguez, known as the Silver Fox of Cuban Communists, a very adroit individual, whom I never had the occasion to meet,

but whose views and tactics I've studied considerably, and he was a very skillful manipulator - and a Communist, of course. Rodríguez was *the* Communist, member of the Communist Party of Cuba, who had gone out to Oriente and made Fidel Castro's acquaintance. At that time the Communist Party of Cuba regarded Castro as a foolish upstart, and as a matter of fact, the Communist Party of Cuba had participated in governments with Batista in the past, so they were wounded, and it was Carlos Rafael Rodríguez who saved them by making Castro's acquaintance before Batista fled. When Castro came to power, Rodríguez was his real link to the Communist Party. And when Castro himself became a Communist and took over leadership of the Communist Party, Rodríguez was one of the vice presidents and knew a lot more, of course, about Marxism-Leninism than I think Fidel ever did.

Alarcón was his protégé. We assumed that Alarcón was a pretty dedicated Communist as well as... and not too emotional. He could be very bitter and he could be very cutting, but he didn't blow up. Arbesú was more emotional, but equally intelligent, and more affable, in a way, strange to say. So we were dealing essentially with those two guys, and we dealt with them throughout the rest of the period. From 1984 to 1988, there was a certain linkage. Relations, as we will see, got to be very, very bad. The Cubans were saying that Cuban-U.S. relations had never been so bad. But there was always that little channel that existed, and finally -

Q: Did you get on first-name basis?

SKOUG: We got on a first-name basis - yes, that's right - except that Kozak was careful to refer to Alarcón across the table as "Mr. Minister" - and he liked that. He liked the deference.

Q: But I mean there's the across-the-table thing, and then there's, you know, when you're having tea or whatever it is - drinks, or whatever - or was there any of this?

SKOUG: Oh, there was plenty of that, but I don't believe that we ever called Ricardo Alarcón "Ricardo." I think he was always "Mr. Minister." Arbesú's given names were "José Antonio." He called me Kenneth, and I called him "José Antonio" after a while. I didn't call Alarcón "Ricardo."

Anyway, aside from that, the weeks of discussion quickly led to a focus on the real issues, and the garbage that Alarcón was throwing out at the beginning was set aside, although he could return to that at will - the garbage being accusing us of this and that and saying what he would not do. They said at the beginning that they would only deal with the list of people that Enders had given them back in 1983, and now we had a new and much longer list, and we said that's our list at present and it could be bigger, it could be longer, right now we're starting with this list. The basic issue, and the issue that divided us from INS was that INS wanted to get the Cubans to say flatly that they would take back everyone whose name we presented to them. INS wanted Cuba to acknowledge that principle. When we would say we want these Mariel excludables returned they, they would have to take them back. INS also wanted the Cubans to promise that there would be no more "Mariels," that they

wouldn't do this again, release a whole bunch of persons into the United States, particularly persons with criminal backgrounds. They wanted Cuba to rule that out. And thirdly, the INS wanted the Cubans and the United States somehow to work to prevent illegal emigration to third countries. We never understood exactly what INS had in mind by this. The Department of State never accepted any of these three things. We thought the third one was bad in itself, that we would rule out "illegal emigration" from Cuba. We would work to prevent a massive illegal *immigration* into the United States, but we certainly were not going to cooperate with the Cubans in preventing persons from leaving the island as long as the means of departure were not disruptive to other countries. As far as the first two, that the Cubans would agree to take back persons upon our request - our principles were that they should. Our law was that if we request you take back somebody, whether you're Italy or Cuba, and you don't do it, then you face sanctions under U.S. law. The Cubans had their own principles, that they would only take back people who wanted to come back and people that they would accept on a case-by-case basis. They dropped the first part because we told them in one of those frank discussions, "Look, nobody wants to go back to Cuba. We can't find anybody who does." We had a few names that Justice had said would willingly go back, but when they - interviewed them again, nobody - nobody - wanted to go back to Cuba. So we told the Cubans, "Look"-

Q: Were they mostly in jail?

SKOUG: Just about all of them were in jail. Some of them were people who had committed crimes of a serious nature, of a non-political nature in Cuba, or who were mentally ill. Others, after coming to the United States, committed felonies and were in jail for those. The Cubans at first said they'd only talk about the first kind. They'd talk about persons who had allegedly committed crimes in Cuba - and "allegedly" because Alarcón said, "We can't admit there were such people because Fidel said there weren't any." But we knew there were, of course. There were probably lots of them.

We got them to agree to accept also the people who had committed crimes in the United States, but the issue of principle remained. They said, "We'll take back people only on a case-by-case basis." So we said, "Okay, here are 2,746 cases. You look at them, but if you don't decide to accept all of them, there will be a problem." Well, in the long run, when we finally reached an agreement, they accepted the 2,746 names on a case-by-case basis. Their principles did not budge. The difference was that INS, when we finally got an agreement, wanted to interpret it their way and say the Cubans have now agreed to take everyone we asked them to. And the reason this was not a *punctilio* was that there were many more than 2,746. That was all that Justice had identified as "excludable" by the time the talks took place. There were really probably three or four times that many who had committed crimes and whom justice would have wanted eventually to return. After all, there were 129,000 *Marielitos*. And of those, at least 10 percent already had criminal records in Cuba or soon got them in the United States. And again, I don't want to get ahead of myself, but that was the issue. The Cubans did not change their principles. When we finally accepted the bargain, we accepted it because they had taken all the names we gave them and we had told them, "If we give you more names in the future and you don't take them, the same thing will apply, the sanctions will be back." So they understood this. We couldn't make them

change their principles. And as far as saying "no more Mariel," they weren't about to do it. They weren't about to say, "We can't open the port and let everybody go to the United States." It was impossible. So we were hobbled because INS was constantly after us for this and for failing to get these objectives, which were unnegotiable.

Q: Did you feel that the INS representative understood the situation, or was it his bosses that were being obdurate, or how would you put this?

SKOUG: I think that he understood it better than they did because he was sitting listening to Kozak elaborate U.S. law, and he was a lawyer himself, deputy general counsel, but his boss, Alan Nelson, the commissioner of INS, a very sincere and likable guy, was absolutely determined on these points. When they weren't achieved, it didn't make any difference to Nelson. Raynsford would talk to him, but pretty soon Raynsford would be back telling us, "This is what the commissioner wants." He didn't have any real influence. Maybe he wasn't persuaded himself. I suspect it was half and half. He never understood the Cuban reality, and INS didn't either. It was a continuation of a battle that we had had with the Jesse Jackson prisoners, when INS wanted to keep them out, or at least make them go through the normal requirements of migration of refugees into the United States being vetted through a third country, and we were arguing that the case in Cuba was special. Over there we were talking about current political prisoners, not former political prisoners. We could understand that in the case of former political prisoners, people who were not in jail at the moment, the INS would certainly want to interview them and establish their *bona fides*. But essentially INS felt that their objective was to rid of a bunch of thugs. But they viewed the outcome as getting rid of 2,746 bad actors, but agreeing to receive 30,000 more coming in as refugees. And we were saying that they aren't the same. The excludables are common criminals that we are getting rid of, and the ones we will be getting are political prisoners, good people who fell afoul of the Cuban system from no fault of their own except that they didn't fit in Castro's Cuba. And that point was not very well accepted by INS. They always wanted to bargain. They always wanted to hold the Cubans' feet to the fire. "Look, the Cubans want these guys to get out; therefore, we trade." But the Cubans, although they wanted them to leave, didn't want them to leave that much, and there wasn't a real trade except the way we were doing it.

So anyway, we had two negotiating sessions, in July and early in August, and it looked like we were making considerable progress, in large part due to the negotiating skill which Michael Kozak demonstrated. At one point the Cubans were going to go home and agree to think about something, and I think that comes a little later, though. Anyway, we completed a round of negotiations and believed that an agreement was in sight. Both sides went home to look at what had been negotiated. We then had a big argument with INS, and part of it was how many refugees we were going to let in per year. In exchange for their taking back the excludables, we were going to have normal migration, which could have meant up to 20,000 visas for Cubans each year, plus immediate family members, and a special refugee program, which would have been at the beginning 3,000 a year. We, Kozak and I, would have liked to have had the refugee program much larger, but we were convinced not only by INS but also by the coordinator for refugee affairs, Eugene Douglas, in the Department of State, that the market wouldn't bear more than 3,000. And they were probably right,

unfortunately. After having taken in the Vietnamese and the Laotians and having seen the Mariel immigration, many Americans wanted to hold numbers down. Congress was reluctant to go beyond 3,000 a year. The Cubans wanted more than 3,000 a year, of course, but that was the number we fixed on. I say there were arguments between State and INS. INS wanted to go down. State, aside from Douglas, wanted to go up. Well, INS won that argument. It didn't win the argument on the other issues we're talking about.

At this time, the Cubans complained of an overflight by a U.S. reconnaissance airplane over Cuba. They had been complaining about these from time to time, about aircraft that would not just fly along the coast outside Cuban territorial waters, which they did all the time, but would fly right over the island. They said this happened every now and then. One happened at this time, and they reacted very violently to this. They said, in fact, that they would not resume talks. They argued: What sort of negotiating partner are you when you're in negotiations and you do something like this? That was the only occasion on which Sánchez Parodi, the head of the Cuban interests section, ever bought me lunch. He took me to lunch at the Jockey Club, and that was the thing he pressed me on - how could this be? It seemed like a contradiction within the Reagan Administration. I said he should remember that Thomas Enders had told him we would discuss only one subject, migration. The migration negotiations would not touch any other subject. I did not concede that an overflight had taken place or imply they would be suspended during the negotiations. I just stressed that our well known differences on issues of a strategic nature would not be affected by the migration talks. That was emphatically not what the Cubans wanted to hear. They decided to suspend the negotiations. It was soon stated by Alarcón that they wouldn't go back to talk. What they were really waiting for perhaps was the U.S. election. They still had this idea in crosswise that Reagan needed these talks for the election, and they were hoping that Mondale would win. So at this period of time we didn't do anything until November, really. It was just before the election, when that they realized that Reagan was going to be reelected, that they finally decided that despite this alleged overflight they would resume the talks.

They came back. Negotiations began again in November at the UN Plaza Hotel, and it wasn't so easy. The same issues came up. They tried to drag in other things, and we again made it clear to them that we were talking only about one thing, migration. We thought we had a deal worked out. And again, the timing of the deal - they said they couldn't handle 3,000 people or 2,746 persons all at once. Of course in 1980 they had made us handle 129,000 Cubans almost all at once. Well, we agreed on 100 a month. That was about all Justice probably could have organized anyway. It was agreed they would accept them on the basis of 100 a month, which meant if we'd filled every month we would have got them out in 28 months. We agreed to start the refugee program immediately. The talks were about to break off - again because Alarcón didn't think he could accept this. He planned to return to Cuba. He'd been arguing for almost 24 hours. It was after midnight. Kozak then said, "Look, we're almost at an agreement. Let's not break it off again. You go home again, and something else is going to happen." As a matter of fact, while we were there, the Cubans had grabbed a U.S. Navy ship and were towing it into Cuban waters. Fortunately it broke loose and got away, but it could have been a tremendous incident. While the incident was in progress, a U.S. aircraft carrier stationed in Roosevelt Roads headed for Cuba.

Anyway, there were things which could have upset the agreement. Persuaded by Kozak, Alarcón agreed to call Carlos Rafael Rodríguez in Havana at two in the morning. At four in the morning he called back Kozak and said, "Carlos Rafael agreed with you, so we're staying." They stayed. We got the agreement pretty well set up so that one more session would be needed.

Then we went back to Washington. As I say, this marvelous Perez de Cuellar suite, where the view is fantastic, had perhaps helped the negotiations. But for the third and final round, we could only book reservations on short notice at the Hotel Roosevelt, which is one of the real old-timers. It was the Teddy Roosevelt. We were reminded of him. We were reminded it was Teddy Roosevelt, who had achieved fame in eastern Cuba. And we met in the Hotel Roosevelt and reached the agreement in early December of 1984. While the professionals and the aides were counting all the names and checking all the documents, Kozak and I invited Arbesú and Alarcón to a four-man session in the Governor's Suite of the Roosevelt. It was a little more presentable up there, and we had drinks and chatted with them. And at this point I brought up the so-called *plantados*. *Plantados*, meaning in context "the deeply-rooted ones," referred to political prisoners who wouldn't wear prison uniforms, and so they were in their underwear because Castro wanted to treat them like common criminals and they insisted they were political prisoners. These guys had been there 20 years and more for the most part living in miserable conditions. They were people like Armando Valladares and other who had just been released to Jesse Jackson. The Cuban system just had been merciless to them. And they had been prisoners all that time. We got some of them out with Jesse Jackson - Valladares had got out earlier. Castro would dangle one to this high level visitor and one to that visitor, but he had a lot of prisoners left. So I suggested to Alarcón, why don't you just release them all. What we'll do is put them at the top of the list under our refugee program, and we'll move them out right away. There was silence in the room. I could see Arbesú was about to blow up, but Alarcón said, "You must be referring to a bunch of people who were" - he didn't like the name *plantados*, you know - "of interest only to the Amnesty International" or something like that. I said, "You know who I'm referring to." He responded, "Well, relations are not that good between the United States and Cuba to permit that." I said it had nothing to do with the United States and Cuba. It was just a suggestion that would be in their own interest, and because the world would always condemn them for maintaining these people in prison." Actually the world had done very little condemnation at this point about the deplorable status of human rights in Cuba. Alarcón kept his cool, but he didn't think this idea would be acceptable to Havana. We asked him to pass this along, to think about it, and so forth. He said, well, all right, he'd think about it. Arbesú said they were a bunch of CIA agents or worse, but we hoped we had planted a good seed.

Anyway, the agreement was signed, and that was really at the end of Reagan's first term. We finally got the agreement to get the excludables back, and it looked like it was quite a success. There were congratulations all around. There were very few people who didn't applaud although some Cuban-Americans didn't like it. The main lobby really didn't like it, Jorge Mas Canossa and the Cuban-American National Foundation didn't like the fact that we sat down and talked to Cubans. As a matter of fact, at a lunch...

I should back up. While this was going on, I made a speech in New York at the Americas Society. It was called "Cuba as a Model and a Challenge." It sort of laid down the Department of State's line in the Reagan Administration on Cuba, that it was a neighbor full of paradox, a small country but with an army of 250,000 or 300,000 that was engaged actively in fighting around the world. It was a state that claimed to be nonaligned, yet it was more closely aligned with the Soviet Union than members of the Warsaw Pact. It was willing to do things for Moscow that none of them would do. It claimed to favor Latin American unity and yet it had links to every subversive element in the Americas and promoted them as actively as seemed opportune. It maintained it was a model for development, and at the same time it was living literally off Soviet foreign assistance. Without that, it couldn't have lived at all. It was a tough speech. Of course it was during the negotiating period, and it stated why we were negotiating strictly on migration and so forth, and it warned that nobody should assume that negotiations, even if successful, would necessarily open any other doors. In other words, this was a discrete subject. We were trying to solve a problem, and if we did, we might try to solve other problems, but the basic issues were pretty deep between the United States and Cuba.

The Cuban-American National Foundation liked the speech, although a prominent Miami journalist, Alfonso Chardy of the Miami Herald, had found that I had used the words "we would make concessions where necessary." He took it out of context and hinted at "giving up" of U.S. interests as though we were weakening. So the Cuban-American National Foundation published the entire speech - which can be done with any document published by the Department of State. The Department had published it, so then they came in. The Department says, "You can republish anything we publish; just give us credit." And so the Cuban-American Foundation did it, and they also translated it into Spanish. The Spanish translation was pretty accurate, and they published it. It's in the Library of Congress as one of my publications.

Q: What was the Cuban-American community's attitude toward the Mariel people - because in a way if these were criminals, but at the same time you're talking about taking people and unwillingly forcing them back in to Cuba.

SKOUG: They didn't like it, of course, but they were too supportive of the Reagan Administration to make a lot of noise in 1984. They did arrange a lunch. First of all it was to be in my honor, but when I learned that Dante Fascell was going to attend it, I said, "Make it in Dante Fascell's honor." So they did. Dante Fascell had written a foreword for this little book of mine. At that lunch Jorge Mas Canossa reminded me that the Cuban-Americans had not been consulted prior to the talks. He said, "If there are any negotiations with the Palestine Liberation Organization, you wouldn't do that without talking to the Jewish lobby." And I said to him that although we agreed in substance basically with them on many issues, inevitably he represented one group of citizens, and we represented all groups. We represented the United States national interest, and there would be times when they wouldn't coincide. In fact, though we were willing to be open to their views, we weren't going to let them have a veto on the migration talks. I didn't put it quite that bluntly, probably, but nonetheless that was the impact. We'd sort of both laid a marker down, his marker being that there was some unhappiness in the Cuban community, one about our

talking to Cuban representatives, and they didn't know how respectfully we had been talking to them, and secondly, as you say, sending Cubans back against their will. It was pointed out to us that some of these guys maybe robbed a bank because they didn't have any money or something. They were economic necessities. But still, you know, a felon is a felon. That's the way we looked at it. There was no issue at that time, in the first Reagan Administration, that united everybody, from James Reston and the Democratic Party to the far right: everybody said you have to get these criminals home to Cuba. Now maybe the pressure was too strong, but anyway it was an imperative that always came up. As I say, at the time of Grenada, when we were going to return the prisoners of war, Congress and the White House wanted the excludables sent back in the bargain. When Jesse Jackson brought 26 political prisoners, they wanted 26 excludables to go home - I mean INS. They were under heavy pressure from police organizations around the country. I have no doubt that Justice was getting heat from states, from local communities, certainly from Florida, from New Jersey, wherever these people were active. And the Cubans in jail were tearing up jails already at this time. So public opinion wanted them out. The Cuban-American community probably didn't want the excludables sent back, but didn't feel strongly enough about it to make an issue of it. Here and there there was grumbling by Cuban-Americans, but basically the agreement was very well received.

The troubles began in 1985 in that both sides misinterpreted what this might mean, and this is where Radio Martí became involved with migration. Migration had been totally discrete, Radio Martí totally discrete. But pressure began to mount in early 1985. All right, you've got your agreement with the Cubans, now what are you going to do about getting this radio station on the air? It was enacted into law in 1983. Now it's 1985, there's still no broadcasting. Well, we had a problem, because we were afraid the Cubans would come up with these big transmitters, these big stations, which could blot out broadcasting in the United States. And we were afraid that they would do it. They'd already given us a test in 1982, and it was strong enough to scare the Senate into rejecting Radio Martí. And Secretary Shultz had asked for countermeasures. So we were trying to work out countermeasures, but it turned out that the countermeasures were in the control of the Department of Defense. They were the ones who could have come up with disrupting sort of countermeasures, which would have affected communications in Cuba so severely the Cubans would have to back off. And this would have been without casualties. Of course, there was always another kind of countermeasure. The real tough guys in the administration, like Constantine Menges, who had become advisor for Latin America in the NSC, said, "Well, we've got missiles, you know. We can take out these stations if they come up." Our fear was that... We knew we had missiles, but we wanted a broad enough range of options as contingency countermeasures, because we might have been faced - I think we would have been faced - with a situation where if the Cubans had actually done this, the President of the United States would have been reluctant to send the missiles. On the other hand, he would have been embarrassed to be limited to sending a diplomatic protest note. So we wanted something in between, and the Department of Defense was ordered to produce it. They didn't do it. They figured this was civilian business, and they weren't going to get involved. If they had that technical capability, they weren't going to reveal it. And so we thought - we had the President's written agreement on this - that the radio station won't start until the technical countermeasures are in place. That was our

understanding in early 1985.

At about this time, Castro started what John Ferch in Havana called the "Peace Offensive." Castro began meeting with people. He met with the *Washington Post*. He met with a delegation of Catholic bishops. And I went down there in early February of 1985. I won't dwell on the subject, but I had a number of interesting discussions there, including three hours and more with Fidel Castro. They were interested in selling receptivity to essentially what I had said in that speech in New York, that we were willing to talk to them about other issues - safety of life at sea, radio interference. We were willing to reach agreement with them on those things if first we got the migration agreement settled. Well, we had the migration agreement. The Reagan Administration wasn't anxious to go into any new talks, so they didn't say anything about it. Castro was indicating his willingness, but Castro had in the back of his mind that this would keep Radio Martí off the air. That was his big objective, to block Radio Martí, whereas the objective of the Cuban-Americans was to get Radio Martí broadcasting. We didn't see this involved with migration at all, but we did tell them - I told Alarcón and Arbesú at lunch with Ferch in Havana... When somebody brought up Radio Martí and they said nothing, I said Radio Martí is a law. It's the Cuba service of the Voice of America. It's going to come on at a certain time. I didn't know when, but it would. I said, "You shouldn't overreact to it. VOA has been broadcasting for years to Cuba." Alarcon responded only: "Yeah, but for 14 hours a day." And nothing more was said. I refrained from mentioning that Cuban stations were broadcasting to Latin America more than 250 hours per week.

Q: By the way, was Radio Martí under the Voice of America?

SKOUG: Yes, yes it was. It was officially the Cuba Service of the Voice of America. It was established and it was placed under Ernesto Betancourt. Ernesto had been the head of the July 26th movement in the United States in the 1950s when Castro was in the hills. Like so many other Cuban exiles, he was pro-Castro at that time, but he had since learned the bitter truth. He was a moderate man who was willing to shape Radio Martí under the criteria of the law, which meant that it had to live up to VOA standards and couldn't just be a wild exile station. It had to be responsible, but at the same time it had to be hard-hitting. It had to deal with Cuba. And for that reason he had hired a large group of Cuban-Americans, many of whom were recruited by Jorge Mas. Jorge Mas, of course, was going to have a tremendous role to play, but he wasn't the director. Betancourt was not Jorge Mas's man, although Mas had a lot of influence, but the station was not yet on the air. After my meeting with Alarcón and Arbesú there was another lunch with José Luis Padrón, who had been a key link between the Cuban government and the United States in the Carter period. Padrón had led the Mariel talks on the Cuban side with the Frank Loy delegation. Padrón was very concerned that the United States was missing Castro's appeal. John Ferch, who was hosting the lunch, referred to it as Castro's Peace Offensive, which made Padrón very angry. It turned out that Padrón was at some risk in the Cuban government for extraneous reasons relating to some significant financial losses. He needed to come through, and his mission at that lunch was to convince us that we should pay more attention to what Fidel Castro was saying. We were paying attention to what he was saying, but he was saying that he would talk to us essentially about low-level bilateral issues. There was no indication of any

change in the real issues between us, that is, Cuba's world role, Cuba's support for the Soviet Union, Cuba's connection between Soviet power and revolution in Latin America and so forth. We were skeptical, but at the same time we told Padrón we were listening and we certainly would report. Well, it wasn't enough, I guess, because I later went to Santiago, later in this February 1985 trip, and there Fidel Castro happened to be in Santiago, too. I found Ramón Sánchez Parodi, head of the Cuban interests section in Washington, waiting for me at the Moncada Barracks when I got there, and Sánchez Parodi told me that Fidel sent his regards to me. I knew right then and there that he wanted to see me but he wanted me to request it. But I had no authority to request a meeting with the head of state of Cuba. Eventually, after hours... First, we walked up San Juan Hill, where he showed me where he thought Teddy Roosevelt and the Rough Riders had charged; then we went out to the Moro Castle (there's a Moro Castle in Santiago, too), and the light had gone off and he got it lighted up for me so I could see it. Finally, he said, "Fidel not only sends regards, but he would like to meet with you if there's any interest." So I said, "Of course. I'm not instructed by my government, but I'd be very glad to meet him." Jim Todd was with me. He and his wife were traveling with me. He was the deputy principal officer in the U.S. interests section. It was suggested that I come alone, but I wanted Jim there, and I got a call in to Ferch. He said by all means try to get Jim in there because he would help in remembering all of it. That was sound advice. And believe me, Castro could talk volumes. So I met with him, and he was a very impressive guy. He looked much younger and seemed much more vigorous than I was expecting. I thought this was a guy who might be far over the hill because he was no longer smoking his famous cigars, and he didn't smoke any cigars in our lengthy chat. He didn't offer me a drink. He might have offered me a soft drink or something at some point. It was strictly business. He was very polite. We talked about a number of issues. I brought up the *plantados*. He bristled at that and said that it was fortunate that I had brought this up in the context of the migration agreement; otherwise it would be inadmissible intervention in Cuban affairs, and so forth. I said, "Well, I just want you to know, if you release them we'll be glad to take them. We'll put them at the head of the list." Well, they were "terrible people," and so forth. He would think about it, but - anyway... I tried to put a marker down on human rights. There were also a number of other minor bilateral issues that we were able to solve in that conversation. I succeeded in securing the release from prison of the man INS had earlier sent back to Cuba. He later was able to come legally to the United States. He then wanted to know if we wanted to talk about world affairs. I was already pretty tired. I'd been up all day. I don't know what he did, whether he just doesn't get tired or had a nap or what, but he was fresh as a daisy. I said I had no instructions on third party issues, to talk about Angola or even Central America with him. I knew what his position was, and he said, "Yes, well, my position is what I spelled out to the *Washington Post* and the bishop. You know what that is." Well, I'd seen those reports already. And then he went on the air and was interviewed by a couple of top U.S. broadcasters as part as the same offensive.

During our conversation, he said one thing which was mysterious. He said the U.S. interests section, unlike the Cuban interests section, was misbehaving, behaving very badly, unacceptably. I said, well, I was unaware of any such misbehaving and doubted any was taking place. I turned to Todd. Todd, who also didn't know what Castro was talking about, denied "USINT" was doing anything wrong. Castro continued, without spelling out what

this bad behavior was, that this one day would come out. I went back and told Ferch and also the chief of station - and nothing was said. Ferch didn't have any idea as to what he was talking about. The other guy did, but didn't say anything, at least to me. And this, too, was going to come up in 1987, when relations were described as worse than ever. But this was only February 1985, so we didn't know what Castro was talking about.

Anyway, I went back. I reported to Secretary Shultz what had been said. And a lot of thought was given as to what we should do about it. Finally, it was agreed we would continue to listen to what he was saying but that there wasn't any present reason to enter into any negotiations. In the meantime, Radio Martí was spinning wheels. We were not getting anywhere with the Department of Defense as to counter measures. And then rumors got around in the middle of May that Radio Martí was going to start up. Now Kozak and I had worked into the Mariel agreement that we would meet with the Cubans and discuss with them any technical difficulties in the three basic phases of the agreement, immigration, refugee program, and return of the Mariel excludables. We would meet with them at a given point to see how they were starting. I had mentioned this to Alarcón while in Cuba, and Alarcón had said, "Well, we should do it after each of these separate phases had got started, and we can examine it." It sounded very reasonable. The trouble was that the refugee program was slow to start. We got a few excludables, one planeload of them, returned to Cuba, but the first refugee flight was to come on May 20th - that was Martí's birthday. The Cuban-Americans wanted Radio Martí to start on the 20th. We didn't think they could do it because we knew that the President had said that it could not be started without adequate technical countermeasures being in place. They were not in place. But we learned that Jorge Más had got to Charlie Wick, the head of USIA, who was embarrassed that the radio was still not broadcasting. When Shultz was absent and Ken Dam was in charge of the Department of State, they had a meeting at the highest level and told Dam he couldn't tell anybody but Shultz a thing about this. Radio Martí was going to start on the 20th. When Shultz got back and he learned about this, we were informed and did everything we could to hold it off until July 4th. We wanted to have that meeting with the Cubans first. You see, in this meeting with the Cubans, we intended to tell Alarcón and Arbesú again, "Don't overreact to Radio Martí." Make one more pitch to them on the subject. But we were overruled. There was a meeting May 17th; the President approved. I wasn't there. I don't have any firsthand account of what the words were, but the Secretary was in any case overruled. He had tried to block it, but they went ahead and it was authorized to open up.

The Cubans learned of this, too. We found the Cuban intelligence service had very good contacts in Radio Martí. They were planted in Radio Martí. They knew the Department of State was opposing this. They knew that there was a plan to go ahead. So on May 20th, just before Radio Martí went on the air, the Cubans handed us a diplomatic note advising us that the migration agreement was suspended, all aspects of it suspended. They didn't denounce it, as they had the earlier anti-hijacking agreement. They didn't revoke their agreement, but they did suspend it, which amounted to the same thing. So that meant that all of our work was undone. Radio Martí came on with "*Buenos días, Cuba!*" at six in the morning, and Cuban-Americans were delighted. They were very happy. In fact, they were

tickled pink. They thought that they would still have migration, they thought there would still be a refugee program, they thought that the excludables wouldn't be going home, so there was really a no-lose situation for the Cuban-Americans. They really didn't care. But it was disastrous for the policy of the Reagan Administration. Our chief objective had been to get the excludables home. That's what we'd been trying to do for four years, and now it was suddenly ruled out because of Radio Martí. Oh, the *New York Times* ran an editorial saying that we should take down Radio Martí and get the migration agreement going, but then two days later they had to retract it. It doesn't happen very often that the *New York Times* retracts an editorial. That was the issue. Congressman Kastenmeier, among others, said, "Let's take down Radio Martí." He felt the migration agreement was more important than the Radio. But the long and short of it was that the Administration wanted more. It wanted Radio Martí, and it wanted the agreement back. That was the situation in mid-1985, and it remained so from May, 1985, until November, 1987. These were really, really difficult days. And you ask why I remained in charge of Cuban affairs all the time - really, nobody in the administration wanted to cope with the mess. At one time Mike Armacost, who was at the time, I remember, number four man in the Department, wanted to make a speech in Baltimore on Cuba, but that was before May 20s. After that, nobody wanted to make speeches on Cuba. So I got the Cuban problem more and more in my own lap, and this whole approach to Cuba had to be changed. Now we needed new sanctions addressed specifically to this Cuban action, which nullified our agreement. There had to be sanctions that we could adopt, that would be effective, and which we could take off if we could get the agreement back. The Cubans continued to say that it was a good agreement, but it was too bad you brought out Radio Martí because we're not going to implement that agreement. Of course, we pointed out to them that the whole migration agreement was negotiated after Radio Martí had been enacted as law by the United States. The subject had never come up except at things like my table chat, when I told Alarcón and Arbesu that we would have Radio Martí. There was no reason to suspend the agreement. Castro's whole Peace Offensive (which stopped immediately, of course) had been predicated on the assumption that the United States was now willing to hold back on Radio Martí. The migration agreement would open the door to things he wanted, and the United States wouldn't put Radio Martí on the air. Some persons in the United States government had assumed - not Kozak, not myself, not the ARA bureau, not anybody who really knew the Cuban reality, but people around Armacost, people in the NSC staff, like Walt Raymond, who was then on radios - they assumed that Castro wanted negotiations so badly with the United States that he would have to enter into what they called "preemptive negotiations," that we would agree to talk to Castro, and since he was so eager to talk to us, we would meet with him and he would accept Radio Martí. Of course, that wasn't true.

Q: This is a wish being father to the thought.

SKOUG: Right. The wish was father to the thought. Dam himself had rejected that thesis of "preemptive negotiations" as nonsense, but it was believed in, and I think that Secretary Shultz told a small group of us, Kozak and myself and I think Elliott Abrams and Jim Michel - maybe Abrams wasn't there - that Robert McFarland, the national security advisor, thought that Cuba could be "turned around." And this was the furthest thing from reality. That man, Fidel Castro, will not be turned around. He is a very powerful, stubborn

individual, and a lot of Americans have assumed that we made him what he was or that we could have done this and got him to do that - he does essentially what he wants to do, and this was true in this case. Both sides had miscalculated. The U.S. had thought that the Cubans were appealing from a position of weakness, which Castro would never do, and Castro thought that we were vulnerable and that we would have to keep Radio Martí off the air. The fact that it hadn't come on for so long a time probably had led him to believe that we were having doubts about it, where that wasn't true at all. Our problem was the Department of Defense.

Q: Well, what about... Radio Martí went on, but what about... There were no countermeasures ready to take in case... I mean, the other shoe to drop would have been the threat of Cuban interference with broadcast.

SKOUG: For some reason he didn't do that. That's what we thought the countermeasure was going to be. We had been preparing all this time for something he didn't do. And instead of that, he suspended the migration agreement. Nobody was expecting that. We didn't think the Cubans would undo all that. I suppose possibly we should have known. He had negotiated a civil aviation agreement with the Nixon Administration and canceled it right after the Bridgetown incident, when there was sabotage of a Cuban airliner that had nothing to do with the United States. It was generally thought to be the work of Orlando Bosch and Cuban exile terrorists, who were later incarcerated in Venezuela..

Anyway, this is what Castro decided would be the most effective squelch. Well, the first U.S. reaction to this was to suspend those parts of the migration agreement that were of benefit of Cuba, that is, the immigration from Havana and the refugee program. Of course this shocked the Cuban-American community, and it began a rift between the Cuban-American Foundation and the administration that really has never healed. Jorge Mas continued to be a loyal player and supporter, but Frank Calzón, who was his Washington representative, was horrified, and he did everything he could to create a backlash in Miami: why are we not taking the refugees, he demanded? Well, we wanted them. Kozak and I personally would have taken many more refugees, but the trouble was that this was part of a bargain which Cuba had "suspended." The Cubans were willing to let these refugees go to third countries, but if we had given in, we never would have gotten the excludables back. So that was one measure. It was a presidential proclamation, which in effect restored the situation before the Mariel agreement. And that's what the Cubans understood. They said, originally, that the situation of December 13, 1984 - that is, before signature of the Mariel agreement - is now back in force.

Another action which we took was to ban the visits of all Cuban official visitors, whether government officials or Party officials, unless we saw fit to give them an exemption. We had a great fight with the Visa Office about this, but they finally gave in. In other words, we couldn't rely on just the FBI. We made it impossible for the Cubans to send anybody up here unless we specifically waived it. This was very hard to do with a guy like Mike Armacost because he was not in sympathy with this action, but he finally went along because he realized that if we did not have those countermeasures, we would have been stuck with the excludables. Those are the two main countermeasures we used, the denial of

visits for Cuban officials and the suspension of immigration - and furthermore, we also suspended immigration from third countries. In the past it had always been possible for a Cuban who got to Panama or Costa Rica - and they could easily do it with the support of the Cuban Government, and they would be paid for by their American relatives - and they would get to Panama and then they would be interviewed and brought in. So there was a big traffic going that way. We effectively closed the door to this by saying any Cuban arriving after a given date would not be interviewed by a consular officer. He'd be in the same situation in Panama or Costa Rica that he was in in Cuba. He wouldn't be interviewed. Well, of course, you can see that both of these countermeasures created a lot of concern in the United States. The professors of the Latin American Studies Association objected to the restrictions on official travel. They wanted to host all sorts of Cuban scholars coming up, but the scholars carried official passports. The Pan-American Health Organization [PAHO] wanted them to come up. Cuba was utilizing these. Cuba was utilizing all sorts of grants. We cut them off. And again, on the travel issue, the Visa Office was concerned. Joan Clarke was not in sympathy with this. She was the head of Consular Affairs, and she pointed out that the Secretary had written to the International Pen Club urging greater international travel and so forth. The Secretary did not have Cuba in mind when he said this. So the sanctions stood.

In the meantime we learned from a session with Soviet diplomats that the Cubans acknowledged they had overreacted to Radio Martí. When Gorbachev came to power in early 1985, there was of course not an immediate change, but there was an opening in U.S.-Soviet relations. Largely due to the Soviet Desk's pushing, there was set up a meeting with Russian area experts on five areas, not including Eastern Europe. The Russians wouldn't talk about Eastern Europe with us. But we were to talk about Latin America with them. So ARA was, in effect, dragooned against its wishes into talking to the Russians. It had one session with the Russians in 1985. It was largely a shadow match in Washington. Then I went to... I think I'm going to have to give you a Mountain Dew or something.

Q: No, no, no, no. I'm listening.

SKOUG: We then had a session in early 1986 in Moscow, and the session was just as contentious as the first one except for being a little more polite. It included an exchange of very different views on the situation in Nicaragua. Mainly Elliott Abrams read them the riot act, told them not to put MIGs in Nicaragua. They would listen to this and not say anything. In the meantime they were putting helicopters in there against the Contras, which were more effective than the MIG would ever have been.

I asked the chief Soviet negotiator, Vladimir Kazimirov, whom I had known in Venezuela, about Cuba's suspension of the migration agreement. He had been the Soviet ambassador in Caracas. I said, "What we don't understand is that the Cubans still say that the migration agreement was a good agreement, and yet they have suspended it because of Radio Martí." And Kazimirov acknowledged that the Cubans now realized that they overreacted. He said, "They found that they can live with Radio Martí." Radio Martí was not as harmful to them as they had feared. It didn't lead to riots in the street.

That was a key piece of information for us to know, that the Cubans now felt that they could live with Radio Martí.

Q: Wait, we - I don't know who "we" is, but carefully monitoring Radio Martí, because it must have caused a certain amount of trepidations up and down the ARA apparatus.

SKOUG: Well, to a certain extent. I cannot say that it was being closely monitored in the Department of State. Presumably, USIA was watching it. It was VOA's own creature. But basically it was left up to Betancourt and Humberto Medrano, his deputy. They were good men. And there was nothing specific that the Cubans could complain about on Radio Martí - no threats of assassination. There were no specifics that the Cubans could bring to our attention. So I would have to say that although the Cubans didn't like the fact that it was broadcasting 14 hours a day to them and making them address subjects that they would never have taken up otherwise, they did not present any cases to us of complaint.

So anyway, we had this piece of intelligence, we were notified that Senator Ted Kennedy was sending an aide, Gregory Craig, to Cuba to pick up Ricardo Montero Duque, one of the four *comandantes* at the Bay of Pigs, and one of the longest remaining political prisoners. Castro was liberating him as a special favor to Kennedy. I think there were only two political prisoners from the Bay of Pigs still remaining in Cuba, Montero Duque being the more senior of the two. We had the same problem with INS. INS said this would require agreement by the President and by the Attorney General and the Secretary of State personally. They would have to meet to see whether Craig could bring Montero Duque into the United States. We had a terrible discussion with Alan Nelson. I told him, "We have to do this. The guy's a political prisoner and he's been there all these years, and we owe it to him to bring him out. Are you going to tell Senator Kennedy he can't send somebody down there to bring him out?" Well, eventually he calmed down, and Nelson and I briefed Greg Craig, who was going down there, and a couple of other Kennedy aides. We said that we would facilitate them, bring them in at Homestead Air Force Base, which still existed before the hurricane, south of Miami. And at the same time we saw to it that Jeb Bush was there, the Vice President's son, not yet the governor of Florida, to meet him. And so it wasn't just a triumph for Senator Kennedy. And also we saw to it that he was met by former ambassador Vargas Gómez, who was a long-term political prisoner now living in the United States.

So Montero Duque arrived, but the main point was that we had asked Craig to tell Castro, if he saw him, why don't you end the suspension of the migration agreement? Well, Greg Craig came back not only with the prisoner, but with a message. It was a message that would only be for Senator Kennedy to give to the Secretary of State. So we had a little roundabout. Kennedy did call on the Secretary of State, and it referred to something we had said when Radio Martí came on the air, just a blurb in our presentation. We hadn't thought much about it, saying that we would countenance radio broadcasting from Cuba and had for many years. There had been Cuban broadcasting specifically to the United States, but essentially it was heard between the cracks, and there was no regular channel for it. They hadn't broadcast to the United States. But we said we were willing to do this if a space on the radio band could be found. Well, anyway, the theme that came across from Castro was,

if you will permit that, it might be possible to restore the migration agreement. So we proposed negotiations in Mexico City, went down to Mexico City, and here we now are discussing formally two issues, not just migration but radios.

What they wanted was just incredible. They wanted four clear channels to broadcast to the United States. A clear channel in broadcasting is when you take all other competing radios off that frequency so that your transmitter can be heard as far as its power can take it. There are no clear channels in the United States just for that reason. There are lots of AM radios. They wanted AM broadcasting on four of them. It would have incapacitated between 50 and 100 American stations. We had an FCC representative with us, and we had the Department of State's communications expert, Bill Jahn. Jahn and Wilson La Follette from FCC explained in detail to the Cubans what we could do. They worked out how they could best broadcast to the United States without interfering with U.S. radio stations. We said we can't accept interference, but we can advise you how to avoid causing it. The Cubans accepted that information. Bill Jahn thinks that that was their mission, an intelligence mission to find out how they could best get through the net broadcasting to the United States, knowing that we would not get an agreement. Kozak and I thought that they really thought we were suffering so badly that we would accept their scheme for clear channels. They were willing to accept Radio Martí, but they wanted the name changed. But we could continue to broadcast - that wasn't bothering them that much - if they could broadcast on these four clear channels. Well, we said, "There's no deal." So the talks failed.

Q: Were we thinking at all initially that this might be a broadcast that might be picked up essentially in Florida and they wanted to hit the whole country?

SKOUG: Yes, South Florida. Basically their broadcasting would be aimed at where the Cuban-Americans were. But they wanted to hit the whole country. As a matter of fact, they wanted supplementary provisions so that they could broadcast to Alaska and Hawaii. "You can broadcast to all of Cuba, so we have to have the same possibilities." Kozak said there are laws of nature to prevent this. It was just such a ridiculous idea, so it was a total failure.

And after that we put on more sanctions. One of the sanction measures, I think the one on Cuban official travel, was placed after the failure of the talks in 1986. At the end of '86, relations became very bad. In the meantime there's one other element which should be recorded. One of the things we told the Cubans in the 1984 negotiations in New York that we would do to facilitate the migration agreement was to upgrade our embassy's communications in 1985 so as to make it easy to handle expanded visa matters and so forth. Well, of course, the upgrade of communications does more than that, and we had a tremendous number of flights, special supply planes that went into Havana with this communications equipment. And eventually there were a lot of new antennas right up on the roof of our interests section, for Castro to see. He looked at the roof and he realized that now the U.S. interests section in Havana would probably be an even better listening post than it had been before. There was an overflight, so the Cubans said, and I have no reason to think they were wrong, of Cuba in December of 1986. After all, we had no reason not to have overflights when we had nothing going for us in the bilateral relationship. They sent the usual mob to protest outside the interests section for two or three days and made life

miserable, so I finally called in the acting head of the Cuban Interest Section and said, "Do you really want these interests sections to continue" knowing full well that they badly wanted their interests section in Washington. One of the things that we had done was to put a 25 mile limit on their UN delegation so that if they were to do any "business" around the country it would have to be through their interests section, and they wanted to keep it functioning. So we, in effect, were saying, "If our interests section can't work normally, yours isn't going to either. Well, they called off the demonstrations, but they did something worse. They called in Kamman, the principal officer who had replaced Ferch, and said that there would be no more charter flights, no more pouch flights, into Havana - that is, the diplomatic pouch. We won't be able to go out to the tarmac any more to meet them. You'll have to send the pouch some other way, by Cubana or something. We won't have any special flights for bringing in the pouch. And they meant that. And in effect when Kamman was leaving at this time -

Q: This was Curtis Kamman.

SKOUG: Curtis Kamman, yes. He was already leaving to take on a new job in the United States replacing Frank McNeil as deputy assistant secretary for INR. Castro told him that he had been concerned about my remarks on the possible closing of the interests section. It appeared that he was also concerned because Kamman was leaving. We decided that we would play Kamman's departure (which had nothing to do with the situation) as a warning. So we didn't reveal why he was being pulled out, and this looked like it was along the lines of what I had said in to René Mujica in Washington. He didn't want that to happen, but Castro did not change his position on the pouch charter flights. So our interests section was really going without the support it required. You could get, of course, telegrams in there, but you couldn't get automobiles and you couldn't get various supplies. Castro was reacting to the fact that we had used those supply flights to refurbish the communications system in the U.S. Interest Section. That was a communications section that, as I mentioned, during the Grenada fracas was *hors de combat* because the equipment was so old. We needed better communications, and we did get better communications as a result of it. It was one of the benefits we got, but of course it infuriated Castro to see what the better communications could do.

So we head into 1987, and again, this was a period that Cubans stated was probably the worst in U.S.-Cuban relations. I went down there in the spring, and I took with me the executive director of ARA, along with administrative officer, who might presumably be looking at the closing of the section. We had a lunch for Arbesú and Alarcón in the beautiful residence there, but instead of having it all nicely furnished as it was when John Ferch had hosted that lunch in 1985, this time there was nothing. Kamman was gone. Mike Joyce was not occupying the residence. Mike Joyce was the acting principal officer once Kamman left. He was the host of the lunch. So there was nothing to tell Alarcón and Arbesú that we weren't closing down the post.

There was another thing going on in 1987 which got involved in this already complicated situation. This was the Pan-American games, called PAX/I. PAX/I was the American committee organizing the Inter-American games in Indianapolis. And those games would

only be a success if the Cubans came, and the Cubans knew this, and the people in Indianapolis knew this. They would be willing to invite Fidel Castro himself to Indianapolis if that would spur the games. If there were no Cuban team there would be no competition, no television, no large revenues. Indianapolis also wanted to send a delegation down to Havana which might very well invite Fidel Castro up there. So Elliott Abrams and I - and the problem was that the Cubans insisted that their team had to fly on a chartered jet of their own making, Cubana, and that it would not stop at Ft. Lauderdale to be checked in as all other flights were checked in. They had a surprising friend-in-court in the Department of State, Ed Derwinski, a former member of Congress, who was hell-bent to see that Indianapolis ran a wonderful games.

Q: He was from Chicago, originally a congressman.

SKOUG: Yes, and Ed Derwinski was the chief backer within the administration for letting the Cubans fly their charter into Indianapolis so that they could participate in the games.

Q: He was a counselor, wasn't he?

SKOUG: He was Counselor in the Department of State. And he was a tough man, so we soon had the counselor's office involved, and the counselor himself. The counselor had a meeting with Elliott Abrams and Elliott found himself constrained to say, yes, we would let the charter flights fly directly subject to certain conditions. We weren't able to fly in our stuff into Havana to facilitate the interests section, but the Cubans were going to be able to fly to Indianapolis. This was one problem. We did not let them know, however, that they could fly into Indianapolis. And Elliott Abrams and I went to Indianapolis, met the mayor, talked to Quayle and Luger, who were the Indiana senators, and did everything we could and finally did discourage them from inviting Fidel Castro. He did not get invited. But there was no way that we could prevent those charter flights. The only thing we could leave was to the issue in doubt.

Secondly, the other issue we had going on, the other sanction we had going, was a hint that we might close the interests sections, which was really an ARA threat because although Abrams supported it, Armacost did not. I wasn't getting much support at this point from top levels of the Department of State. They went ahead and "announced" Curt Kamman's position, and soon people were bidding for it, so it would be quite clear this would leak out, and the Cubans would know that we weren't thinking seriously of closing the interests sections. Under NSC pressure, though, the Department of State finally had to state that we wouldn't fill the position until this impasse on the charter support flights was solved. That would not really be much of a tactic because what would the Cubans care? As long as the post existed, their post would exist. What they had in mind was that their post would exist, that Sánchez Parodi, who was a very effective operator in Washington and in the United States, would be able to continue to do that. It would only be the threat to close the interests sections which would have an effect. We weren't allowed to threaten it, so I just sort of implied it. And it was hanging out there. Well, I went to Havana in April of 1987 with these two administrative officials, again, leaving the inference we might have to close down the post. Well, Alarcón invited me to meet, and we did have a discussion. And he wanted to

arrange a session to talk about the problems the Cuban interests section had. You talk about your problems, we'll talk about our problems. I knew that that was a can of worms because we had been doing all sorts of things to cut down the Cuban Interests Section and the Cuban Mission to the United Nations since the Reagan Administration, and to undo those things just to get charter supply flights into Havana was out of the question. Again, the supply flights' going to Havana was something like Berlin. It was as procedure that had been followed from the beginning, but it wasn't written down anywhere. It wasn't confirmed. And in the Luers- Torres agreement, which set up the interests sections, that element is missing. I called Bill Luers on the phone and I said, "Didn't you provide for supply flights?" And he said, "Yes, yes we did, and we talked about it, but it just wasn't written down." And so I told Sánchez Parodi that Luers had made clear that the supply flights were an agreement that we had, but Sánchez Parodi denied it. And so since there was no written record, I couldn't prove it. Anyway, the conversation with Alarcón may have had some effect, but not enough immediately. So then it was Armacost's idea, and he was right, to call in the Swiss. The Swiss were, after all, our big brothers in Havana, and the Swiss ambassador there was a fine man. I liked him very much and got along with him quite well. We first called in the Swiss ambassador here, explained the situation and asked them to take it up with the Cubans in Havana. An hour before the Swiss ambassador was to go into the foreign ministry in Havana on this matter, the foreign minister of Cuba, Malmierca, a higher level than Alarcón, called in the head of the interests section and said, in effect, that we could perhaps have access reciprocally to the tarmac if Sánchez Parodi could have it here. Well, he didn't need it. He'd already laughed about it. They didn't fly the pouch directly in to him. Furthermore, they didn't send in automobiles from Cuba. So this was a way out. In other words, this was another sign that they were coming around. And it was probably because we got the Swiss engaged. Anyway, maybe they realized that this was encumbering relations, but they then began to permit supply flights to come in. There was no agreement on this, but they just dropped the restriction in practice. And so that issue gradually was resolved, but a new one came along immediately to replace it. On July 6, 1987, Ramón Sánchez Parodi came in of his own accord, which was rare, to see me for a chat. So we chatted. And I said, what about this idea that I had mentioned to him before. I spelled out a very restricted meeting between Kozak and myself and Alarcón and Arbesú to see if we couldn't talk our way out of this impasse, and Sánchez Parodi claimed to see some possibilities in this. But later in the day, our interests section called. They had learned finally what Castro had meant when he had made that remark to me in 1985 about the impermissible behavior of our interests section. The Cubans had on film all sorts of strange activities by people from the U.S. interests section - and you could imagine who they might be - over a long period of time. These persons had been dealing with Cuban operatives who were supposedly coopted but who were really double agents, and they had it all on film. And they began then to reveal it. The reason they did it at just this time was that a defector who knew about this had flown to the United States. So they knew that our intelligence people in Washington knew that the Cubans were wise to their tricks. The defector knew that they were on film. So then the Cubans began to run these films on television in Havana, showing everybody. They went on beyond the real operatives. They showed some persons and listed by name whoever visited Cuba, just about everybody, to make the impression that everyone who had been sent down there over the past five years was a spy. They ran a picture of Castro in Granma, the Party newspaper, supposedly lecturing to me on the

subject, but the Castro I met wasn't even wearing the same uniform. The Castro I met was very polite and courteous. But anyway, this was a new issue that had come up, the nefarious behavior of the CIA would be revealed to the public.

Q: Were you getting any intimations all during this time that the CIA was sort of running wild there, because it was close by, and they get involved in these things without really thinking about the repercussions? Did you get that?

SKOUG: We didn't think so. The covert operations people we talked to never mentioned these things. We didn't feel anything. Ferch should have been informed of all the things going on, but he obviously wasn't, nor was Kamman, as a successor. If this program had ever enjoyed the backing of the Department of State, it was unknown to me, unknown to anyone as far as I know. So anyway, they reveled the supposedly nefarious operations, and relations just seemed to be getting worse. At about this time, the will to resist in the Department of State was about cracking. You had a new guy heading refugee affairs who wanted a refugee program in Cuba. The Visa Office wanted to issue visas. Humanitarian affairs were in the hands of Assistant Secretary Richard Schifter, and Schifter was worried about the former political prisoners in Cuba. I haven't got to human rights yet, but we were concerning ourselves to a great extent with human rights. He thought that it was not serving human rights if we didn't take these former political prisoners as refugees.

Maybe at this point I should back up and discuss two issues that are running parallel to these things. One is human rights violations in Cuba, and the other was the handling of ex-political prisoners or refugees, the people the Cubans called the *reclusos* in Cuba. The refugee issue was festering. The human rights issue was closely related to it. It was the rights of these people, but particularly people who were in Cuban jails or running the risk of being in jail, people like Ricardo Bofill, who was at the time the chief thorn in the side of Castro on human rights and spending his time in and out the French Embassy trying to avoid incarceration, and Elizardo Sánchez Santacruz, who is still active in his fight in Cuba, who was then on Bofill's committee. I made a speech in St. Louis in October of 1986 - that is, after the failure of the Mexico City negotiations - called "A Spotlight on Cuba," which I devoted entirely to the problem of human rights violations, the deaths that had taken place in Cuba, and the people who had been in prison under unspeakable conditions for long periods of time and called for throwing a spotlight on this and the shortcomings of the Cuban Government. The next month we began organizing to take up for the first time at the Human Rights Committee in Geneva the question of Cuba's violation of human rights. Strange to say, this had never been done before, under the Carter Administration or even the Reagan Administration. It had never been done before. In 1987, we took it up for the first time, and surprisingly, our delegation was led by a man named E. Bob Wallach, who wrote his initials in small letters. It was very funny to see his name, *e. bob wallach*.

Q: He got involved in a domestic scandal.

SKOUG: "WedTech." And this came about just at the time, in 1987, so it didn't help our cause. He included on his delegation Armando Valladares. Now Armando spoke very little English. Here was the first case of a successful man on a U.S. delegation speaking only

Spanish. I don't know whether Armando had acquired U.S. citizenship by this time or not, but there he was on the delegation and very effective because he was able to cite his own experiences. So anyway, in early 1987 we took the human rights issue up in Geneva with some success, despite the fact that at the beginning we had almost no support. We had no support from the Western Europeans, who were outraged at our talking about Cuba at all, who always had regarded our relations with Cuba as a bilateral affair in which they didn't have to get engaged. However, we were able in the end to win the support of most of the Western European countries. What we couldn't win was the support of the Latin American countries. They stuck together with Cuba. Finally, the issue was so close that an Indian procedural resolution was passed by one vote, which prevented our substantive resolution from coming to a vote and thus defeated it. But despite the fact we had lost, we had at least aired the subject in Geneva, and it was very embarrassing for the Cubans. It was one more issue in 1987, the year that they said was the nadir of our relationship.

On the refugees themselves, we had a continuing running dispute with INS. We felt the public pressure was so great that we should be interviewing some of the prisoners on a list which the Catholic bishops had taken to Cuba. The Catholic bishops went down to Cuba in 1985, the time I went down, and presented a list of names as Jesse Jackson had done, only longer. Castro took that list and made up his own list, cutting back the number that the Catholics wanted by two-thirds, substituting about 44 of his own names who were essentially, most of them, soldiers in the Batista army who had surrendered in 1958 and who were accused of war crimes against the Cuban revolutionaries, whether rightly accused or wrongly. Castro, in effect, said that he would permit persons on that list to go, and it was called the "Catholic Bishops' List," but of course it was the Catholic bishops' list as amended by Castro. Okay. Well, we had a fight with INS on this. We had a fight with INS on the subject of the next of kin of the 26 prisoners who had come out with Jesse Jackson in 1984. These things were still going on, INS refusing to countenance them and we wanting a program. We finally obliged INS, and this was done through the National Security Council, to send an inspector down to Havana to interview these people. As soon as we did this, Castro made his next move. He said we would have to take everybody on the list, otherwise no one would be released. That, of course, undercut the right of INS or any U.S. Government official to weigh on the *bona fides* of a refugee. But since these people had been suffering so long and since the INS inspector was a very reasonable man (and we sent a team of experts down to help him), finally those people were released and came to the United States in late 1986, a large group that came directly to Miami. We were all there to meet them, of course, and they were almost exclusively old people. There were two or three young children running around, and I remember Elliott Abrams and I remarked that for the older people it won't make much difference - I mean there isn't much of their life left, it will be a little more pleasant for them, but their lives are pretty much over - but for the young people it's totally different: they'll grow up free. But unfortunately there were only a few of those.

So anyway, we had this issue which INS had blocked. The State Department's rationale was that if we didn't do this we would lose all support for our main objective, which was to restore the migration agreement of 1984. We couldn't have a regular refugee program and we couldn't have immigration as normal or visas as normal until we got the agreement

back, but if we didn't do something we would lose everything. INS never could quite see that point. That's why they always had to be bulldozed, and Alan Nelson and Craig Raynsford felt that we weren't tough enough on the Cubans. They seemed to believe that if we got tough enough and wouldn't take anybody in, then the Cubans would give way. We were convinced the Cubans would not give way and we would just lose all credibility.

The situation in 1987, despite this, became worse. The pressures were immense, and there was an occasion in July of 1987 when Leo Cherne, head of the International Rescue Committee, came with Frank Calzón to see Elliott Abrams. I participated in the meeting. Their position was that we ought to be taking all these people out. It was a crime against humanity to leave any political prisoners. We should disassociate the issue from the Mariel excludables. Abrams and I had agreed with Calzón earlier that we would start with the people who had been in jail 10 years or longer and have a prioritized program which we could control. Calzón had said he thought that made sense. Now he wanted more. He wanted a program without prioritization in which we would take everybody. In the meantime, the Secretary of State had lunch with Armando Valladares, who persuaded him that we should be taking in people, and Shultz was willing to take anyone who had been in jail eight years or longer. This was without getting the migration agreement back.

So things were coming to a climax within the Department of State. Elliott Abrams met with two or three of his peers who had been antagonistic to our policy and who had a proposal to change it abruptly. To my amazement Elliott gave in. Apparently Cherne and Calzon had persuaded him. The proposal was for a large and unstructured refugee program which would be disassociated from the migration agreement. Abrams asserted that it was the only way to head off the Lautenberg Bill, a piece of legislation in the U.S. Senate also inspired and probably drafted by Frank Calzon, which would not only have resumed refugee processing but would have removed all restrictions on visa issuance. The bill was advancing in the Senate and, if enacted, would have completely eliminated any hope of persuading Cuba to restore the migration agreement and to take back the Mariel excludables. When I asked Abrams why he had changed his mind about our proposal, he said coldly: "Your policy wasn't working."

The four assistant secretaries concerned - for ARA, humanitarian affairs, consular and refugee matters - then sent to Secretary Shultz a memorandum asking approval of their proposal. Noting that it lacked a legal opinion, Secretary Shultz sent it back for one. This allowed Mike Kozak, with my support and cooperation, to draft a rebuttal spelling out why it was essential to maintain our present stand if we hoped to restore the migration agreement. We had to hold firm longer than the Cubans could. Secretary Shultz agreed with us and turned down the proposal that would have jettisoned our program. This ultimately saved the day and made it possible for us to oblige Cuba to end its suspension of the migration agreement.

At that point, we had a lunch with the Cuban-American National Foundation. They had wanted the lunch. Joan Clark, head of Consular Affairs, hosted the lunch, and her deputy Ambassador Mike Newlin attended along with Kozak and me, the main operatives of INS - not Nelson but one of his top deputies, plus Raynsford, Jorge Mas, and the people at the

head of the Cuban-American National Foundation. They explained that they wanted a voluntary program where they could take out some former political prisoners who were in third countries. We had no problem with that. They wanted some INS support for that. INS had no problem with that. These were people who were not in Cuba. In turn, we read the Cuban-Americans a statement in which Kozak and I explained what we were trying to do, also for the benefit of INS sitting there listening, and we felt that we could win, that we would have to hold on, why we were doing the sanctions, please don't support the Lautenberg Bill. Well, the Cuban-American National Foundation agreed to withdraw its support for the Lautenberg Bill. They are the ones who had written it. Calzón had written the Lautenberg Bill. Calzón wasn't at this meeting, by the way. He had been separated from the Cuban-American National Foundation by that time. He would not have gone along with us, but the others did. Jorge Mas did. What position they really took on the Lautenberg Bill I don't know because it eventually passed. But by the time it did, it was overtaken by events.

So then this was the situation at about the beginning of November 1987. We were about to have another meeting with the Russians in London. Elliott and I would fly over to London and meet with a Russian delegation - a real Gorbachev delegation this time, a much better delegation than we met with before. But before we did, we were using the official informal channel between myself and Jay Taylor, who by this time was the principal officer in Havana, saying again that we would be happy to meet with the Cubans on the basis we had said. Taylor replied that Alarcón had told him they would be willing to meet in Havana with Kozak and "anyone he wanted to bring along." By the way, a brief digression: I had had a nasty meeting with Alarcón in Königswinter in Germany some months before at a meeting organized by a foundation of the Free Democratic Party, the Naumann-Stiftung. The theme of the seminar was Cuba and Europe. Elliott Abrams was invited along with former U.S. Congressman Mike Barnes, to represent the United States. Elliott passed the duty on to me, and I went. Alarcón was there hoping to burnish Cuba's reputation with the Germans, and particularly with top officials of the German Foreign Ministry, which was led by a Free Democrat. And I was, of course, put in a difficult position because there were a lot of people there who were asking questions about Cuba. Why was Cuba hauled up before the Human Rights Commission in Geneva, and so forth? So anyway, hard realities had to come out. I was denounced by name by Alarcón for trying to throw a monkey wrench in Cuba's foreign policy. It was a very nasty meeting. It didn't come out too badly for the United States because I was able to explain - I did speak German - to people what the realities were. But it didn't help me with Alarcón. That was probably another reason why he was not anxious to see me in November.

So anyway, Alarcón had told Jay Taylor that said Kozak could come down to Havana with anybody he wanted to bring along and talk about all sorts of issues including radios, but not mentioning migration. Taylor thought this was a big step forward. I responded that it wasn't. The venue was wrong. We would not come to Havana to talk about these things. And the subjects were wrong. We were willing to talk about two things, the things we had talked about in Mexico - migration and radio broadcasting. The long and short of it after a series of these meetings was Alarcón accepted that abbreviated agenda. We offered three sites for the meeting: Montreal, Nassau, or New York. The Cubans chose Montreal. The Cubans

then said that their delegation would be Alarcón, Arbesú, and Sánchez Parodi coming from Washington. Jay Taylor called up and asked if he could be on our delegation. We said no, we would prefer to meet with just Kozak and me. The only ones who knew this - because this was all in official/informal - were Taylor, Kozak, and Elliott Abrams and I at the beginning, and then Armacost was apprised, but nobody else. We did not tell INS. We knew INS would demand all sorts of things. All we wanted to do was see if we couldn't, by sitting down in a small room, try to get off this impasse that had bugged us for 30 months and simply restore the agreement. And the Cubans agreed.

Well, as luck would have it, their plane flying to Montreal was sent instead to - what do you say when an airplane is-

Q: Diverted.

SKOUG: It was diverted to New York, and they did not have visas for the United States, and they were entered into the lists as persons who would not be admitted to the United States. It was normally the sort of thing that would have sent them up the wall, but when they got to Montreal they were laughing. They laughed about it, and we laughed about it and promised to correct it. It was clear to me at the beginning that the atmosphere was going to be a good one.

We met in Mike Kozak's hotel room, and they said that, well, the migration agreement could be restored, but of course Cuba's position on radios hadn't changed. It was exactly what it was in Mexico City. God Almighty! I was thinking we've come all this way, and after all this time this is the answer we get? I said, "It's really amazing that the four of us can't sit here and brainstorm some way out of this impasse." And Alarcón said, "Well, I was giving the official Cuban position. I have a personal suggestion." And his personal suggestion was that we restore the migration agreement while going on talking about radio broadcasting. He knew we couldn't reach an agreement on principles, but, if not, we'd go on talking. Kozak and I were trying to contain ourselves from jumping out of our chairs, but we said calmly that it sounded like a reasonable idea; it was a very good suggestion the minister had, and we thought that we could recommend that to the Department of State. So Kozak wrote something up, and Alarcón looked at it, and he then wrote something up. What he wrote was better than what Kozak had done. The only thing was that he referred to the "anomalous" situation in radio broadcasting since 1985, and we said we couldn't agree it started in 1985, so 1985 was taken out. That was the only change that was necessary in Alarcón's draft. So we asked Alarcón, "Can we now do this? Why can't we go home and announce it?" "Oh, no, no, it would be necessary to persuade Fidel Castro." He had gone to Moscow for the *Veliki Oktyabr* celebration, the 70th anniversary of the glorious Bolshevik Revolution. In fact, Castro went on to North Korea, too, to get more weapons. (Later, the weapons turned up in Panama, but that's another story). But anyway, to come to the conclusion of this, Alarcón said no, we would have to have a formal meeting. It certainly wouldn't be in Montreal. He realized that Montreal was not so nice in November. It could be in Mexico City, where we had already talked. We said fine, we'd be perfectly happy to go to Mexico City as long as he was able to sell President Castro, and of course we'd have to sell our superiors. We knew our superiors would be delighted on what we'd got. So it

was agreed, handshakes all around. And we got out of there, and we came back, and we had to tell selected individuals. I told Mike Newlin in Consular Affairs that we had got the agreement back, and of course most persons were delighted. Some people weren't. I think there were some people hoping to see our noses smashed - or mine, anyway - but we had won, after all this time, and the question then was would we take INS with us to Mexico City? I suggested it, but Elliott and Mike Kozak said no, that it would be better just to go down with a small state delegation. All we were doing was restoring. We were not changing a jot or tittle of the agreement. All we were going to do was restore it and let it go, and then inform INS. It was decided that we would inform INS at the same time the Bureau of Prisons was informed. We did inform the National Security Council well in advance. By this time it was in the hands of José Sorzano, a Cuban-American. Sorzano was not very happy. He really represented the Cuban-Americans on the National Security Council staff. He was not very happy, and he probed me for what secret concessions we'd made. Did we give them a clear channel? Did we give them something that's going to pop up later? No, we hadn't given them a thing. All we had done is agreed that we would continue to talk to them. We'd made no concessions whatsoever. So he was informed, but apparently he did not inform Colin Powell, who at this point was the National Security Advisor.

We went down to Mexico City. There were no problems there. The Cubans did what they said they would do. They had Fidel Castro's support. They undoubtedly had his support before they come up with a "personal idea," in my own opinion. But in any case, we were going to announce the agreement. We had our people in Washington informing other agencies. The thing leaked as soon as the Cuban-Americans were told. A Florida station began broadcasting the thing even before it was supposed to be out. We didn't care. We thought this wonderful. It was a victory. We'd got our agreement back, we'd made no concessions, the only thing we would do is now we would rescind some of the special sanctions we had put on Cuba.

But we would get to this on the next session. Next came the Cuban-American prisoners taking over Oakdale and Atlanta.

Q: Okay, we'll pick it up at that point, and we'll just not there that we're still talking about getting rid of the people in jail and the suspension of... Well, we're at the point where it looks like this lifting of our sanctions will go against the Cubans, and we'll pick it up there, and then we will pick up other things such as Central America, Canada, Cubans in Africa, and Soviet influence in Cuba, and Radio Martí and maybe TV - did that come in at that time?

SKOUG: TV Martí comes in in 1988.

Q: Yes, talking about its influence and how we saw it. And whatever else. Okay, great.

Today is the 13th of December, 2000. Ken, we have quite a laundry list there to do, so what would you like to grab?

SKOUG: Well, I think we should probably finish what we were doing, that the agreement being restored and the problems to resolve in the year 1988 because they were substantial, but they were more domestic problems in the United States between the Department of State and the U.S. Government and the Cuban-American community over the restoration of the agreement. And then after that we can get back and go at things *seriatim*, including, I think, particularly you mentioned the Soviet-Cuban symbiosis, which is terribly important and central to some of the issues we should discuss.

Now if could go back briefly then, in November of 1987 we reached an agreement with the Cubans to restore the migration agreement of 1984 to full force and to go on talking about our differences on radio interference. The Cubans did not make any insistence that Radio Martí be taken off the air. They gave us the impression that they had decided they could live with it. They didn't like it, but they could live with it. But this was immediately affected by the seizure of the minimum safeguards facility in Oakdale, Louisiana, by Cuban-American detainees, some of whom were scheduled to be returned to Cuba under the migration agreement if that ever went back in force. Suddenly they found it was back in force. They quickly took over the facility. I was called at home by Jorge Mas Canossa. Jorge said this is very bad for all of us including for the Cuban-American community, and he would do everything possible to try to overcome the problem. And Jorge and other Cuban-American leaders did so, not only in Oakdale, but also when the maximum security facility in Atlanta was taken over by Cuban-American Mariel excludables, three days later, and the job was magnified. It was much more difficult to deal with, but those people did it, to their credit. They managed to talk the rioters out of using further violence and finally got that situation in hand. But in the meantime, of course, the rioters had virtually destroyed the facility. So there was a serious down side. Obviously, those people had been led to believe somehow, either from their own hope that the agreement would never be restored or possibly by some people in INS that the Department of State would never get the agreement back even though the Department of Justice badly wanted it. There certainly was that strong point of view. The Prisons Bureau had been told by INS that the Department of State would not get the agreement back, despite the fact that we had tried hard. I must admit that there was a climate of opinion in Washington, even as we've seen in the Department of State, that the policy wasn't working, was a failure, and so forth. And we toughed it out a little longer than the Cubans could, but by this time there had been some changes. As a result of all this, there was a great furor in Washington early in 1988, with Cuban-American delegations coming up from Miami trying to get the agreement changed so that no Cuban-American would be sent back to Cuba against his will. Well, of course, this begged the issue that began it. That was the original Cuban national position, that they wouldn't take anybody back who didn't want to come. We had to overcome that, and we had to overcome this new position. There were congressional investigations of how the riots and takeovers had come about. What it all did was make it much more difficult to return the excludables.

Our difficulties at this stage were not with the Cuban Government. The Cubans were anxious to be seen as cooperating. After all, Gorbachev had come to Washington in December of 1987.

Q: This is the Soviet premier.

SKOUG: Actually, Gorbachev was then General Secretary of the Communist Party of the USSR. In 1988, I believe, he was elected chairman of the Supreme Soviet, the foremost legislative body of the Soviet Union. One of the tactics we had used up in Montreal to get the Cubans to move quickly was to remind them that U.S.-Soviet relations were improving and that if we didn't get the agreement with the Cubans done before that, a lot of people would assume the Cubans were being brought along by the Russians. The Cubans picked that up quickly, and I think that's one of the reasons they were willing to reach an early agreement. Anyway, there was a certain understanding between Kozak and myself and Alarcón and Arbesú, the main Cuban negotiators. It had been formed in 1984 and never had been wholly dissipated. Obviously these were very different guys from us, but there was a certain understanding. They never acknowledged it, but they knew that we were right when we said that if we could have had that meeting with them, the small first meeting that was called for under the 1984 agreement to review how it was being implemented, Kozak and I intended to make a strong pitch that they not overreact to Radio Martí. That's why in 1987 Alarcón said, "Let's have this review session right away and not postpone it." We did have a review session right away, and it went well. I would say that our professional relationship with the Cuban Government, which had hit bottom in 1987, was certainly better than it had been at any point in the Reagan Administration in early 1988. And that's precisely what was worrying the Cuban-Americans, including some of their men in the administration, because they read into this that we had really made some secret deal with the Cubans. We must have offered them something that wasn't meeting the eye, and it probably was a frequency to broadcast to the United States. Of course, we had not conceded anything, but there was going on at the same time in the ITU discussion of an expansion of the radio band, so that additional frequencies off the normal radio band were available in Geneva, and the Cubans were due to get one, like anyone else. Essentially, our people, Bill Jahn and others, were talking about that. This was misconstrued as rewarding the Cubans for restoring the agreement, but it wasn't a reward; it was totally apart. What became curious or a little bit bizarre was that Radio Martí wanted the same frequency as a backup frequency for its broadcasts, so it looked like there was suddenly now Radio Martí against giving the Cubans this frequency. The Cubans were not really interested in the frequency anyway because most of their radios couldn't pick it up. But this was typical of the sort of issues that would arise and cause suspicions.

And then there was a kind of a press campaign in the spring of 1987 in Miami. There were two leading articles by Alfonso Chardy, the Mexican who did a lot of work on Cuba for the *Miami Herald* and who did not sympathize with the Cuban-American point of view. He wrote a couple of articles in which he talked about the "warming trend" between the United States and Cuba. Now relations were certainly relatively warmer than they had been the year before, but still it was a very tough policy - as I'll get to. Our policy towards Cuba overall had not changed. We'd been successful in this area. In one article Chardy said that I had gone to Cuba in 1987 - which I had - and I'd met with Castro - which I hadn't - and then after that relations got better. Well, they did, but as you remember, there were a lot of ups and downs in 1987. But anyway, I was sort of the dark hero of the piece, that I'd got the

thing going again. The other article, though, said the Cubans were happy over Mike Kozak, who by this time had become Elliott Abrams's chief deputy - he was now principal deputy assistant secretary for Latin American affairs, so he'd become my boss. Chardy said the Cubans were delighted; they really liked Kozak, and they were glad he was taking over, and moreover, the "conservative head of the Office of Cuban Affairs" was leaving. So in one article I was the guy who had got the thing going again, and in the other one it was good news for Cuba that I was leaving because then they'd have a better relationship. I don't know where it came from. That may have been the Cuban position. Chardy was a pretty incisive reporter. But this sort of thing stirred up a lot of people. I made a couple of speeches in this period, one at the Law School of the University of Virginia, talking about the Mariel agreement, exactly what it was, what it did, and what it didn't do, and pointed out how it had been reimplemented. And unfortunately the next speech had to be in Florida, with so much uproar in Florida. I spoke in Tallahassee, at the very prestigious Businessman's Club there. I also talked to Jeb Bush at length that day. The theme of my speech was that we'd made some agreements with the Cubans, but don't worry, the basic policy of the United States hadn't changed. Of course, these guys weren't worried anyway. North Florida was not the area which was concerned about the so-called "warning trend."

The one other thing which demonstrates that we hadn't changed our Cuba policy was that we went ahead again in Geneva in the Human Rights Commission, despite the fact that Vernon Walters had said that restoring the migration agreement made it more difficult to hold the Cubans' feet to the fire on human rights. We didn't see why. Armando Valladares was named head of the U.S. delegation now and couldn't speak much English, but of course he knew a lot about human rights in Cuba. Armando Valladares had told Elliott Abrams that restoring the agreement made his task more difficult because the Cubans might send these people we were returning to Cuba to Geneva to complain of the violation of their human rights. I pointed out that they had had abundant opportunity to do that with the ones we'd sent back in 1985. They certainly never had done it, nor was there any possibility that the Cubans would want to do that. I think by this time they finally understood us, that the fight would continue. And by the way, while this was going on, Castro went to North Korea after going to Moscow for what he called his happiest visit there, trying to get a major loan (which he did get). He went to Korea. He bought weapons. And with those small arms he supplied, among other things, the Panamanian national guard for some very nefarious activities that then began in Panama under...

Q: Was it Torrijos at that point, not Noriega?

SKOUG: I have to admit that in 1988, maybe it was.

Q: Because I was thinking Torrijos we had sort of reached, we were working fairly well with Torrijos, I thought, but Noriega was a different kettle of fish.

SKOUG: Well, Torrijos had helped the Sandinistas and was certainly not our buddy. But you are right. It was Noriega.

In any case, the Panamanian national guard was used against our forces, and there were a

number of incidents which ensued. The Cubans were supposed to have infiltrated people in there. In one of our sessions in Mexico City in 1988, Arbesú probed me as to whether I thought Noriega was going too far. I say this only to emphasize that while we reached agreement on migration and Martí, in certain areas there was no agreement. The issues between us and Cuba went on, including human rights. And we took them, held their feet to the fire in Geneva on human rights. Again the conclusion was... the vote was very close. We managed to get Venezuela this time to abstain, but still the Cubans came off with a Pyrrhic victory. They agreed to invite a delegation to come to Havana and look at the prisons there - it was their invitation - but as Armando Valladares later told me, they wouldn't have made such a recommendation in the absence of all the pressure. And that was the last time that they were able to win on human rights in Geneva because the following year changes in Eastern Europe, 1989... I don't know whether they won in 1989 or not.

Q: But by 1990. In 1989 things were kind of iffy.

SKOUG: So the general situation then, with regard to Cuba, was that they were very concerned about Gorbachev. They were very concerned that the Soviet relationship was weakening, that Gorbachev was going the wrong way. And maybe at this point it would be useful to begin to talk about the Cuban-Soviet symbiosis.

Q: Yes, sort of go back to when you took over and talk about it sort of during the time when you had this brief.

SKOUG: I recall that the symbiosis began at the very outset of the Castro régime. The Russians had broken relations with Batista after his 1952 coup, so there was no Soviet representative in Havana at the time the so-called civil war was going on. Castro was in the hills, there was no Russian involvement, no Russian arms. And the Communist Party of Cuba, which was of course a Russian satellite, was not actively engaged. The Party didn't realize that Castro was as formidable as he was until Carlos Rafael Rodríguez finally went out into the Sierra Maestra in late 1958 and established a link-up that was very useful for him and for the Communist Party. Very early on Castro made a speech, the first day, as a matter of fact, that he would know where to get new weapons. He needed weapons; he would obtain more weapons. This was picked up particularly by Anastas Mikoyan and those people in the Soviet Government who concerned themselves most with Latin America. They realized that although Fidel was not known as a Communist, his brother Raul was and Che Guevara was, but Fidel was considered independent. But nonetheless this was a tremendous windfall for them. They hadn't done it, but they could certainly exploit it. And so the thing began very cautiously, sometimes under the guise of putting people in Czechoslovak uniforms and so forth. Arms went to Cuba, and there was a flow of Soviet technicians into Cuba. This very quickly came into the open, of course. Castro declared himself a Communist and Cuba a Communist state, and gradually Cuba was brought into the Soviet economic organization, finally as a full member of CMEA (COMECON). I won't go over all of these things because they took place in those years when I had left working on Cuba the first time in 1959, and before when I came back in 1982. By 1982, the relationship was very strong. The Cubans had demonstrated their

ability to intervene effectively in Africa. It was more their performance in Angola than a Soviet show, but the Soviets pretty much went along and welcomed the outcome. In East Africa a Cuban force commanded by a Soviet general had been decisive in the Ogaden and the war between Somalia and Ethiopia, and despite the fact that the Somalis had been pretty good friends with the Cubans. The Cubans had helped set up the Somali state, the government, and I remember talking to the Somali ambassador in Moscow in the late '70s. He could not understand what was happening. Their old friends the Cubans and the Russians were betraying them, supporting Ethiopia. Moscow saw more interest in Mengistu, obviously, and propped up the Ethiopians. So for that reason, too, the relationship was strong. There were a lot of costs in the relationship for the Russians, paying the economic freight for Cuba, but they thought it was worthwhile. Both the costs and the benefits of the symbiosis were increasing, and they really began to increase in Latin America in the late phase of the Carter Administration, when the Sandinistas came to power in Nicaragua, the nine *comandantes* all very much under the influence of Fidel Castro, all great admirers of Castro, Borge perhaps more than others. But the Cubans didn't necessarily go for the most extreme *comandante*. They were interested in seeing the Nicaraguan revolution solidify itself, consolidate, and that meant not going too fast at first. They were the link between the Soviets and the Nicaraguans. There is an interesting book written by Yuri Pavlov, who was the Soviet negotiator, counterpart of Elliott Abrams in 1987 and 1988. We met with Pavlov in London in 1987 and with him again in Rome in 1988 representing the Soviet Union. He later wrote a book about the Soviet-Cuban alliance, 1959-1991. And he says in part that the relationship between the Cubans and Soviets in Latin America was such that the Cubans wanted to be the senior partners. They always gave the Soviets lots of advice, but they didn't tell them much about what the relationships were between themselves and the Nicaraguans and themselves and the Salvadorans. The Russians were sort of left out in the cold. What they were essentially supposed to do was buy the Cuban line and supply weapons.

Q: Well, in a way it's the classic thing that we've gone through, where you have supposedly a client state and pretty soon you find that in order to keep the client you have to... I mean they basically called the changes.

SKOUG: Well, that's right. Cuba was never really a client state. It was never a puppet, and it was less under the Soviet thumb than most of the countries in Eastern Europe, and that was in part because of the strong personality of Fidel Castro and the fact that the Soviets recognized that they had a guy who was tremendously helpful to them, and although they grumbled at the price sometimes, they had to go along with it. So you are right. It was not a client...

Well, so the other element was that in Central America there was another struggle going on, in El Salvador, and to a certain extent in Honduras and Guatemala, much less. But the Cubans were behind all of those things. The Cubans provided training. They provided weapons. They provided advice to revolutionaries throughout the hemisphere, but they were really focused on Central America. They felt that there was a good chance to overthrow the government in El Salvador - I think it was Cristiani at that time, or it came to be Cristiani. There were changes in El Salvador, El Salvador moving in the direction of

greater democracy, from a colonels' régime to one that was more open.

The Cubans always considered Nicaragua as the main thing. That was something they already had, and they didn't want to let go. Salvador was a possibility, but it was up for grabs, and it wasn't something that they felt was that high a priority. Nicaragua was the shirt and El Salvador was the vest in this case. The shirt is closer than the vest to the heart. The Soviets supplied the weapons, on Cuban advice, some of it going directly to Nicaragua, some of it going through Cuba. And this continued all the time, during the Reagan administration. Even at the end, when Soviet policy had begun to moderate all over the world, they still were supplying arms to Nicaragua. This went on. It was the Nicaraguans themselves who began to have some doubts, but the Cubans didn't share those doubts. The Cubans were concerned that the Nicaraguans were slacking off, for example, in their help to El Salvador, but there wasn't much they could do. As the Soviet change in attitude toward the United States became more clear, the Nicaraguans adjusted to it, hoping that if they won the election, as they fully expected to do, that they finally agreed to, that the United States would then cease all support to the *Contras*, as it had effectively stopped support to them anyway. However, of course, if it hadn't been for the *Contras*, there never would have been an election in Nicaragua. It was only the resistance there that made it possible to get an election, where somebody like Violet Chamorro could contest with Daniel Ortega and actually beat him. He wasn't expecting that.

The Cubans had been, as I say, in the Carter Administration, the masterminds of the Sandinistas, although others helped. Now this was the case: Torrijos certainly helped, and Carlos Andrés Pérez in Venezuela had helped in his first term. They lost control. The ones who knew the Sandinistas the best were the Cubans.

Q: In a way, the Sandinistas had quite a bit of support in the United States, too.

SKOUG: They did. They certainly did. But the situation really began to turn around at the time of Grenada, and there was a-

Q: That was, what, about 1981?

SKOUG: No, Grenada was in late 1983. But as we mentioned before, within the New Jewel Movement there was a split between Bishop, who was very popular with Castro - Castro sort of regarded Bishop as a younger version of himself - and Coard and Austin, who were more conventional Communists. And the Soviets... It isn't clear. The Cubans thought that the Soviets leaned to Coard and Austin, whereas the Soviets were not that much engaged with personalities. When it came to a shootout between the rogues, if you will, when Bishop got killed, the Soviets regarded this as sort of a bump along the road. They were willing to go on. The Cubans, however, recognized at once that this split was a fatal danger to the Grenada régime. We've talked about how they immediately realized that the U.S. might intervene, and of course this happened, and they lost out. Well, that led to a lot of bitterness between the Soviets and the Cubans. In 1983, the Soviet national day in November, was called off in Havana. I've forgotten the official grounds, but the real grounds were that Castro wouldn't go. He wouldn't go to the Soviet Embassy. And the

Soviets didn't want to face up to that sort of humiliation, so they called off the ceremony. Well, of course, the Cubans and the Russians were too closely wedded to let something like that interfere with their relationship very long, but the loss of Grenada certainly finished their operations in the Caribbean. They then focused on Central America. Carlos Rafael Rodríguez sent us a message via the Swiss ambassador in Havana, who came up to Washington. The message was that internationalism will go on. Internationalism was in the Cuban constitution, and what it meant was that Cuba had a right and a duty to respond and help revolutionary régimes. I heard that from Manuel Piñero Losada, the famous "Redbeard" directly. "We have as much right to help the revolutionaries in Guatemala as you do to help the Guatemalan Government." That's the way they saw it.

Q: But during this time, when Castro was filtering Soviet arms to El Salvador and Nicaragua, what were we doing? I mean, were we calling them on this?

SKOUG: The Soviet arms went to Nicaragua. The Nicaraguans provided support to the Salvadorans. Presumably, that could have been, say, small arms. It wasn't, for example, the helicopters. The Soviets provided helicopters to Nicaragua, which were flown by Cuban pilots, and the famous General Ochoa Sánchez, who had been in Angola, went to Nicaragua after the fall of Grenada to make sure that "No one surrenders here." That was the slogan that went around, that they were going to be more militant, and they were under Ochoa Sánchez, and they were involved in the fighting. But the Soviets, of course, were not. The Soviets simply were supplying arms to the Nicaraguans. What were we doing? We were telling the Soviets not to put jet fighters in Nicaragua, and they didn't do it, but of course they were putting helicopters in there, and we didn't tell them not to put helicopters in there. That probably was a serious mistake. Whether they would have respected our wish on that, I don't know, but we didn't convey the wish to them. So the helicopter was a very important weapon, as you can imagine, fighting the *Contras*. They had no real defense against it. We were supplying help to the *Contras* and supplying, of course, a lot of assistance to the Government of El Salvador. The Government of Honduras was attacked at one point by people trained in Cuba. They were overcome, but this was sort of a warning shot to dissuade Honduras from getting too involved in the fight in El Salvador, to become too supportive of the *Contras*, or it would catch it from Cuba, too. And to a certain extent they supplied Guatemala, although the Cubans had no real chance in Guatemala at that point. The government was too strong.

Q: Were you getting involved in talks on this when you were dealing with the Cubans? Was this a subject of conversation?

SKOUG: I was not involved in the Central American negotiations. I would like to have been. I mean, I never saw an issue that I didn't want to go and get into if it could. I stood available. I felt in my expertise on Cuba I possibly could have been useful. But I wasn't, so I never got engaged with Ollie North. He was a major, by the way, when I first met him - Major North. I never got involved with him on the Central American side. That was managed, really, first by Motley and then by Elliott Abrams, and I did not participate directly. I did get involved, of course, in the talks with the Russians, with Elliott, where we told the Russians repeatedly that their support to Cuba and Nicaragua was an impediment

in U.S.-Soviet relations. At first, when we had these talks, Gorbachev was new in office, and the people conducting the talks on the Soviet side were real old-fashioned types, the former ambassador to Venezuela. He paid very little attention to our admonitions. But when Pavlov took over, it was different. There was a much greater sensitivity. There was a certain receptiveness by the Soviets to our admonition. But really, as Pavlov himself points out in his book, they couldn't stop giving aid to the Cubans right to the end. They gave aid to them beyond the period I was involved in because the Cuban lobby in Moscow was very strong, composed of professors and people who'd served in Cuba and above all by the generals, who regarded Fidel Castro as a tremendous asset who ought to be supported. So even though Castro was very critical of *Perestroika*, and particularly of *Glasnost*, still Gorbachev himself went on supporting him, and Soviet arms continued to flow. They finally cut them off without announcing it. They didn't even tell the Nicaraguans and Cubans that they were cutting off the flow, and they certainly didn't tell us. They just cut it out. But that was a very hard landing for all of them, and Castro's reaction to *Perestroika* and *Glasnost* was manifested as early as the 3rd Party Congress of the Communist Party in Cuba in January 1986, which was a few months after Gorbachev had come to power. It was right in the middle of our difficulties with the Cubans, but that was totally aside. What Castro was worried about was that the Cuban state would be weakened by these Soviet changes, to which he objected. He had no intention of implementing any such changes. He said he didn't even like the concept of a "socialist market." He didn't like the idea of a profit motive, whereas all over Eastern Europe and even in the Soviet Union they had begun to talk about things like that, and Castro was opposed. Instead he pursued his "rectification of errors" campaign. But the rectification of errors, Pavlov points out, were never his errors. Fidel Castro never had made a mistake - as far as he's concerned. They were mistakes, errors, of people in carrying out socialism, and so he was open to anybody who would write him or call to him and talk about some problem here. "Hey, Fidel, we've got a problem here." And he'd then denounce whoever was responsible for the problem. That was the rectification of errors, but it had no intent whatsoever of changing the hard-line system. As a matter of fact, they ruled out at this point even the sales of goods by some of the socialist farms. You know, in Russia you always have these farmers' markets, where they could sell directly to the public. Cuba then canceled them for a while. I think they probably came back again. Cuba couldn't do without them. But his idea, this whole thing was run - there are many, many statements of his attitude, which indicates that the real danger he saw to Cuba was the weakening of the mission of "Socialist Man," who would no longer be willing to drop everything in an instant and go to Angola to fight. That's what he wanted. He wanted a true internationalist who was always ready for a scrap. He said otherwise you're selfish, you start thinking of yourself, and you don't think of the world. So this was the beginning, of course, of the gradual undoing of the Cuban-Soviet symbiosis, but it went on right till the end of the Gorbachev régime, and even Yeltsin had to grope with it because there was such a substantial Cuban lobby in Moscow.

Q: Was there an attempt during this time to change the dependence on sugar?

SKOUG: Well, of course, sugar originally was one of the links. When we cut back our quota under Eisenhower of purchase of Cuban sugar, the Soviets immediately agreed to buy that amount of sugar at a higher price, 20 percent of it in convertible currency, the rest

of it in rubles, that is, Soviet goods. The Soviets would have liked for the United States to continue to buy Cuban sugar because the Soviet Union was an exporter of sugar in those days. Their purchase of sugar from Cuba was strictly a political maneuver. And when Cuba became a member of CMEA, after 1968, the Soviets then had greater control over what the Cubans would produce. Part of the myth of the revolution had been that Cuba had been trapped into producing sugar, was not allowed to get rid the monoculture of sugar, or at least downplay it and get into all sorts of other things. But in reality, Cuba began to try to produce more and more. The even tried for a ten-million-ton harvest, which was a complete failure. But the Soviets set up, in a sense, this oil-for-sugar relationship, and it soon became a big subsidy by the Soviets. The Soviet subsidy, by the 1980s, was several billion dollars a year. We figure it was something like \$10 million a day. That's including oil, which they provided at cut-rate prices and not for hard currency, and sugar, which they continued to buy and then would resell if necessary. But the Soviet need for sugar had grown, so they could take the Cuban sugar, which they bought at a higher price, a non-market price, paying more for Cuban sugar than they would, say, for Brazilian sugar. Those were the two main elements of the subsidy: supplying cheap oil and buying expensive sugar.

Well, this, of course, drew Cuba into a situation where it would never diversify its economy, because it was producing all-out with those antiquated sugar farms - and they really were antiquated. They hadn't been refurbished in 50 years. No wonder the Cubans couldn't produce much sugar with them no matter how they tried. Well, their other industries were nickel, and they did export nickel to the Soviet Union and other countries, tobacco, cigars. Cuba really had no capacity to earn foreign exchange. And that's why, although the Western Europeans and the Canadians (you mentioned the Canadians) had rushed in in the late 1970s with all sorts of loans to get the economy going or trade going with Cuba. By the early '80s the trade had fallen way off because the Cubans couldn't pay. They couldn't pay the debts for the other stuff, and no, understandably, the Europeans were not as anxious to go on with it. So the trade with the Soviet Union was 90 percent of Cuba's trade.

Q: I think this happened before your time, the Cuban Brigade, but what about Soviet military activity in Cuba, and then we'll go on to its overseas?

SKOUG: The Soviet brigade went into Cuba in 1962, even before the missiles, and it remained there, although apparently it was not recognized as such. And after the Missile Crisis, when Castro was so furious at the Russians, the brigade became, in effect, a hostage to the Cubans. The Soviets had to leave it there, and of course it was something of a guarantee that if the United States did attack Cuba the Soviets would be involved because their brigade was there. Whether that would have happened or not, one doesn't know. Whether the Soviets would have been so foolish as to fight a war to protect Cuba isn't clear from the records. But anyway, the Soviets never guaranteed Cuba militarily, although Castro sought it many times. Brezhnev couldn't bring himself to tell Castro that he wouldn't guarantee him, but eventually it was done under Andropov. Andropov finally told the Cubans that "If you get into a war with the United States, we're too far away to give effective assistance." So that little secret was out. The Cubans probably suspected it. But anyway, we, of course, were not going to do it, and the Soviets calculated wisely that it

would have cost us a tremendous amount of lives to go into Cuba. So it wasn't the Soviet guarantee that kept us from going in. There wasn't really a Soviet guarantee. It was just the recognition that it would be a bloody mess to go into Cuba with a lot of troops.

The Soviets did maintain military activity, and of course, a lot of it - the observation, the planes that flew along the Atlantic coast flew into Cuba and out - so they had surveillance and observation of the coastline. They also experimented with a submarine base at Cienfuegos, and that led to a considerable amount of concern when it was known. U.S. Senators, and I remember a delegation took it up when I was in Moscow with the Soviets, and the Soviets backed off, didn't press that. The Soviets did give help to the Cuban nuclear reactor at Juraguá, also on the south coast. But that was not a military facility. We never got in, by the way, and we let the Cubans inspect one of our nuclear facilities in 1988 on the understanding that they would then let us into Juraguá, but they never did. It was one of the difficulties, but I don't think we lost anything by that.

Q: Or at least it gave them an idea of what... It's better to make sure that people know what they're doing when they mess around with these nuclear things.

SKOUG: Right. And the other thing was the MIGs. The United States tried to persuade the Soviets not to put MIG-29s into Cuba, but they did it anyway, naturally. However, of course, they never flew any combat missions. Certainly Cuba was an enormous military asset for the Soviet Union while that symbiotic relationship between the Russians and the Cubans existed. The Russians handled it pretty well. As I say, they grumbled at times about the amount of aid because they felt that for example Cuba's hospitals were better than Russia's. Here we are aiding these guys, and they live better than we do. And Castro never would regard it as aid. He always spoke of it as Cuba's fair share. He was emphatic about that, that the Cubans didn't owe the Russians anything. It wasn't pleasing. The Russians wouldn't have accepted that sort of behavior from almost anybody else. That relationship was really *sui generis* and achieved in part only because of the extraordinary personality of Fidel Castro. He really is an extraordinary man.

Q: During the time that you were there, how did the war in Africa play in Cuba, and what were we doing about this?

SKOUG: Well, under Carter, not too much, but as soon as Reagan came to office, there was a determination to help Savimbi, who was of course leading the UNITA forces, and to help him by delivering Stinger missiles. The Stinger was very effective against helicopters, something that the *Contras* in Nicaragua didn't have. But Savimbi had them, and Savimbi took the offensive. The Cubans continued to build up their forces in Angola. Castro felt that this was a great and glorious opportunity, and he finally at one point stated that they would not withdraw. Crocker kept hoping that the Cubans could be prevailed upon to withdraw. They had no intention of withdrawing, and Castro said that they wouldn't withdraw until apartheid ended in South Africa. It sounds funny now, but at that time it wasn't thought that South Africa was going to give up apartheid in the last century. So it seems like, I'm sure, that Castro thought that, too. He just wanted to keep his hand in Africa, and having troops there meant continued Cuban influence. Castro was very much engaged

in supporting SWAPO in Namibia. Jorge Risquet, a Central Committee and Politburo member, would go to Africa and say, "Oh, you guys, you've come thousands of miles from home to raise the standard of Cuba and internationalism in the heart of Africa." That was a glorious opportunity for them because they weren't just a regional power. It was the aid that the Soviets gave to Cuba that let Castro play the role of a middle-grade power. It was much more than a small power. You can imagine this was being done with a population of about 10 million. That was incredible, what a role in international affairs this little country played because of the zeal of the leadership.

Q: How was this playing within Cuba? We have always the problem of mothers not being too happy about body bags coming back and all, and this was obviously something that was adventurous, and to them it would be like a colonial war.

SKOUG: It's hard to find what people really thought of it because, of course, our interests section was tiny, located in Havana only. When its small staff went anywhere, they were closely surveilled. We did not have a lot of sources in the Cuban Government, to put it mildly, who were giving information on that sort of thing. But we suspected that this unease about Angola would be quite substantial, and Radio Martí, for example, addressed itself to this, so if a Cuban mother had lost her son, she might realize that other Cuban mothers had lost their sons, too. Presumably, this was an element in Cuba. Eventually, by 1988, when we began to take the Cubans into the talks that Crocker was having with the MPLA - that is, the controlling faction of the Angolan Government - the Cubans were finally showing some interest. But by this time, of course, it was quite clear to them that the Russians were no longer interested in that war, weren't supporting it. The Cubans agreed to get out not because of their own casualties - although there must have been a substantial number of Cubans killed. They were willing to consider that the price of war. The bigger reason was that it was very difficult for them to go on fighting when it looked like the Angolans, for whom they were fighting, were willing to reach a settlement and that the Russians were not anxious to see this conflict go on. So the Cubans were a belligerent party who eventually found themselves almost alone in their will to go on fighting.

Q: Well, then, something that was happening both in the Soviet Union and the satellites was the penetration, sort of, of American culture and all. I mean the kids liked the United States. They liked the music; they liked the jeans; they liked the clothes, the lifestyle and all. And here you are right next door to the United States. Was this getting to sort of the younger generation? Were we seeing sort of this effect?

SKOUG: Well, again, it's very difficult, in view of the almost hysterical attitude of the Castro régime against the United States and the constant vilification that goes on - it's very difficult for Cubans to show, to manifest, an enthusiasm for the United States, except in permissible ways. For example, baseball - Castro himself loves baseball, and the Cubans are great baseball players, as we know. So baseball in the United States was of great interest in Cuba. As far as clothes, they don't have much of a clothing industry in Cuba, so designer jeans and things like that were out. My assumption is that the attitude of many Cuban young people was probably similar to that of those who managed to get to the United States and loved it. Every Cuban who got out of Cuba wanted to go to the United

States. The Cubans who got out of Cuba did not want to be "stranded," as they put it, in Peru or anywhere else. They all wanted to come to the United States. So there must be a tremendous pull of attraction. There was, for example, a cartoon. I've forgotten whose cartoon it was, but it showed a great mob outside the U.S. interests section in Havana with signs denouncing *yanqui* aggression, and then suddenly a voice from the interests section says, "All right, visas are now being granted." And you see the protestors all forming a line. There was another joke... There were a lot of jokes, of course, about Cuba. There was a long line in downtown Havana, and the Castros liked to wander around, according to this joke, and find out what the common man was thinking, so they saw this unusually long line and they got in it and tried to look inconspicuous, but pretty soon everybody was leaving the line. Finally, Raul Castro says to somebody in line, "What is this line for, and why is the line disappearing?" And the fellow says, "Well, it's a line for people who want to get out of Cuba, tickets out of Cuba, but now we see you guys in line, there isn't much need."

Q: How about, during the time you were doing this, the role with Canada? I've always felt that Cuba was the designated area where the Canadians could show their independence and tweak the United States. Is that a fair assumption, or how did we observe the Canadian-Cuban relationship?

SKOUG: Well, I don't know if Cuba was the only case where they tweaked the United States, but they certainly did not agree with our policy. In general, they abided by our requests, but of course there was the travel of the Canadian tourists to Cuba which went on. They were the ones essentially doing the bathing at Veradero Beach. But these were rather humble citizens, and they didn't spend much money, and the Cubans regarded them as very low tippers. There wasn't much money being earned by the Cubans off this. There was, of course, as much trade as the Cubans could pay for. The Canadians would have traded anything to Cuba - well, not arms and so forth, but they would have traded any peaceful goods possible with Cuba - but the Cubans couldn't pay for it. Canadian wheat was sold down there, paid for often by the Soviet Union. There were other areas. There was a fellow who set up something called Prensa Latina, Limited. This was an office of Prensa Latina set up in Canada (that accounted for the Limited.) and then this fellow, a Canadian subject, came down to the United States and operated as a normal press representative for Prensa Latina in the United States. Now that was not sustainable, really, under the embargo, but no one had ever done anything about Prensa Latina, Limited, so this guy was treated, essentially, as one of the White House correspondents. Yet no American press representative would then have had similar rights in Havana. I wanted to do something about this, and I was cautioned strongly against it by the Canadian Desk. I had my car pool partners against me on this. The officer responsible for Canada was a car pool partner, and he warned us that this was a very sensitive issue if we took any actions with regard to Canada. As often happens in the Department of State, you're probably aware that the regional desks are more vigorous defenders of the countries that they're working on than the embassy of that country itself. Anyway, we finally prevailed upon the Treasury to declare Prensa Latina, Limited, a Cuban instrument, and therefore one would have to be licensed under Treasury to do any business with Prensa Latina. Well, that made it impossible for this guy to operate because he would have had to have a license to do his business, and he left. And the Canadians accepted our explanation. They didn't give us any

particular problem about this fellow, although it had been feared that they would.

Q: Was there a significant sort of Cuban lobby in the United States beyond the... I'm really thinking of the liberal, the "glitterati," the Hollywood types and all this, campuses, professors and all that.

SKOUG: Yes, there was a pro-Castro lobby in the United States at all times, and there was a lot of focus on SAIS at Johns Hopkins after Wayne Smith went there in 1982. Wayne came back from Cuba at midyear '82, and he immediately had an article published in Bill Maynes's journal, *Foreign Policy*, in which he essentially blamed all the problems in U.S.-Cuban relations on all administrations in the United States starting with Eisenhower. He didn't spare any of them and really came down hard on the Reagan Administration. He wasn't alone in that view. There were others at SAIS who were sympathetic. We had a discussion there in late 1982, right around the end of the year, and I got into two debates dealing with Wayne. I later debated him in New Orleans in 1988. Wayne was always the intellectual focal point of the Cubans. When he had been coordinator for Cuba, his deputy had lunch with him on one occasion with Sánchez Parodi in the Eighth Floor lunchroom. The deputy interrelated that Wayne had said something like, "If Eisenhower hadn't been playing golf and if Nixon hadn't been so rude and so forth, all this might have been different," and Sánchez Parodi looked at him and laughed and said, "Everything would have been the same." And Sánchez Parodi was right. Wayne was an idealist who liked to think that some things went wrong. Wayne looks to a certain extent like Fidel, and when he was in Havana in the 1950s, of course Castro was in the hills, he may have identified himself somehow with him. But anyway, on the Hill, Ted Kennedy was receptive to this, Rodino perhaps less so, Congressman Peter Rodino from New Jersey. Certainly Ted Kennedy was receptive. An organization was set up, the Human Rights Project, in 1987, I think, in response, I think, to the attention we were drawing to human rights violations in Cuba. They just called it the Human Rights Project. And essentially they told people - I saw some of their letters to Congressmen inducing them to go down to Havana - essentially they said, "We're a bunch of people just interested in Cuba one way or the other. The focus in this organization is to get more attention toward Cuba." Which is what it was. It really didn't focus on human rights; it focused on Cuba. And they did get people to go down there. Representative Brennan, who's still a factor in the Democratic Party in Maine, was a freshman congressman then. One day Brennan called me and asked if I could come right away and talk to him about conditions in Cuba. Well, I always tried to respond to congressmen immediately. I put aside what I was doing; I went over; I briefed Brennan; he had a lot of questions, never said what he was going to do. The next day, I found out he had gone to Cuba with this group. Congressmen weren't supposed to do that without the support of their committee and so forth. He did it. And when I later confronted him, I said, "You must have known you were going to Cuba when you invited me in." He said, "I knew you knew about that." But I didn't know about it. How would I have known about it? I don't know what congressmen are planning to do until they tell me.

There were various professors, and LASA, the Latin American Studies Association, was a very difficult place to speak as an administration spokesman. As I say, I debated Wayne Smith on Human rights in 1988 in New Orleans, after we got the migration agreement back.

It was still just as tough as before. These articles I was telling you about by Chardy that got the good citizens of Miami so excited - he quotes Wayne Smith in both of them... Wayne in one says the Reagan Administration is all smoke and mirrors about Cuba, but in the other one he commends the Reagan Administration, says they've really been enlightened and they're really moving to change and become realistic and so forth. That one was scaring the Cuban-Americans more than anything. It really was a problem in keeping them reassured.

Q: What about the issue of expropriating the property during the time that you were there because it's later that the Helms-Burton Bill came up again. Was this one of the main cankers in the relationship?

SKOUG: No, it was very quiet. The property was expropriated for the most part 20 years or more before, and there was virtually nothing left after 1961. The prospect of getting anything from the Cubans, who were broke, was so bad that no one was pressing. To the extent that U.S. business was interested in Cuba, they were people who were interested in new business, and no one really was concerned about that. More business issues were raised by people like IT&T, which had a small communications company in Havana working. That's how we kept the telephone lines up between ourselves and Cuba, but we didn't permit them to develop those lines as much as they would have liked because we didn't want them paying any money to the Cubans. So in effect, the money went into escrow, and the Cubans couldn't get that money, but we could not get anything from the Cubans, and I question that we ever will. As time goes on, the claimants are to some extent poor people, but how long can they live? It will be their dependents who would be -

Q: Like war damages - it's the same thing. And all of a sudden you discover that an American citizen has got one-thirty-second of a piece of property which isn't worth much anyway, and that sort of thing.

SKOUG: The real issue will be, if the day ever comes, when we have a different government in Cuba and the Cuban-Americans that came to the United States try to claim the property that was confiscated from them by the Cuban Government and try to involve the United States possibly in their support. It's very difficult to do that.

Q: Because they weren't American citizens.

SKOUG: Not at the time, no, when the expropriation took place. It was simply seizure. These people, of course, left Cuba with nothing but the clothing on their backs. And the counteraccusation that all the rich Cubans came to the United States - they weren't rich when they got here. They built their new domiciles up. They had entrepreneurial skills. They were hard-working people, they were qualified people, and they built up that segment of Miami. They made *Calle Ocho*, or Eighth Street, the Cuban main drag in Miami, and they gave Miami a new life that it didn't have. But their claims, I think... Somehow, if it works out well, there will have to be a relationship where Cuban-Americans can go back to Cuba and participate in entrepreneurial enterprises where they can get involved with Cubans and so forth. Under those circumstances it's conceivable that Cuba would have a real upward swing, even though Cuba doesn't have many natural resources. Cuba does

have a literate and skilled population, and a lot of time these days it doesn't take natural resources.

Q: No, it could become a sort of electronic powerhouse. Towards the end of your time, Radio Martí... You've already mentioned that Radio Martí got kind of accepted and it wasn't the weapon that the Cuban-Americans envisaged, really.

SKOUG: No, they were disappointed in it to a certain extent.

Q: But how about the TV? Was that during your time?

SKOUG: Yes. The idea of broadcasting TV to Cuba had been bruited about when we were looking for sanctions against their taking over our airwaves, but it wasn't felt that we could do much, because jamming a television is so easy. It's so expensive to set up television and so easy to jam it that it didn't seem to make sense. Despite that, early in 1988, the idea of TV Martí came forward, and it was endorsed by the Cuban-American National Foundation. It was endorsed by some of the conservatives in the Reagan Administration, and they began to press it actively. We of course were engaged with the Cubans in these radio discussions, so our contacts with our radio people in the Department of State and the Federal Communications Commission were good and active, and it was quite clear that the same problems we had seen with TV as a sanctions would also apply to TV as a broadcasting station. So I was personally skeptical of *Tele Martí*, as they called it, or TV Martí. Elliott Abrams, however, was much more enthusiastic about the idea. I tried to brief him, get Kozak to go along with the briefings, that we had to be very cautious about this thing, not rush into anything. There was a session in the Old Executive Office Building [OEOB] which was attended by all the top people in the Cuban-American community, including the Cuban-American National Foundation. It was on the subject of a private refugee program, the one we had already agreed to in the previous year when we had the lunch in 1987 with the Cuban-American National Foundation and INS and talked about what we were doing to get back the migration agreement. That meeting in the OEOB was to push this private immigration program that Cuban-Americans wanted and which the U.S. government accepted. So this program was finally approved at the executive level. The meeting was also attended by George Bush, Vice president at the time. Everyone knew that he was going to be the Republican candidate for President. I knew that Elliott-

When Elliott came to speak, he told the largely Cuban-American audience that TV Martí had not come up in our radio discussions with the Cubans, and he added that it would not come up. Well, that was a statement that seemed to rule out our even discussing it. Well, that was new; we were hearing that for the first time - not that we intended to discuss TV Martí with the Cubans, but that certainly seemed to preclude it. But otherwise, Abrams was guarded, said that we would be looking into this question. He didn't say anything that won stormy applause from the audience. Then George Bush walked in, and George Bush said that we were going to have this wonderful station, *Tele Martí* - TV Martí, go ahead with that. And of course the room was rocking with cheers, and I got a rather sour look. And then when I got back to my office there was a memo from Elliott that arrived on my desk almost immediately. "No excuses. Full speed ahead" (on TV Martí). I wrote in my 1996

book that this was a dubious idea but it's time had come. That was a phrase picked up by the *Washington Post* when they got my book to review in early July. They read the thing and they liked that line. They refused even to mention that I had written a book on Cuba, but they did use that line. On July 16, 1996, Guy Gugliotta wrote, "It was a bad idea, but it's time had come," in connection with the proposed move of Radio Martí and TV Martí headquarters to Miami. I ask you if that wasn't plagiary!

I think that Radio Martí was a good idea because it did get through and it raised a lot of issues that would not otherwise have been raised. I recall the discussion that I had in Prague in 1968 when I told one of the people at Czechoslovak radio that jamming of Radio Free Europe had been resumed. He said he was sorry because when Radio Free Europe was broadcasting and it would report something, "we could say, 'We have to deal with this issue.'" So I felt that if there were any comparable people in Cuban Radio who were chafing under Fidel's control (not that I knew of any), Radio Martí would give them that opportunity. They would say Radio Martí is talking about this case - and they did talk about historical cases, violations of human rights - they had to address them.

So I think in sum, really, the United States, the Reagan Administration, succeeded in three ways. For one thing, it ended the offensive of the Cubans in the Caribbean and in Central America, in part by what was done in Grenada, though more by the change in relations with the Soviet Union. It didn't change the Cuban attitude, but it changed their ability to act and to influence events. Secondly, I think by taking the wind out of the sails of the Cubans it focused more attention on the failure of the Cuban model. The Cuban model could not be attractive to other Latin American countries because it itself was relying so heavily on aid from the Soviet Union and yet was broke, couldn't pay off its debts to Western countries. Thirdly, it opened up the human rights area, which had not been considered previously, and the Cuban violations of human rights had been passed over by a lot of people who regarded that as Cuba bashing or something and didn't want to deal with it. And yet there was a tremendous human rights problem in Cuba, people in jail on political grounds for more than 20 years, lots of them, people jailed for whatever expression of dissent. There was hardly another idea possible under Castro in Cuba, such a dominating figure that he never really backed up. He doesn't back off. And at least we were able to hold up the spotlight over what was going on. Those were probably the three main accomplishments of Reagan. The Cuban-Americans were disappointed inevitably. They had hoped that at the end of the Reagan Administration there wouldn't be any Castro régime in Cuba, but the only way that could have come about is by the use of American armed force, which would have been a disaster...

Q: What was our reading on Raúl Castro during this time?

SKOUG: Well, Raúl Castro was a dour personality who doesn't have the spontaneity or attraction of the older brother. He was known as a Communist at a time when Fidel wasn't. Raúl had been in a Communist meeting in Bucharest in the mid-1950s. He was always sort of regarded as a sidekick, but he was the appointed sidekick in this period. He was the second in command in every respect, and if Fidel had died, it was quite clear that Raúl was supposed to inherit his power and authority. There was a good deal of question as to

whether Raúl would be up to it because, although he was commander of the army and so forth, he had very little empathy with the Cuban population. That may not have been. I occasionally heard people say that this is too stark a description of Raúl and that he really had more humanity than Fidel, although Fidel concealed it better. Fidel was a better actor, but Raúl was really warm. I think in the problems of the Castro sisters and of Castro's poor wife and of Castro's son, Raúl was more of a man, more of a family man than Fidel was. Fidel is a hard character, really couldn't care less. But now, for reasons unknown to me, Raúl, although he's still around, is not looked upon as the logical successor to Fidel, and certainly Alarcón is much more clever, much more adept at getting things done. I suspect Alarcón would be a more formidable president than Raúl. I guess the feeling must be that Raúl just did not have the abilities.

Q: Looking at the other side, what about your reading of Elliott Abrams? Elliott Abrams doesn't come up much on Cuba things, but he got very much involved in Central America and along with Ollie North got tainted with it. In your dealings, what was your take at that time? Where was he coming from? How did he view Cuba, and how effective was he?

SKOUG: Well, Elliott was very strong for human rights himself, and he had been head of the Human Rights Bureau before he came over. He was a critic of our policy in that we were denying visas and holding back on the refugee program. He eventually came to accept this doctrine, but he didn't really like it because it ran counter to his instincts, which were strongly humanitarian. As far as Cuba, though, despite his disagreement with me about that at the beginning and then later at the end, his concern at first was that we hadn't been tough enough, that perhaps the directorate was not as tough on Cuba as it ought to be, so he was looking for ways to get tougher on Cuba. But we'd been over all that, and I had a policy which Alarcón told me was the toughest embargo. "The embargo had never been enforced the way it was when you were there," he told me. I understood the Reagan Administration to want a tough line on Cuba without getting involved in shooting, and that's essentially what we did, subject again to the fact that we had to negotiate on Mariel. The Reagan Administration was always, in effect, crippled in what it wanted to do to Cuba because of the need to negotiate to get the excludables back. It might have been different if they could have got them back the way Haig wanted to, by putting them on a ship and docking it at a Cuban harbor and saying, "You've got your excludables back," but that wouldn't have worked. Of course any U.S. court would have stopped it before it ever got going. The problem was that while Abrams's basic element was that he wanted to be as tough on Cuba as possible, he very soon came to see that we were already being very tough on Cuba. He supported that. He gave me effective support at all times, with the exception of finally when the other guys got to him, his successor in Human Rights, who was very much influenced by the Cuban-American National Foundation - Schifter - and the new guy on refugees, Montgomery, who wanted a refugee program, and Joan Clarke, who wanted a more active visa program. They finally broke him down, and all of them went to the Secretary, as I said, and the Secretary turned them down. Elliott would have been as tough as possible on Cuba. There wasn't much more that could be done.

Q: What about the parallel problem of Cuban refugees coming into the United States during this time, and if they got in, they were more or less accepted, and Haitian refugees,

who were coming from a different purpose but probably their need was greater for economic reasons than the Cubans, and it was often claimed it was a racist policy? I mean, did this come up during your time?

SKOUG: Oh, yes, but as far as I know there is no recognized U.S. immigration doctrine that those with an economic "need" to come to the United States have a right to come here, and that's the problem with the Haitians. If we had accepted them, they would have come in enormous numbers, and it would have been very difficult to assimilate that many. No doubt their situation in Haiti was abominable. I briefly passed through Haiti and included Haiti in my area of responsibility in the Caribbean back in the '50s, before Papa Doc. His was a bad situation, but it wasn't not a government that was equating the United States with barbarism. I mean, to be a dissenter from Castro, to say anything good about the United States in Cuba, is a problem, because Castro is so focused on the United States. And anybody who is not of that view is a *gusano*, a worm, with no rights. So the Cubans coming up in those conditions undoubtedly had bad economic conditions to begin with - they weren't allowed to have jobs, in many cases, those who had made their dislike of the régime or their lack of affection for the régime known, wouldn't be able to work. They'd be living on God-knows-what. So that's true. Both the Haitians and the Cubans would have an economic motivation, but the political motivation was really with the Cubans. And furthermore, the Cuban community in Florida was so organized as to take care of these people, so that when these people came up as drifters, and they would drift on a raft, just cut loose and drift - I don't know how many died in the water - the terrible thing about it, of course, was that probably most of them didn't get here. But those who did get here, who were picked up at sea, would never have been in the Reagan Administration turned over to the Cubans again. That I can tell you. We never even considered doing that, and although the Cubans would like to have had that sort of arrangement with us, we didn't do it. Now I don't think it was racism, but it was undoubtedly a recognition that we had in Cuba a special situation. To me, that situation still applies, although it's true there are many Cubans who might not particularly be in political trouble but might come up here for economic grounds. They know, for example, in Cuba, to be returned from what the East Germans called *Republikflucht*, 'flight from the republic,' you'd pay at least two years in jail. And one of our thoughts was that people like that could be put under the refugee program, that is, people coming out from two years in jail would certainly qualify to come into the United States legally as refugees. In Haiti I don't know what they would do with the people turned back, but I suspect not much.

Q: Actually, we sent teams when we started returning them, and nothing much happened. I mean, the lousy economic conditions were still lousy economic conditions, but there was no particular stigma.

SKOUG: That's my understanding, too.

Q: Well, then, you left this job when?

SKOUG: Well, I left Cuban Affairs in August of 1988. I was replaced by Bob Morley, and I should say that I had been expecting a chief of mission assignment. Bill Swing, who was

in charge of Personnel, had told me as early as 1985, I think, that I was ranked among the two or three people in the bureau to be a chief of mission. The bureau proposed me on a number of occasions, but I was never selected. What finally happened was that our ambassador, Melton, was kicked out of Nicaragua for something he had said or done. It was strictly a political action - there was nothing improper on his part - but he was kicked out. And the United States, in retaliation, expelled the Nicaraguan ambassador to the United States, Tunnerman, who was a very effective player, who got around very well on Capitol Hill and was, of course, constantly spouting the Sandinista point of view. Well, Tunnerman was also ambassador to the Organization of American States, so the Nicaraguans then decided that although he had been expelled as ambassador to the United States, he would return to Washington and carry on as ambassador to the Organization of American States. Well, we did not permit that. In the mean time, the Department, on Elliott Abrams's urging... At this time I had been tentatively assigned... Otto Reich wanted me to come and be his deputy in Venezuela. He had been in contact with me quite a bit, and Reich said, "I realize you want to be chief of mission, but if you don't get it, there's a job waiting for you in Caracas." So I was sort of being moved along in that direction. I attended the DCM course, and I was listed as the DCM in Caracas. But in the mean time, Elliott said, "I'm going to complicate your life." He said, "We're appointing you as special chargé to Nicaragua." And so I was to go to Nicaragua and essentially run the embassy. Elliott thought at first that this would probably be just for a while, and then we would close the embassy. But he didn't know. He said, "If we keep the embassy open, then you'll be raised to ambassador." He said that George Vest and the others on the seventh floor were fully on board for this one, for me to get down there as soon as possible.

Q: Vest being the Director General.

SKOUG: Director General, yes. He wanted me to get down to Managua as soon as possible. So that was my marching order. But the Nicaraguans wouldn't let me in. My visa went over to the Nicaraguan Embassy and sat there. They wouldn't let me in until Tunnerman got back as ambassador of the Organization of American States in Washington. We weren't about to let Tunnerman in, so this became a stalemate. My passport sat in the Nicaraguan Embassy probably for two years. I went to Caracas with the understanding that if the Nicaraguans approved me for special chargé in Nicaragua, I would then move immediately from Caracas to Managua, but that never happened because the Nicaraguans never got their way with Tunnerman and they never budged with me. So somebody else was Chargé.

Q: So you went to Caracas.

SKOUG: I went back to Caracas in October of 1988.

Q: And you were there until -

SKOUG: Until the end of September in 1990. I spent about two years there.

Q: Do you think this may be a good place to stop, maybe?

SKOUG: It might be.

Q: Yes, I think it's probably a good place to stop.

SKOUG: I'll look up my events in Venezuela.

Q: Then we'll talk about Venezuela.

SKOUG: Yes.

Q: Great.

Today is the 20th of December, 2000. Ken, what was sort of the situation in Caracas, 1988, when you went there - both internally and U.S. relations with Caracas?

SKOUG: Well, both countries were headed for elections in the fall of 1988, and in the United States, of course, George Bush was elected, so there was considerable continuity with the Reagan Administration. There were not too many surprises, but it was a little different in Caracas. Carlos Andrés Pérez had been president of Venezuela until about 1979, when he was replaced by a COPEI, or Catholic Christian administration immediately prior to my first tour in Caracas. That president, Luis Herrera Campins, passed from office largely discredited. COPEI was defeated in the elections, replaced in 1984 by an administration of *Acción Democrática*, led by Jaime Lusinchi. Lusinchi was a good friend of the United States, but he was very reluctant to make adjustments to Venezuela's worsened position in the international economy, just as Herrera Campins had been. Both of them kept an artificial exchange rate, which was much too high against the dollar. Both of them kept prices fixed very low. So you had a situation where the hard currency ran out of Venezuela, and they found themselves in a desperate financial situation in late 1988. The election was going on again with COPEI, led by Eduardo Fernández, a young and vigorous politician, who was not at all friendly to Herrera Campins or to Rafael Caldera, the grand old man, so to speak, of the COPEI party. The *Acción Democrática* was led, at this time, by Carlos Andrés Pérez trying to become president a second time. And Pérez won overwhelmingly. His platform was essentially a populist platform, just as it had been before. Pérez was one of the real movers and shakers within *Acción Democrática*, along with Rómulo Gallegos and Rómulo Betancourt. But he was more of a populist than either of them and more willing to assert the sort of phraseology that one accepts from the democratic socialists - less on stability, more on restoration of growth, development and welfare, and so forth. So you had a potential conflict at least in the election of Carlos Andrés Pérez, when it came about, and that of Bush. The economic situation of Venezuela was very serious, and Pérez recognized this, but he did not recognize the way out. And the United States, as I say, had a continuity, but it took the new administration actually in office to come up with a program. So at the end of the year 1988, they were sort of "grasping," as we were. I had a small role to play in trying to get this grasp on a possible disconnect between Bush and Pérez. Pérez, whom I had met in New York - I had gone up to

hear him give an address in September and shook his hand there, so I was acquainted with him. By the way, when I arrived in Caracas, I was chargé the second day I came, and by the end of the year 1988 I had been chargé about half the time I had been in Caracas.

Q: Who was the ambassador when you arrived?

SKOUG: Otto Reich, who was a political appointee, a Cuban-American, very active in business and also in politics. I mean he was thoroughly knowledgeable in politics. He had been opposed by some people around President Lusinchi because he was a Cuban-American. They thought this was going to complicate the relationship with Fidel Castro. But fortunately good sense had prevailed and Otto Reich got down there, and he'd done a good job and was essentially phasing himself out. He knew he was not going to be reappointed, at least there, by the Bush Administration, which was releasing personnel from the Reagan period. So he was looking for a job and he was taking care of his health problems, and his mother died in North Carolina. There were a lot of things that happened that took him out of the mainstream. Up to the period of July 1989 when I became officially chargé d'affaires, I must have been in charge of the post in practice at least one-third of the time.

One of those times was in early December when there was talk of setting up a meeting between "Cap," as we Americans called Carlos Andres Perez, and Bush before either man took office. We thought that was a very good idea. I spoke to Cap about it on the basis of information I had received orally - because nothing was coming out in telegraphic format from the Department. It is difficult to get anything done in an administration transition, even between two Republican administrations. The new team won't put on paper anything. So there was no guidance cable, and I had oral information that Bush could see Pérez on December 13th. Pérez was leaving the country to go to Riyadh, to strengthen the oil link, and I called on him, and I said that Bush could see him on the 13th. Well, he was delighted. So he made his plans to come to the United States on the day before... Well, actually he came the 12th and was to see him on the 13th. Then I got really lambasted. I got a call from Elliott Abrams who told me to "cite the cable" on which I had acted. I said, "Well, there are no cables coming out on this. The man's going to Riyadh. If you want this meeting, it's your only window of opportunity." Well, anyway, a couple of days later a frosty voiced fellow told me that I could informally tell the Venezuelans a meeting, yes, was confirmed for the 13th - informally. Well, how do you "informally" tell the president of a country, further when the president of the country is out in Riyadh?

Q: Just back to this, who had told you orally that it was all right?

SKOUG: The Desk officer, the first time. And then he got burned, too, you see. He shouldn't have done it, supposedly. But if he hadn't done it and I hadn't done it, there wouldn't have been a meeting. Anyway, I got the message out through the Agency's channel - that'll be another story - but we informed Bush that the meeting was on. I was told that I would receive confirmation by cable. The confirming cable came through at 9:23 in the morning of the 12th. At that time Pérez was already arriving in the United States. If I

had waited for confirmation, there never would have been a meeting. Then, of course, the meeting took place, and it was a great one. They liked each other from the very beginning, and that linkage between them personally, and the feeling of Cap that he could speak directly to President Bush, that was -

Q: You say "CAP" -

SKOUG: Yes, Carlos Andrés Pérez. - I'm sorry. We always called him Cap. I just slipped into that. If I say "Cap" I mean Carlos Andrés Pérez. The Venezuelans didn't call him Cap. They called him Carlos Andrés. It was only the Americans who referred to him in slang as Cap. That would be telegraphese, too.

So anyway, Pérez was delighted by the meeting, but there was always a downside. He thought that they had struck a bargain, and his spin on the bargain was that he would sort of be a kind of intermediary between the Bush administration and both Central America, and particularly Nicaragua, and Panama while the United States would give special aid to Venezuela. Now there's a price for special aid to Venezuela. In return, for special help, Venezuela would engage itself in the region. Of course, Perez couldn't commit the Sandinistas to anything but nevertheless would seek to be helpful.

Carlos Andrés was very much interested in the hemisphere, unlike, say, his predecessor, Lusinchi, and the guy before, Herrera Campins. Pérez, in his speech the night after he was elected, referred repeatedly to these cables coming in from elections in Argentina... Oh, he was very worried about what's happening in Argentina. There was some problem with the Galtieri régime that he didn't like, but he had a hand in the whole hemisphere, and he was particularly interested in Panama and in Nicaragua. He had helped the Sandinistas to power, and although it was not turning out the way he had expected, nonetheless, he thought it was inevitable. What are you going to do about it? In the spring of 1989 he told us that the Sandinistas were going to win a free election in Nicaragua if we could get one arranged. So we'd have to live with it.

I had a long developing relationship with him about Central America and Cuba and Comandante Castro, as he called him. Castro came to Pérez's inauguration, much to the chagrin of Otto Reich. Otto urged Cap not to invite him, to exclude him from a celebration of democracy. He was not a democratically elected figure and so forth. But Cap wouldn't hear of it. Castro came, but he distinguished himself from the representatives of democratic governments by being aloof and wearing this military uniform. The others were all in civilian clothes. Castro wasn't in his element. There was an incident in the hotel where Castro was staying. The Cubans, of course, came with a huge delegation, and they occupied a whole hotel. An official of the incoming Venezuelan Government wanted to communicate something to the Cubans, and he crossed the line of their security men, and they threw him back. And he said, "I'm the minister of " - I've forgotten what he was - communications, I believe - "for the Government of Venezuela." And they said, "On that side of the line, you may be the minister of communications for the Government of Venezuela. On this side of the line, you're nothing." So it was clear. In a way, the Cubans behaved much like our security services.

Q: When you hire someone to be a bodyguard, subtlety is not the name of the game.

SKOUG: He always had plenty of bodyguards when he traveled. Well, anyway, it was a notable event that Castro was there, but he didn't do anything notable. The Carlos Andrés Pérez Administration had as its closest advisor a man named Reinaldo Figueredo. He wasn't just an advisor; he was sort of the equivalent of Condoleezza Rice right now. National security was his function at the moment, but his tie to Cap was much stronger. Figueredo, at his own request, and on the request of the chief of station, too, had his contacts with the embassy run through the chief of station. Figueredo was very far to the left, a well-educated rich boy who spoke perfect English. He'd learned it in private school in Switzerland, I think. But he was very far to the left. Pérez had picked him up because in 1978-79, when he left office, virtually everyone thought Carlos Andrés Pérez belonged to history. He'd been repudiated by the electorate, almost went to jail on charges of corruption - by one vote he was saved from conviction after the investigation of the sale of a ship on which a lot of money had been lost but from which Pérez had profited. And he didn't really have many places to turn. Acción Democrática certainly preferred other people to him. He was not in the mainstream of the party any more. Figueredo took him on and built him back up. There he was ten years later president with an enormous majority. Figueredo had weight. Figueredo did not like the United States. Later he would become foreign minister. That made it all the more difficult in view of the way he preferred to operate. Here he was (later), foreign minister, conducting his relations. Well, I did have some contact with him, of course, but his preferred relationship continued to go through the Agency. He thought that's where the real power of American society was. And maybe it was. Anyway, that was his thought, and that was one of our problems.

On the other hand, there was a young lady named Beatriz Rangel. The Rangels were quite a famous political name in Venezuela and very prevalent in the very far left or left center. This was a young woman who had studied at Harvard - brilliant. And she was sort of the executive secretary in Carlos Andrés Pérez's office at Miraflores Palace. She was actually sited in Miraflores, the White House of Venezuela, very well informed, and in a kind of rivalry with Figueredo for the President's ear. It so happened that we had an exceptionally well qualified female political counselor, Donna Hrinak. Since then she has had a couple of ambassadorial assignments. Donna had a good personal relationship with Beatriz Rangel, and I soon was getting to the point at least of being able to have a good relationship with her, too, which was helpful because they pulled Donna out early, and if I hadn't had that it would have been hard to keep it. She was an excellent contact and source for Cap. It was essential that President Pérez maintain a close first-person relationship with the American ambassador, and then when Otto Reich left Venezuela, Cap made it clear to me, in July of 1989 when I saw him at the Venezuelan Naval Day, that he wanted to be on that same basis with me. This was very, very fortunate because in addition to the difficulties of being a chargé d'affaires for fifteen months in a place where people count their status as so important and people regard you as something by the rank or the position you seem to have, there were also some difficulties placed in my path by persons in the U.S. Government. Well, it was terribly important to have that relationship with Carlos Andrés Pérez, which continued until the final day. That was really the defining thing for me, that I always knew

I could call him. He would call me at home any time. He called me *Embajador*. As far as he was concerned, I was the ambassador. He would like to have had an *embajador* in Caracas, of course, and asked, "Why not you? Why don't they name you?"

Q: When you would see him, how would this work, as far as... I mean for example, obviously you knew quite a bit about Cuba. Did he talk about Cuba with you?

SKOUG: Yes, Carlos Andrés knew that I had a relationship with the Cubans, a special one, and he reminded me that he did, too. He knew Fidel Castro from the days of Cayo Confites in the 1940s when Carlos Andrés had been a member, really, of the Caribbean Legion of Democratic Revolutionaries. And in fact, of course, it was one of the signal achievements of Fidel Castro that after Castro's revolution the only revolution would be a pro-Communist revolution. There would be no more revolutions of the sort that Carlos Andrés had participated in. He ran into the Cubans again in the early 1960s, when they tried to overthrow the elected Venezuelan Government and impose a government of leftist revolutionaries.

Q: The landing of arms and some really nasty stuff.

SKOUG: It was nasty - no, there were members of the Cuban Communist Party Central Committee fighting beside the Venezuelan rebel forces. And Pérez was minister of the interior, so he was leading the fight against the Castro group. But still, being a realist, being an admirer of people who maintain power, being still a revolutionary, as he saw himself, he's still a populist. He knew that Castro had influence and power in the region, and he was always looking for a way to allow him room. He would admit to me sometimes, "Yes, Comandante Castro is mixed up in this." He would also say, "If we could help Castro out of the corner..." or something, which I always thought was somewhat unrealistic. But nevertheless, that was part of the dialogue, and the dialogue that we had very much included relationship with Cuba and the whole Central American and Panamanian situation.

Being in temporary charge of a post is very different from going to a post as chief of mission. A tremendous amount of time was taken up because I was also DCM - I never had a DCM. When I was chargé I did not have a designated deputy. I was both DCM and ambassador, as it were. In part this was due to the fact that from the very outset there was always someone who seemed poised to arrive imminently as ambassador. There were all sorts of problems of management of the American Embassy, including the relationships of the local employees, who were very unhappy because whereas they had lived better than most Americans during my first tour in Caracas, they were in misery the second time because the austerity was finally catching up with them. The good old days of "*Tan barata, dame dos*" which we talked about before - "so cheap, give me two of them" - wasn't true any more. They were really suffering, and they wanted redress from the U.S. Government, which was really hard-pressed to redress them any more than it could other local employees faced with similar problems.

Reich was pretty good - he was bilingual, of course, having been born in Cuba - he made

the national employees feel he was really trying to achieve something, but actually there was very little that could be done. So that was a growing sore - the unhappiness of the national employees. There were a lot of problems of management of the embassy itself, which took more time. For one thing, the narcotics program. We had an active narcotics program. We were on the border with Colombia. The Drug Enforcement Agency had a large and growing group down there. The Station got very much involved in the thing in an opaque manner. There were at the time two people who worked on narcotics affairs in the Department of State component. We had a committee which handled narcotics, in which there would be jockeying for position between the military, some of them wanting to give the Venezuelans boats to control the possible flow of narcotics down the Orinoco River, and others wanting to supply more helicopters, although they were not able to maintain the helicopters they already had on loan from us. The complexity of managing the narcotics program was serious. The station maintained a silent auditing brief in the embassy committee, but its own activities were not revealed.

Q: I was wondering, one of the problems with the Drug Enforcement Agency is it is an enforcement agency and sometimes tends to act like a cop on the beat in a foreign country, which causes all sorts of complications. Did you run across that sort of thing? I mean, it usually means that whoever is in charge of the mission has to keep a very close eye on them.

SKOUG: Yes, that was a substantial responsibility, because the officer in charge of the Drug Enforcement Agency Group, was very well regarded in her own agency in Washington, but not by her DEA colleagues at post. She had bad relations with her staff and had them very frightened. They felt they got no recognition for their work, and they themselves were very frightened that Colombian *capos* were going to get them, which almost did happen on one occasion. The Colombians sent a hit man or men to Caracas, aimed at a Venezuelan contact in the PTJ, *pete jota*, the judicial technical police organization fighting against the *narcos*. The hits also apparently were directed against the embassy. We had to have a man and his family evacuated because of death threats against them. DEA headquarters came back in and said this was an "alleged" threat and, well, there was no reason to have got them out. But our security people, including the Agency people, thought it was a very real threat, and said these Colombia bad guys were actually in Caracas. I mean they identified them. And eventually the Venezuelans took care of them in one way or another, so we didn't have to have them around any more. Anyway, the management of the Drug Enforcement Agency was a problem.

There was a national television program which appeared some years after I left Caracas which dealt with another aspect of this delicate subject. One of the main TV networks ran an exposé about the Venezuelan National Guard, which was the other agency most involved on the Venezuelan side in the drug fight, using the Agency to deliver some drugs into Florida. According to the exposé, the station's understanding this was part of a program for trapping someone, but actually they were duped. According to the exposé, the chief of station in Caracas in my time was disciplined for having been deluded. It was a very nasty business. The Venezuelan military was also much involved, particularly the minister of defense, a man named Filmo - if you can believe it - Filmo López. Filmo was

anxious to get as much as he could in money and goods from the United States in exchange for posturing on narcotics, because in reality not much was being done in Venezuela. He refused to sign the narcotics agreement because there wasn't enough in it for his ministry. He was finally forced to do it, but he assured me, after keeping me waiting for a long period of time before signing the agreement, that in the next agreement there would have to be much more for Venezuela. And I thought to myself that I hoped there would never be another agreement that I would have to sign with Filmo López. (End of tape)

Speaking of drugs, the wife of one of our senior military people had problems of that nature, including one involving a weapon, and so I tried to keep her out, but she got back.

Q: To keep her out of the country.

SKOUG: I tried to keep her out of the country. She had an incident in front of the minister of defense, Filmo López, where something happened. And the military didn't tell me about it. I learned about it, but not from the military. They tried to hush it up. Eventually, the officer to whom she was married indicated that he was going to write a letter to me and complain about this. "Well," I said, "You can do that." The Medical Branch informed me that the problem of this woman was well known and they would back me all the way, which was encouraging. Sometimes you need that backing even if you're in charge of a place. And well anyway, I believe she left, but whether she left or not, there were no more problems of that nature - at least that came to my attention. Management of a post like that is a very difficult affair. The defense attaché's office had other internal problems. There was one Venezuelan employee whose security clearance the attaché tried to remove. He had the support, unfortunately, of the security people in the embassy (whom I liked and respected) and the Agency. But the facts were wrong. I thoroughly investigated the matter, because I did not want to do anything to disparage a national employee when they were having so many problems anyway. It turned out that this lady was being unjustly accused, so she won her case, and we tried to find another job for her outside the defense attaché's office. It wasn't so easy because she wanted to stay there. She felt it was a personal problem between herself and one American, and she was willing to wait him out. So I guess she did.

-other eternal issues, like spending by officials of the embassy, particularly the ambassador cropped up. We had a new and relatively young administrative counselor who thought Ambassador Reich was squandering money and had the budget and fiscal people intensively looking into it. And the ambassador was very disturbed because in reality he wasn't, so there were very, very hard relations. I had seen that sort of a situation when I was there the first time between my petroleum attaché and Ambassador Luers because in that case I could see justice on both sides. But Luers was more tolerant of criticism than Ambassador Reich. Reich was strongly inclined to throw this fellow out, and it was my job to keep peace between them.

Q: This is the administrative officer.

SKOUG: The administrative counselor. I sort of stayed between them because I had known the administrative officer favorably when he was a young officer in Moscow when I was

there. After Otto left, the administrative counselor even got bonus pay for his work in his second year in Caracas. Earlier that issue wasn't quite so calm. But anyway, this very well-intentioned fellow had a knack for getting into quarrels with various section heads, and a lot of my work was management of this relationship. The defense attaché had serious problems in managing his own staff. He had problems of drug use by people within the embassy itself. We had an officer assigned to us who had serious matrimonial and other personal problems. At a previous assignment, there was a suggestion that he had been working for the Soviets, but that never was verified.

Q: But if you have somebody who's been publicly pointed as being possibly a Soviet agent, and, you've got that person given to you, on your staff, you can't help but feel, Gee, I'd better be a little bit careful about this.

SKOUG: Well, it was a problem. I got great support from our local nurse, our local health people, somewhat less support from the Department on the issue. I think that probably the Privacy Act precludes further discussion of this case. But that was the sort of problem that took a great deal of time in management.

Q: Couldn't you sort of designate somebody else to DCM it?

SKOUG: Not really, because the next guy in line was the economic counselor, and I thought he was more necessary as economic counselor than he would have been as DCM. He would not have been accepted as a leader by the others, and if he weren't supervising the economic work closely, I didn't think it would be done as well. He did do a good job there.

Q: And of course, the name of the game was economics pretty much, wasn't it, when you were there?

SKOUG: There was a lot of it. And I did appoint *ad hoc* committees. For example, there was a question between the defense attaché's office and one of its employees when I had a committee established to look into it, which found unanimously for the employee. And there I used the counselor for consular affairs and a couple of other people who were conscientious and devoted a lot of time to the matter.

Another area was, strange to say, a fellow who came from Miami with his American wife, who wanted to get into the crocodile business, which was a lucrative business down there. They grow crocodiles and sell their skins. This fellow claimed to have the backing of international scientific groups and not merely a crassly commercial approach to crocodiles. He strongly wanted to get into the business in Venezuela, and the local crocodile raisers didn't want him there. In short, he wanted to do business in conjunction with internationally accepted standards for dealing with rare animals, not that the crocodile is terribly rare down there, but you wouldn't take part in wholesale slaughter of crocodiles. This fellow was confused by the consular section and the legal attaché (resident in Bogota) with somebody whose name was totally different. The only thing they had in common was that they both were Cuban-born Americans. The other one was a fugitive from Justice in Dade County, a doctor, who had engaged in malpractice of some sort, not to say medical, but he had

engaged in some substantial amount of corruption and was regarded by the FBI as hiding in Caracas and covered up by the Venezuelans. This was, of course, quite possible. Well, the first fellow was having his own problems, he and his wife, but he had a lot of clout. He had Dante Fascell on his side.

Q: Congressman in charge of appropriations?

SKOUG: Fascell was in charge of the Latin American Subcommittee of the House Foreign Affairs Committee. And the man also had the support of Jeb Bush. He had the support of enough people in Washington that pretty soon there was counter-pressure: "Why isn't this man being supported?" In the mean time, the Consular Section, in conjunction with the FBI, had connected the two men, had falsely identified the one as the other. Well, I had to undo that because we were at the point of telling the Venezuelans to grab this guy. It was absurd. Finally, I felt I must interview the local source who had associated the two men to clarify the matter. There was a source in the American community they were all relying on. I found that the man was a fool who knew nothing, and here he was being relied on. All he knew was that there were two Cuban-Americans who might be the same individual. I don't know how he came to that conclusion. Then the question was how we would get this man into the Venezuelan crocodile business in the face of vested opposition. The pressure that began to arise from Washington and Florida on behalf of this crocodile man and his wife was about as great as anything I saw in the whole Bush Administration. I dealt with I don't know how many ministers, and the pressure from the other side was equally intense. They did not want anybody cutting into their lucrative crocodile business. I ended up bringing this to the president and the minister of the environment and the head of the Central Bank. The upshot was that we finally got them established in business in central Venezuela.

Now the economy, to go back to the economy and the difference is of course the big question wasn't so much oil, because there had been a settlement (although not a very good one) with the expropriated American companies in the interim, in the intervening 10 years, so that wasn't a burning issue... Nor was the price of oil a burning issue except for the Venezuelans because it was so low. Their problem was how to exist, how to get along, what sort of aid they could get from the United States. They had declared a moratorium on their debt payments. It was suggested that they would like to have their interest payments cut, and yet they were still making very loud Third World noises at the outset. Cap was very critical of U.S. policy. The United States had David Mulford as negotiator on behalf of Secretary of the Treasury Brady. Mulford was under secretary of the Treasury for financial operations. I'm not sure of his precise title, but he was Brady's negotiator. I was informed in August of 1989, shortly after I had become officially chargé d'affaires, that Mulford would allow a U.S. ambassador to sit in on his meeting with Carlos Andrés Pérez as a courtesy, the implication being that if there were no ambassador named by the time he got there, he would call on Cap unescorted. Well, it didn't work that way, of course, and Mulford was actually a reasonable man. Cap had been very worried about him, and when Mulford came down the first time he not only had to face Cap but before that he sat down in a room with Pedro Tinoco, who was Cap's head of the Central Bank. He had been head of Banco Latino, the biggest private bank in the country. Cap, to ensure the confidence of investors, had named Tinoco as his central banker. And there was also present Miguel

Rodríguez, Minister of Planning, who was one of the “Chicago boys” and one of the real supporters of the economic reform from our point of view. In other words, he was the sort of fellow who would have reformed the Venezuelan economy in the way Mulford would have liked.

Q: You might explain for the reader what you mean when you say "Chicago boys."

SKOUG: “Chicago boys” was a term applied to “conservative” thinkers, who were really not so conservative, who had coalesced at the University of Chicago around the seminal ideas of Professor Friedrich Hayek. A number of them were involved in the Chilean economic reform that took place with Pinochet’s consent. They were very successful and got the Chilean economy back rolling after the Allende period. The “Chicago boys” down there had been embarrassed, in a way, by the association with Pinochet. But it wasn’t such an embarrassment at that time. They were able to impose a new economic reform program that really worked by employing such measures as breaking up state companies and turning them over to private enterprise, reducing state subsidies, living within your means, reducing business taxes, the whole paraphernalia of measures that were really in a sense more economic liberalism than conservatism. These ideas were also promoted by scholars at the IESA economics institute in Caracas, where they were known as the “IESA Boys.” People with the same views were involved in the U.S. Federal Reserve System, people who took a more monetary view, who thought that by controlling the money supply you could inhibit inflation, the way Greenspan, who is a Chicago boy himself...

Q: Alan Greenspan.

SKOUG: Alan Greenspan.

Q: Head of the Federal Reserve.

SKOUG: So anyway, Miguel Rodríguez was the most authoritative representative of that school of thought within the Carlos Andrés Pérez Government. He and Tinoco were there, along with Reinaldo Figueredo and others of that rank. I think Mulford was glad to have some embassy support in this meeting, and then he sat down with Cap and they established a relationship pretty much as Bush and Cap had done. Previously, Carlos Andrés Pérez had given left-leaning speeches, populist speeches, Third World speeches complaining about the ruthless capitalists and so forth. Talking with Mulford, Cap and his team got down to brass tacks, and I think the Venezuelan reform, which was being spearheaded by Rodríguez and Tinoco anyway, was very much the sort of change that we would like to have seen. Not everybody felt that way. Some were violently opposed to any such change in the system. Less than a month after Pérez was inaugurated president in January, 1989, one of the first steps of the reform was implemented to raise prices modestly, particularly prices of gasoline and transportation. The price of gasoline in Caracas was the lowest in the world, probably, and population regarded it as a right. They had a lot of oil; therefore, they should be able to purchase gasoline for virtually nothing. But just as a beginning, the government decided to raise the price of gasoline slightly. Most private owners of vehicles did not react negatively to this measure. But the fact that prices that were raised for bus

drivers as well, and that the bus drivers had to raise their fare very slightly, caused all hell to break loose in Caracas.

Q: This is in 1989?

SKOUG: 1989, February 27th, 1989. On that day I was sitting in my DCM's office and Donna Hrinak, the political counselor, was in there looking out the window, and suddenly she said, "There go Hell's Angels down the street." And I went to the window, and here went column after column of motorcycles totally dominating this main street, riding elbow to elbow and going towards the eastern part of the city. I didn't know what they were doing, but obviously they were sweeping everything out of their way. And nothing more was said or heard for several hours. Finally I heard the voice of our security officer about a half hour before closing time telling people to go home because there were disturbances in the city. One would have thought he should have informed the ambassador and me of that first. Meanwhile, President Perez was not in Caracas. He was in another city. This is possibly one reason why the street fighters decided to do it this way at this time. It was an organized revolt, taking advantage of the price increases to stimulate rebellion, and by sundown there was suddenly no authority left in the city. I had seen the invasion of Czechoslovakia, but I had never seen anarchy like this occur. The people with official cars, with license plates like Congreso del Estado, Distrito Federal, were taking those license plates *off* their cars and driving them without any license plates rather than identify themselves to the revolutionaries. Things were out of control.

There was a previously scheduled meeting at the ambassador's residence that night. It was a reception for some visitors, but very few of them got there. Some did. Some buses got through. We did not know how serious things were in the city. My driver got through. My driver got me home that night, although we could see that there was smoke all over Caracas, and no one knew who was in charge. There were no police anywhere to be seen. Usually there are quite a few police in prominence. Cap, still out of town, was saying nothing, and there was no statement whatsoever from the government. I went home that night and was unusually glad my German shepherd was there beside Martha and me. In the morning my wife still went to something they were having at the East German Embassy, but it was clear that there was still nobody in charge. There were no police anywhere. One could eventually see police on television. Television showed riots going on, looting, mass looting, looting everywhere, and television cameras photographing all of this stuff. People were on the streets in crowds. They were having this wonderful splurge, like school was out. They were looting the biggest stores in the city, and the police then would come like the Keystone Kops. They'd fire shots in the air, "bang-bang," and then people would stop looting for a minute, and then the police would be gone and they would resume their lives, resume the looting. This went on most of the second day, February 28th. Finally, Carlos Andrés Pérez, having returned to Caracas, came on the air at four o'clock and said that this couldn't continue, that there would have to be a curfew. He didn't say when or what kind. Then the minister of defense, General Italo del Valle Aliegro, (not Filmo López - this was before Filmo López's time) stated in a very calm but authoritative manner that the articles of the Constitution of Venezuela which permitted free assembly and so forth, page such-and-such, that article was suspended. The constitution was suspended. There will be a curfew. The

curfew is going to be... *bang*. And there was a curfew that night. And the next day the military moved in. It was very interesting because Caracas has a little airport called La Carlota, which sits in the middle of the city, and the big airport is Maquetia, down at the coast. People asked, "Why do you have this little airport in the middle of this busy city with big buildings all around, planes whizzing in there?" And really, most people felt there was a trend to eliminate La Carlota as an airport in the middle of a busy city. Not after February 27-28. The military used La Carlota to move in. It would have been far more difficult to reestablish order without it. The national guard could not have regained order. It took the military. And the military did a certain amount of killing, and probably things did get out of hand. But by a couple of days they had order restored, and the military was tremendously popular as a consequence. General Aliengo for a time even considered making an independent run for the presidency.

Q: Were there any manifestations against the American Embassy or not?

SKOUG: Yes, we had an extra national guard detail out there. The mob came to our little warehouse and gave the warehouseman a half an hour to get out of there so they could loot it, but he wouldn't leave. He stood his ground, and they didn't loot it, which shows, in part, that they were not willing to use that much force. They really wanted to loot. The embassy was threatened, but there was no hostile action around it. But that was an issue, and after that there were general strikes to protest the austerity plan, so Miguel Rodríguez and Pedro Tinoco had their austerity plan all right, and the president was going along with it, but there were a lot of people who felt betrayed. Strangely, many of those ransacking the city probably had voted for Perez three months earlier when he ran as a populist.

This is interesting in the light of what happened later. It was shortly thereafter that the first *putschist* movers came along, and this man Chávez, who is now president of Venezuela, of course, was associated with the *putschists* - the *golpe*, *golpe de estado*, as they call them, or *coup d'état*. You'd had elections in 1988 with a very high turnout. The two parties won almost all the votes. Carlos Andrés won a solid majority, and yet the question was how deep was that support in the *barrios*? Carlos Andrés Pérez still had the cachet of a free spender, let's say a New Dealer, but his program was now more austere. So he was forced to put through a reform program that he would never have chosen himself if he could have, but he was doing it. The stress and discontent was growing. You really had two countries down there, too - the wealthy, of whom there were many. Venezuela for a number of years had been the wealthiest country in Latin America, with the possible exception of Argentina, and yet there were millions of citizens who had very little benefit from that, and there were a lot of foreigners living there who were attracted by the easy working conditions and the fact that the Venezuelans didn't want to do the hard work. So Colombians and Grenadians and Trinidadians and others came in and lived as a subclass, illegally or legally, in Venezuela living on the mountains or the hillsides. When the hillsides collapsed, they were the ones who would go. You know what I mean about the hillsides, the mudslides. They would build houses right out to the end of the mountain, and then when there would be a mudslide, those houses would go and the people would be killed. So it was a tremendous social problem.

The Latin American system really never has solved that problem anywhere. They have these tremendous differences. Of course, there are differences between rich and poor everywhere in the world, but they were exacerbated in Latin America, particularly in a country like Venezuela, where some people lived so very well. And yet they all considered themselves democrats, socialists, revolutionaries, and so forth. I had made a speech in Aruba in 1982 about "North-South relations," and I had argued in the speech that every country had a north-south, that the wealthy people were the "north" and the large majority were "the south." Venezuela had such a divide. Well, this was said in Aruba, not Venezuela, but it was true then, and it was just as true later of Venezuela, too. The support for Pérez's reform program probably was not very profound even though Pérez had been popularly elected. And yet in the elections of 1989, which were congressional elections and local elections, the same two parties were even stronger. Now one of the third parties, called MAS - Movimiento al Socialismo, "Movement towards Socialism" - was a democratic party composed of people who had been involved in the Castro revolution but who had given up the revolution and decided to work within the system. Even MAS was becoming more conservative, accepting a lot of the reform programs. Insofar as elections, you couldn't see any trend away from the two-party system or away from democracy. You couldn't see any reason to support a coup d'état. The officers harboring such thoughts in a country that had been democratic for over 30 years seemed like military madmen trying to take advantage of the situation of the country. There were also some civilian radicals who were very willing to risk their lives, were willing to engage in disturbances. It was actually obviously more serious than it appeared and became more so. But the first coup d'état against Pérez happened after I left the country, so there isn't really much I can say about them from personal experience.

Q: In the embassy, you and your fellow officers, how well could you reach out into the Venezuelan society, I mean to get down to, say, the poorer elements and all? So often in embassies, particularly in Latin America, one gets sort of caught up by the wealthier class.

SKOUG: Well, there were opportunities, such as giving support to local charities. I participated in that, went to the homes of these people. I met with them. But that isn't exactly having a large relationship. There are millions of them, after all, and you can only deal with a few. Really, the chief contacts in the embassy were with the government and with the press, with the movers and shakers, and of course they were the wealthier classes. There were relationships with the trade unions, and it was an Acción Democrática government, a social democratic government, and so the prevailing view was that it was a popular government. I'd say we had reasonably good contacts with the Venezuelan middle class. We had some people in the Political Section who thought that things were worse than they seemed, and in retrospect they probably were right, but our policy was to encourage the reform, the Brady bonds and so forth, that reflected the need to get hold of an economy that had been managed by spendthrifts in the past. That was their problem. Earlier, they were buying everything that they could lay their hands on. Now it was recognized that they should take inefficient national enterprises and privatize them, but that went very, very slowly. Had more progress been made and quickly, the future might have been brighter. But again it would have been very difficult, because those people were used to not working very hard. The idea of bringing in the capitalists again was not too popular.

Q: How about on the oil? We're still talking about the economy. Was Venezuela's role in OPEC an issue during the time you were there, or not?

SKOUG: Yes, Venezuela was divided on oil policy between the philosophy of Celestino Armas, the minister of energy and mines, who was very close to Cap's original position. He was a nationalist and socialist who favored high oil prices in conjunction with the OPEC cartel. Subordinate formally to Armas but still a powerful influence was Petróleos de Venezuela, which I mentioned earlier as having been a state-owned company but managed by people who had all come out of private enterprise. And this organization was strengthened, of course, by the general philosophy of the reform: that is, getting away from state subsidies and so forth. Pedevesa wanted to be an active, free-wheeling company. They had, in effect, wanted to be the sort of thing that the Communists talked about in a "socialist" economy. Here you would have a company which was state-owned but which would behave like a capitalist company. And they tried to do that. So there was a lot of friction between the ideologue Celestino Armas and his pro-OPEC policies and free-wheeling Pedevesa, which wanted to make the best of Venezuela and wasn't particularly concerned about the OPEC relationship. The rivalry was not too different from the situation in the Herrera Campins administration when the "nationalist" role was played by Minister Calderon Berti. The difference was that the PDVSA board of directors actually feared Armas and suspected him of spying on them. My best source on the Pedevesa board was almost paranoid about this. On the other hand, Armas was hard to approach - kept me at a distance as long as he could.

But PDVSA could not be cowed. For example, the idea was bruited about of Venezuelan sales of oil to the American strategic reserves. This was first looked upon negatively by Carlos Andrés Pérez. How could he possibly do that? That would be, in effect, betraying the commitment to OPEC where they only produce so much oil, and the American strategic oil reserve was seen as an anti-OPEC weapon anyway. But that wasn't the way Pedevesa felt. They were very anxious to go ahead and do it. And one of the leaders told me, "Why do we even have to bother to tell OPEC about this?" OPEC had asked, but you don't have to tell them. I think eventually that position prevailed. We were able to get the Venezuelans to sell to our strategic reserve.

Although the directors of Pedevesa were very concerned about Celestino Armas and his friends, looking over their shoulder, they were very powerful people, the directors of the board. I remember, at the time Senator Dole came to visit Venezuela in December of 1988, one of the things on his program was a visit to Pedevesa, as we frequently did for visitors. He wasn't particularly enthusiastic about going to a state-owned company. I said, "Well, you haven't seen this state-owned company." And Dole came away impressed.

But there was constantly friction with Cap - Cap, of course, being a big OPEC man at heart. Cap must have been tugged at very strongly in two ways throughout his entire administration because all of his heart lay with the Third World and with socialism and with free spending. Carlos Andrés was an interesting personality in that he had been very clearly involved in the corruption of his first administration, perhaps more so than previous

Venezuelan presidents. One can guess that President Rómulo Betancourt was not corrupt and that President Caldera was not corrupt and that Leóni was not. The corruption came later as Venezuela acquired more wealth, and certainly in the second Cap administration that element again existed. But there's a question as to whether you can condemn a Latin American government for what had gone on for so many centuries in that region. Governments had always lived off the population. So here's a reformer speaking on behalf of the people - and I've heard him make public speeches where he talked about the poverty of various individuals as being their most ennobling characteristic - how poor they were and so they were wonderful. He wasn't poor at all. He was very well-to-do. It was that contradiction, of course, that angered the *golpistas*, the *coup d'état* officers. Caldera, another former president of Venezuela, at least the head of the COPEI party when COPEI and Acción Democrática...

Q: COPEI being?

SKOUG: The Catholic party. I've forgotten exactly what... Oh, yes, Caldera hated Perez and was not ill-disposed toward the Golpistas. COPEI was the acronym. It was the Catholic or Christian party. They and Acción Democrática had formed the democratic government at the time of the overthrow of the Pérez Jiménez dictatorship in January of 1978, and it continued on so that a representative of Acción Democrática won the first two elections, then COPEI won one, with a very small vote margin, and then Carlos Andrés Pérez won the fourth one, then COPEI won again with a very small vote, and then there were two more elections won by Acción Democrática (Lusinchi and Perez). And it wasn't until Caldera's election, after Carlos Andrés Pérez left office, that the two party system broke down. Caldera won not as a COPEI candidate (he had lost the COPEI nomination), but he won as an independent who appealed as a chauvanist both to the left and to the far right. Caldera stated that the failure of a coup d'état against Pérez would not strengthen him. He hated Pérez. He would do almost anything he could to bring him down. He was the counterpoise to Pérez. He was a rightist but nonetheless a nationalist, a socialist, in contrast to AD and COPEI, between which there was really very little difference. They stood for very much the same things, except Acción Democrática was more oriented in international relations toward the West, whereas COPEI was less so. Now, of course, both of them are on the sidelines.

Well, we perhaps should say something about Panama this time, which was one of the main areas of concern. Remember that Pérez thought that he had an agreement - and perhaps he did - from the original meeting with Bush that he would play a helpful role in Panama and in Nicaragua, in Central America, in return for which we would be especially sympathetic to his economic problems. And we were sympathetic, in fact, and Bush was open to Cap, and they did occasionally talk on the telephone, and Cap was always open with me. Well, in Panama - you may remember that there were OAS-sponsored elections. They were won by a man named Endara in 1989, but Noriega did not let Endara take office. He beat him up and beat up his supporters, and Noriega maintained control. This was very embarrassing to Carlos Andrés Pérez, who was also embarrassed because the Latin group he hoped would take over and do something obviously wasn't going to do it. They had no intention, really, of doing anything except throwing up their hands in horror but not

confronting Noriega. Now, Pérez understood this. We used to talk about it, and during the visit by Senator Dole and his delegation, we chatted at length over dinner in Miraflores, in the Venezuelan "white house," about Nicaragua. Then there was a discussion about Panama, and I said to President Perez that I thought perhaps some violence was necessary to force Noriega to submit to the popular will, and he said, "Yes, but the Panamanian people are afraid." That wasn't necessarily the sort of "violence" I had in mind. Maybe that's the violence he had in mind. By the way, Assistant Secretary of State for Latin American Affairs Bernie Aronson had asked me in August if I had any recommendations about Panama, and I said that I thought force would have to be used. He said he thought so, too. He said he thought so, too, but he wasn't sure that George Bush would go along. That was back in June, I think. Twelve months later finally the Administration felt it had to use force on Noriega. That was, of course, a big divisive issue. I called Cap at five in the morning, as soon as I found out that our troops were in there. I called him and he said, well, he'd spoken to Bush. I guess Bush had already called him. And he said, of course, he condemned it, and I said I was sorry because we had already talked about force being needed. But there had been a coup d'état of sorts in Panama shortly before, in which some Panamanian officers tried to control Noriega for a couple of hours, and Cap and the Venezuelans thought that there had been an opportunity for these people to turn Noriega over as a prisoner to our forces and that we had refused. The Venezuelans often were misinformed by their sources, one of whom was a left-wing Panamanian in exile close to Perez and ill-disposed toward the United States. And I said I was sure that that had not happened, but that since we had not backed that or even known about that coup, we were not in a position to act. Well, he was very hurt and thought that was terrible, and then here we were just a short time later moving in ourselves. This could have been a situation where Cap could have been very critical, and I think there that my relationship with him was probably about as helpful as it ever was in anything that I did during my time down there because he was very measured in his reaction in public. I remember that he called in all of the diplomats. All of us were called in for the New Year's message or something, around January 1st, 1990, and everyone expected that I was going to get spanked, that the United States was going to get spanked for the terrible invasion. He really didn't say anything. He was so careful about what he said. And I thought that, one, he didn't want to insult me; secondly, he didn't want to insult the United States. He knew darn well what the problem was in Panama. He knew what the problem was in Latin America, that they could stand around and complain but that they would be unable to take any effective action. So then the question would be, Cap finally said, well, he would recognize the Endara government if U.S. troops got out and if there were free elections. Well, that's asking a lot, after we intervened, moved in and pulled Noriega out of the country, to then offer free elections. It was conceivable, but on the other hand there might have been a lot of killing. Free elections had been held just a few months earlier and Endara had won it fair and square and had got beaten up as a consequence. Now it was in our power to say, "Here's your government, the one that just won the free election." Well, eventually that's what the Venezuelans did. They did go along with that. They were a big supporter of Endara, but it could have gone the other way. It could have been that they could have taken comfort with all the other colleagues like the Mexicans.

Q: This is one of the problems, wasn't it, that throughout Latin America you could always

kick the United States, but at the same time there was the feeling that, you know, they're going to take care of things if things get out of hand, i.e. in Grenada or in Panama or what have you.

SKOUG: Yes, I think there is that feeling, and I think that feeling is or they can't admit publicly. They do admit it inferentially by their behavior, but very seldom will they say, "We knew you had to do that," although they really know we had to do it. Anyway, the intervention in Panama did not harm the Bush-Pérez relationship, which went on as before.

Q: Well, it was helpful that Bush had called.

SKOUG: It was very helpful.

Q: In other words, he wasn't -

SKOUG: Oh, he very much wanted Pérez's support. And of course, Pérez was not willing to give his support, but he did not give his opposition, which was much more -

Q: So it was a recognition that Venezuela was important, and not just -

SKOUG: It was. It was not what Figueredo wanted, the foreign minister. He would have liked to have a different policy. He would have liked to have seen us condemned for our action in Panama.

Q: How was your relation with Figueredo?

SKOUG: Not good. In the first place, Figueredo, as I say, thought the real power lay with the CIA. He knew who belonged to the exclusive country club in Caracas. It wasn't I. Figueredo was just the sort of person whose views and mine clashed on virtually every issue. Fortunately, I had Beatriz Rangel who became an ever better source close to the President. Eventually, there was somebody in the Foreign Ministry who became more supportive. Essentially it was Cap and Beatriz Rangel at the beginning who were my best friends. Figueredo was a terribly arrogant man. As I say, he's totally bilingual, but he's not at all well disposed towards the United States.

I arrived Venezuela in October of 1988. The elections were held in November, the U.S. elections. By early February of 1989 there was an article in the *Washington Post* that Eric Javits was coming to Venezuela as ambassador. This was five months before Otto Reich actually left. Javits had been the campaign finance manager in New York for the Republican Party in the 1988 election. He was also the head of a prominent law firm there. He was a nephew of the late senator. I had known Javits at Columbia, just barely. He was one year ahead of me at Columbia College. He became a lawyer, and that was his entire profession, all his life.

One of the things that Javits concerned himself with in the spring of 1989 was who was going to be his DCM, so he summoned me to Washington to have dinner with him and his

wife and then to have breakfast with him, at which time he told me that I could be the DCM in Venezuela as long as he felt comfortable. It was not exactly a commitment. And in July, just before Otto Reich left, Javits called me on the telephone and told me he had decided that I could stay in Caracas until the following summer when he was then going to bring in his own man as DCM. His appointment was not coming along as fast as he thought, but those were his plans. He sent down his wife incognito - she didn't come to the embassy - to look at the property as soon as Reich was gone. He sent down some people to plan redecorations of it. He began dealing directly with the administrative general services section. The residence was completely tied up as chairs were moved and areas blocked off. There were going to be all sorts of changes in the residence. It remained unusable for over one year as a consequence. In the meantime he was studying Spanish at FSI. But as time moved along, despite all the attention of Javits - and the big families in Venezuela thought he was coming, particularly Gustavo Cisneros, who was probably the most influential of a very, very wealthy Venezuelan family, talking about his knowing Javits and so forth. Javits did not come, but it still looked like he was about to come. That was the position I was in. I couldn't even use the residence. I had to use my own residence, and I had to use my own residence all the time I was chargé.

Javits himself in his conversation never indicated that there was a problem of that nature, just that there was a delay, there would be further delays. Anyway, it was undermining my authority for it to be known that this man was coming and was already making a lot of changes in the residence. So although he never came as ambassador, he cast a big shadow nonetheless for almost a year.

And no sooner had he given up the fight but Michael Skol, who was a... you know of him. He was a Foreign Service officer, deputy to Aronson. Skol let it be known that he would be coming and he would be ambassador in Caracas. So there always was in the public eye a name of somebody who was coming.

Q: Which always puts off everything. You're waiting.

SKOUG: That's right. Then there was one other thing. I was called in July 1989 by Larry Williamson, who had succeeded Bill Swing in Personnel. Swing had told me before I left that I would probably be chargé in Caracas for a long time. Now Williamson's message wasn't like that. Williamson said, "By the way, you didn't get a second LCE, so you'll be leaving no later than September of 1990, so you can leave any time you want." I had just become chargé d'affaires and was going to be chief of mission and the President's representative for the next 15 months. The attitude in Personnel was: "You can leave any time you want, but you'll definitely have to leave by September of 1990." I thanked him for his courtesy. Later I was told by Michael Kozak that they didn't give any second LCEs that year.

Q: Now this was basically time in class.

SKOUG: Yes, in the senior Foreign Service, if there was time in class against you, so you couldn't make the next rank - and that had happened to me in 1987, I think... I got an LCE,

so the LCE ran from 1987 to 1990, and the people who were most involved in that, such as Gene Scassa, who was executive director of the ARA Bureau, had indicated that there was no problem, I would certainly get another one - but I didn't. So I knew in July 1989 already that, one, Javits was coming and wanted to bring along his own DCM and, secondly, that I was not going to be in the Service for much longer anyway. Trying to manage an embassy with all these conflicts and everything that was going on, maintain the support of the staff, including the local staff, maintaining my relationship with the diplomatic community and maintaining the relationship with the Venezuelan Government - that was tough. And the thing that was... The ace I had in my pocket all the time was my relationship with the president because everybody knew it. I had a good relationship with President Perez, and soon all the ambassadors there, who used to ask me, "When is your new chief coming" stopped asking.

Q: How did this play out? When did you leave?

SKOUG: Actually, I left in September, 1990.

Q: Without an LCE?

SKOUG: Yes.

Q: By the time you left, relations were going along all right that way.

SKOUG: Oh, yes. The relationships with the government and with Carlos Andrés were excellent till the very end. Now in the case of Nicaragua, that was also an issue that I discussed with Cap many times and which he discussed on the phone with Bernie Aronson and he discussed, of course, with President Bush. His view essentially was that the Sandinistas would stay in power. He thought they were going to win a free election there. He admitted the situation in El Salvador was complicated by, one, Comandante Castro, he said, his involvement there, and also by the fact that Nicaraguans were unhelpfully involved in El Salvador. But the main question was - and I really haven't begun to discuss any of the events that happened in the first part of 1990. Do you want to have another session about that?

Q: Sure.

SKOUG: We perhaps should see that because it involved the Quayle visit, the Quayle discussion with Cap and Felipe González, the premier of Spain. I think that perhaps Nicaragua fits best into that context, because Nicaragua became much more important. After what had happened to Noriega in Panama, of course, made things more difficult for the Sandinistas. It made it more difficult for the Sandinistas to believe that they could lose an election and seize power after what had happened to Noriega. Moreover, they could see in early 1990 that the Soviet Union had abandoned the communist regimes in Eastern Europe.

Q: Well, then, maybe we should stop at this point. We have covered things up to and, in a

way, including how you left Venezuela, but we haven't covered the relations with Nicaragua and the Quayle visit, the vice presidential visit, and there was another one of somebody from Spain?

SKOUG: Felipe González, the premier of Spain, was there at the same time, and Carlos Andrés and Felipe tried to get Quayle... And by the way, Quayle was also accompanied by Teddy Kennedy, and they hoped Kennedy would intervene on their side. What they wanted was for the *Contras* to disarm without disarming the Sandinistas, and Quayle was arguing that one would facilitate the other and that they should proceed apace. Quayle argued his case vigorously in responding to what was obviously a setup by the other side. And Kennedy, to my surprise, stepped in and supported Quayle when his opinion was requested.

Q: Well, we'll pick that up. One other question I'd like to ask in this next time - well, two, sort of - did you get out to the hinterland much? You know, you look at Venezuela, and it's a big, big country, and yet one only hears about Caracas and the coast where the oil is. So we'll talk a little about that and also about Guyana. There's always a border dispute.

SKOUG: Yes, there's a substantial part of Guyana being claimed by Venezuela.

Q: Yes.

SKOUG: Well, it would be good to talk about that, too, although under the Carlos Andrés Pérez administration Guyana was not threatened. It had been threatened in the time of Herrera Campins.

Q: Okay, great.

This is the 5th of January, 2001. Ken, Venezuela. Do you sort of want to start wherever you want to start?

SKOUG: Yes, I think we could pick up at the beginning of the year 1990. It was just at the end of 1989 that President Bush sent U.S. forces into Panama to capture General Noriega and to, in effect, liberate Panama to be governed by the Endara government, which had been duly elected but had been unable to take office. This action by the United States caused a great deal of discomfort in Latin America, including in Venezuela, and I think that this was one case where diplomacy was helpful to our interests. President Pérez was of two minds. He strongly opposed the U.S. unilateral intervention. At the same time he was terribly embarrassed that the Latin American collective leadership had failed to do anything to promote a peaceful and democratic solution in Panama. So he was of two minds, and pulling strongly on one side was his foreign minister, Reinaldo Figueredo, who was always disposed to take the anti-American position. At the various ceremonies that went on at the end of the year in Venezuela, I did my best to push Cap on the good side, emphasizing, as he knew, that Latin America hadn't acted, and therefore the United States

had been obliged to act. He had said to me at a dinner for Senator Dole that unfortunately... I had said that only violence was going to finally solve the situation in Panama and deal with the attitude of Noriega, and he had said, yes, but unfortunately the Panamanian people weren't prepared to do that. And now he had a situation where violence was used, and the result was favorable in the sense of getting Noriega out, which he welcomed, but he didn't like the precedent.

Because of that, because of the obvious ambivalence in the mind of the president, Figueredo called me in early in the new year - on January 2nd, as a matter of fact - and he told me there weren't two Venezuelan positions on Panama; there was just one position, and that was the one that condemned the United States. That's Figueredo speaking, the foreign minister. However, it wasn't quite true, and since I had good relations with the president, finally he received me in a very friendly manner on January 25th of 1990, and agreed that it would suffice to call for constitutional elections in two, three, four years. He originally had said that Venezuela would recognize the Endara government only when U.S. troops were out and only if there were new elections. And, well, he knew there weren't going to be any new elections, and the point was to recognize the Endara government before U.S. troops got out, to give him some support. Anyway, that's the position that only Venezuela took. Venezuela was one of the eight leading Latin American powers who were concerning themselves with Panama, and they finally moved in the direction of recognizing Endara, when Cap backs away from his earlier stand and says there could be elections in two, three, or four years. That was fine.

Q: Is there a pattern? There certainly was a pattern in Mexico and some other countries where the foreign minister and maybe the foreign ministry was usually sort of handed over to the anti-Americans. I mean not completely, but this was where they made their mark to show they were opposed to it and then sort of the president. I mean there are all sorts of certainly good solid relations elsewhere, but this is sort of "their sandbox," where the anti-Americans can play around, where it doesn't make a hell of a lot of difference. Is there any truth to that?

SKOUG: I think, yes, there's a lot of truth, and I think you're absolutely right, with one caveat, that the chancellors or foreign ministers are frequently, were frequently anyway, from the left, and they were given this area, but it wasn't so anodyne as you might think, because they would get together, as for example they did in Geneva on human rights on Cuba, and whatever the attitude of their own government at home, since this was left to them to decide collectively, they decided to support Cuba. And this was essentially happening on Panama, and it was happening on Nicaragua as well. If you left it to the chancellors, sure, you were going to have good bilateral relations, let's say, with Mexico, but the Mexicans would play a devilish role in foreign affairs. And with Reinaldo Figueredo foreign minister of Venezuela that would have happened under Cap. One thing, the Administration had indicated that Vice President Quayle would like to make a trip down to Venezuela. He had been there representing the United States at the inauguration of Carlos Andrés Pérez in January of 1989, and he was willing to come again in 1990. Figueredo quickly informed me that a Quayle visit was not wanted. It was one thing for him to tell me, but he also made it public, that a Quayle visit was not wanted in Venezuela,

Quayle should stay away. Eventually, President Pérez told me that he had reprimanded Figueredo for this statement. This was something that was rather sensitive information, when the president tells the American representative that he's reprimanded his foreign minister for making this sort of a statement. That's the sort of relationship I had with the president. Figueredo tried very hard to have established a doctrine that approaches to the president could only be through him. If that had happened, our bilateral relationship might really have deteriorated, and I have to thank Beatriz Rangel, who was Cap's assistant, without Figueredo's rank but with great influence - a lovely lady, and Latin American states like attractive women. She was very involved in Central America. Everyone liked her, including Daniel Ortega and all the others.

Well, anyway, Beatriz, I think, saw to it that the door to the president's office would be open, certainly to me, without going through the Foreign Ministry.

Q: What was her position?

SKOUG: She was assistant to the minister of the presidency. They have a minister - Figueredo had had that position before, before he moved to be foreign minister. She was formally the assistant to the minister, the number two, but her relationship with President Pérez was direct, and she frequently sat in on meetings. A very, very bright woman who later went to work for Henry Kissinger. The Rangel family in general is a very well-known family, and some of them very far to the left, but she wasn't. She was a moderate.

So in the case of Panama it eventually worked out pretty well. Nicaragua is harder because here President Pérez was involved from his first administration where he supported the Sandinistas. He helped them to come to power. He enjoyed very good relations with the Sandinistas. He also enjoyed pretty good relations with the Salvadoran revolutionaries, particularly Shafik Handel, who were conducting talks with the Cristiani government in El Salvador, and I think those talks sometimes took place in Venezuela. Anyway, Cap was very much involved as a mediator. I think he had foreseen this in that original meeting he had with Bush before they took office, in late 1988, where they had struck some sort of a bargain. It was always sort of a cloudy bargain, but the way Pérez understood it was we would be helpful to Venezuela with its economic problems, and they would mediate or be helpful in Central America without taking our position. Anyway, Quayle did come and had a meeting in the Guzmanía, which is a stately old building right on the Caribbean shore near Caraballeda. In other words, since Quayle had only a few hours to spend in Venezuela, Pérez not only wanted to meet him, but he had Felipe González, the Spanish premier, in tow. And so Carlos Andrés Pérez and Felipe González were waiting for Quayle at the Guzmanía. With Quayle came Ted Kennedy. It would be a very surprising situation. Again, Figueredo got involved, and for once I could sympathize with the guy. I'm sure you've dealt with some Presidential advance teams and Vice Presidential advance teams overseas.

Q: Oh, yes.

SKOUG: Well, anyway, Quayle was steamed up by Figueredo's remarks, of which he had, of course, been well informed - they were published remarks: "Quayle, don't come." So

Quayle let it be known to his advance man that they didn't want Figueredo riding in the car with Quayle from the airport to the Guzmanía. Figueredo then said he wouldn't even show up if that was the case. Well, you know, who cares? But I could understand Figueredo's point, because he was the foreign minister, he was offering to eat humble pie by going to meet Quayle, and Quayle, through his advance men, these puppy dogs, wouldn't do it.

Well, everything that could go wrong went wrong with that session with people available. Eventually, Ted Kennedy got in the car with me and rode over. It was difficult to know who was riding with whom and where it was going. When we got there, there was a little room. Quayle was really not expecting that Felipe González was going to be there.

Q: This raised the ante.

SKOUG: It raised the ante. He had two guys - two senior, tough guys to deal with. My problem was that the same Secret Service guys who had roughed up Figueredo didn't want me in the room. Here I am, supposedly the President's representative in Venezuela, and they're trying to get me out of the room. Well, I didn't leave, but it was degrading and insulting to have somebody saying, you know, you really should not be here for this sensitive meeting. Aronson was there, but I was the notetaker. I arrogated to myself the responsibility of taking notes; otherwise, there wouldn't have been any notes, at least that we would have ever seen, of the discussion. And the discussion essentially focused on the disarming of the *Contras*, which was a point Felipe González and Pérez wanted to make. The *Contras* must be disarmed first; otherwise, nothing is going to happen in Nicaragua. And Quayle said, "Well, then the Sandinistas should also disarm." "Oh, well, but the Sandinistas are the government of the country." Well, anyway, it went back and forth, and I must say that when Pérez and González tried to isolate Quayle by calling Kennedy to their aid, Kennedy backed up Quayle, which I thought was-

Q: Quayle was, of course, Vice President of the Republican George Bush, Senior, and Kennedy was a very much a senior Democrat from Massachusetts.

SKOUG: Yes, and very liberal.

Q: And very liberal.

SKOUG: But Kennedy went abroad to support the policy of the United States, for which I give him full credit.

However, even accepting the fact that Pérez wanted the *Contras* disarmed, he was very helpful to us. On another important Nicaraguan issue, I was instructed to call on the minister for the presidency. Jesús Carmona, to ask that Pérez and the Venezuelan Government undertake the security for Mrs. Chamorro, who was running against Ortega in what was obviously going to be a fairly close election. No one knew who was going to win. Perez he agreed to do it. President Pérez took on the responsibility. We couldn't. Apparently Congress, which was active against the *Contras*, wasn't willing to provide security for Mrs. Chamorro either, although she was certainly not a Contra. Somehow, the

United States couldn't provide a bodyguard for a foreign person who was not an elected official. She was just running for the presidency. Pérez did it, and that was important, because when Pérez later, after my time, was indicted for alleged misuse of his office, that was one of the items which was charged against him by the succeeding Caldera government, that he had used Venezuelan funds to protect Mrs. Chamorro in an election in Nicaragua. Well, I mean, if Mrs. Chamorro had been done in by the *Contras* or by the Sandinistas, they would have blamed the other one, and the net effect would have been that the Sandinistas would probably have solidified their power in Nicaragua. So it was a very important good deed which Carlos Andrés did for us in accepting that responsibility - for which he paid a price, although he would have paid the price anyway.

Q: The press tended to beat up on Vice President Quayle. They kidded him. They treated him as sort of a dumb cluck.

SKOUG: Right.

Q: And at least on one Latin American visit, I remember they were doing this. Did you have any problems sort of press-wise with this? Once you give something a bad name, you know, it sort of hangs on.

SKOUG: Yes, and he really was an innocent victim, I think. He was an intelligent guy. His wife was extraordinarily intelligent. She had come down, and we had suggested some program of sightseeing. She was interested in her subject, which was disaster relief. That's what she wanted to talk about, and that's what she did talk about. No sightseeing for her. No, they were a couple who were quite serious, and I think he got a very bad rep. I had dealt with Quayle twice before. Once when I was director of Cuban affairs and I went to see Quayle about the situation in Indianapolis before the Pan American Games and the possible invitation to Fidel Castro to come to Indianapolis. Quayle struck me as intelligent and sensible, although not as knowledgeable of foreign affairs as Dick Luger. Dick Luger was really first class.

Q: Senator from Indiana.

SKOUG: The other senator from Indiana, the senior senator. Luger was thorough and knowledgeable about foreign affairs. Quayle was reasonably knowledgeable. But Quayle did nothing in his first trip to Venezuela in 1989 or in his second trip to encourage the idea that he was a lightweight or a feather-brain. He carried out his mission as well as he could. When Figueredo was opposing Quayle's visit, he wasn't opposing him because of Quayle personally; he just didn't want a representative of the Bush Administration, a high official, coming down to visit.

Well, now, things didn't always run so smoothly. The Venezuelan military still harbored strong nationalistic feelings.

I mentioned Filmo López, the minister of defense who wanted more things from the United States in the narcotics area. He wanted the United States to give more general assistance.

More money, in other words, which the Venezuelans would use for what they wanted. There was a military operation north of Colombia which was aimed essentially at drug-running, and the Venezuelans were asked to participate. They didn't participate, but they were informed. In fact, I was present when a U.S. team led by somebody from State and the Narcotics people came down to explain it, and Cap listened to the explanation and offered his support, although not Venezuelan participation. Later, Figueredo, the foreign minister, stated publicly that the Venezuelan Government had not been informed about this. Well, maybe he hadn't been informed, but I called him on the phone, and I said that since he'd made this statement publicly and the press was asking me about it, I was going to tell the press that indeed the president had been informed. Figueredo said, "Well, you have to say what you have to say." And I did say it, of course, and that didn't help Mr. Figueredo either, I suppose. But that didn't affect the attitude of Filmo López, and the navy people. They continued to oppose the operation and announced Venezuela wouldn't participate.

Subsequently, in the summer, there was another incident where a Venezuelan naval vessel, a frigate, illuminated a U.S. Coast Guard vessel, illuminated in the terms of radar. I mean, radar before you can fire, and our Naval attaché referred to it as an act of war. The Navy took it very seriously. There was some question as to the facts, as to what actually happened, but a protest by the United States was eventually delivered to the Venezuelans. What it showed was that the attitude of even the government assumed to be very friendly, like Venezuela, could be very, very nationalistic.

Q: On the gun-running business and back and forth, was there any suspicion that there were people high up in the Venezuelan Government who were involved?

SKOUG: There may have been suspicion in some quarters. I hardly believe it. It could have happened with gun-running, but in drug-running...

Q: You mentioned trying to squelch the gun-running operation in Colombia.

SKOUG: Well, it was drug-running that I meant. There was a plan discussed in my presence by the chief of station and the head of our DEA operation in Venezuela, which they described as an "FBI operation," and which they described as conditional, something that could be happening in the future, which would involve a controlled shipment of drugs through Venezuela from Colombia into the United States in order to apprehend villains. It turned out - and I think I mentioned earlier that this wasn't really what was happening because, according to the "60 Minutes" program, the chief of the CIA station there was later reprimanded for his participation in a so-called controlled scheme, which was apparently going on even as they talked about it in futuristic terms. It also was being argued about between the agency and the drug enforcement agency. If so, neither one was candid in telling me. They were supposed to tell me any time there were any disputes between agencies represented as to policy. I was totally uninformed about this dispute. It turned out, apparently, if the television report was accurate, that it wasn't controlled and that Venezuelan national guard officers were involved. So there was apparently involvement by senior Venezuelan officials in drug-running. It's just too lucrative, just too tempting, I

guess. Now, I don't think that the president had any idea of that. He was always supportive of action against drug-running. A money laundering agreement was under discussion when I was there. The head of the central bank, Tinoco, was very much in favor of a money laundering agreement, which would have been very helpful in affecting any flow of cash through Venezuela, but I'm not aware of any senior government officials who were involved. There wasn't any General Ochoa, who was as you know executed by Castro for allegedly having participated in this trade.

Well, the crocodile business went on. I mentioned that one of the most time-consuming operations I had was supporting a Cuban-American who was trying to get into the crocodile tanning business in Venezuela against a very strong cartel. It amazed me that he was able to do this. He had a native American wife who was probably the brains behind his operation. Enough pressure was put, particularly through Michael Skol, who was deputy assistant secretary for Latin America in Washington and who came to support this venture quite strongly. Four congressmen were supporting him. Even Jeb Bush, who was not yet governor (he was a prominent Republican politician, son of the President), was supporting this enterprise, so eventually I think I talked to everyone in the Venezuelan Government from President Pérez on down, and especially with Minister of the Environment Colmenares. Colmenares told me one day, with the honesty that they sometimes had with me, that he was being whipsawed between the Cuban-American's operation and the Cartel in Venezuela, which didn't want to give any ground. But eventually it did, and there was a ceremony in San Fernando de Apure, down in the Llanos region of Venezuela, opening up a crocodile tanning factory that would be owned by the Americans. So here was a case where heavy pressure being put on the Venezuelans finally giving way.

On the oil side, one should remember that after the Iraqis went into Kuwait there was a bit of an oil crisis again because this removed Kuwait's two million barrels a day production from the world's supply, and since Iraq was being punished, Iraq's oil production, which was probably the same or slightly higher, was also removed. This was a substantial reduction in the supply, and therefore price started up. There was a battle again within the Venezuelan Government, and again it was a case where we tried to use creative diplomacy. The minister of energy and mines, Celestino Armas, a strong OPEC man, and wanted prices as high as they could go; on the other hand, Petróleos de Venezuela, wanted to maximize Venezuelan oil production. If anything, they wanted American help in increasing output. It was quite a battle, again, for the president's mind because President Pérez was pro-OPEC in general. He believed in the Third World. He believed in the Third World forming coalitions to oppose the developed West where it could. On the other hand, he knew Venezuela was in trouble and Venezuela needed American help. So there was a battle that went on during the spring of 1990, culminating really in a victory by Petróleos de Venezuela. They had their 15th anniversary celebration. The president was there. Everybody was there. And they had a new director named Andrés Sosa Pietri. Sosa Pietri was formidable, and his selection was a big setback for Celestino Armas. And the final result was in the American interest - much increased Venezuelan oil production.

Q: Were you involved in pushing for the increase?

SKOUG: Yes, I was closely involved, and I worked on Armas, too. I mean Armas was difficult for me to reach. He did not want to be contacted, but I did finally, and I tried to have breakfast. I tried to have at least three breakfasts a week with senior Venezuelan officials. I think I had breakfast with every senior Venezuelan official at least once, sometimes more than once over this period of time, to meet with them one-on-one and without any breaks or anything. We would just talk, and I think those were very useful sessions.

Now you mentioned Guyana and Venezuelan foreign policy. Of course, during Herrera Campins's administration, the COPEI, or Christian Democratic administration that was in power in 1979 to 1984, that was also the period of the Malvinas/Falklands Crisis. The Venezuelans were putting heavy pressure on Guyana, nationalist pressure.

Q: In American terms, Guyana. You're giving it the Venezuelan pronunciation.

SKOUG: Maybe. I usually heard about it from them. Anyway, it's quite clear that the Venezuelans felt, all Venezuelans felt that the award of the Esequibo to Guyana was an error and the great powers were involved. The United States was involved in the award, along with our desire to conciliate the British.

Q: When was this?

SKOUG: It was around the turn of the century. I'm not sure of the precise date.

Q: Part of the Teddy Roosevelt era.

SKOUG: I think it was, and that was a period when the United States and Britain were finally, after 125 years of hostility, moving towards agreement. But there was also the time of the customs crisis, where the Germans, British, and Italians tried to force the Venezuelans by gunboat diplomacy to pay their debts. The United States stepped in and said that we would be the judge of that, and if anybody would make them pay their debts, we would do it, not the Europeans, and so forth. That was the spirit of that era, so Venezuelans had the strong feeling that they had been robbed of a substantial part of territory, and they didn't know what goodies were available in the Esequibo, but the adjacent Venezuelan area is full of raw materials, and so it could be assumed that maybe there are some in the Esequibo. I don't think, however, it was the lust for raw materials. It was really national pride driving them, and they saw their opportunity when the Argentines grabbed the Falklands. They thought that if this went unpunished, the Guyanese would read the tea leaves and would be more amenable to pressure. The form of pressure was subtle, but the use of military force wasn't precluded. If the Argentines got away with it, maybe the Venezuelans could have. But that was under Herrera Campins. The issue was kind of laid to rest by the outcome of the Anglo-Argentine crisis. I am not aware that Lusinchi, who was successor to Herrera Campins, or Acción Democrática, the social democrats, and ever raised this issue. Perez did not. However, the issue is there as long as any nationalist Venezuelan politician wants to use it, it will be there. Carlos Andrés Pérez was not that kind of leader. He was not a nationalist. He was a Third World leader who was

realistic about supporting the interests of his own country. He was anything but a nationalist. And so there was no issue at that particular time.

Q: Venezuela is a big country, and one sort of hears of the coast and Caracas, but what about getting out? What was it like out there?

SKOUG: Well, it's a fascinating country, and I saw much of it during my five years in the country. For example, I had the opportunity in my first tour to go down to a place called Pijiguayos. The Orinoco River more or less divides Venezuela. The developed part of Venezuela is north of the Orinoco, and the sparsely settled undeveloped part (but with tremendous resources) is south of the river. The Orinoco rises in the southern tip of Venezuela. After coming north out of that area close to Brazil, it turns and flows eastward to fall into the Atlantic just north of Guyana. It's a jungle river all the way, and there are only a couple of bridges across it, one of them at Ciudad Bolívar. I believe there's now one more bridge, but the south and the east and also the southwestern *llanos*, all that is still wild country. In the Venezuelan wars for independence in the early 19th century, the *Llaneros*, the people who lived out there, provided some of the fiercest fighters for the Spanish, whereas the ones who were supporting Bolívar and Venezuelan independence were city boys who lived around Caracas or in the settled area of northern Venezuela along the coast. The *Llaneros* were very tough guys. Some of the battles of that war are fantastic reading. Anyway, that country is still wild, and yes, I took the opportunity when I was in charge of the post to visit as much of Venezuela as I could, often in the Defense attaché's light aircraft. I went down into the Amazonas region. I visited Puerto Ayacucho, which is the first major port on the Orinoco River. Not only is it close to Brazil; of course, it's even closer to Colombia. Colombia is right across the river, and in that area Colombia was already infested by the FARC guerillas and more so now than then. Venezuela was very much concerned with protecting its national frontier with Colombia and with Brazil. Although there are a lot of people in Brazil, it's not so easy for those people to come up into Venezuela. That country is not inviting to settlement. It's very wiry jungle, high mountains - beautiful mountains like Autana, which they call the "magic mountain." I've seen Autana flying by. Fantastic country. And then further east you have the Tepuis, these peaks, these buttes of rock, old rock, which are jungle on top and have streams cascading down them. The highest falls in the world, for example, Angel Falls, were discovered by an American flyer named Jimmy Angel in the 1920s. They call that "the tallest angel," but there are many falls like that. It is also the country of the Guri Dam, where they dammed up the Caroní River and provided a tremendous amount of hydroelectric power. It's one of the biggest dams in the world. You used to see that area in Marlon Perkins' "Wild Kingdom" television show. The whole area along the Orinoco is a major steel and aluminum area. Unfortunately, they were state-owned companies. Originally they had been owned by Reynolds and other American companies. They were nationalized, and production fell off badly. It was the goal of Venezuelan reformers to reprivatize those industries, but there's been great difficulty in doing that. The Venezuelan system doesn't lend itself usually to privatizing. Even though there was a push, and even though you had people like Tinoco and the "Chicago boys" in the government trying to do this, there were strong forces in the government and society resisting this.

Now in that area, in addition to the amount of oil which Venezuela has elsewhere, which is considerable, there is a heavy oil belt. It's called the *Faja* or the fault of the Orinoco. And in the Faja of the Orinoco there is some of the world's largest supply of heavy oil, but the cost of producing this heavy oil and of making it profitable would be prodigious. It's sort of like tar. It's always been an objective - it was an objective as early as the 1970s - to develop this region. But it isn't developed yet, and unless there's a technological breakthrough it looks as if it will still be in the holding phase.

Q: Is there anything else we should cover on Venezuela?

SKOUG: I'd like to sum up a few problem areas. First of all the name of Eric Javits was in the public eye as ambassador-designate from February 1989 until February 1990, yet his name was never even submitted to the Senate. At his direct instructions, the general service section of the embassy took actions which rendered the ambassadorial residence unusable for public functions after the departure of Ambassador Reich in July 1989. He summoned me to Washington to meet with him, and the ARA front office strongly advised that I do so. The supposed imminent arrival of a new chief of mission tended to undermine my authority in the embassy and would have impaired my standing with the government of Venezuela and the diplomatic corps had it not been for my very cordial relationship with the head of state and government. Once Javits withdrew his name, it did not help that immediately the name of a foreign service officer was advertised as his successor, particularly because the man did not come until well after I had left post in September 1990.

It was also inappropriate that Personnel assigned an officer selected by Skol but with no prior experience in Venezuela to replace me in early July. Since my career was to end in September, what interest was served in trying to expedite my departure by three months against my wishes? Both Javits and Skol sought to influence post management long before their anticipated arrival.

Q: This officer selected by Skol came as DCM, technically.

SKOUG: Yes, with my approval he arrived in August and served as DCM although he could not occupy the DCM residence until my departure.

Q: What was his background?

SKOUG: He'd been in Latin America and spoke Spanish fluently.

The inspection of the post in July was as bizarre as any I experienced during my career, and of course I was an inspector myself. It virtually ignored all substantive aspects of the job, particularly the key element of maintaining close and productive working relationships with the head of government and the main cabinet ministers during difficult circumstances. The focus instead was on touchy-feely matters, a preoccupation with "morale." They used a questionnaire and probed embassy staff so hard that some told me that they felt the inspectors were trying to make a case. Morale problems among the Venezuelan staff were

not new and were keyed to the well known fact that national employees were being paid in a swiftly and steadily deteriorating currency. No financial remedy was at hand. At the time of the second Quayle visit I was obliged to head off a rumored "strike" or other demonstration by national employees by warning the head of their association that this would assuredly not serve their own interests. I was more surprised that apparently the inspectors found disgruntled American employees. I was less prepared for this because, aside from special problems I've mentioned, no one raised it with me. Surely if it were an important matter, someone would have found a way to raise it, but it never came up. In fact, the stress on the negative appeared to be the brainchild of a rather abrasive deputy inspector general who arrived to oversee the inspection and whose mind seemed to have been made up before he set foot in Venezuela. Aside from intimidating the principal inspector from pursuing his notion of questioning the overly independent attitude of the CIA Station, the deputy inspector general who had been in personnel - arrogated to himself the right to demand that I leave early and let Skol's chosen DCM take over at once as charge d'affaires. Needless to say, I did not oblige him.

Q: Looking back at this, sometimes you have cabals, or whatever you want to call them - of people who say, "Now let's get..." I mean, you either get on the wrong side of somebody or they want you out for some other reason. Was this sort of an ARA thing?

SKOUG: I don't know. In ARA under Abrams my name was put forward several times for chief of mission vacancies. I wasn't chosen and don't know why. Certainly that was not ARA's fault. I also got strong backing from ARA/EX when Gene Scasa was there. I tried to establish a good relationship with Aronson and thought I had succeeded, but he was promoting Skol. It was demoralizing to me not to be invited to Aronson's first chiefs of mission meeting in June 1990 after I had been in charge in Caracas for 11 months. I inquired by telephone if this could possibly be an oversight and was told that only ambassadors were wanted. I know something about ARA chiefs of mission meetings, having attended several in Miami under Motley and Abrams, and almost invariably charges d'affaires were invited because they want input from each post, especially major ones. They want information. That's the point of having these meetings. Perhaps Aronson and Skol thought they knew enough about Venezuela from afar. Aronson had accompanied Quayle to Venezuela in March 1990, but that was a visit of less than three hours. Perhaps he was a quick study. Yes, I suppose that with the support of a deputy inspector general and some persons in personnel, you might call that a cabal although I would not criticize the ARA Bureau.

Some good things did happen to me in Venezuela or as a result of my service there. In early 1989 Vice President Quayle presented me with the Presidential Meritorious service Award dated October 1988 that I had earned as Coordinator for Cuba. That came with a little sweetener of \$10,000. After departing Caracas I received a second Presidential Meritorious Service Award and another \$10,000 from Larry Eagleburger for my service in Venezuela. As you know, these awards are based on one's comparative ranking by Foreign Service promotion panels against a peer group whose own performance level was pretty high. So I guess that colleagues in the Service must have been convinced that I was not doing too badly. But I cannot honestly say that a very interesting career of almost 34 years in service

ended too happily.

Q: You/left there in September of...

SKOUG: Of 1990. I'd been there two years.

Q. What did you do afterwards? I'd like to get sort of the "afterlife."

SKOUG: Well, I looked around for a while. I found nothing available that was sufficiently challenging to cause me to come out of retirement. Eventually, not immediately but after a while, I decided to write a book on Cuba because I felt there was a lot I could say from my recollections and from public information which would help scholars to understand bilateral relations in the Reagan period before the classified stuff became available. *The United States and Cuba under Reagan and Shultz: A Foreign Service Officer Reports* was published by Greenwood in 1996. Then I decided that events in Czechoslovakia, as seen from an embassy standpoint, would perhaps be of interest. Greenwood in 1999 brought out *Czechoslovakia's Lost Fight for Freedom, 1967-1969: An American Embassy Perspective*. Recently a young Czech who is producing a documentary film on a slightly different subject, called *Prague Between a Star and a Crescent*, came with his photographer to interview me about my thoughts on Czechoslovak attitudes towards Jews and Arabs in the Novotny period. He expects this to appear in 2002. So I've been somewhat active in my retirement although, as you know as an author, one gets paid in satisfaction for that.

Q: No, but it's kind of inside you and it sort of boils out and you want to do it. Well, I guess we'll stop at this point.

End of interview