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

JOHN J. TKACIK, JR.

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INTERVIEW

[Note: this interview was not completed and was not edited by Mr. Tkacik.]

Q: Today is March 23, 2001, this is an interview with John J. Tkacik, Jr. This is being done on behalf of the Association for Diplomatic Studies and Training and I am Charles Stuart Kennedy and you go by John, is that right?

TKACIK: Yes! That is right.

Q: Could you, let's just start at the beginning? Could you tell me when and where you were born and something about your family?

TKACIK: I was born on May 13th 1949. It was a Friday the 13th at the University Hospital in Urbana, Illinois. My father was at the University of Illinois getting his Masters in Engineering. He was an Army Captain at the time.

Q: This was what year?

TKACIK: 1949.

Q: 1949, So, this was just before the Korean War?

TKACIK: It was almost a year before, just a little bit more before the Korean War. My father was headed out to Germany to take over an Engineering Battalion, actually a Construction Battalion in occupied Germany. And we lived in three different places. But, we left in August of '49. Sailed across the ocean. And returned from Germany three years later in '52.

Q: Let me go back just a bit. Can you tell me something about sort of the background of both your mother and your father? First place the name Tkacik is a hard one to pronounce.

TKACIK: My father was born in a little village of in Northern Slovakia on October 26. At least he was baptized on October 26, 1919. So we all count that as his birthday. His father had just returned from the First World War. He was in somewhat of a fight with his older brother about who was going to get the land. In those days it was under the Austrians.

Q: Your grandfather had been an Austrian-Hungarian?

TKACIK: Austrian-Hungarian and was in the Austrian-Hungarian Army. His older brother had stayed behind while he and his younger brothers went off to war to actually fight the Russians. They did not really see too much action. They stumbled back and by the time the war was over the older brother had taken over matters. So what had happened, as I understand it, my father has written his own biography which is eminently readable and fairly short but nothing of great historical significance except it is also a good view of what life was like in those days.

He describes his father coming back. The war is over. The Slovaks and the Czechs have been forced together by the Versailles Treaty in this new country called Czechoslovakia. After a period of time, and I have forgotten exactly what year it was, he left for the United States. Eventually arrived in Pittsburgh where they had a big Slovak community at the time and worked as a laborer in the shop and as a shop foreman of Pittsburgh Plate Glass. And was at Pittsburgh Plate Glass until well into the Depression. Although there were some months when nobody got paid even if you were working. My father was the

second oldest of four boys. Three boys at the time stayed behind and grew up in rural Slovakia in the Tatra Mountains, a beautiful area as he describes.

And in 1929 he then came with his mother and younger brother. They arrived in New York and then took the train down to Philadelphia and then took another train to Pittsburgh. The oldest son who stayed behind was Antoine. He stayed behind and I guess it was in the early 30's he was killed in an accident. At any rate the family showed up several years after my grandfather arrived. My father was ten and went to school in Tarentum High School in the town of Tarentum right outside of Pittsburgh and graduated in 1939 at the age of 20. He was number two in his class. The only job you could get in those days was joining the Army. So he joined the Army. He was shipped immediately out to the Canal Zone. And while he was in the Canal Zone I think one day the top Sergeant came around and said, "Anyone want to take the West Point Exam?" So, everybody ran off to take the West Point Exam, because evidently everyone got a day off to take it. Came back a couple of months later to find out that he had passed the exam and was there a way of finding out if he could get an appointment. He managed to get one. I'd forgotten how they did it in those days. Got an appointment from a Congressman in Illinois. And in his book he describes in great detail his last day in the Canal Zone. The entire company came out. He was the only one in the division that passed the exam. They took him down to the boat and got him a new uniform and sent him off to West Point.

He arrived at West Point in 1941 right before the war started. He graduated June 6, 1944. After he graduated from West Point he came down to Fort Belvoir to take a month of Combat Engineering Training before being shipped off to Germany. He managed to meet my mother in Washington, DC at the time and then went off to Germany. He was on the periphery of the Battle of the Bugle with Patton's Third Army. And he describes being very grateful that he wasn't in the thick of the Battle of the Bugle because that was a pretty grim winter. That was the coldest winter that he could remember.

I think he was there for roughly another year right before June of '45. They took them all down and put them on a boat and shipped them off to the Philippines, through the Suez Canal to the Philippines, where there was still a lot of mopping up going on and arrived at the Philippines in the heat of the battle of Okinawa.

Then when the war was over by August, I guess he came back from the Philippines in late '45 or early '46 for more Engineering Training at Fort Belvoir where he and my mother got themselves reacquainted and eventually arranged for an engagement and a wedding in 1948.

Q: What was the background of your mother?

TKACIK: She was a fourth generation Washingtonian on her mother's side. Her great, great grandmother came over from Ireland in 1848 and worked as a maid or a governess or something for a well to do Irish family in Washington, DC which then married her off to an Irish dentist in Washington by the name I think of O'Donnell. The O'Donnell family had several children, boys and girls. A daughter married a P.T. Moran who owned

a chain of feed stores in the Washington area. The feed stores were like gas stations. When your horse got hungry you went down to the feed store. P.T. Moran was very prominent in the Irish Community in Washington. Then P.T. Moran's daughter Mary Moran married my grandfather, my mother's father, whose name was Oswald Schuette from Chicago. And Mr. Schuette was in town in Washington as a journalist for a Chicago paper. He arrived in Washington from Chicago in 1906 and became a fairly well known international journalist. He spoke fluent German. In 1913 became the third President of the National Press Club. In 1915 his newspaper which then became the Chicago Tribune sent him to Germany and he was one of a couple of American War Correspondences in Germany from 1915 through 1917 until the United States entered the War. Wrote probably 800 dispatches from Germany and both the Eastern and Western Fronts. When the United States entered the War, he went to Zurich, Switzerland and covered the balance of the war from there and then returned to Washington.

I understand the he was very anti-Wilson. Wilson had promised to keep us out of war and then got us into war. My grandfather was an ethnic German speaking fluent German. I was told by somebody at Princeton University, who said when I was reading my grandfather's memoirs to her, I said, "Oh! it looked like my grandfather did not like President Wilson too much." And she looked at me and said, "Oh well, President Wilson did not like your grandfather too much either." Evidently he was quite a thorn in the side at those times. He was a prominent journalist in Washington and became a lobbyist for the Independent Radio Association. I guess this was late 1920's.

He launched a campaign against RCA (Radio Corporation of America) which was a monopoly like Microsoft. Managed to break the monopoly and forced RCA to come to a settlement with the independent radio producers or radio broadcasters and then he was hired on by RCA as a lobbyist. So he was a prominent radio lobbyist in Washington through the 30's and 40's and died in 1952 or 53 actually.

Q: Now, did your mother go to school here in Washington?

TKACIK: She went to Wilson High School, Class of '42 and then went to Trinity College Class of '46.

Q: Which was a girl's Catholic School in Washington?

TKACIK: Still is. Then worked for the Republican National Committee in Washington from '46 to '48. Somehow managed through the next door neighbor, who happened to be the Colombian Ambassador, to get an assignment to Bogota, Columbia in July of '48 to be a foreign language typist. Her foreign language was English. She was in Bogota, Columbia during the famous uprising, "The Bogotazo" of July '48. And then came back and married my father August 18, 1948 and the rest is history. She became an Army wife and never looked back although I think she wanted to sometimes.

Q: Well! Let's pick this up then. Where did you start going to school? You were probably back from Germany weren't you by that time?

TKACIK: I went to Janney School here in Washington, an elementary school. In ’53, ‘54 we moved to Fort Campbell, Kentucky and I was in school at the Army Base at Fort Campbell for a year and came back to Washington went back to Janney School in ’54 or ’55. Then moved to Texas, Walters Air Force Base. It was a big helicopter training center for Vietnam. I don’t know what it was in 1955 but in 1955 my father was an Army engineer who basically built the Air Base. And we were there for a year while the Air-Base was being built. I went to school at the local public school right outside of Mineral Wells, Texas, I believe, just north of Fort Worth. In ’56 we moved to San Francisco, drove across country in a Chevy Station Wagon in the summer of 1956.

Q: “Oh Joy!”

TKACIK: I couldn’t have been more than seven years old. Wound up at the Presidio, San Francisco. We lived in San Francisco, in Mill Valley which is right across the Golden Gate Bridge from San Francisco for three years. I went to school at Our Lady of Mt. Carmel which is just down the street from Mill Valley.

My father again was an engineer at Presidio, San Francisco. I’m not sure what he did there. He was assigned to Taiwan in 1959. His job in Taiwan then was to build the airport, the Sunshine Airport, which was at that time right outside the city of Taipei as a military airport. And it would be interesting to know that right now the Sunshine Airport is right smack dab in the center of the City of Taipei. We were in Taiwan for two years, ’59, ’60, and ’61.

Q: What do you recall of your early education bouncing around this way before you get to Taiwan? Were there any particular subjects that interested you?

TKACIK: Umm! Yes! Yes! I liked Science and Arithmetic in my early days. Especially Science. I thought of myself as quit a Plato Science Buff. And when I went to Mill Valley at school I organized the School Science Club and I was only in the third grade at the time. But actually what I really liked was hiking. Now we lived in Mill Valley, which is at the very foot of Mount Tamalpais. Beautiful mountain about 3000 feet which stood between Mill Valley, nice quite valley, and the ocean.

In those days it wasn’t really well developed. Mill Valley was a quiet little community. And I had always had this fixation on some sort of a radar station or weather station; it was at the very top of Mount Tamalpais. Because I thought it looked like an observatory. I remember as a young child being absolutely fascinated with a photograph of Mount Everest, which was completely surrounded by clouds and thinking that must be where heaven is above the clouds. And seeing the observatory on top of the mountain and turned out it was a weather station, and turned out it was an Air Force Weather Station as a matter of fact. In those days, I had always thought, “Gee, that I would like to go up there.” Nobody really had me interested in this at the time.

All of a sudden, my mother got pregnant with child for the fifth time and she hired a local caretaker by the name of Kharvena Burbank. Who, I think, had been an acrobat in the circus. She was not a successful acrobat because she had slipped once and landed and nearly had broken her back and took morphine for the pain. And then eventually became somewhat fond of this morphine even beyond the time that she needed it. She was a woman that had a hard time keeping a job. But she came highly recommended to my mother. And she was also an athlete being an acrobat and she was a mountain climber and a hiker. And I remember the first day I met her thinking this is rather wonderful, this woman is a mountain climber. I said, "Have you ever been up to that mountain?" And she said, "Oh Yes! I go up there all the time." That morning, I forgot what the deal was, it must have been in the summer-time. She said, all you have to do is go down the street whatever it was down past the mill, there was an old mill and it wasn't called Mill Valley for nothing. There was a big old mill there. Right next to the mill was the trail that you take right up to top of the mountain. So I promptly skedaddled down there, all by myself, at the tender age of eight years old and hiked up that mountain for the first time and just absolutely was fascinated and I just loved it. It was quiet. You get to the top and it was about a two hour hike. And all sorts of fauna and flora changes up there and maybe within the mile of the radar station. From then on I was addicted to climbing mountains. So that was that. Now this is very important to understanding my later fixation on China. In 1959 we went to Taiwan, lived in the military barracks, military housing area on Grass Mountain which is overlooking Taipei. Taipei was a dusty dumpy town at the town. But up overlooking Taipei was a beautiful mountain called Grass Mountain that had been a Japanese area when Taipei had been a Japanese colony, the Japanese civil servants had lived up there. Wonderful housing, traditional Japanese housing in the mountains. There were two or three mountains, one was Seven-Star Mountain, one was a mountain called Xiaoyoukeng which looked like a big green felt hat, plopped in the middle which was covered by jungle and right behind it which was Seven-Star Mountain which was much higher. Seven-Star Mountain also had a huge observatory like radar station on it.

My younger brother, who is just a year younger than I am, and I spent all of our time cavorting though the jungles, and the streams and the rivers and going up the mountain trails. And basically, we knew the place like the back of our hands. Now up there was mostly Japanese housing and Americans had starting putting up brick at the time. We first lived in a Japanese style house and then right after that lived in a thing called "F" Area. "F" Area was military housing. "C" Area was the NACC Housing (Naval Auxiliary Communication Center) which was a euphemism for the CIA. CIA had a huge operation in Taiwan at the time. And their housing was all brick and ramblers very nice and they had their own swimming pool and their own club and their own – Oh Gee! It made us, the Army Brats, military brats extremely envious.

The year we got there, there was also an Army listening station there. Turns out it was a code breaking, not really code breaking but just listening to what was going on Army and Security Agency. They had when we arrived just had a little snack bar and a movie theater and they probably had about three movies a week there. Certainly every week night there was a good movie there. Sometimes we could persuade our parents to let us

go see because it was just a couple of blocks away from us. Down the road and through the jungle and down into -

Q: And it cost a quarter?

TKACIK: Actually it cost a dime. I was a kid.

Q: I was a GI around that time and it cost a quarter. We saw all the same movies.

TKACIK: I see. I remember seeing the "Bridge Over the River Kwai" three times. We saw the "Hunters" a wonderful movie about the Korean War. "Pork Chop Hill" every movie of that era we saw several times over. They put a bowling alley there. It was a heaven for kids, lots and lots of kids.

We all went to Dominican Schools, lots of us went to Dominican Schools and I don't know why that was. I think the Dominican Schools must have been a lot closer than the Type A - American Schools. The Type A - American Schools were far into the cities. So the people who lived in Taipei and in town went to TAS and it was a little bit easier for us to go to the Dominican Schools. I don't remember the kids who went to TAS. That is neither here nor there. But then the key attraction was the jungles, the mountain streams, the Japanese houses, the Hibiscus, the wonderful flowers and probably the world's largest tangerines grew there. Not to mention rice paddies and all the rest of that stuff. It was just wonderful for us Army Brats.

Q: So, often being in the military, not confined to the base there isn't much contact with the local populace. Were you getting out and all and you were seeing people or was it merely climbing?

TKACIK: We saw quite a few people. We were regular customers at the local five and dime shop, which is a little stall that had wonderful candies and peanuts. My mother was just horrified that we would go and eat this stuff. Bubble Gum that had wonderful exotic taste to it. We would buy fire-crackers, our favorite things buying fire-crackers, just had a great time. They had little toys, little nickel toys that shoot caps and little cracker balls that you would throw.

Q: You were there from when to when?

TKACIK: 1959, we arrived on May 13 - May 10th I guess 1959 and left on May 13, 1961. So we were there for almost exactly two years.

Q: What about at home, how many brothers and sisters did you have?

TKACIK: At that time I had five brothers and sisters, three brothers and two sisters, six of us. And the Army was very good about finding us a place that could handle such a large clan.

Q: What was the, just to get a feel for family life. Some families are sort of all get together and sit around for meals and talk about world events. Others would kind of concentrate. They are busy unto themselves. What was this like?

TKACIK: Well, in my family throughout my childhood, even going to college and even now everybody sits down for dinner at one time and there is a general conversation of the day's activities. I am not sure that my parents appreciated our input a whole lot. It was nice listening to their conversation. What can you say!

Even there, in Taiwan with six kids, mother and father we had two sometimes three eommas (maids) who sort of kept the house going. Otherwise I don't know how my mother would have managed it. Because we were quite a bit removed from the city. There was just one car. If my mother went shopping she was sort of gone all day. She really couldn't take all six of us at any one time when three of us were in school. So as I said every evening we had dinner and every morning was breakfast.

Q: What about reading and all? You sound like you were pretty busy.

TKACIK: Well, it is interesting that you would mention that, naturally, my mother was a great reader to us. She had a wonderful voice for reading and still does.

Q: Sounds like the Irish.

TKACIK: I think that is probably true. When we were in Taiwan, first there was not a whole lot of entertainment. We didn't have any television and my mother read Tom Sawyer, Huckleberry Finn and then Tom Sawyer again to us that first year every night to my brother and me. And that was just wonderful. She started to read Black Beauty but that was rather boring.

Q: It's a girl's book.

TKACIK: It must be a girl's book. At any rate we lost interest in that. Then we moved out of that Japanese house and moved out to the other house. At that point, the thing we listened to was radio. The Armed Forces radio was there in Taipei. Our favorite shows were the radio shows: the Lone Ranger, Fibber McKee and Molly, Jack Benny and all the comedy shows. You name it, King Fish. What was that, Amos and Andy. One of the things if I remember correctly, one of our favorite shows was the Joy Boys and I did not realize it at the time but when we moved back to Fort Belvoir after we moved back from Taiwan the Joy Boys, of course, were the big radio show in Washington DC, WRC. And that, of course, was Willard Scott and Ed Walker. It was a great show. We made a habit of listening to these fun radio and, of course, in those days we also got the news.

Every morning we got the China Post and I remember distinctly, I guess it was April of '61 being so excited that the Russians had finally launched a man into space and circled the earth. Up to that time the newspaper had been rather boring. But the old China Post in those days was quite, you know what it is. Then we started getting the Stars and Stripes.

Of course, as a kid the thing that most attracted us to the Stars and Stripes was the comic section. But it had international news. I remember before going out to Taiwan being somewhat afraid of going because I was afraid that we would be dodging shells on the beach. And my mother was rather alarmed by this whole thing. And then getting to Taiwan as a kid and marching around as a child marching around the ridge overlooking Taipei and it was just a series of large area anti-gun replacements. The Chinese soldiers were more than happy to show us their AA guns and we could sit in them. They would let us move them around. I guess they had taken care to remove all of the ammunition. But I remember sitting in those anti-aircraft guns with my brother, I in one seat, my brother in another and he would move it out and aim and I would move it up. There were hand cranks on his side. And to the soldiers, we were sort of a regular feature over there. There were about six or eight of us boys who were regular guest of the soldiers on the ridge. It was not even a half a mile from my house. In fact, the two sites sitting now or sat on what is now the Chinese Cultural University which is a huge imposing edifice overlooking Taipei. Right there in those days it was just fields and it was anti-aircraft guns with silhouettes of MIG fighters in tin cutouts pasted all around it. And silhouettes of F-86's and F-80's and whatever fighters, that the National Chinese had separate so that you could make the distinction and you wouldn't shoot down your own planes. So, that was sort of my sense of world affairs so much sharpened by that.

Q: Of course, obviously you are quite young, I was wondering there was much talk about Chiang Kai-shek and what he was doing at that point?

TKACIK: At that point he was just a guy in charge. My father at that time, although he was a major, he was still fairly mid to high ranking in the hierarchy in the military assistant advisory group there. He was the second ranking engineer at MAG. He was building the airport and he was invited to two or three separate events that were hosted by the Chiang and Madame Chiang. So we were aware of him and we knew who they were. I think we were aware of it, but no one seemed impressed at the time. As a child one was not very attuned to the political goings on underneath you.

We were regular altar boys down at St. Christopher's in downtown Taipei. My father had drilled us mercilessly in Latin and we were called upon, since our Latin turned out to be fairly decent, we were called upon quite regularly to be the VIP altar boys. So whenever any VIP's showed up, a Cardinal or Bishop, or we were dragged into service day at St. Christopher's by Father McGraw who was an Irish Pastor at St. Christopher's. He was a missionary. We served mass for President Garcia of the Philippines, who made a State Visit to Taiwan when we were there. So we were aware that Taiwan had these relationships all up and down. It was the enemy across the Taiwan straits who were the illegitimate branded government, etc. But I don't recall being very in tuned to what was going on in Taipei.

Q: Then you left there in what 1961?

TKACIK: 1961 and came back to Washington. Moved back to Alexandria where my parents still live and we too now – twenty years ago, we bought a house about two blocks

from them and we are quite close. In fact, my wife and I grew up in that area. My wife's parents lived two blocks in the other direction from where we live now. My parents lived two blocks due north and once or twice a week we would go over to my parents' house for a family dinner.

I went to Bryant School, which was a Junior High School. Down toward Mount Vernon right on the river. In seventh grade I was a famously unproductive student. Something was desperately wrong so my mother transferred me into the Catholic School, which was St Mary's School. Although the size of the class was double what it was in public school, it was twenty-five kids at Bryant. But I am in the eighth grade in St. Mary's School, and we had at least fifty kids at St. Mary's where I was not much better as a student. I guess I must have tested well. And then went to Gonzaga High School in DC. I then went to Georgetown University.

Q: How long did you go there, four years?

TKACIK: Yes!

Q: What was it like then?

TKACIK: In was in the beginning of the 1963-1967. It was pretty grim. The school itself was just falling apart. It was an old school that had been there since 1911. The school was founded in 1821. I am not sure that they did much of any rehabilitation of the school between 1911 and by the time I graduated in 1967. But Gonzaga was a great school. The lay-teachers were mostly young men who had graduated Gonzaga themselves and had gone to college and had come back for that first job right after college.

The Jesuits were wonderful men. Every one of them was really interested in everything and I can attest to this. They were all interested in making sure that every one of their students did as well as he possibly could and would mercilessly brow beat us if we didn't. In some cases physically brow beat us. That is neither here nor there. But they were wonderful. It was in Gonzaga that I was the President of the Science Club in my senior year, but we started the Science Club in my sophomore year and we started it there, that was the first year. I was still very interested in science. Although having come back from Taiwan, I desperately missed the mountains. You don't really have that here, you don't have wide open spaces and you are not free. I found that the Chinese landscape paintings that I had been exposed to in Taiwan and which my mother had brought back a bunch of Chinese art books the landscapes were very reminiscent of Taiwan and I rather liked that. One of our speakers was a Father Ciszek, who was an American but who had run afoul somehow in Russia, I guess, before the second world war. He was a Jesuit, and although he was an American citizen, he was locked in the Gulag for thirty years. He came to the United States and stayed at Gonzaga, I guess it was my senior year. He wrote a book called, With God in Russia, which I read. I also read One Day In the Life of Ivan Denisovich which had been turned into a TV Movie at that time, a very powerful book.

But when I was in high school I didn't have much to do with China. My grandmother had many friends. She managed to get me a job as an office boy at Kiplinger. I was there, I guess for two or three months during the summer.

And the editor, Kiplinger, had a number of newsletters. Their stock and trade at the time were these wonderfully concise four page letters that told you what was going on in Washington so that top executives around the country could read it quickly and get it over with. And so they wouldn't have to read Time and Newsweek and all this other stuff.

When I was at Kiplinger they had come up with several letters. One was called the Kiplinger Foreign Letter. That got my interest in Taiwan. The editor had gone to Georgetown School of Foreign Service. And he used to get me the FBIS (Foreign Broadcast Information Service) green book on China. This was interesting in 1965. I remember taking them home and reading them. There was nothing of particular earth shaking interest in those things. They spoke of what was going on in China in economics and political things, foreign affairs, and I couldn't quite follow it, but I found it very interesting.

So between my Sophomore and Junior year I got the China News Analysis. Which was fortuitously published in Hong Kong by a Jesuit. The CNA, China News Analysis, was the bible among all the China watchers throughout the world at the time and he had been writing in Hong Kong since the 50's and this was the 60's. I remember getting the China News Analysis in the summer of '66. The Cultural Revolution had just started and the issue late in August was about the Cultural Revolution. And I remember he wrote very well even though he was a Hungarian. And I remember reading that and thinking, "Holy Mackerel!" "This is strange, this Cultural Revolution is very strange." He meticulously footnoted all of this stuff and I remember thinking this is very interesting and this is what I want to do. This is while I was still in High School. I was still interested in Science and Math and that sort of thing. But history, world affairs, then began to take over my focus.

One of the great things about working for Kiplinger Washington Editors was they got tons of books just shipped to them 'gratis' by every publishing house in the country and I could just go down and take any books that I wanted. For the magazine they probably would review maybe two or three books a week out of twenty or thirty that they had. So I got all sorts of wonderful books on China that I took home and read. Then wound up reading a lot in the Gonzaga High School library on China and in doing my senior valedictory thesis in High School on Guerilla Activity on the Communist Mainland. When I applied to college the only slot I wanted to go to was West Point because my father had gone to West Point. But I had developed asthma as a child and West Point would not take you if you had asthma since age 13. I had been in and out of Walter Reed with this asthma business. They certainly had the goods on me. So they kindly sent me back a note saying, "thanks but no thanks you don't quite fit!" At which point my mother was so upset, she sent my entire medical file to the draft board. I was eighteen at the time. Vietnam was going on at the time. And my mother, who God love her, sent my medical records to the draft board and they came back with a big old draft card that said 4-F on it.

I remember thinking that was a fine how do you do. But I wanted to go into the Foreign Service. And so the only choice for me was the Georgetown University School of Foreign Service.

Q: Let's stick to the High School time. You were in Washington during a very active time in Civil Rights, did that hit you at all?

TKACIK: No. I remember August of 1963 when they had the Civil Rights March and my mother said, "Don't go into Washington." So I did not go into Washington. Everything else was fine. I had a good friend whose father was a columnist who wrote for the Washington Star. He went into the march and came back and reported on it the next day in August. It was sweltering hot. People wore coats and ties in those days. Everybody wore coats and ties in '63 and women wore dresses and you were out there and you had ten thousand, a hundred thousand people, mostly African-Americans. Mostly blacks dressed up in coats and ties and men wore hats and women wore light dresses with gloves and everybody was dressed in their Sunday best for that, I guess. I was told. I wasn't there so I don't know.

In'64 I was in South Carolina when the Tonkin Golf Incident took place and that was in the height of the election campaign.

In '65 you had the Watts Riots in the summer and that was tense but that was across the country. We really didn't see too much.

Q: Was much of your High School integrated?

TKACIK: Yes, it was integrated. We probably, out of a class of 120 or 130 guys, I think we had 12 blacks and about 6 Chinese-Americans. Yes, it was integrated. Gonzaga was the first school in Washington to integrate. This was not a problem.

Q: So when you went to Georgetown University from when to when?

TKACIK: From September '67 until graduating May of '71.

Q: At this point it was all male wasn't it?

TKACIK: No, the Foreign Service School had been almost half female and they always had women in the Foreign Service School. The Language School always had women and the Business School always had women and the only one that was all male was the liberal arts college. I believe they started admitting females in '68. It was the second year I was there.

Q: Was Father Walsh still there or had he passed beyond?

TKACIK: He had passed away several years earlier. Our first Dean was Father Sebes and Americans always pronounced it Seves. He was a Hungarian Sinologist. His expertise

was Ancient and when I say Ancient I mean almost Pre-Historic China. As Dean of the Foreign Service School he did not have much in the way of administrative experience and he was generally considered lacking in the fundraising and administrative side of things. And he was perfectly happy to be supplanted I guess in '69, maybe '70, after two years by Peter Krogh. When Peter came, he must have taken over in my senior year, which was '70 or '71. He was a great guy. He was young and I remember being horrified that this young whippersnapper who was a Dean of Students at a top University had been made Dean of the Foreign Service School. I don't believe that he even had a Ph.D. We were quite scandalized by that. He immediately set to work getting more money and bringing people in and bringing new professors in and made himself very available to all the students. I remember very early in our senior year, a group of six of us lived off campus in Glover Park. In September or October of our senior year one of our number marched into his office and invited him to dinner. He came to dinner at our house. We thought he was a great guy. He remained Dean for over twenty years.

Q: What was the focus on at the School of Foreign Service? I mean, the student body or the diplomatic service or really a much broader business?

TKACIK: The School of Foreign Service was extensively focused on preparing for the diplomatic service. They had two minors in those days: one was international finance and one was international affairs, finance, economics or something and I did international relations. I don't know a whole lot about international economics but of our class, I would say probably a third wound up going to law school. Maybe I am exaggerating but my recollection was that many of them went to law school.

The six that were in my house, two went to law school. I went to the Foreign Service. One went to Tuffs for a doctorate for law and diplomacy, Fletcher School, and then the other two went to college. One was a Fine Arts Major and the other was a Physics Major. But I think only six of our class actually got into the Foreign Service.

Q: The Foreign Service just did not hire that many people.

TKACIK: I think 10,000 people took the test nation-wide that year 1970. You would have thought the entire Foreign Service School had taken the test. I think only 20 of the Foreign Service School actually took the test. And only six of us managed to stumble through to where we finally came to the Foreign Service. Now there were still more Georgetown graduates in my class than any other school but that was not saying much. We had a couple of Harvard, Yale and Princeton were there, but Georgetown was always there.

Q: At Georgetown were you able to move towards getting regular courses on China?

TKACIK: I started to take Chinese in my freshman year only to find out that it was taking way to much of my time. Chinese language required six hours of class a day plus you had to do another six hours of lab. That just took up just way too much of my time. The language school students could do it. That was just built into them but it was not

built into the Foreign Service school. I went back to German which was my language in High School and didn't take any Chinese for my second year. Then took a Chinese History survey course in my junior year. My senior year I took a Directed Study in another course plus an East Asian Economic Systems Course which included China. But, I didn't do much in the way of focusing on China.

Q: When you were there during the so called sixties years during Vietnam and all of that, how did that impact those on campus there, the protest movement and on you yourself?

TKACIK: Well, that is a good question. Because there was a group of us that was rather unimpressed by the opposition to the war. Georgetown was well known for being a rather conservative campus anyway. The opposition was a popular thing to do, the anti-war movement, the mob and all the rest of it. There certainly was a lot there, it was popular. It was not popular to be rather dubious of the anti-war movement. I was rather out-spoken most of the time. There were six guys in my house and five of them were against the war. I was for the war. Basically, nobody really gave me a hard time. I would give them a hard time but to no avail. Most of their professors, however, were very sympathetic toward what the war was meant to accomplish.

I remember one of our professors in International Relations causing a great stir when he told his class of about fifty kids that the driving force behind the anti-war movement is basically people don't want to go fight. People don't want to join the Army and go fight. They just don't want to go to Vietnam. They are cloaking it in a morality that really was not there. If this had happened at Berkley or Harvard they would have "tarred and feathered" him. Nobody paid much attention to him.

My International Law Professor was Roy Dobson and he was basically pro-Vietnam, pro-government. There was a large Army ROTC group and a lot of my friends were Army ROTC on campus. And basically they were all very thoughtful conservatives. So many of whom ended up joining our sister agency up the river, the CIA. But I don't recall the war being polarizing. There were demonstrations and there were gatherings and I joined in but most people viewed these with some amusement. Now around Kent State if I remember correctly.

Q: The Spring of 1970.

TKACIK: May of '70 there was a big demonstration that locked down the city and a lot of friends went down to participate in that. I remember two of my friends in my house disappeared that entire day and that didn't show up until late that evening. Rather proud of the fact that they had been arrested, fingerprinted and all the rest of it and let go that evening with all the charges dropped, etc. That was sort of the end of it.

The anti-war movement in Georgetown University was not a particularly rambunctious kind of thing.

Q: Did you have any contact with people at that time or earlier on while you were still in college who were in the State Department's Foreign Service?

TKACIK: I don't think I even knew anyone that made that kind of impression on me. I had one Professor at Georgetown who was with AID, Theodore Geiger. He was very encouraging about a career in Foreign Service. But he had left AID and was with Carnegie, I guess, at this point and he was teaching at Georgetown. I want to say Adriane Fisher, but what was Adriane Fisher doing at Georgetown at the time. I think Adriane Fisher was the legal advisor at the State Department at the time.

Q: The name is very familiar.

TKACIK: We met him a couple of times. He was at Georgetown. He was not Foreign Service, he was an attorney. Now when Peter Krogh came in after I had gone, then they made a point of dragging in every retired Foreign Service Officer they could find.

But when I was there it was sort of a very unfortunate period because Father Walsh was rather keen on this sort of thing bringing in practitioners. And then when he left nobody followed up on these things and so I was at Georgetown in sort of their trough in their educational imagination I think.

Q: I would have thought being a Catholic School, generally conservative, would be a really fruitful recruiting account for the CIA. Was this something?

TKACIK: It may have been but nobody came to me. I think the CIA if they had spotters on campus, I would not have known who they were. But, I think they did go there recruiting with the ROTC and not so much with us.

Q: Okay! Well, I think this would be a good place to stop and I put at the end of the tape so that I can play it back and we can both realize where we are. We will pick this up next time we will talk about you going into the Foreign Service and I would like to ask you a bit about your impression particularly about the oral examination and all. And then we will move right on into September of 1971 and we will pick it up then.

Today is the 8th of June 2001. John let's talk about the oral exam, do you recall anything that was asked you? Does this stick in your mind at all?

TKACIK: No. I do recall that they said, "Okay, You are a China Specialist", "What do you think the U.S. policy should be toward China?" At that point, of course, we were not expecting that. And I have forgotten how I answered that. They also asked me about the Middle East, "What should the U.S. role be in the Middle East?" I remember being a callow college senior and basically saying over and over again well our role should be as an honest broker. We shouldn't take sides, etc., etc. Well that seemed to be good enough for them. About two years earlier I was working at a moving van company in Alexandria where we went out in vans and moved people's furniture. Three of the other guys had also taken the Foreign Service test and one of them claimed to have passed it. And his

claim was that during the oral exam they asked him to name twenty-five Indian tribes. Well I didn't get anything like that.

Q: I was looking through an old interview I had done with Dick Howland, I don't know if you know Dick was a South East Asian specialist. But he said he was asked to name the SEATO Countries and he named four: Japan, India, Hong Kong and one other one. Ha! Ha! He still got in.

TKACIK: They were using these two-tier systems. In the morning you had sort of an in-basket exercise and then they had all twelve of us there for the oral assessments at a big table and they had some sort of joint exercise. And then in the afternoon you hung around and waited your turn for the oral assessments, for the interview, which, I guess, was about forty-five minutes.

Q: About an hour.

TKACIK: It puzzled me because as soon as I came out, they said, "Congratulations! You passed." Right there. They did not go back and look at it and they did not look at the tapes. They said, "Okay you are in." When do you want to come in? I was graduating in May of 1971. I thought I would like to have a summer off. So I chose September.

Q: I have been involved some years ago with the old form and the newer form of the exam. And an awful lot of it is designed to make it appear as though it was untouched by human hands. In order to avoid lawsuits and that sort of thing.

TKACIK: Well! We were sworn in on September 16th 1971 with the 99th Class of the Foreign Service.

Q: What was your impression of your class?

TKACIK: I was the third youngest in the class. Wayne Leininger was the second youngest and Joanne Arts was the youngest, and they were very bright, Joanne and Wayne. And then everybody else. There were the three of us who had just graduated and everybody else had some graduate school work. The average age was about 24 and 25 if I recall. They were all very bright people, the class. About 12 did the A-100 course pretty much together and then just peeled off toward the end of the A-100 program. The balance, which would have been 38 State Department, were very impressive people. I expected a lot of Georgetown, Harvard, Yale that sort of thing and I didn't get that. What we had was a lot of cross-section.

Q: Pretty mixed group.

TKACIK: Pretty mixed. I'd say at least 12 or 13 a good chunk of women, minorities were pretty well represented, I thought. Actually maybe just one Chinese-American, Linda Lui, and about 12 African-Americans. One was just named Ambassador to – where was it? I forgot now. Julian Bartley was in my class and he was killed in the bombing of the

Embassy in Nairobi and he was my roommate for the off-site. The people that I came in contact with were extremely bright and very imaginative. The Vietnam War was still there. Nobody seemed to be bent out of shape over it.

Q: Did you have any, where did you want to go?

TKACIK: I wanted to go to the Far-East, but there was no East-Asian Post when they handed out the openings. I listed Saigon, Saigon, Saigon, Saigon and then Singapore and Tokyo and that was it. I recall that was it.

The day before our assignments came out John Hurley, the A-100 director called me in and said, Reykjavik! I said, Iceland. He said you know where it is. And a big smile came across his face. Yes! And he said, "Well! That is where you are going to go." I thought, Okay! It sounds good to me.

Q: You were there at Iceland from '71 to '73?

TKACIK: '71 to '73 and that was during momentous things going on during the Codfish War with Britain which was one of the first times two NATO allies were sort of shooting at each other, not counting the Turks and the Greeks. Bobby Fischer come over for the famous chess match.

And then there was the Nixon-Pompidou Summit which was the first and last summit there until 1986 when Gorbachev and Reagan came.

Q: Let's talk a bit about first place I realize that you were the Junior man on the totem pole but how did you see relations at that point between the United States and Iceland?

TKACIK: Oh they were excellent. The Conservative Party in Iceland was the Independence Party and they were Pro-NATO very Pro-U.S. Mostly the shipping interest, fishing interest and the regulating. They relied on NATO, especially the U.S. arrangement out at the Keflavik air base. Iceland's connections with the world were based on the aviation rights in the United States as well as in Europe. The Anti-U.S. Party was the Communist Party. They were on the far left. They were against the Americans. They wanted the Americans out. They were very much penetrated or compromised if you will by the Soviets.

Q: This is tape 2 side one with John Tkacik.

TKACIK: The Communist Party like any Communist Party was an off-shoot of the Soviet Embassy. The Soviets had a big representation, over 60 people at their Embassy, not to mention they had a Bulgarian, a Polish and there was Romanian Embassy and a Yugoslavia Trade Mission. The Soviets tried their best to ingratiate themselves to the Icelanders by buying all the Icelandic fishing take in return for which the Soviets gave very cheap oil as well as cheap automobiles.

The party that controlled the balance of power was the Progressive Party. Then there were a bunch of smaller Leftist Parties that were not Pro-Soviet actually, they were anti-Soviets. A year before I got to Iceland the Progressives wound up as the organizing government. And so the whole new government was the Progressive Party.

Normally they would have been fairly lukewarm to NATO and anti-U.S. As soon as they got in, the U.S. Navy and the Embassy took the whole shooting match and the top Progressive Party cabinet members out to the base. We showed them exactly what they did and discussed all of the surveillance activities and everything that the base did with regard to both undersea surveillance as well as monitoring the air space.

Q: Sort of the cork in the Soviet Navy out of the Cola Peninsula.

TKACIK: Exactly! Iceland, they call it the GI-UK Gap. The Greenland-Iceland UK Gap. You couldn't get anything through there without the U.S., NATO seeing it. My impression when I was there, that the Icelanders were very fond of Americans and that they were not fond of Brits. My British colleagues were always complaining to me that they really could not make friends very easily and this, that, and the other. Well! I made friends quit easily! Icelanders were very outgoing and they were very pro-American, my impression was. And when they went on vacation, more often than not they went to the United States as opposed to going down to the Canary Islands. They would go there too. But, I remember the guy I rented my apartment from. He had an auto-parts operation and was always flying to the States. American cars were very highly sort after. It was a very pleasant place to be.

Q: Was Vietnam was that still a cause to stir the left with?

TKACIK: There was a big anti-Vietnam Demonstration at our Embassy. It involved heaving a large number of eggs filled with dark ink against the Embassy's whitewashed front. Our Embassy fronted right on the street. It must have been in September of '72 or thereabout because it was still daylight out in front. A demonstration came by and covered the place with ink eggs. Shortly thereafter the Icelandic foreign ministry sent down a whole slew of window-washers and guys who washed them off the front and that was that.

Also in September of '72 was the Cod Wars that started with the British. Now that was serious. They all gathered in front of the British Embassy and they were throwing stones and rocks. The British Embassy was set back about fifty to a hundred feet from the street.

And my friend Frank Martin was a Vice-Consul at the British Embassy. He happened to have been in his office that day, minding his own business. A couple of rocks came through his window with the shattering glass and sliced up his forehead. He emerged at the door all covered by blood. He looked hurt, he just looked awful. I don't remember or recall the Icelanders being particularly upset. The Britishers had their comeuppance.

The British had their trawlers all over Icelandic waters inside the Icelandic fifty mile limit. The Icelanders had just declared a fifty mile limit earlier that summer. And the British trawlers were just trawling the way they always did. The Icelandic Coast Guard went out and cut off all the trawl lines. And it got to be a big brouhaha. And, of course, the British were furious about this and they sent the Royal Navy. Well then you start getting a little bit dicey. President Nixon came at the end of January '73 with Henry Kissinger and whole battalions of reporters and support people and Secret Service to meet with Georges Pompidou. And they had their summit there. This was one of those things where you wanted to have a summit and the French say you come here and the Americans say you come here. And finally they find some neutral ground and it is about as neutral as anyplace in mid-winter. But I did not get a sense that there was a whole lot of complaining about it.

Q: What did you do during the Nixon-Pompidou visit?

TKACIK: I manned the Press Center. We had such a small Embassy. There were only eight officers in the Embassy. Vic Jackovich and another fellow had put together the whole press operation at the hotel and basically my job was just to go over there and sit and basically take care of the press. The summit was only a day and a half. Maybe two days. It wasn't a very onerous task. You just had to sit there and answer questions and take a couple of telephone calls.

Kissinger came out to brief the press. He was doing one of his background briefings. And he thought he was going to talk about the Summit. Kissinger is there, the President, Pompidou, the assembled American Press Corps and the British and the Icelanders and the French and everybody else. And interestingly enough the first question was about "Watergate". It was not about Vietnam, it was about Watergate and Kissinger was beginning to get real testy about all of this. He said, "Why are you asking about this? We are here to talk about our relationship with France and all the rest of it." That was the first inkling that I had that Watergate was more than the usual campaign and hoo-haa. Because President Nixon, of course, won in a landslide and that was just two and a half months earlier. That was quite an eye opener. Again, we then started talking about Vietnam and where is the peace going and what kind of arrangements do you have? Very few questions about France.

Q: French relations are not very high on anybody's list, especially Americans. What about as a Consular Officer, what sort of work were you doing?

TKACIK: Consular work was basically routine. In the morning you would do non-routine visas and occasionally somebody would come in with a passport that needed to be done. Every week you would have a fax from the air-base, from Keflavik which was a naval station with dependents passports and the regular reports and that sort of thing.

There was at least one young American arrested on a drug charge, a bunch of "hashish" which he was selling. I remember he got himself a lawyer and wound up in jail for a year or so. That was my first time down to see the rickety jail. Which was a big old Nordic

Castle and it looked like a dungeon. It had big huge two or three foot walls made of stone. We took care of him and brought him his care packages and took him messages from his parents and those sort of things.

Q: What about marriages between Icelandic girls who, apparently from all accounts, were very desirable young ladies and Americans who the Government does not look to happily upon the exit? Was there a problem?

TKACIK: It was not a problem when I was there. The Government did, in fact, for social pressure reasons, the government even the Independence Party circled the air-base with barbed wire and heavy security. Not to protect the air-base but to keep smugglers and black-marketers from taking the duty free stuff on the base, off the base. Very difficult for base personnel to get off.

You would have to apply a week ahead of time to get a permit from the Icelandic Immigration Service and then you would have to tell them exactly where you are going and what you are going to do. They would turn you down if they thought you were a low level sailor who might be going to town to get drunk. We are not going to let you go. We would have to let fifty go out of a thousand. Now it was easier for families. If you were married and had children it was easier to get off the base. And some families did live off base. But there was not a lot of interchange. And, about Icelandic women at that time, I don't recall them being particularly eager to get married to foreigners. I recall there being fairly strong social pressure on Icelandic men and women to stay at home and fulfill their duties to expand the population of Iceland which at that time only 208,000 and now I think it is only 250,000. So there was not a whole lot of inter-marriages. One of the Marine guards at the Embassy was married to an Icelander. And one of his predecessors ten times removed had married an Icelandic woman about ten years earlier and then had gone off to Vietnam. He had finally come back to Iceland with his wife and they settled and retired to Iceland.

Q: How did you find the social life there for you?

TKACIK: Very enjoyable and action packed and always had things to do, going to the Loftlinquiker Hotel on Friday night and Saturday night. That was sort of the thing that you did. On the other hand, I think for a city of 80,000 people there were five movie houses and ten Discos. There was always something to do. When I first went to Loftlinquiker it was mostly older, I said thirties and forties, older people going there.

There were several coffee houses and there were four or five high schools in Reykjavik. Each one of them had a coffee house for the weekends. There were a lot of youth groups. You had to speak Icelandic though and my Icelandic when I first got there was very rudimentary which is to say pretty non-existent. I started learning it when I was there. But there were movies.

Now in the summertime everybody liked to go to the countryside. There were crystal glacier lakes up at Northern Reykjavik. You could spend the night there. The screened in-

windows could keep the mosquitoes out. There was skiing all summer long out on the glaciers. Lots of great sightseeing and kids did that. Everybody did that. Lots of things to do. It was not boring at all.

Q: *Who was the Ambassador?*

TKACIK: First Ambassador was Luther I. Replogle, the founder of Replogle Globes, Graduate of the U.S. Naval Academy Class of '28 I imagine. Who then formed a globe company in his '70's. This was 1971 that he was an Ambassador in his 70's. He had the only company in the United States that actually manufactured globes for National Geographic and Rand McNally and that sort of thing. He was an older guy, white hair.

Ambassador Replogle's wife was wonderful. She was very supportive of the Embassy. Always having people over for dinner. Having anybody that you wanted to have at receptions She would put together reception and all your contacts would be invited to the Ambassador's house. Which was a nice place right next to the Embassy. Very nicely done. Art work for the MC Program and etc. Good food, plenty of drink and everyone wanted to go to the American Embassy because they served beer. This was interesting because there was no beer in Iceland. Beer was outlawed in Iceland. You could get Brennivín you could get 151 proof grain alcohol, you could get anything else but you could not get beer!

Q: Why was that?

TKACIK: There was the temperance movement in Iceland going back before the turn of the century and still was in 1971 a very potent political force. It was driven by religion and by Icelanders who had seen alcoholism destroy their families and said, "this has got to stop.

Well, the compromise was, they charged so much money for it that people wouldn't be able to drink it all the time. And we will ban beer.

Q: *I have found it at other places too having a Marine detachment, you are talking about hot blooded young boys who are supposed to be the cream of the la crème.*

TKACIK: Even a good school or anything else, they are drinking or fornicating. They take ex warrant officers or something like that which I suspect probably except in extremely dangerous situation and it probably works as well.

Q: *Yes! I think that it is probably true. In this case, I have been in a number of Embassies and Consulates around the world, if you have a good gunny sergeant then you can keep them in line and discipline holds. In this case it was the Gunny himself who saw a profit opportunity. At any rate, meeting people was not the problem I am surprised that there was not a strong effort to teach English in the schools there?*

TKACIK: It was. I would say that everybody spoke English there. It was just being part of the group. The more Icelandic I picked up and learned the better it became.

Q: *This was very good training. What happened were you still playing toward the Far-East?*

TKACIK: Yes, I had done very well in Iceland, I thought, because it was not a whole lot of consular work to do. I worked on youth affairs. Kissinger wanted youth which was sort of right up my alley. So I did a lot of good reporting, I thought, great reporting on what youth were doing and how they were organized politically. Who I thought the up and coming personalities were. It was not hard picking out who were the up and coming in a city that had 80,000 people.

And so I was promoted quickly that year and I got a call from my Junior Officer Counselor who wanted to bring me back earlier instead of staying the regular two years. Would bring me back in August to start Chinese language training. There was a new slot at the Embassy in Taipei for a Visa Officer. It required Chinese language at a 2/2 level. So I said, "Hey! count me in". So I left Reykjavik early.

Q: When you took Chinese in '73, how long did you take it?

TKACIK:'73 to '74 for one year and then went back in '76 to '77 after serving at the Embassy for two years. One year at the FSI School.

Q: How did you find the teaching at FSI of Chinese in Washington?

TKACIK: I learned it. I thought it was pretty good. I can't complain. I thought it was very systematic. The way I learn languages you have got to memorize things. And there was a lot of memorization and conversations and substitution drills. The most important thing I think that in the beginning of the course, the first week or two weeks, that we were in that course we did nothing but pronunciations. They did not even tell you what you were saying. Just pronounce, just pronounce it that way and let's go over it again. And correcting it over and over again. It was no sense in going on if you didn't get the tones or the pronunciations. It was taught very scientifically. We had a very good group in that class. All of whom had developed pretty good Chinese. So at the end I could speak Chinese. The Taipei class was very good, too.

Q: That came later about two years later. You went to Taipei. You went from '74 to '76. Again what was the state of the relations? This was not the greatest time, was it?

TKACIK: No! you are right, it wasn't. Taiwan has always understood that there is no relationship more important or even as important or even coming as important as the Taiwan relationship with the United States. So, everybody was treated with the utmost courtesy and indulgence by the Chinese. You wanted a new place for this or you wanted a guard for that or you wanted anything, the Taiwanese Chinese would bend over backwards to support that. Leonard Unger, our Ambassador, did not speak Chinese but

was a well-respected Senior Foreign Service Ambassador of Thailand, Laos and Bill Gleysteen was our first DCM and Harvey Feldman was the Political Counselor and Joe Kiel was the Economic Counselor. Everybody was just top drawer. Everybody realized that this was going to come to an end at some point.

When I got there, there were about 10,000 or 12,000 American Servicemen stationed in Taiwan together with all of their wives, children and cars and all the rest of it. By the time I left in '77 I think that number had gone down to about under 3,000. So there was a palatable reduction of the American military presence in Taiwan. Out of deference to China which to be perfectly honest, I don't think the Chinese cared what our situation was there. Especially since the Chinese were getting antsier and antsier about Vietnam.

Vietnam fell, then Cambodia. Laos basically went the same way. And there was sort of a hiatus in the drawdown because there was still a requirement to use the bigger airbases in Taiwan to support the evacuation out of Vietnam.

We didn't start getting the boat-people until virtually all had gone to the Philippines or someplace else. Nobody got as far as Taiwan. I remember President Thieu evacuated Saigon very early. His plane and his entourage ended up in Taipei. Then he was so very distraught with the Americans he wound up getting himself resettled in Britain because he felt he had gotten a raw deal from the Americans. That they had torn the rug right from under his feet and had lied to him etc. Well, there were three planes in that evacuation and they were still in Taipei as I recalled when I left.

That stabilized the relationship there for a while and made people think that Taiwan was not unimportant out here. It is still a very key location. But everyone in Taiwan in the Government realized that they were on good behavior and living on borrowed time until eventual break in relations. The Japanese had broken relations earlier and set up an unofficial entity.

At that point Taiwan was beginning to lose a lot of its support around the globe. Embassies were closing down here and there.

Q: I mean, here we were entering the world of China Specialist was it about those who were Chinese language Officers and all. Was there sort of an ancient, let's get over, and let's go see the big country and get over to Beijing and all of that or was that part of the atmosphere at that time or was it a little early?

TKACIK: Every one of the people in language school were eager to get a job in Beijing or Peking as you call it. But I think a lot of them were secretly gratified to get posted to Hong Kong instead, because Hong Kong was a much nicer place. Everybody knew that Peking was not a very comfortable place. I was assigned to Peking in 1975 via language training. So I was going to replace Jerry Odgen in 1977. Now they always assign people to the China jobs two years ahead of time because you needed the two years of language training.

And if you already had the language, then they would assign you two years ahead and look around for something else for you to do for two years. In my case, I had a year to go in Taipei and then another year in language training in Taichung before getting out there and it went quite well. I guess I was the only one who knew I was going to Beijing.

Q: And while we are on Taiwan and Taipei who were you doing visas for, what were the problems and how did you deal with them?

TKACIK: The main problem was that it became well known in Taiwan that you could immigrate to the United States with a Labor Certificate for a Chinese Specialty Clause. By definition, if you were Chinese then you were also an aficionado of Chinese food and thinking of making Chinese food. So everybody got Labor Certificates in the United States as Chinese cooks when in fact they were not Chinese cooks.

Now there were stories that they were paying lots of money to Chinese restaurants to get them fake labor certificates and then they were faking evidence of experience in Taiwan. No one could sort it out because people would come in and apply for a visa and they would give you a pack of documents and you could take them at face value. Well, the idea was to actually go out to Taipei instead of having the Immigration Service in Hong Kong send an investigator up to Taipei every six months to investigate. To have one of the State Department Foreign Service Officers put together an investigation operation and that is basically what I did. I got there and hired an investigator. He did a lot of investigations for the Office of Special Investigation for the Military but he did not like doing it because you were always being bribed and he didn't want to do it. He wanted somebody else to do it. It was a lot of pressure on him. Which was true. So I wound up there. So the military was winding down and there were lots and lots of their investigators who needed jobs and I managed to hire three guys. Three fairly good investigators to do Visa Card Investigations. And it was very difficult to organize it all. Because you had a huge island the size of West Virginia. There were cases from all over the Island. In fact, if the restaurant that you claimed to work at was further away from Taipei then that was so much the better. So you had to organize it and do whatever it takes too. It was a lot of admin work. You had to arrange to pay all the per diem in the hotels and the transportation and who had to type up all this mess. But after a while you begin to get the hang of it.

The problems of course were ten percent the work lines. It depends on what work line you were suspicious of anyway. After a while I refused to sign off on cases that backed up. Because you had 100 cases a month, that many, at least 1200 a year. And you could only investigate 30 or 40 of them. So you wound up with this great big backlog.

So finally the Consular Section Chief came to me and said, "Figure out some way to get rid of that back log." He was a lawyer. He said, just give it to them, Just say, "The hell with it! and let them go. I said, "No! I am not going to do that. Finally, I said, I have a great idea. We will have a test! We will bring in one of the great Chiefs of Taipei and one of the great cooking teachers in Taipei and he can have a test. We will bring in five guys, so we did it and we called Fu Pai May who had been on TV as a cooking teacher and we

said, Mr. May we wanted you to watch these six guys who claim to be Chinese Specialist Cooks and pick them out in random and show up on the stage and be ready with $25 U.S. because they had to pay for the food a piece and do your stuff. Well! They got in there and they all cooked their Chinese food and every one of them did a great job except for one guy who was paralyzed, completely paralyzed on the left side and he was doing all this cutting everything with one hand and was doing a horrible job. And when it all came out in the end his food not only looked bad but it tasted bad which was not surprising because the guy couldn't do it. And Fu Pai May went by and tasted it and passed everybody including this guy. I said, "Oh Crap!! Well at this point, Tom said if they took the test and passed the test then give them the damn visa. I got a little snooty at that but what the heck you had to give them the Visa and no more tests because that obviously was not the right answer either. I was so happy to get out of it.

Our compound was on Nang King East Road, Section II. By the time I left, the entire investigation section moved into the compound next door to it and it was a pretty operation with five people and a secretary and me. I was so happy to get out of there.

Q: Did you have problems? I was the Consul General in Seoul and we had some of the same problems. In fact, the Reverend Moon, head of the Unification Church has his way, he got his Visa through his wife and she was supposedly a graduate of the Palace Cooking School and it was never proved. But by the time they went through and investigated and all, but they must have enough legal people. He probably got here on a fraudulent Visa. You must have been concerned about your investigators being paid off?

TKACIK: Well, I was. I was there for two years doing that. Once you got around them, you just had to trust them. Usually when you start getting investigators being paid off, somebody will rat on them. When an investigator starts taking money then after a while something goes wrong somewhere and somebody rats on them and you have cause.

After I left, one of the investigators that I hired finally was arrested, I believe, by the Taiwan Police on a bribery charge. The Taiwan Police charged him with fraud and bribery and blackmail and extortion. He was fired.

Q: That was what your concentration was on? Did you feel a little bit like you were sort of out in left field in the Embassy?

TKACIK: Yes! We were about two or three miles away from the main Embassy building which was downtown. We were out toward the eastern suburbs. We rarely got over to the Embassy maybe once a month you could come over for a meeting. You go over there and there would be enough officers over there to cash your checks and that sort of thing maybe on a Friday afternoon or something. There was a shuttle going back and forth, but, yes we were pretty much isolated. There was no effort to integrate the consular officers who by the way were generally pretty good language officers. They spoke it, yakking away for eight hours a day in Chinese, whereas the political officers were lucky if they said one word in Chinese all day.

In those days there began to be some very shady deals by the Taiwan Government to integrate or infiltrate rocket missile engineers into U.S. Grad Schools that had some fairly advance defense oriented operations. The first person to figure that out was one of our consular officers who let people know what was going on.

When that happened somebody else from the station said, my goodness, you know what the thing we really are worried about is Taiwan's Nuclear Weapons development. I wonder if we can figure out who has gone to the United States by going through the Visa files. So they sent a whole slew of people over to check out the Visa files. We wound up spending every weekend for about the entire summer. That was in the summer of '76. Every weekend everybody would go sneaking into the Consulate and pull down all the windows and we were looking through every single Visa and NIV application for certain key indicators. In some cases we would have names and some cases we would have organizations and in some cases you were looking for just addresses and what name you could cross check it with the other people. I understand that was quite effective in locating a number of people who were involved with Taiwan's Nuclear Development Weapons Program. You get the idea.

Q: You were there from '74 to '76 at the Embassy and then you went to Chinese Training?

TKACIK: Yes, in Taichung at the language school which is in Central Taiwan. It was not well organized, but the teachers would get it because they had been teaching it for twenty or thirty years. So Sinjin was there too and he was the scientific linguist. Not only did I have him in Washington, I had him again in Taipei. And he wasn't quite as organized in Taichung. They had a lot of useful types of courses. There were reading courses, there was newspaper reading and there was regular reading general courses. There was a cursive strip course, there was a lot of mainland Chinese in simplified characters, courses in Taiwan characters.

I found it extremely valuable because to this day I can read equally well in both traditional characters and simplified characters. Where I have been surprised, that a lot of my State Department colleagues can't. Not only that I have Taiwanese that can't read Mainland characters and I know Mainland Chinese that if you showed them a Taiwanese newspaper they cannot figure it out. When I was in Taichung learning both at the same time that was a very useful exercise. Of course, serving in both in Mainland China as well as Taiwan, Hong Kong I was using them professionally, but it was not a systematically well-organized program in Taichung. You would have imagined that every morning on the speaking side of it and every afternoon we will do the reading side of it and we will start with this reading and then we will move into the next stages. And then toward the end we will move into traditional characters. I recall it sort of all being jumbled together with no real part of how it fit together. The best part about it was, of course, you lived in a more Chinese environment. You didn't have a lot of Americans hanging around so you were obliged to use your Chinese just about all the time. And there was a lot of encouragement to go on field trips. You would go off for a week, it would be a vacation.

Go to the beach, go any place as long as you are speaking Chinese. Then that is not part of the standard leave. I had a great time and I took my wife.

Q: When did you get married while we are on the subject?

TKACIK: I got married in ’75.

Q: Where did you meet your wife?

TKACIK: We grew up together. I grew up here in Alexandria. She and I went to grade school together. Our families knew each other. Her mother knew my mother when they were kids. One thing leads to another. So we got married in June of ’75. Right after she graduated from college and I immediately took her to Taiwan. I went home to get married obviously that summer of ’75 and brought her back. We were in Taiwan for a year. And being a young blushing bride fresh out of college and suddenly being stuck 8,000 miles away. I think it was a cultural shock. But one of the things that saved it and saved her as well as me, I suppose was, don’t feel that you are stuck here because if you do, it will drive you crazy. If you want to go back, go back. We were married in June. In six months she got a job teaching at third grade or second grade at the Divinity School in Taipei. She was a teacher and she wanted to be a teacher. Then I gave her 1200 bucks or 1500 bucks round trip, tourist class to go back for Christmas. It was right after Christmas she went back to the States and unwound for a week or so and came back out. And then the following summer before going out to Taichung she went back to the States because you don’t want to feel like you are stuck someplace. You don’t feel like I am here and I can’t get out and I don’t know what I am going to do. That just worked like a charm. Once you have that sense that I am not stuck here you don’t feel threatened, you don’t feel pressure. So when she got down to Taichung; Taichung is even more primitive than Taipei but Taipei was prettier. She felt quite at home and it was not such a culture shock anymore. Then she had a job teaching at St. Paul’s Kindergarten School for Chinese children but she could teach them a little bit of English, and she enjoyed that. And then we went to Peking.

Q: Were you able to keep up with the relevance of Mainland China when you were on Peking China reading and people talking about it or was it difficult?

TKACIK: Actually no, it was not difficult at all. One of the good thing about Tai language schools is that all of the teachers I think had had some intelligence background with Taiwan intelligence or with the CIA. I dare say they continued their reporting requirements as we went through our language school. They must have reported back to Taiwan who these Americans were and what they were about. But they knew what was going on back in China. Our readings were always contemporary readings about what was going on in China. Our lecturers, occasionally they would bring in visiting American Scientologist, Paris John from Penn State. We had Lieberthal from Michigan and a couple of others who came and gave us lectures at the school about what was going on.

The Taiwan newspapers covered Mainland events in a lot of detail. American newspapers didn't but the Taiwan papers did. 1976, that was the real transition time. Because Deng Xiaoping had just been purged the previous April and there was a new premier to replace the deceased Zhou Enlai. I got to the language school and within a couple of weeks Chairman Mao died. Paris John was the first one to give us a lecture. And he had just come from China. He must have lectured us late August. He said, "I just came back from China. When Chairman Mao dies, the gang he started will fall. Because they have no legitimacy without Mao Zedong. I don't know how long they will last." He was proven right within six weeks. September 12th was Mao's funeral. I remember going over the funeral speeches with our teacher who said, there is something strange going on here, and by October 6th Mao's gang ended up arrested. And so we spent the next seven or eight months reviewing the bidding of who was up and who was down in Peking. So it was very easy to keep up there. By the time I got to Peking I was pretty much up to speed as to what was going on there.

I left Taipei Language School in May and came back to Washington. Spent two months here in Washington on consultation and that two months I spent almost every day down at the desk going over the reports. I was not on leave, I was there every day with Harry Day. By the time I got to Beijing I was up to speed.

Q: By the time you got to Beijing what was the period of time that you were in Beijing?

TKACIK: I arrived July 31st 1977. The next day was Army Day, August 1st. And the next day was the very day that Deng Xiaoping was rehabilitated. He had been out of commission for about one year and two months. But he came back at that point. I left Peking almost exactly two years later the end of July beginning of August 1979.

Q: Who was the Ambassador when you arrived, who was the Ambassador at that time?

TKACIK: Ambassador Leonard Woodcock had personal rank of Ambassador although he was officially called Chief of Liaison Office. But everyone referred to him as Ambassador Woodcock. He had arrived just a couple of weeks before I did. The Embassy was formally inaugurated on March 1st actually February 28th. March 1st was the day we raised the flag and put the new flag on as a new Embassy.

Q: What was your job?

TKACIK: I was the Officer Designated to perform Consular functions, replacing Jerry Ogden.

Q: What was sort of life like when you arrived there? What was the set-up?

TKACIK: I arrived and my wife showed up two months later. I arrived at the end of July and it was like I would image North Korea. Very stark and everybody wearing uniform style clothing which is not to say they were wearing uniforms. Everybody is wearing

white blouses or blue or gray or olive drab trousers. Very few women even wore skirts. Women either had short hair or braided long hair. Men all had short hair. I entered via Hong Kong. I crossed the bridge on the local train up to Guangzhou and then immediately was taken by China Travel Service over to the airport. I believe we had lunch. But it was empty and nobody was in there. Finally a plane showed up It was an empty airport.

About 1992 this airport was the busiest airport in China. And it was just going both day and night. In fact, they had an air crash with three airplanes involved. But in those days it was just hot and sultry nothing happening. We arrived in Peking. The Peking hotel was just a big empty hotel. I went up to the sixteenth floor and my hotel room had a view of the Forbidden City. I was on the west side of the hotel, looking over the top of the lower section of the Peking Hotel and there was the Forbidden City. Nowadays, of course, you cannot see a thing and there is nothing going on.

You could do sightseeing. You could do the Great Wall, the Ming Tombs, and the Temple of Heavens but not a whole lot to do. Virtually all of our entertainment was in the diplomatic community and it was a good solid, fun-loving group of people at the Anglophone Embassies, the British, the Canadians, the Australians, the French, the New Zealanders and us. We had a rock and roll band to be formed with a pianist from the Danish Embassy. There was a singer from the German Embassy and entertainments in those days were strictly at the Embassies. You could go out to restaurants. Imagine, this was a city in those days of eight million people. Restaurants closed by 7:30. If you did not get to a restaurant by 7:30, you could not get food. You generally had to make reservations if you wanted to take a group out. You could not just go to a restaurant. You called up ahead of time and they would set aside a table for you in the back room and it was very strange. That all changed by the time I left. But that was what it was like before I arrived. It was pretty stark and not very hospitable.

Q: How was your work?

TKACIK: There wasn't very much the first six months. No visas, very few passport applications. I don't remember doing very much. Which was fine with me I suppose. I was a Control Officer and we had a lot of visiting delegations and my first delegation was the U.S. Tennis Team. I accompanied them to Shanghai and Guangzhou where they played Chinese tennis players and gave some tennis workshops but it was very strange. It was all very highly orchestrated.

Q: This was your feel for the times?

TKACIK: Well, I accompanied the delegation. Stan Smith was the leader of the delegation. Tom Gorman was another one (there were 4 men and 4 women). We got to Shanghai and Tom said who is this person Muriel Hoopes. A friend of mine has been in touch with her and she is a friend of her grandmother and they knew each other growing up in Philadelphia. I am supposed to look her up when I get to China and she is supposed to be in Shanghai. Hoopes in Shanghai, I never heard of her, I would have heard of her if

she was American. Well here is an address. I asked the Shanghai City Government which had a Foreign Affairs office. Do you know anything about it? Can we meet this woman? He said he didn't know, he would find out. He came back. Let's go see her. They brought her to us that evening and she was a little woman about 4 feet 8 or 9. At that time she was 78; she must be 100 now. She has obviously passed away now. She was married to Tu Yuqing, who was the President of the Old China Young Christians Association. She was born in Philadelphia from the Townsend Hoopes Family. Her great uncle was Townsend Hoopes. Mr. Tu was studying physics in Philadelphia.

They met, I don't know how they met and became enamored and she married him in 1922 or something and he was a Chinese. And even if you lived in the United States and if you married a foreigner in the United States you lost your citizenship. But it was true love and nothing would stand in the way.

He took her back to Shanghai where he taught at St John's University and then in the 30's they came back to the States to Chicago, I believe, where he taught physics, I think at Northwestern.

Then after the war he decided that he was going to go back to China. He went back to China in 1947 and by this time they had four children. I believe all of them were born in the United States.

He taught again at St. John's and then he was made the President of the All China Young Men's Christian Association, YMCA. And was a widely respected teacher and everybody loved him and knew him well.

The Communists took over and the YMCA still persisted, and that was okay, after the Communists took over. Everyone knew him and all the Shanghai City Government people knew him and during the 50's everything was okay. The kids got well educated and into the sixties they all started to go to college and then the Cultural Revolution hit.

And during the Cultural Revolution the kids, I believe, the three daughters all became doctors, medical doctors and they really didn't have much of a real problem with the Cultural Revolution. But the son was a Mining Engineer and he was sent up to Manchuria. Old Professor Tu himself was arrested and then he was severely tortured and abused and after about three years he lost his mind. Muriel Hoopes herself during that time was not arrested but she was removed from their home and put into some type of indentured place that she had to sleep the streets and all this type of stuff. Her Chinese was not bad at all. Finally toward the end, I believe it was 1975 even before the Cultural Revolution was over, her husband had lost his mind and they sent him back to live with her so she could take care of him. They wouldn't have to take care of him at the prison. And he died very shortly thereafter. She said, why don't you come and visit me at my house? What do you mean your house? Well! After my husband died last year and after the Gang of Four fell, they gave me a new house. No! No! No! When Nixon came in '72 they gave her the house. That was when her husband was sent back to her and he died shortly, thereafter. That was in '72 when Nixon came. So she had been living in that

house. We went to the house down in South Hi Loo and we went into this huge compound which had emerald green lawns and big massive bungalows and it turned out it was the old compound for ESSO oil. They were divided into four different family units per house. The walls were all dingy and mildewed and the floors are creaking and coming off the ceiling but nonetheless it was a nice place. Especially because the lawns were taken care of and it looked nice from the outside. She served us tea and a little bit of soda pop. It was a very pleasant place. She was a trip all unto herself. She was quite a character. She knew everybody in Shanghai. So whenever somebody came down from USLO to check on her in Shanghai, they would buy her books and I ended up buying her a television set. She was a delight to be with. Her three daughters occasionally came home and eventually were all reassigned to Shanghai. She was well taken care of. Her son, I think, eventually was reassigned from Manchuria but that was not until after I left.

In October, 1977, Pelé, the Brazilian Soccer star, showed up with the International All Star Soccer Team or the Brazilian All Star Soccer Team. He shows up and we go out to the Worker Stadium to watch the match against one of the Chinese Teams. Who was sitting behind me but William Holden and Stephanie Powers.

Q: These are movie stars?

TKACIK: Movie stars, yes! William Holden the movie star and Stephanie Powers his main squeeze. Well! I am thrilled to death. Bridge Over the River Kwai was one of my favorite movies, The World of Suzie Wong, Love is a Many Splendor Thing. Well we get to talking. My wife and I talked to them and it turns out that they are going down to Shanghai. I said, when you get down to Shanghai look up Muriel for us. We just saw her down there it will be a trip. You will really enjoy it. The night afterwards, three of them, William Holden, Stephanie Powers and another man who was with them were minding their own business walking down a dark street. It was not an empty street. It was packed with people, but it was dark because there wasn't a lot of electricity in Peking. So they were going down the street taking a little stroll, and a guy rushes out from under the shadows and with a knife and stabs the third American several times. Immediately the Chinese Police wrestle the guy to the ground, hog tie him and drag him away and beat him and they call an ambulance and the ambulance comes and takes the American to the Capital Hospital. That was my first emergency call because I was the consular officer. So I went over and there was William Holden and Stephanie Powers and I asked, "What is going on?" "He was stabbed, he was stabbed." "Who stabbed him?" "We do not know." We became fast friends and at this point Stephanie Powers assured me that they would go look up Muriel in Shanghai. Meanwhile the friend seem to have superficial cuts. They stitched him up and he seem to be okay. I think he had actually a punctured lung. It wasn't that superficial. The American said, "The guy that attacked me was obviously deranged, I hope they don't do anything drastic to him. He looked psychotic and he had lost his mind. I have heard that the Chinese don't take kindly to people who break laws and in such a case they might do drastic things." I went to the weekly and met with my Chinese counterpart so we could sort it out. I said, the man who was stabbed asks that he not get the death sentence. My Chinese counterpart says, "I am afraid he has already been

tried, convicted and he has been executed." I had to go back and tell this guy that I am sorry about that.

The end of the story was that Stephanie Powers and William Holden went down to Shanghai. They met Muriel Hoopes and they became fast friends, had a long term relationship, and finally Stephanie Powers arranged for Muriel Hoopes to go back to the United States and visit her and be her guest.

And I remember arriving probably early 1980 and I was watching one of those talk shows late at night. There was Johnny Carson and there was one of those talk shows and they said, and I was minding my own business, and they said "Our guest is Stephanie Powers and her friend from China Muriel Hoopes." And I thought, what the hell is this? And sure enough they drag out Muriel Hoopes.

Q: This is tape 3, side 1, John J. Tkacik.

TKACIK: I think the end of the story was that Muriel Hoopes went to live in the States; she stayed there with Stephanie Powers on SSI. She never took back her U.S. citizenship – she refused to take back her U.S. citizenship. But her children, I think, all of them did keep their U.S. citizenships; I think they all ended up living here.

Q: You were there – immigration, I mean the exchange businesses have really picked up by that point, had it or not.

TKACIK: What do you mean exchange businesses?

Q: I'm talking about exchange students because at a certain point there was an absolute flood of Chinese students to the United States.

TKACIK: Oh, that happened after the Normalization. And the Normalization was December 16th of 1978. And then on January 1st, 1979, we had the formal recognition of the Chinese People's government. Then the floodgate began to open. I had a junior officer, Steve Holder, who came out to be my vice counsel, and the other guy, Terry – I forgot Terry's last name – who was another vice counsel. Steve Holder arrived September or October, 1978, and he was just in time because at that point visas started to become a big issue. And by May we were getting one or two hundred applications a day for student visas. Very, very little else, but student visas we were getting. I think early in the game we were issuing visas to everybody. But as time went on, it became clear that a lot of these student visas were unsupportable because there was no money – early on they had scholarships, they had fairly reputable supporter range, but by May, 1978 or June of 1978, they had started getting floods of people, of students who had sort of a minimum of support from a distant relative who lived in a distant city, far distant from the school that they had a I-20 for. And it was becoming rapidly clear that there was no visible means of support, and at that point it began to be very hectic. But the issue was that for student visas you had to have face-to-face interviews with them. Prior to that, all of my visa work

had been stacks of passports coming in from foreign ministry and I'd just put visas in them and send them back

Q: And these were for official travel.

TKACIK: Yes, official travel. The students were not that. The students had to be individually interviewed. We wanted the students to come in. We wanted as many Chinese to come in to our embassy as possible. The purpose was to open it up, and get them in there. The Chinese government said, sure, you can have them. And we wound up with huge lines by the end of my tour there. We had to set up a completely new visa counter over a weekend. We just designed a visa interview counter upstairs and we were probably doing a hundred to two hundred visas a day. Finally I left and Bruce Lee came to replace me.

Q: Did you have any fear at that time or was it too early in the game to know what was happening to these students. Were they going and coming back or you would still have to fine them.

TKACIK: Our view was you'd want the Chinese to know that we're open to issuing visas. We were encouraging as many Chinese students going to the States as possible. And the theory explicitly in the cable traffic was, this is one of the prime forces for change in virtually all these Asian countries – in any country. You know, American students from Taiwan going to the States, American students from Philippines going to the States – it's just, when they come back, they bring with them a whole new outlook, and the decision was made: Let's make it our policy to encourage as many Chinese students in the United States as possible – which I'd say was rather refreshing because when I was working in Taiwan it was just the opposite. You wanted to keep as many as possible from going because they would go and supposedly take jobs from American citizens. So our job early on was easier. I think virtually all officially sponsored students returned to China. We rarely had anybody who was officially sponsored not return to China. The students who were sponsored by their grandparents or uncles or distant cousins, more often than not, they didn't come back. But at that point, you just shrug your shoulders and said, Well, eventually they will go back. And I think that was the general feeling of earlier years.

Q: So we're looking at early days, when we were monitoring the – or was there a concern because you have been through this in your Taiwan experience. That too many were going to go to defense-type industry or that type of studies or not. Was this a problem?

TKACIK: One of the biggest headaches of issuing the visas was not the actual physical issues or even the application. The biggest headache by far was the visa clearance where we had to establish the China exchange visa clearance procedures, which meant every single Chinese student that went to the United States had to be cleared through the FBI, and they may still be here. I don't think I'm telling the secrets, but we would then get Chinese students to provide their application form in duplicate – with the photograph, the

duplicate. And every month, we would put all the duplicates in big boxes and ship them to the FBI. I am deeply distressed by the thought that FBI had done anything with them. Because when I was in INR, fifteen years later, we were trying to track down a bunch of Chinese students. I had to call these guys up and say, "You guys have got all this information there in some place." And the China guys at FBI in the Washington field office and headquarters had no idea that they had this. You'd think, "What the hell have they been doing with them the last twenty years?" You know, great boxes of stuff go to the FBI, and we assume they're being carefully collated, and evidently that wasn't exactly the case. Robert Patterson, eventually, managed to tell me the exact address that all these things are being sent to. Evidently they would come first from the visa officers, and the visa officers would send to the FBI. Robert Patterson was the director of the visa office who said, "Oh yeah, we sent them to a post office box at such-and-so, Pennsylvania." There was the sense that ISC got to keep track of what these Chinese are doing, but I think after a while it's just a massive influx that became so much that they just overloaded the system. At any rate, as Tom Lehrer says about M.F. Brown, those documents go up – who cares when it comes down? That's not my department!

Q: Alright, so this is probably a good place to stop. So we'll pick this up again in 1978, I guess. What else could we talk about? We can put it in here and then pick it up from here.

TKACIK: There are a lot of visits that took place in 1978 – '77, '78 - the big one being the visit in May of 1978. Then that was followed by the Energy Secretary who came in, I guess, November '78. Harold Brown – did he come? He would have come after the Normalization. Then there was the whole Normalization issue.

Q: Today is November 9th, 2009. We are returning to our conversation with John Tkacik. I think it's been a good ten years, since we did the last one.

TKACIK: It could easily have been.

Q: We'll pick up from more or less where we left off.

We were talking about 1978-79. You were in Beijing. Would you tell me a bit about the Provisional Consular Agreement – it wasn't really a treaty at that point – that was put together to cover consular relations until we got a whole treaty going.

TKACIK: I may have already discussed that earlier, but the background was the dual nationals in China. There were a number of Chinese citizens who had U.S. citizenship at birth, either by being born in the United States and then returning to China with their parents as children, or they had a father or mother or both who were U.S. citizens and they were born in China. Generally, they were considered to be Chinese nationals if they were of Chinese blood at all. Under Chinese nationality law at the time, being born in China did not confer citizenship. You had to have Chinese parents, or a Chinese mother or father. Once you had that, the Chinese claimed that you were theirs.

I think there were something in the order of 17 or 27 cases of dual nationals who had applied for U.S. passports by sending us their documents by mail. I would send them back the application forms. We would gather the evidence, the documentation. I would make a preliminary judgment as to whether they had a claim to citizenship. I would send it back to the passport office in Washington, which would then say, yes they do have a claim to citizenship. I would then send a letter saying yes, you are an American citizen. Come on in and we'll issue you a passport.

This caused a great amount of distress with the Chinese government, which said, no you guys cannot give Chinese citizens U.S. passports. If you want them to be U.S. citizens, that's your business. As far as we are concerned, they cannot get a U.S. passport.

I think the Chinese felt that there was a legal obligation if someone had a foreign passport then they would have to treat them as a foreigner. So they would not permit these passports to be delivered to Chinese in China.

There were a number of other issues, but the dual nationality issue was the key point of contention between the U.S. and China through 1978 and into early 1979, as we were normalizing relations.

We normalized relations on December 15th, or December 16th in Washington time. This was in 1978. Immediately, the process went into action to start putting together a number of deliverables for Deng Xiaoping's visit to the United States.

As soon as we had normalized relations, Ambassador Woodcock extended an invitation to Deng Xiaoping to visit the U.S. Also, out of deference to then Party Chairman Hua Guofeng's protocol seniority, Woodcock also extended the invitation to Chairman Hua Guofeng.

As I understand it, Deng Xiaoping immediately said, "I'll go."

It was clear at that point, at the very beginning of the normalized relations in mid to late December 1978 that Deng Xiaoping had completely taken over the leadership of the communist party. Hua Guofeng had basically been marginalized. It was a very quick thing.

I recall there were something on the order of 12 deliverables in the form of executive agreements, which President Carter hoped to sign with Deng Xiaoping during Deng's visit. I believe it was in late January or early February 1979.

One of those was the Consular Agreement. The Consular Agreement, if I recall, was a very short thing. Jerry Ogden, who was in the visa office at the time, based on Jerome Cohen's book, The People's Republic of China in International Affairs. Jerry Cohen, I guess he was at Harvard at the time had put together a two-volume set of everything he could find on international law, its implementation and practice in the People's Republic of China. There was a whole chapter there on consular law. The United States already

had a number of consular agreements with the Soviet Union and the Eastern European states. We were going to then do a whole new agreement with the Chinese, based on that.

[Transcriber's Note: Is it one of these pre-1978 books by Cohen?

- The Criminal Process in the People's Republic of China, 1949-1983: An Introduction (Harvard University Press, 1968)
- (Editor) Contemporary Chinese Law: Research Problems and Perspectives (Harvard University Press, 1970)
- (Editor) The Dynamics of China's Foreign Relations (Harvard University, East Asian Research Center, 1970)
- (Co-author) China Trade Prospects and U.S. Policy, edited with an introduction by Alexander Eckstein. (Praeger, 1971)
- (with Edward Friedman, Harold C. Hinton, Allen S. Whiting) Taiwan and American Policy: The Dilemma in U.S.-China Relations (1971)
- (Editor) China's Practice of International Law: Some Case Studies (Harvard University Press, 1972)
- (with Hungdah Chiu) People's China and International Law: A Documentary Study (2 vols.; Princeton University Press, 1974)

The centerpiece of that was going to be who would be considered a U.S. citizen in Chinese territory for the purpose of consular protection and who would be considered a Chinese citizen on U.S. territory for the purpose of consular protection. That initial agreement then specified that if you entered China on a U.S. passport with a valid Chinese visa in it, then you would be considered a U.S. citizen. If you were in China, but did not have a U.S. passport with a valid Chinese visa in it, then you would be considered a Chinese citizen, provided you met Chinese citizenship law.

Almost as soon as that agreement was signed, a number of dual nationals were then able to get pro forma visas from me at the U.S. Liaison Office, later the U.S. Embassy, in their Chinese passports for the purposes of going to Hong Kong where they would then present their file to the U.S. Consular General in Hong Kong and get a U.S. passport issued in Hong Kong.

If I recall, there was a number of cases where Chinese went to the United States under that protocol in 1978. I am trying to remember. Bertha Liu was one. Zhao Yunhui was another. Jian Yunhui later married a U.S. Foreign Service officer, Jeff Buczacki. She is now a very prominent novelist and writer in Chinese language. She is very heavily published in Taiwan. She came to the U.S. Liaison Office back when Jerry Ogden was there in 1976.

She just sort of barged her way through the front gate. The guards didn't stop her. She somehow managed to get a costume of western clothes. She somehow made herself up with lipstick, waved her American passport in front of the Chinese guards, and just marched in. They were so flustered they didn't quite know what she was doing, but she managed to get in the front gate at Number 17 Guang Hua Lu, and got in to see Jerry.

Jerry then took all the documents she had given him. It was deemed sufficient by the passport office to give her a passport.

Miss Zhao could not get in the second time around. She could play that trick once, but didn't get to do it the second time around. I forget what happened to her. She was kept away from the U.S. Liaison Office for probably a year after that. There were a number of others who had similar claims to U.S. citizenships. I think, some maybe even better than Zhao Yunhui's.

In the end, what happened was that Ambassador Woodcock was very involved in these citizenship cases. He asked me to negotiate with the Consular Department of the Foreign Ministry a way to resolve these issues. Eventually, the Consular Department at the Foreign Ministry told us that if the U.S. would issue them tourist visas, they could leave China, but they could not leave China on U.S. passports.

What happened of course in those days was that you could not get a Chinese passport unless you had some kind of approval or certification from a foreign embassy that you would be given a visa. Once the foreign embassy said yes, we will give you a visa, then the Chinese would issue a passport.

We, in the United States under U.S. visa law, don't do this. You don't tell people ahead of time that we will give you a visa if they don't have a foreign passport already. And secondly, we don't issue visas to U.S. citizens.

In late 1977, the State Department authorized the issuance of what we called pro forma tourist visas to dual nationals. The pro forma tourist visa would then be stamped in the Chinese passport with the notation that they should pursue – I think we said explicitly at the bottom – to pursue an application for a U.S. passport at the U.S. Consulate General in Hong Kong.

In June or July of 1978, if I recall, the Chinese government then agreed that this seemed perfectly reasonable to them. Anybody that we would certify ahead of time that could get a U.S. visa; they would then issue the passport to them. We would then stamp a pro forma tourist visa into it. They would go on to Hong Kong and get their U.S. passport. They would then move on to the United States.

There were also some repatriation issues involved, where the U.S. Consulate then had to come up with x-thousand dollars for their airfare and arrange to have them met by social workers in the U.S. If they didn't have relatives, they would be integrated into U.S. communities, found jobs, and all the rest.

Most of the people that were dual nationals did have some point of contact in the United States.

Q: Was there anything equivalent – way back when I started in 1955, I dealt with refugees. There, for Jews they had the Hias Foundation. For Russian refugees, there was

the Tolstoy Foundation. There were several others. I was wondering whether there was an equivalent or Chinese-oriented social organization?

TKACIK: I don't believe there was, because the only Chinese-oriented social organizations would have been run by the Taiwan Kuomintang government. The last thing that the State Department wanted to do was to get these people involved with the Kuomintang overseas commissions and all the rest of it. As far as I can remember, not a single one of them was accepted by the Kuomintang as part of their resettlement.

In the case of Zhao Yunhui for instance, she and her husband – I did not want to issue a visa to him because I didn't know who the heck he was. I think I was unaware that she had actually been married. Anyway, the State Department authorized me to give him a visa, her a visa. They went to Hong Kong and got U.S. passports. He got an IR-5, an immediate relative green card. They flew to the States. I don't know who met them in Washington. Almost the very next day, Zhao Yunhui marched down to the State Department at 22nd and C Streets. She went up to the front desk and said, "I want to speak to someone on the China Desk."

I'm not sure that she spoke English. I think she spoke a very broken English at the time. The State Department front desk had a wonderful receptionist. The thing about the State Department diplomatic reception personnel is that they are the most helpful and most resourceful. They called up the China desk. One of the only people on the China desk who spoke Chinese was Mary von Briesen, who immediately came down and talked with Zhao Yunhui. She knew exactly who she was because Mary was on the China desk doing the consular work, backstopping for the consular business on the China desk.

Mary went down and greeted her. She took her to lunch and then invited her and her husband to come and live with her in her house in Arlington. I think Zhao Yunhui and her husband – I think his name was Mr. Wang – stayed with her for about three or four months. He was a fairly good handyman and a carpenter. Evidently, he helped do a little work around Mary's house. She was happy to have the company.

She found him a job. She found her a job at FSI (Foreign Service Institute) teaching Chinese. Within about six months, they were able to get on their feet. The couple quickly then divorced. I don't know what happened to him. She stayed on at FSI teaching Chinese, and eventually married one of her young students. He was maybe older than she was. She was a very interesting character.

She is still around. I think Jeff has retired now.

This is a long way of saying that a Consular Agreement was then one of the 12 deliverables for the Deng Xiaoping visit in January 1979. It was not an elaborate thing. It was about three or four pages long. The Chinese quickly agreed to it. We were fairly happy with it, because I don't think the U.S. government felt it had much leverage to insist on anything but that if somebody was in China and had dual nationality, it was hard to gainsay the Chinese.

Q: This is true everywhere. I'm an old consular hand. There are people who are dual nationals in Greece who were getting drafted by the Greek army. We wished they wouldn't do it, but we couldn't stop them from doing it.

TKACIK: When I was in Taiwan, we had a number of cases where the Taiwan government was drafting American citizens who had some kind of Taiwan nationality. One case, a very famous case, was a West Point cadet who was in Taiwan for his junior year abroad. His parents were Chinese, but he was taken to the United States and naturalized. He was a West Point cadet. He got into Taiwan for the junior year abroad program, but was under the Taiwan Defense Command. The Taiwan government then proceeded to give him notice of two things. One, that he was guilty of draft evasion, and two, that he had been drafted!

A good friend of mine was the chief lawyer for Taiwan Defense Command. He is a U.S. Navy captain. That was a real headache for him in 1975, I guess it was. They finally worked out an agreement in Taiwan where the two countries under the Mutual Defense Treaty would then treat their respective military personnel as allied military personnel, and not subject to the draft.

In China, we didn't have any such thing.

The rest of 1979 was on a very steep trajectory, once the Consular Agreement was signed by President Carter and Deng Xiaoping. All of a sudden the floodgates opened for U.S. visas. We had lines outside of the consular section in what we called Erban, the second building, number two building, in Beijing.

I had myself and one other consular officer, who was a CIA (Central Intelligence Agency) officer under cover. I think I can say that because he later went on to be station chief in Beijing. It's not a secret now to the Chinese that he was with the CIA, but it was at the time. It was just he and I. All of a sudden, we went from issuing maybe ten visas a week to officials to go to the United States, to issuing 100 visas a day, mostly student visas.

Q: Was it apparent that the first up the gangplank were children of party cadre? So many of the top leaders seem to have children who lived in the United States, not to stay but to get educated.

TKACIK: Our flood of visas began to surge almost immediately in January. I was gone by August 1979. In that eight-month period, we went from less than 10 or 20 visas a week to maybe 300 or 400 visas a week. We did not know anything more about those students than they chose to tell us.

I think at the beginning we were rather generous and, what's the word, credulous, in our visa interviews. Just about every student that wanted a visa to go to the United States was authorized by the Chinese government to go. These were students that were not walking

in off the street. There had already been some groundwork done between Chinese universities and U.S. universities. The U.S. universities at the time were just salivating to get students from China. This was such an exotic new relationship that was coming on the world scene.

Most of, or virtually all, of the students we saw in that first eight-month period were graduate students. They had already had some kind of undergraduate and graduate degree. Secondly, virtually all of them were paid for by some kind of a scholarship. When you are a visa officer looking at student visas, one of the things you look at is, is this a real student? And number two, does he or she have enough money to support him or herself during the whole course of studies? Is there any kind of a well-founded reason that they would come back to China once they finish their studies?

We basically just said, obviously if they got a scholarship already, the money problem is solved. If the Chinese government is giving them a passport – I'm trying to remember how it was – I recall that you could tell from what kind of passports were being issued whether they were issued with the approval of the Ministry of Education, and that meant they were bona fide students. Last but not least, we just assumed that if the Chinese government was letting them go, they would probably come back to China at some point. So we gave them all visas.

I don't think we were ever in a position to figure out which were sons and daughters of high cadre. We were just coming off the Cultural Revolution at the time. The universities had been closed down for several years at the beginning of the Cultural Revolution. There were not a whole lot of students who were proficient in English during the rest of the Cultural Revolution, which basically came to a screeching halt in October 1976, right after Mao Zedong died, with the arrest and imprisonment of the Gang of Four.

From October 1976 through November 1978 was just two years. So there weren't a whole lot of students that had English and had taken the SATs (Scholastic Aptitude Test), the GMATs (Graduate Management Admission Test) or the TEOFL (Test of English as a Foreign Language). A lot of them had to take TOEFL. One of our biggest concerns was whether they could speak English. If you couldn't speak English then, more in sorrow than in anger, we would deny the visa and say, go back and study English some more.

I'm not sure that a lot of high cadre kids fit that description that early after the Cultural Revolution ended.

Q: Because the cadre were hit harder.

TKACIK: Yes, and the cadre who managed to weather the Cultural Revolution were those that did not have foreign contacts, the haiwei guanxi, the foreign overseas connections. Haiwei guanxi meant that you were suspect of having illicit loyalties.

If a cadre didn't have overseas connections, their kins eschewed studying English. By the time July and August rolled around, then you started getting rumors that high cadre kids

were moving into the visa line. By this time, we went from the two visa officers, myself and Steve in January, to five visa officers. I had forgotten, but we had three other visa officers who came: a guy named Tony… We went from two to five by the time I left in August 1979. Another guy, Bruce Gray, who had been with me in FSI's Taichung Language School, replaced me in 1979. By that time, it was clear that this was a big channel for cadre to leave China.

The thing that really amazed me though were the vast amounts of U.S. education money that was going to support Chinese exchange students coming to the United States. I believe it was in 1976, I was the virtual chief of the consular section in Hong Kong for about a year. Then Ben Willams came and I went back to being the chief of the visa section in Hong Kong. In 1976, I went up to Beijing for about six weeks because Beijing was having really bad management problems at the time.

One of the things we did was a tabulation of how many Chinese exchange students were getting scholarships to go to the United States, just adding up what all the scholarships were worth. Every time somebody came in from late March through early May, we added it all up. For that six-week period, I think we had a total of about US$50-60 million worth of scholarships. If you take that and multiply it by nine or ten, you were getting US$450-650 million per year. The U.S. colleges and universities were probably paying out about half a billion dollars a year, just for the privilege of having Chinese students come.

Q: In a way, it also reflects that there is also this fascination with China, particularly with the missionaries and all this. You had Yale in China. You didn't have Yale in Japan; you had Yale in China. These missionaries, plus the fascination with China, it had all been bottled up and suddenly, it all came out again.

TKACIK: Yes, that was true too. I think Harvard and Yale had programs in Japan. And they have them in Europe. Yale in China and Harvard Yenching were two of the big programs. Both Harvard and Yale, from the very beginning, were trying to re-establish their relationships. But that's a whole separate discussion.

My only observation was that this sudden flood of Chinese students coming to the United States took place almost immediately, right from the very beginning of the relationship. One of the things that we found, as we were able to interview more and more, not just students but also small amounts of tanqing, what we call visiting relatives. A B2 tourist visa was used mostly for very elderly people go and visit their long-lost brothers in the United States, with whom they had lost contact for 30 years, since the end of the Kuomintang rule in China.

You got a very definite sense that all of these people who were issued passports by the Chinese government were under a considerable amount of pressure from the passport issuing authority, which was the Ministry of Public Security. In those days, I don't recall that they had a Ministry of State Security at that time. I think there was an awful lot of international intelligence collection that the Ministry of Public Security was responsible for.

So when someone went in to apply for a passport at the police station and took in his documents, with letters from his brothers and sisters in America or whatever, they all were heavily indoctrinated on what their responsibilities to the motherland were before they would get the passport. This is not just true of tourists, but all of the students were heavily indoctrinated on what their responsibilities were to the motherland. It was at this time when we would be interviewing students, after a while, this became clear to us. We asked them, "What did they ask you to do?"

Sometimes they were fairly straightforward about it. Most of the time they hemmed and hawed, but the responsibilities that a Chinese emigrant retained for the motherland were quite serious.

At any rate, we did not start issuing immigrant visas at that time. We simply didn't have the infrastructure for it. We did approve immigrant visa petitions in that last seven or eight months I was there. We had an arrangement with the Consulate General in Hong Kong where we would issue pro forma tourist visas to immigrants. We would do some initial immigrant visa processing at the U.S. Embassy in Beijing. They would then go down to Hong Kong for their final processing and get the actual immigrant visa issued.

This generally worked okay, but it really was a burden on a number of applicants to get into Hong Kong. The Hong Kong government was not real happy about letting people into Hong Kong unless they actually did have a visa to an onward destination. It began to work out. Finally, in August 1979 or 1980 – it would be interesting to interview someone who was at the new consulate in Canton, in Guangzhou. They were still issuing immigrant visas in Beijing six years later when I was there. But at some point we were not sending people to Hong Kong anymore. All the Chinese immigrant visa operations were centralized in Guangzhou. Shanghai and Beijing would not issue immigrant visas anymore.

Q: Now, in August 1979 or so you move to Washington.

TKACIK: I came back to Washington and was assigned to the Taiwan Coordination Staff. That was just six months after the passage of the Taiwan Relations Act, which was April 10, 1979. Four months later, I was on the Taiwan desk. We were looking at a completely new relationship with Taiwan.

Q: Did you feel certain trepidation, having to resign from the Foreign Service?

TKACIK: No, I didn't resign. I went back to the Taiwan desk in the State Department. The American Institute in Taiwan was set up over in Rosslyn at the time. That was basically a cutout for the State Department. The U.S. would say we don't have official relations with the regime in Taipei anymore. We only deal with the regime in Taipei through the American Institute in Taiwan (AIT).

Under the Taiwan Relations Act, the American Institute in Taiwan was deputized to perform a number of diplomatic functions vis-à-vis Taiwan. Of course, the American Institute in Taiwan was a State Department contractor. It was a sole source contractor. Their entire budget came from the State Department. All of their instructions came from the State Department. We used AIT in Washington as a venue for meeting our Taiwan counterparts at an instrumentality called the Coordination Council for North American Affairs (CCNAA).

When I arrived, we were on the fifth floor, separated by a floor from the China desk. We considered ourselves part of the regional office of the East Asia Bureau, EA/RA; then TC for Taiwan Coordination [EA/RA/TC]. I have forgotten when it exactly it took place, but Chas Freeman took over the China desk the previous year. He had been agitating for EA/EX (Office of Executive Director, Bureau of East Asian Affairs) to move the Taiwan desk down from the fifth floor to the fourth floor, right next to the China desk. There was a considerable amount of effort exerted, by Chas primarily, to ensure that the Taiwan desk was under the ken of the China desk.

Dick Holbrooke was the Assistant Secretary of State for East Asian Affairs at the time. He thought it was a great idea, I imagine. So did Roger Sullivan. Our boss, the chief of the Taiwan Coordination Staff at the time was Murray Zinoman, who was considerably junior to Chas. He was not in a position to resist this too much.

My first crisis with the Taiwan desk was in December 1979. I was the political military officer, meaning I did political backstopping and the military sales for Taiwan. Then we had a second officer who did the economic work for Taiwan. Then there was the Taiwan Coordination Director, who supervised the two of us. I did not have a whole lot of work that first year, because the Carter Administration committed not to sell weapons to Taiwan that first year. So during that year, from December 16th through December 16th, 1979, I basically had nothing to do. From December 16, 1979, through 1981, it just ballooned. All the requirements that the Taiwan military had in the hiatus year came back. The Carter Administration was obliged to start addressing Taiwan's defense needs in a regular way.

One of the interesting things, however, was the complete change in attitude toward Taiwan from the Carter Administration to the Reagan Administration. Literally overnight, in January 1981, things that you would never have imagined you could have done for Taiwan, you could finally get moving and through the system. Even Secretary Haig was a little leery about stepping on the Taiwan issue for fear of upsetting President Reagan.

Q: I was talking to someone whose name escapes me right now, but was either covering China or Taiwan at the time. He said Haig was very much a Europeanist, and soon had the attitude that Taiwan was sort of an irritant and we almost let it go. Let's get on with the main game, which was Europe and mainland China.

TKACIK: Haig, in his memoir, Caveat: Realism, Reagan, and Foreign Policy – I think it came out in 1985 – said the most important relationship the United States has is with China. Haig was of course a Europeanist. He had been the NATO (North Atlantic Treaty Organization) commander for a year or so.

But Haig understood Taiwan. It's a little known or little remembered fact that Haig was a young lieutenant on MacArthur's staff when the Korean War broke out. He accompanied General Fox, I believe in the summer of 1950, on a military aid mission to Taiwan to find out what Chiang Kai-shek needed. The Truman Administration basically cut Taiwan off. It didn't want to have anything to do with it. Chiang Kai-shek was a complete loser. The communists could just take the damned island as far as President Truman was concerned.

MacArthur was a bit less dismissive of Taiwan at the time. When the Korean War broke out, all of a sudden Taiwan became a key link in McArthur's island chain in the Pacific. Haig was on the mission that went to Taiwan to find out what Taiwan needed, the Fox mission. If I recall, I think Haig married Fox's daughter. The reason I say this is that Haig was not unfamiliar with Taiwan. He knew what the deal was.

Haig also understood that the President had a very deep commitment to Taiwan. I can remember a number of things on the Taiwan desk, one of which was listening to the radio in August 1980, right after Reagan got the GOP (Grand Old Party, the Republican Party) nomination. Reagan was going to give a major speech in which he would re-establish relations with Taiwan. The reason we were listening to the radio is because the Chinese got all upset about it. President Carter pointed to this as proof that Reagan was unfit to handle foreign policy, because he obviously didn't understand the complexities of the strategy, and all the rest of it.

It was toward the end of August 1980, and we were all sitting in the Taiwan desk, listening to the radio. We were listening to Reagan's press conference. He was going to send Vice Presidential nominee George H.W. Bush with Jim Lilley and, I'm sure (National Security Advisor) Richard Allen was on that trip. It would have been Bush, Allen and Jim Lilley to Beijing to try to calm down Deng Xiaoping and reassure him that maybe re-establishing official relations is not exactly what he is going to do.

They managed to calm down Deng Xiaoping. They came back from Beijing with a mission accomplished. Reagan was elected President. From that incident alone, which was a major trauma in the Reagan campaign, Haig must have known that Reagan had a strong commitment to Taiwan.

Q: Had you felt when you came on to the Taiwan desk during the Carter Administration, did you feel that Carter was working to really reduce our commitment to Taiwan?

TKACIK: Yes, definitely. In fact, the State Department had come up with a Taiwan Enabling Act at the time. It was the barest minimum that would be needed to continue to treat Taiwan as a separate entity for commercial purposes. President Carter was adamant that this just be rubber stamped by the congress, and let's just get on with it.

I think if Carter had his way, the Mutual Defense Treaty would have lapsed and we would have had no more requirements for Taiwan's defense after that.

One of the interesting things was, however, in the normalization negotiations – I've read Nancy Tucker's book, China Confidential, which is based on your interviews – the sticking point on the U.S.-China normalization was whether the United States would continue to have the right to sell defensive arms to Taiwan. The Chinese said no, you shall not sell any arms to Taiwan. Carter knew that he could not get that past the congress. That was more than the traffic could bear. He said that if the Chinese insisted on this, that they couldn't have normalization.

This became a sticking point. The story I've heard, and I'm sure it's in one of your other oral histories, Did Stape (Stapleton) Roy do a history for you?

Q: It's not finished yet.

TKACIK: Stape was there, talking with Deng Xiaoping. Woodcock was there too. This evidently was the sticking point, Deng Xiaoping said, "No, absolutely not."

There was a breakthrough when Woodcock, the labor organizer, the great labor negotiator, heard something different in what Deng Xiaoping was saying, which was interesting because everything Woodcock heard from Deng Xiaoping was translated by either Stape Roy or Ji Jiaozhu, who was the interpreter on Deng's side.

Somebody should interview Stape about this. That night, what was it like? I think it was the night of December 13th. The story that Stape told me and a bunch of us was that Stape said in the car to Woodcock on their way back to the Embassy, "Well, that didn't go very well."

And Woodcock said, "No, I thought that was quite good. In fact, I'm going to propose to the President that we proceed with normalization on these grounds."

If I recall, Stape's reaction was, "On what grounds?"

"On the grounds that we'll agree to disagree about it. It's unacceptable to the Chinese side, but Deng did not say that it was a deal breaker for normalization."

So they went back that night and did the cable for the White House up in the code room in Yiban [Building One, the name for the main embassy building]. It was past 2:00 in the morning, pitch dark in Beijing, because there were no streetlights. It was 2:00 in the afternoon in Washington. Zbigniew Brzezinski, Mike Oxenberg, and the President were supposedly in Washington, reading this real time when it came it was coming over the cable wire. And sent back an immediate response saying, "Yes, you may proceed on that basis."

The next night, December 14th, they went back and said to Deng Xiaoping that we insist we will still be able to sell weapons to Taiwan. You say that is unacceptable. Then Woodcock said, "I propose that we continue with normalization on that basis."

At which point, Deng Xiaoping supposedly got up out of his chair with a big smile on his face. He put his hand across the table and said, "It's a deal," or something like that.

So, get the real story from Stape Roy. It's one of the more dramatic ones.

The point I would make is that Carter knew the political limits in Washington of cutting Taiwan loose at the time.

In those days, Taiwan had tremendous political support, much more than it has now, for a number of reasons. When the State Department had the temerity to present the congress with this Taiwan Enabling Act, it basically cut Taiwan loose. The reaction in both the House and the Senate Foreign Relations Committees was identical. On the Senate side, I've forgotten who the chairman of the Senate Foreign Relations Committee was, but he said something to the effect that, "Okay, I will bring this bill and sponsor it, but let me tell the President that the word inadequate doesn't begin to describe how inadequate this legislation is. This is barely considered even a starting point for us."

That would have been in February 1979. All through March, both houses of congress were going back and forth on this legislation. When it finally came out at the end of the process, the Taiwan Relations Act (TRA), Taiwan was treated as an independent country. It had an arguably stronger defense commitment to Taiwan with the Taiwan legislation that we did with the Mutual Defense Treaty.

In the TRA we had commitments to support Taiwan. We had a commitment to human rights in Taiwan. Taiwan was going to be treated as a friendly nation for the purposes of all sorts of things, one of which was the anti-boycott legislation. At the time, the Chinese had tried to boycott any countries that were trading with Taiwan. It was sort of difficult at the time, because Taiwan was a major trading nation, a far bigger trading nation than China was at the time.

When you ask the question, was Carter in my view ready to cut Taiwan loose? I say yes, he was, but he knew the limits.

When Reagan came in, it was a complete reversal. Reagan wanted to re-establish diplomatic relations. He wanted to give Taiwan everything it needed, but by that time, Reagan knew the limits. The real difference was that I think Haig understood from the beginning of 1982 that the Chinese were viewing Reagan as a strategic obstruction to their desire to absorb Taiwan. The Chinese were putting tremendous amounts of pressure on Haig himself. The Chinese tried their best through a number of interlocutors in the United States to put pressure on the Republicans.

This is second hand, but my recollection is that Anna Chennault, who had been a staunch supporter of Taiwan, was wooed by the Chinese to serve as an interlocutor with Reagan, or at least with Haig, on getting a new communiqué with the United States that would stop arms sales explicitly. On a communiqué, the United States side would say, we will stop arms sales to Taiwan. Signed, yours truly, Ronald Reagan.

Haig evidently went ahead with that. This is something that people should examine a little more closely. The way I understood it on the Taiwan desk was that Haig was very much pushing a third communiqué with China, without really the full support of the President. The President, from January through June 25th, was becoming increasingly uneasy with the way Haig was proceeding with this communiqué with China that would cut U.S. arms sales to Taiwan.

There were a number of policy issues that Haig and Reagan did not see eye to eye on in that last six or eight months of Haig's tenure. There was the Falklands War. There was a lot of ill will between Jean Kirkpatrick and Haig on whether we should look south to our brethren. I think Kirkpatrick was sympathizing with Latin America, but Haig definitely wanted to support the British in the Falklands. There was a lot of anxiety about how to deal with the new Russian IRBM, the SS-20, our Pershing missiles, and that whole issue of intermediate range ballistic missiles.

There was a lot of friction between the President personally and Haig personally. From my viewpoint on the Taiwan desk, Haig's movement to try to get this communiqué about Taiwan through was probably the last straw. When it hit the newspapers on June 19th that the State Department was preparing a communiqué that would explicitly cut off arms sales to Taiwan, Haig was gone by the 25th. He was gone within a week. He was probably gone earlier than that. I think Reagan made the decision earlier than that. He must have had to line up George Schultz well ahead of time.

If you recall, Haig was fired on the morning of the 25th. Reagan went out and announced that Haig was fired and that George Schultz had agreed to come on board. It had to have been worked at least a couple of days ahead of time.

My feeling is that was a certain post hoc ergo propter hoc (it happened before and it is thus the cause) quality about the sudden publicity around the Taiwan communiqué and Haig's departure.

In the end, the Taiwan communiqué was watered down. I think what happened was that the Chinese sent messages back through Ambassador Hummel in Beijing, saying that with the departure of Haig they would assume that the commitments the United States had made on Taiwan arms were still valid. At this point, the White House sent a telegram out to Beijing saying something to the effect that the text that you have now saying we will reduce arms over a period of time to an ultimate conclusion, without saying ultimate termination was as far as the President would go. The President would understand if the Chinese did not like that language. If the Chinese didn't like that language, then the

President would not have a communiqué at all, and the Chinese could do what they wished.

I remember being on the Taiwan desk and thinking, this is an ultimatum from the President, saying this far and no further on Taiwan.

In the end, the Chinese went ahead and accepted.

One of the things that happened on July 14th, twenty days after Haig's departure but Shultz was not on board yet, was that the White House sent a personal message out to Chiang Ching-kuo, the President of Taiwan, basically saying, "Dear President Chiang, I know that you have heard a lot of rumors and a lot of reports that there is a new communiqué being negotiated between the U.S. side and the Chinese side on the matter of Taiwan arms sales. Let me reassure you what these things are." The White House message to President Chiang Ching-kuo enumerated six things the communiqué would not do. It would not terminate arms sales. It would not oblige the United States to negotiate Taiwan arms ahead of time with the Chinese. It would not mean that the United States would put any pressure on Taiwan to negotiate with China. It would not mean two other things.

One of the ones that I thought was very interesting was that the communiqué would not alter the long-standing position of the United States on the matter of Taiwan sovereignty. This is important because the standing position of the United States on the matter of Taiwan sovereignty was that we didn't have a position on Taiwan sovereignty. After World War Two, it was turned over to Chiang Kai-shek for occupation, but sovereignty was another matter.

Q: It had been under Japan.

TKACIK: Yes, it had been under Japan. Japan had renounced all right, title and claim to Taiwan, but didn't assign right, title and claim to anybody because the Japanese felt it wasn't their position to assign it. They just said, we no longer claim it any more. In [February-March] 1947, after some very serious, utterly brutal behavior by the Nationalist Chinese Army against the people of Taiwan, Dean Acheson began to enunciate a formula where the matter of sovereignty of Taiwan had yet to be decided. It would await a formal peace treaty or an international conference on the matter. Well, that was in 1947, and here we were 35 years later in 1982, and President Reagan was saying that the United States has not altered its long-standing position on the matter of Taiwan sovereignty. Our position being that the matter of Taiwan sovereignty, not only did we not have a position – we did have a position. Our position was that the matter is undetermined.

This is also a problem because Kissinger, in direct conversations with Zhou Enlai back in 1971 and 1972 had been assuring Zhou Enlai that the United States would not say this anymore. "You won't hear us utter the term that Taiwan's status is undetermined any more," because the Chinese got all upset about it.

Indeed, in the first communiqué that we signed in Shanghai, the first and only Shanghai Communiqué, on February 28th, 1972, where the United States said well, we see Chinese on both sides of the strait, Taiwan and China, saying that there is but one China and Taiwan is part of China. We do not challenge that position.

That was a new addition to the catechism that nobody had ever come up with before. Up to that point, the United States position was explicit that we did not ascribe sovereignty over Taiwan to China. We reported that to the Senate. We signed a Mutual Defense Treaty with Taiwan in 1954. In John Foster Dulles' report to the congress, he said explicitly that this treaty will only cover Taiwan and the Pescadores because as victors in World War Two, we have unsatisfied interests in those territories. This will not cover Quemoy and Matsu, because those are Chinese territory.

Literally, up until May 1971, the State Department was still writing position papers on the matter of sovereignty over Taiwan, saying it was undetermined. Kissinger tried to say in private top-secret conversations that we were not going to say that anymore. Here we were, 12 years after Kissinger, Ronald Reagan said no, we're going back to the earlier discussion of Taiwan's status.

The reason I say this is because that happened in this letter from Reagan to Chiang Ching-kuo on July 14th. It was a full month later that we finally did issue this communiqué with China on August 17th, 1982, saying that we would gradually reduce arms sales to Taiwan over a period of time on the understanding that China's policies towards Taiwan were peaceful. I had a small part in that, but I suppose I'll leave that for another time.

Q: You were on the Taiwan desk from when to when?

TKACIK: From August 1979 through about the end of July 1982.

Q: Were there any changes in this period about Taiwan as no longer being under the thumb of the Kuomintang. As it moved towards a much more vigorous democracy, this really changed some of the equation. Was this happening during your time?

TKACIK: Yes, that was just part of the broader equation. Chiang Ching-kuo was preparing for legislative yuan elections toward the end of December 1978. Those were going to be the first elections in which avowed "non-party" opposition politicians were going to run. Up to that time, the Kuomintang basically ran all the elections. I think these elections were going to be the first elections for all of the legislators from Taiwan Province. Up to that point, out of 400 legislators, 300 had been from the mainland elected in 1947 and 20 were from Taiwan. In 1969, they added on another 80 from Taiwan. All of these from Taiwan were basically appointed positions. I have forgotten exactly the mechanics of it, but these were going to be the first elections for legislators from Taiwan Province. They were going to be open to non-Kuomintang candidates who were not only non-Kuomintang, but not even picked by the Kuomintang.

When the U.S. announced normalization on December 16th, 1978, Chiang Ching-kuo cancelled the elections the next day. He said, we are going to have to push the elections back to 1979, I believe it was. The situation is too uncertain. Just at the time the elections were originally scheduled to take place, Warren Christopher went out to visit Taiwan. He was the Deputy Secretary at the time. He was greeted by large, vocal and a bit violent crowds. The U.S. did not interpose any objection to the cancellation of the elections. It looked to us like things were a little bit unstable there. We're sorry that we caused the problems I suppose, but the elections were postponed.

I think they were going to be postponed for a year until December 1979. There was a considerable amount of interest in the congress, not just about continued arms sales after normalization, but there was considerable anxiety in congress about the possibility of the Kuomintang cracking down on this democracy movement that was pulling itself together.

Throughout that year of 1979, the Tangwai, the non-party forces in Taiwan, were getting more and more self-confident, more and more willing to criticize the government. By August 1979, a new magazine called Formosa Magazine (Meili-tao Zazhi), had appeared on the newsstands. The Kuomintang government did not censor it. It was sort of self-censored and it wasn't all that critical of the government. It was far more than they were used to. The September 2nd issue came out and it was a little bit more vocal. An October 3rd issue came out and it was yet a little bit more vocal. Finally, a November issue came out and it had a number of cartoons in it that were very funny, very pithy and made the case that Taiwan was now ripe for democracy.

This magazine was edited by a group of eight or so people. On December 10th, 1979, which it turns out was the 30th anniversary of the Human Rights Declaration, Formosa Magazine organized a major demonstration for human rights in the city of Kaohsiung in Taiwan.

I was on the Taiwan desk at the time. We knew it was coming. AIT had been reporting on it very well. AIT at that time had a very good political section, very well plugged in, and very attuned to the non-party people, the Tangwai. This was different from the previous iterations of the political section, which was very afraid to get involved with the non-party people.

Q: Who was the top man there at the time?

TKACIK: Chuck Cross was the AIT Director. He had been Ambassador in Singapore and Consul General in Hong Kong. Bill Thomas was the DCM (Deputy Chief of Mission), and Mark Pratt was the political section chief, which was known as the General Affairs Section (GAS) at the time. I've forgotten who the younger officers were. I think Mike Clausen was there. Richard Boucher was in Taipei at the time. I think Steve Young was there. He later was Ambassador to Kyrgyzstan and he was also Director of AIT. There were a lot of really good young officers there in December 1979.

The December 10th, 1979, demonstrations in Kaohsiung butted up against a big police cordon. There suddenly emerged a phalanx of people in civilian clothes carrying heavy sticks who began to attack the police. The police, of course, blamed this disturbance on the organizers. The organizers said they didn't know who these people were. They did not belong to them and said we think they were agents provocateurs (inciting agents) from the Kuomintang who are trying to discredit us.

Who knows what the truth is? I tend to think it's the latter, rather than the former.

There was a big melee. I don't think anybody was killed, but several hundred policemen were put in the hospital. It was considered treason and sedition. The eight, eventually ten, organizers of this thing were all rounded up by the Taiwan military and submitted to court martial.

The court martial of the Kaohsiung Eight, the Kaohsiung defendants, was a major event from December through March 1980. During the course of which, one of the defendants named Lin Yi-hsiung was languishing in jail after being somewhat abused. After being dragged up in front of a court martial she was accused of the capital crime of sedition and treason. On the morning of February 28th, 1980, someone snuck into Lin Yi-hsiung's house on a back alley in Taipei where Yi-hsiung's mother was taking care of her three granddaughters, Yi-hsiung's daughters, and slit their throats. They murdered two babies, twin babies less than a year old, murdered the grandmother and left the daughter, who I think was six years old, for dead. She survived, but it was such a trauma, I don't think she actually remembered much of anything.

Can you imagine? It's almost like Putin sending people out to shoot journalists on the street that he doesn't like. What kind of person does that? It was clearly a vengeance killing. It was made all the more horrific because it was generally assumed that the security police, the Taiwan Garrison General Headquarters, had the house under constant surveillance. They must have seen who had gone in and out in daylight. There was a considerable amount of uproar on Capitol Hill as to whether human rights was now going the way of the dinosaurs in Taiwan.

There were a lot of alarmed attacks on the Taiwan government, mostly by Democrats in Congress.

Q: It was assumed by pretty much everybody in the States that this was a government-inspired event.

TKACIK: Yes, it was pretty much assumed that the government or somebody in the government had something to do with this. There were rogue elements. Nobody was willing to say anything definitive, because you just didn't have any evidence. You just had three dead bodies and the circumstances. That just really shocked everybody. It shocked us on the Taiwan desk. AIT was pretty convinced that there were death squads in the Kuomintang that were pretty vicious. Whether they got direct orders from the

President or General Wang Sheng, they weren't in a position to say. But certainly this was a side of the Kuomintang that nobody had really seen since World War Two.

Up to that point, the Kuomintang was perfectly happy to grab people, throw them in jail, and shoot them in jail. Just charge them with sedition and then execute them. What the hell, you don't have to go and slit the throats of children of a defendant. Nobody had ever seen that before.

I think that certainly got the Carter Administration all bent out of shape. I couldn't believe it myself. It's neither here nor there what I thought. The horrible thing was that a year later in 1981, another murder was committed, also by Taiwan Garrison General Headquarters. This is during the Reagan Administration. Now Reagan was in charge. A Taiwanese green card holder (Chen Wen-chen), who was a professor of computer science at Carnegie Mellon Institute and was active in the Taiwan independence movement in the United States. He went back to Taiwan to see his parents. He was visited by the Taiwan Garrison General Headquarters (TGGH) officers and taken away at nine in the morning. TGGH says that their records say that he was released at nine o'clock at night. So he had been in their custody for 12 hours.

His body was found the next day at the foot of a tower on Taiwan University campus. Evidently, he suffered fully body trauma, consistent with falling from the top of this tower. It's like a three-story observation tower. Frankly, there was no other conclusion to come to. This guy had been murdered by Taiwan Garrison General Headquarters.

He had been murdered by somebody. Somebody took him to the top of that tower and thrown him off. Anybody who had 12 hours interrogation by the police and was let go at 9:00 o'clock is going to go straight home and go to bed.

There was a lot of pressure on the Taiwan government to have somebody investigate this. The Taiwan government said we don't know what happened here; we didn't do it. Cyril Wecht, a coroner for Allegheny County in Pennsylvania, was one of the top coroners in the United States. He was prevailed upon by the Taiwanese-American community in Pittsburgh, where Carnegie Mellon is, to go out to Taiwan to perform an autopsy, and see what his conclusions were.

He came back and said if I were presented with this case, it would be a homicide case. I can't prove who did it. There are no fingerprints. There are no this, that, and the other thing, but this is a homicide case to me.

I was still the political military officer at that time. It was a case where AIT felt there was clearly police involvement. The State Department felt that way. The Carter Administration had the brand-new HR (Human Rights) division under Pat Derian. Congress was just fit to be tied. There was at least one, if not two, big hearings in the House Foreign Affairs Committee on the death of Chen Wen-chen and democracy in Taiwan.

So yes, the answer to your question is the U.S. was concerned. I think we were all concerned that far from loosening up after the death of Chiang Kai-shek in 1975, Taiwan was instead cracking down on openness and democratization.

I think all of this came to head after I left the Taiwan desk in October 1984, when Henry Liu, Liu Yi-lan, a American Green Card holder, was shot dead in his driveway just north of San Francisco by Taiwan organized crime. Chen Chi-li, was that his name? Supposedly, the story was that the FBI (Federal Bureau of Investigation) had a long investigation and surveillance going on this Taiwan organized crime guy from the Bamboo Union Gang (Zhulianbang). The FBI was taping all of his telephone calls. Right after the murder, the FBI taped a call from him to the Taiwan office here in Washington, on the direct line through to the station chief of Taiwan intelligence saying, "Boss, the job is done. He is dead."

The Taiwan intelligence chief, screaming, "I told you not to call me here," or something to that effect.

That was the story. There is another story. People should look at it. What did President Reagan do when he got the report from the FBI that the Taiwan station chief was the man who put the contract out on this dissident on U.S. territory?

The reason that this latter murder was so important is that it was the first time we had the actual evidence against the Taiwan government for a contract murder. The reason that was important was that three years previously when Professor Chen Wen-chen had been tossed from the tower and murdered, Congressman Steve Solarz arranged for legislation to be passed. President Reagan signed the legislation, which would ban all arms sales to any country that harassed, intimidated, or physically abused its own citizens inside the United States.

Steve Solarz had two or three particular targets in mind. One of course was Taiwan. The other was Yugoslavia. I think the third was the Philippines. The Reagan Administration, President Reagan himself, was a little bit worried about what all of this meant. When it came down to it, when the Solarz amendment passed in September 1981, Reagan signed it. No objections were posed. The State Department didn't say we object to this. Who is going to say, "The United States should continue to be friends with countries that harass their own people on U.S. territory?"

Three years later, when Reagan got the transcripts that showed that the Taiwan security services were murdering people in the United States, I think he basically gave Taiwan an ultimatum. I heard this second-hand from Bruce Gray, who not only replaced me in Beijing but then replaced me on the Taiwan desk. He told me that the President sent a personal letter to Chiang Ching-kuo saying something to the effect that if you don't take the station chief, Admiral Wang Hsi-ling – I guess he was a political warfare admiral from Taipei – and bring him back to Taiwan, arrest him, try him, and convict him of murder, you will never see another U.S. weapon. We will cut you off completely.

I think that was the breaking point for Chiang Ching-kuo. He had this sudden epiphany that if he himself was not directly the man responsible for ordering the murders of…

Q: He came out of the security apparatus himself.

TKACIK: Yes, he did. All of his people were his protégés. He worked directly responsible for himself. He probably had to come to the realization that this was the end of the road. If he didn't do something to demonstrate that he had changed his ways, then the handwriting on the wall would have found him wanting. I think President Reagan was perfectly willing to pull the plug on him.

From that point in 1984-85, Chiang Ching-kuo began to loosen up on the democratization of Taiwan. That's when the Tangwai began to organize into formal political institutions. A year later, the Democratic Progressive Party (DPP) organized itself. That was in 1985. A number of DPP candidates began to run for election around Taiwan in the Taiwan elections.

Q: I want to go back to you duties on the Taiwan desk. You were there for three years?

TKACIK: Yes, 1979 to July 1982.

Q: Who were your counterparts on the Taiwan side?

TKACIK: From 1980-81, I dealt a lot with the military procurement people, because I was the one that gave the U.S. chop to the arms sales. If the State Department didn't chop off the arms sales, they didn't happen.

From 1981 to 1982, my last year there, I was the economic officer. I dealt with their economic people and aviation. We had an Aviation Agreement.

Q: Where did you meet with representatives from Taiwan? In the State Department?

TKACIK: No, we met outside the State Department. We met at AIT for the aviation negotiations. We would always meet at restaurants. I recall that Billy Martin's Carriage House was one place that we used to meet at. It was not extravagant. It wasn't cheap, but it wasn't like Rive Gauche, or anything like that.

To be perfectly honest, we did not deal a whole lot with CCNAA. I must have dealt with them…well anyway, that was 35 years ago. I don't remember who it was on the CCNAA side. I do remember in the Chen Wen-chen case, I doing the human rights portfolio for the desk. Jack Anderson was interested in U.S. relations with Taiwan.

Q: He was an investigative reporter, very powerful. Wasn't he from the right wing?

TAKCIK: Actually, he was more on the liberal side. He had a wonderful understudy, Lucia Magnato, who called the State Department and said, "Can I come over and talk to the State Department about what you think is going on in Taiwan human rights?"

I remember thinking to myself, oh my. Maybe it's time to let things happen.

What happened was that Don Ferguson, my boss, said yes, bring her over here and show her all of the files we have on Chen Wen-chen. Just go over them with her, so she can see exactly what we're doing.

I had two sets of files. I had a classified file on Chen Wen-Chen, and I had this big thick unclassified file. So Ken Bayliss, a young guy at the EA Bureau press office, who recently retired, arranged for her to come over. She came over to the desk. I brought her into a room like this, with a table, and said, "Okay, let's go over this."

We went over the files. I said, this is what AIT says here. She asked if she could have copies. I don't know exactly what took place, but I said, "Look, I've got something else to do. You just look at these papers. After I make a telephone call, I'll come back."

I left her alone for a while. I came back. She was very happy and put the papers back. A day and a half later, the text of a classified AIT cable on Chen Wen-Chen was in Jack Anderson's Merry Go Round column, saying that AIT thought there was clear complicity of the security services.

Well, crap. At any rate, it had to have been me. Where else was she going to get it? So State Department SY (Security) – I guess they were called SY at the time – came by and saw me. They interviewed me, interviewed Don Ferguson and wanted to know where the leak came from. I said, "I think it's got to be me. I must have just…"

So the State Department very generously gave me a full two weeks off without pay to punish me for my transgression. It was rough, but there you have it. Fortunately, I was promoted to 02 the very next cycle. It didn't debilitate me too much.

Q: Today is November 30th, 2009, we are returning to our conversation with John Tkacik. John, we were talking about the FX when you were on the Taiwan desk.

TKACIK: Yes, the big arms sales issue was the FX, the intermediate fighter for export. One of the first things I had on the Taiwan desk – I arrived in August or September 1979. One of our first issues was the Taiwan need for a replacement fighter to the F104s and I believe the F4s that they had. They had F5Es, and they were looking for something to replace the F5E.

The Northrop Corporation proposed to take the F5G and upgrade it with the F404 engine, which was much more powerful, about twice as powerful as the existing engines. This was something that the Pentagon had approved, right up until the announcement of

normalization of relations with China, and the breaking of relations with Taiwan around December 1978.

This decision was placed on hold for a year. Part of our agreement with China was that we would terminate the Mutual Defense Treaty with Taiwan in accordance with the terms of the treaty, which required one year's notice. When we normalized relations with China, which officially took place on January 1st, 1979, we served notice to Taiwan that we would terminate the Mutual Defense Treaty. I believe that termination would be effective on January 1st, 1980.

China said okay, but was very upset about the whole thing. I think we pre-emptively conceded to the Chinese that don't worry, during this period between January 1st and December 31st, 1979, we will not sell anything to Taiwan. The Mutual Defense Treaty will continue in force. We will begin to remove our troops from Taiwan, and all the rest of it. We won't sell any weapons to Taiwan.

The approval of F5G as it was called, which is the F5 fighter plane that is primarily designed for export. The F5 was an export fighter. Generally, the United States didn't really have the F5s.

The Carter Administration had agreed in principle to just let the Pentagon sell F5s with an upgraded engine to Taiwan, called the F5G. That immediately went on hold. At the end of this period, the issue came up again.

I was on the Taiwan desk in early 1980 when Northrop came and wanted to know whether the State Department would approve the F5G for Taiwan. It became then an issue of whether or not the Carter Administration would change its long-standing policy of not allowing defense firms to sell munitions outside of the U.S. that were not also being sold to the American military and navy. This was part of Carter's concern that the United States not be the merchant of death for the world. The United States had enough problems with the issue of weapons sales around the world. We didn't need to add to the problem by coming up with custom-designed weapons for various customers.

It became a big deal, whether as a matter of principle the Carter Administration would approve the development of an intermediate fighter for export to sell to anybody. Taiwan actually was the primary catalyst for this whole discussion, because Taiwan was in the market for such a hybrid aircraft. No other country really wanted it. All the other countries wanted to buy what the United States had off the shelf. At the time, those were F16s. The F16s, F15s, F4s, all of them were highly sought after, and the Taiwanese would have preferred those, but we had a policy through the 1970s after the Nixon Administration of not allowing Taiwan to have highly advanced weapons.

I'm not sure what animated that decision, but it was probably something like if we give Taiwan these advanced weapons, then they will try to use them. That was pretty much balderdash. At any rate, the point was that for the Carter Administration to actually

approve selling an upgraded F5 to Taiwan, they actually had to get over this philosophical, moral-ethical objection to selling specially designed weapons at all.

Northrop was quite sure that the Carter Administration would do this, because frankly, California was an important state. Northrop was making these aircraft in California. The F5G was basically not a new aircraft. It was basically sort of an upgraded version of an existing aircraft. Northrop thought they could get away with selling this.

All of a sudden on the Taiwan desk, we began getting visits from General Dynamics, which had something called the F16. The F16 was something we would not approve for Taiwan. In fact, Taiwan had asked for it and we had said no, this is a very high performance aircraft; we are not going to give it to Taiwan.

General Dynamics then came into this scene. They went over to DoD (Department of Defense), and they came to the State Department and said, "Well, see here. If you are going to allow Northrop to sell an upgraded version of the F5, why can't you approve us to sell a downgraded version of the F16? They are both going to be about the same capability."

We said, "What do you mean, a downgraded version of this?"

They said, "We'll put in a J79 engine in the F16. That will give it about the same performance qualities as an upgraded F5."

This was a stroke of genius on the part of General Dynamics, because General Dynamics' primary concern was preventing Northrop from selling the F5G. When I say this was their primary concern, my point of view on the Taiwan desk, since I was the political military officer on the Taiwan desk, was that I knew that the State Department was not going to permit anything called an F16 – I don't care what it is – an F16 three-toed sloth, to Taiwan. If it had the word F16 in it, it was not going to be sold to Taiwan. I would personally approve it. I would think it was a great idea. I did not get the sense from anybody else in the China desk or anyplace else in the Department that this was going to be approved by the upper levels. It was primarily because the word F16 was going to be seen as a new weapons system for Taiwan. The State Department's desire was to keep whatever weapons systems we were going to start selling Taiwan as of January 1st, 1980, at the same technology stratum as previous sales.

I'm not sure that Northrop quite understood this. Northrop then decided that they would then change the name of their F5G to the F20 Tiger Shark. It was going to be the same thing. It was going to be an upgraded airframe that looked like an F5. It was going to have the F404 engine, very powerful. In theory, it would outperform the F16/79.

The two of these companies then petitioned the White House for a decision on whether or not they would be allowed to make sales representations abroad for an intermediate fighter for export, dubbed the FX. I'm trying to remember when the first decision came. It was either very late in 1979 or very early in 1980.

The White House then finally said okay. We've got enough pressure from labor unions in California or wherever else.

Q: Texas.

TKACIK: Texas was General Dynamics.

We will in theory approve the development of an intermediate fighter for export, even though it goes against our wishes. That decision was made.

Northrop was very happy about it and came rushing into the State Department. I've forgotten exactly what the dates were. They said, "We now want to get munitions control approval, State Department approval, for the marketing sales presentation to Taiwan of the F20 Tiger Shark."

They had all these big wonderful brochures. They had done all their homework. If I recall, they actually had a couple of F5s that they had put new engines in. They came to the State Department and presented me with a little model aircraft, the new F20 Tiger Shark, very nice.

I said, "It's going to be a hard sell, but we'll put together a decision memorandum and see what gives.

Since the thing had been approved in principle at the White House, it basically was going to be required that the State Department just approve the sales presentation for Taiwan at the East Asia Bureau level. The China desk was absolutely opposed to anything being sold to Taiwan, and I was perfectly happy to sell anything to Taiwan.

At the same time, General Dynamics came in to say, "Now we want to sell the F16/79s to Taiwan."

Since the F20 didn't exist before. I suppose somebody could say, "F20? What's in a name? We don't know exactly what that is."

But the F16, that definitely got their attention. The effect of having the F16 in the competition was basically to ensure that, after all the dust had settled and cleared away, the East Asia Bureau of the State Department was not going to approve this for Taiwan.

If it didn't approve it for Taiwan, which was the only country that wanted this FX, it was unlikely it would get sold at all. It was unlikely that any other country would buy this. Any other country that wants to buy an F16 is going to go for the regular F16. Any other country that wants an F5 is going to go for the F5. They are not going to spend F16 money for an F5G and, I think, vice versa.

I then put together a two-page decision memorandum. I remember working on it for a couple of days. It basically said, look, this is the situation. These are the requirements that the Taiwan military has. The Pentagon says this. State Department Political Military Affairs has no objection to it. It had been approved in principle by the White House. Furthermore, to approve the sales presentation is the first step in a very long decision chain.

I recommended going ahead and approving the sales presentation for the FX by both Northrop and General Dynamics to Dick Holbrooke, who was Assistant Secretary for East Asia at the time. I guess (Deputy Assistant Secretary) Roger Sullivan had gone, for some reason. Is that possible? I think I gave it to Mike Armacost, who was subbing for Roger. Then it went in to Dick Holbrooke.

I remember handing the paper to Dick Holbrooke and just standing there, waiting for him to initial it. He looked up at me and said, "John, if I approve this sales presentation, will that commit me to approving the ultimate sales as time goes on?"

I made one of those horrible decisions that one makes when one is a Foreign Service officer. You basically tell your boss the truth. Maybe I shouldn't have, but it wasn't my decision. I said, "Yes, even though legally speaking, this does not commit you to anything – they can make the sales presentation – but it has never happened that somebody who has approved the sales presentation has then blocked the sale thereafter, except in the case where there has been an overthrow of the government, like with Iran just a couple of months ago."

He said, "Well, in that case, I'm going to have to deny this."

I thought, what have I done?

The FX decision was made by Dick Holbrooke. I informed General Dynamics and Northrop. General Dynamics took the matter in great stride. Basically, they didn't care. In fact, they were much happier because they didn't have to spend a lot of time and effort merely developing the F16/79. Northrop was absolutely devastated, because the F20 was their last fighter plane as far as I can remember. They had bet everything on the F20. If Taiwan wasn't going to be able to get it, then nobody else would want it.

This led to a chain of events that continued after the Carter Administration. The Reagan Administration would come in. They were on record as supporting the sale of the FX to Taiwan, regardless of what it was: F16 or F5, they didn't care. The new Reagan Administration was very supportive of the F5s.

I believe it was Norm Augustine who was President of Northrop at the time and a good friend of Ronald Reagan's. When Reagan came into office in 1981, they were going to revisit the issue of the FX, which is what this book I have here is all about. This book is by A. Doak Barnett, called FX Decision: Another "Crucial Moment" in US-China-Taiwan Relations, published by the Brookings Institution in 1981.

What had happened was that the Chinese then let it be known through both our embassy in Beijing and their embassy in Washington that U.S. approval of the sale of FX to Taiwan would be a horrible blow to U.S.-China relations. In January 1982, after a long 'sturm und drang' (storm and rage), both the White House and the State Department, Al Haig decided that the United States could not afford to sell the FX to Taiwan. He personally would send the new Assistant Secretary of State, John Holdridge – I think Holdridge was his West Point classmate from the West Pont Class of 1945 – Haig sent Holdridge, the new Administration's Assistant Secretary of State for East Asia, and a number of other luminaries to Beijing personally to inform the Chinese that the United States would not sell the FX to Taiwan. Isn't that a great thing? There is a great story, I'm sure, behind that. The upshot of it was that for the balance of 1982, the FX decision became a cause at the White House to get rid of Al Haig.

By that time in 1982, I was off the political military side of things, and I was doing Taiwan economic issues. It is sort of a footnote to history that when Reagan actually finally agreed to the August 17th, 1982 communiqué, that very day on August 17th, 1982, he had Holdridge go down to the Congress and submit to Congress the notification of America's intention to sell 250 F5s to Taiwan. I think it was a very pointed message to China that, even though we had issued this communiqué on the restriction of arms sales to Taiwan in quantity and quality, the President of the United States, Ronald Reagan, was still very much supportive of Taiwan. And that is the end of that story.

Q: Wasn't Vice President Bush strongly connected with these events?

TKACIK: Vice President George H.W. Bush was very much on the opposite side of this. Vice President Bush was formerly the U.S. Representative in China. He was Chief of the U.S. Liaison Office mission. He was very supportive of a strong strategic relationship with China.

I'm not sure this is what your oral history wants to get into, because I don't have direct knowledge of it. My impression was that Vice President Bush was very supportive of Al Haig in moving forward on an August 17th, 1982 communiqué that would make an explicit commitment to cease all arms sales to Taiwan after date certain. This is something that Secretary of State Haig wanted to do.

I was on the Taiwan desk when this was happening. I was quite aware that there was a difference of opinion between Vice President Bush and President Reagan on this thing. One of the things that really amazed me though was that Jim Lilley – although he was not ambassador then, he was U.S. Representative in Taiwan, he was the Director of the American Institute in Taiwan (AIT) – was dead set against making any kind of a commitment to China that would involve our cessation of arms sales to Taiwan.

One might say that where you stand depends upon where you sit. Although Jim Lilley was very much part of the George H.W. Bush camp, his position as AIT Director in

Taipei made him see things from a much different perspective than he would have had he remained in the White House.

I remember that when I was on the Taiwan desk, Jim Lilley was very supportive of Taiwan under Dick Allen. At the time, Jim Lilley and Dick Allen were very supportive of Taiwan, as opposed to China. Jim just passed away you know. It could be that Jim understood the Chinese in a far more profound way than most people did and could see what the problem was. Or, it could just be that Jim Lilley understood where President Reagan was coming from.

I think I visited Jim in May 1982. I told him at the time that the State Department was considering language that would terminate the U.S. arms sales commitments to Taiwan. In other words, we were considering language that would explicitly say, "We will stop arms sales to Taiwan after a certain period of time."

I remember Jim being very unsettled by it. I was simply an FS-02 at the time from the desk. I'm not sure he was interested in sharing his innermost thoughts with me. I have to say that there was an awful lot of back and forth between AIT in Taipei and the State Department, actually AIT in Taipei and the White House directly. A lot of it didn't even go through the State Department.

My understanding was that the decision to tell the Chinese that we would not make a commitment to cease arms sales to Taiwan came after Al Haig was fired. That decision led to President Reagan making the Six Assurances to Taiwan to President Chiang Ching-kuo.

My understanding was that the Six Assurances, which were on July 14th, 1982, were developed at the White House, drafted by Gaston Sigur at the direction of the President and Judge Clark, and were shared directly with Jim Lilley out in Taipei. The State Department was not really aware that these Six Assurances were being given at the time.

The reason I say this is that when the Six Assurances were published in the Taiwan newspapers, the first State Department heard about them was when we picked up the World Journal (Shi Jie Ri Bao), which is the Chinese language newspaper in New York City, a sort of U.S. edition of the United Daily News in Taipei. There on the front page, were the Six Assurances. We hadn't heard about it. I remember getting my copy that morning and reading it. I took it in to Don Ferguson, who was the Director of the Taiwan desk, the Taiwan Coordination Advisor.

I showed it to Don. I said, "What is this all about?"

Don said, "I don't know. Let's send a telegram out to Taipei to find out."

So I drafted a rather snippy telegram out to Jim Lilley. It was an LOU (Limited Official Use) telegram basically saying that we've got these Six Assurances that have appeared in the Taiwan newspaper. If I recall, it was Zhang Xiaoyan (John Chang) from the foreign

ministry who was the source of them. I think he was probably press secretary or something in the foreign ministry. We asked AIT if they knew anything about this. Furthermore, if they knew anything about it, was it authorized for the Taiwan Foreign Ministry to publicize it? Like I say, it was one of those snippy telegrams: we've noticed this…

I think it was the very next day when Don Ferguson came into me and said, "Look, forget that whole thing."

Because in fact, it was the President of the United States who had authorized number one, the issuance of the Six Assurances; and number two, had given Taiwan permission to publicize them and to tell the world that they had gotten these assurances directly from the President of the United States.

My reason in relating all this was that Jim Lilley was central to this entire Six Assurances thing. I think there has been an awful lot of misinformation in various books, especially John Holdridge's book, which is a very good book, implying somehow that the Taiwanese had come up with the Six Assurances. They had given them to us and we had just given them back to them.

My understanding at the time was that Gaston Sigur had drafted the Six Assurances at the insistence of the President. That insistence was transmitted to Gaston via Judge Clark. It probably makes sense, since a month later, with the issuance of the August 17th, 1982 joint communiqué with China on the Taiwan arms sales, Jim Lilley puts in his memoirs that the President of the United States issues a four-paragraph directive to the State Department and to the Defense Department that Jim writes was initialed by George Schultz, Judge Clark, and Caspar Weinberger. It basically stated that the issue of American arms sales to Taiwan is absolutely conditioned upon China's pursuit of a policy of peaceful unification. In any event you can read it in Jim Lilley's book. That's my story of Taiwan.

Q: Where did you go after the Taiwan Desk?

TKACIK: I was at Harvard for a year. This was 1982-83, that year.

Q: What was this academic program about? Related to China?

TKACIK: I didn't go there for China studies. I'm a consular cone officer. I went up there on a public policy, management sort of thing. It was in preparation to go to Hong Kong where I was going to be the number two in the consular section.

Q: How did you find it?

TKACIK: Harvard? It was wonderful. It was my second happiest year in the foreign service. My first happiest year was at the National War College six years later, but what the heck.

Harvard was great. I think there were ten FSOs (Foreign Service Officer) up there. Most of us were consular cone. There was one economic officer. I've forgotten his name. Ted Kattouf was there with us. He was in NEA (Near East Asia Bureau). He was there at Harvard with me at that time. We were all doing the public administration program.

I have to say from a management point of view, it was a very good course. We had a core curriculum of, I guess, four hours a week on management issues, statistics, industrial organization, which is how you organize workflows. It's a very mathematics-based course on how you can choose optimum workflows on various types of services.

We had foreign policy decision making with Richard Neustadt. I took that course. Again, it was fascinating reviewing how decisions are made in historical case studies. We had automated systems, computer systems. The first time I ever used a computer to do anything other than word processing was there at the Kennedy School. This is how long ago it was. Instead of having the cathode ray tubes (CRTs) as a display, our displays were telex machines. You might remember those days when we had telex machines in all the consular sections to send the visa lookout names. At least I was familiar with how to use a telex machine. We would program the thing via a telex machine. We would send it off to the mainframe a couple of buildings away. A minute later, we would get back the program. They we could put our numbers in. It was fascinating.

I did a number of papers. We had to do four hours each semester of core management courses. The other four hours, we could do whatever we wanted. I took two semesters of Chinese criminal law at the law school under Stanley Lubman. That was a very good course. I wrote a long, 90-page paper on the role of the confession in traditional Chinese criminal law, which I myself thought was very good. I got an A on it.

I also took about six weeks of Tang Dynasty poetry with Stephen Owen at the Harvard Yenching Library. I audited the course. If you audited Professor Owen's course, it was okay, but you still had to do the homework. You couldn't just come in, sit there, and kibbutz. There were about six of us for Tang poetry. Three were young Americans who were getting their PhDs in Japanese literature. Evidently, Professor Owen's course was a required course for Japanese PhDs. Then there was one guy from Hong Kong, a Korean student, and then me.

In those six weeks, which I think was all of February and the first two weeks of March 1983, literally all of my time was spent trying to do the homework for that course. Finally I said my Chinese is not good enough to do this. We parted ways amicably, but I still occasionally send a note to Professor Owen. I have all his books. Harvard was a great place.

I lived in a basement in Somerville, Massachusetts, which I rented for about $250 per month. It was paid for by the State Department, since it was sort of a TDY (Temporary Duty) thing. I left my family down here. We had just bought a new house in the neighborhood I grew up in, near Mount Vernon, south of Alexandria. My wife and I

carried on a long-distance relationship. She raised the two children for a year. My son was just two years old, and my daughter was three and four. It was okay, because my parents lived two blocks down from our house, and my wife's parents lived two blocks up from our house. We had a very nice family infrastructure that supported me. The parents were all happy to have their grandchildren in their midst.

The other thing was that being there by myself meant that I had much more time to study, rather than if I had brought them up. I think the State Department would have paid for the family to move up to Boston for year, but they wouldn't have paid for rent.

I loved Harvard. One thing I will say is that the weather up there was just horrible. From about November through March, it was rainy, snowy and slushy. It was no fun at all.

You must have talked to many FSOs who have been through that program.

Q: Yes. I got my masters at Boston University in 1954-55. Then you're off to Hong Kong. You were there from when to when?

TKACIK: I was there from August 1983 to August 1986, three years. I was Chief of the Visa Section, which at the time was the third largest visa issuing post in the world. That was primarily because they folded all of the Taiwan AIT Taipei visas into the Hong Kong workload. All of the AIT visas, both NIVs (Non-Immigrant Visa) and IVs (Immigrant Visa) were issued out of Hong Kong. We had to have a separate operation at the Consulate General in Hong Kong that handled AIT non-immigrant visa approvals on a one-hour turnover basis. Then we had another operation that involved reviewing and my signing the AIT immigrant visas.

Q: How did that work?

TKACIK: The applications came down, I guess once a day, in a pouch. We would get a stack of 100-200. Whatever AIT's daily issuance was, we would get that on a daily basis. I think there must have been an unclassified pouch that was sent from AIT to Hong Kong every day via Cathay Pacific or China Airlines. We would pick it up and bring it in. The consulate's communications center would go out to Kai Tak (airport) to pick it up and bring it in to the consulate. I remember reserving about an hour a day, at the end of the day, just signing the damned things.

Q: These were already processed.

TKACIK: Yes, AIT had the entire infrastructure for immigrant visas, which was left over from the embassy. I had been at the embassy just eight years earlier. It had a very competent, efficient, high functioning immigrant visa operation. It was clear that AIT didn't need any oversight. For the fig leaf of procedural nicety, I suppose, the State Department in its infinite wisdom, declared that in order to properly issue visas at Taipei, they had to be properly signed by a consular officer in accordance with whatever it was, the Immigration and Nationality Act of the time, and then sent back.

The non-immigrant visas did not have to be signed because, as everybody knows, you can have a signature slug on a non-immigrant visa. I would send my signature up to AIT. For three years, every visa issued at AIT had my signature on it. Every night, we would get a telex of all the NIVs issued that day. Every night at close of business, I would send a message back saying pax vobiscum (peace be with you); they are all approved. You guys did it again. It was mostly a logistical pain in the neck managing the actual procedures of physically getting immigrant visas in Taipei all the way to Hong Kong, signed, and all the way back to Taipei.

What this meant was that AIT, in order to pay for all this, arbitrarily charged a visa processing fee to all visa applicants. This began to generate vast amounts of money, in the order of several million dollars a year, in order of what AIT actually needed. That money went to pay for the telex machines, the daily pouches back and forth, and all the rest of it. Even then, there was a substantial amount left over. This meant that there was a certain amount of requirement that I go up to Taipei every once in a while and exert my managerial presence on AIT people at AIT's expense. I suppose this was to let them know they were doing a good job.

It was clear that this was all a waste of everybody's time, not to mention a waste of visa applicants' money. If I recall, it took another eight years, it was 1994 in the Clinton Administration in the Taiwan policy review, and they decided to get rid of the whole thing. Under the Taiwan Relations Act, which was passed in 1979, the Congress authorized AIT to issue visas. Why the State Department resisted for 14, 15 or 16 years to actually do this was clearly one of these instances of pre-emptive capitulation to the Chinese. Somehow, we were afraid that by not having this fig leaf, we would somehow offend the Chinese. Of course, in the end, the Chinese didn't give a damn anyway.

There is a good amount of evidence that a lot of our self-imposed protocol restrictions on the way we deal with Taiwan go absolutely unnoticed or uncommented on by the Chinese. If we never inflicted these restrictions on ourselves in the first place, it wouldn't have caused any trouble at all.

We now see this very clearly because AIT now functions virtually like an embassy. Even on the 4th of July, they fly the American flag over AIT. At AIT, they now have a Consular Section. In those days, they didn't dare call it a Consular Section. They called it the Travel Services Section. In those days, the Political Section was called General Affairs (GAS).

In 1994, they got rid of all those fig leaves and found that nobody really cared about them anyway. I believe it was in the George W. Bush Administration, just six or seven years ago, that the State Department decided that we could permit active duty U.S. military officers to serve in AIT as the Military Attachés and the Defense Security Cooperation Agency (DSCA) officials have an active duty monitor there. Nobody cares. I think they even have marine guards at AIT. Anybody listening to me is going to have to validate that.

Q: In Hong Kong, what was the atmosphere there? They were moving up to 1989.

TKACIK: We arrived in Hong Kong in August 1983, the very beginning of August. Hong Kong was in turmoil. Maggie Thatcher had just defended the Falkland Islands against the predations and aggression of the Argentineans in April 1982. There was some hope in Hong Kong that perhaps maybe Maggie Thatcher was also going to defend Hong Kong against Chinese aggression. I've forgotten exactly what the time frame was, but I believe it was June or July 1983 that Thatcher was finally pestered by the Hong Kong General Chamber of Commerce to try to nail things down with the Chinese. Nobody had quite come to grips with what it meant to have the 99-year lease on the New Territories expire in a bare 17 years. A lot of Hong Kong real estate was administered under leases that were going to expire in 17 years.

I arrived in August 1983. What had happened was Prime Minister Thatcher went to Beijing and tried to explain to Deng Xiaoping that maybe it would be okay to just sort of let the treaty lapse. I've forgotten the name of the treaty. Great Britain would continue to administer Hong Kong and the New Territories after 1997. The treaty was for 99 years, signed in 1898. So the treaty would lapse on July 1st, 1997. Britain proposed to continue to administer Hong Kong, although recognize Chinese sovereignty, or something like that.

It was a major political issue in Beijing. Deng Xiaoping basically said no, we're not going to do this. There is no way that we can approve Britain's current administration in Hong Kong after 1997.

If I recall, for a few fleeting moments, there was some thought that Britain would continue to administer Kowloon and Victoria Island, which were both ceded to Britain in perpetuity. Britain was under no obligation under international law to leave Kowloon and Victoria Island. Prime Minister Thatcher was quickly advised that the islands of Hong Kong and Kowloon were not viable separate from the New Territories. So she said, "Well, that's it. We'll just turn it over to you."

In 1983, they issued some kind of a joint statement. This is by way of preamble to your question, which was, "What was it like when you got there in August 1983?"

The answer was, "It was in a panic."

The property market had collapsed. We're talking about million dollar properties, huge, fancy. There were tremendous amounts put into property development in Hong Kong during the 1970s. It was all collapsing.

The Hong Kong Dollar – when I used to go in the 1970s, it was HK$4.50=US$1.00 or HK$4.75=US$1.00. In 1982, it was sort of HD$5.10=US$1.00. When Thatcher and Deng Xiaoping issued their joint statement, the Hong Kong Dollar began to slip precipitously,

at least in Hong Kong terms. It went from a U.S. Dollar being HK$5.00 to HK$6.00 to HK$7.00 to HK$8.00 to HK$9.00. When I got there, it was about HK$9.00=US$1.00.

The place was in turmoil. There was a tremendous amount of anxiety, primarily among the Hong Kong belongers. It had gone to a crisis point in September 1983. We were wondering just where it was going to end. All of a sudden, overnight, the Hong Kong monetary authority, and I've forgotten who the guy was who ran the two currency-issuing banks, the Hong Kong and Shanghai Bank and Charter Bank, basically stepped in and said we are going to guarantee that we will buy Hong Kong Dollars at a rate of 7.8 to US$1.00. We've got lots of U.S. Dollars here. If anybody wants to sell their Hong Kong Dollars, we will buy as many as you want at HK$7.80=US$1.00, even though the rate was HK$9.30=US$1.00 at the time.

All of a sudden, overnight, it just took that, a dash of cold water in the face, to bring Hong Kong back to its senses. It was quite clear from that point on, Hong Kong was going to come to terms with its eventual retrocession to China.

There was a considerable amount of anxiety among the foreign service nationals (FSN) at the consulate. They were not at all happy with the idea of being under Chinese sovereignty in 17 years, or 50 years for that matter. China itself had just pulled out of the Cultural Revolution a mere seven years prior. Hong Kong was filled with people who knew what the Chinese communists were capable of.

One of our big concerns and efforts at the consulate was reassuring our foreign service nationals that they would be taken care of, at least in terms of visa issuance. There is a special immigration status that is granted to employees of the U.S. Government, as you recall. We gave that to anybody who wanted it. Any foreign service national who had worked at the consulate for 20 years, we said come right in. I don't care who you are. We'll approve your immigration visa. That did an awful lot to calm things down.

Quite a few of our FSNs availed themselves of that and immigrated to the United States. Some of them, after a few years then came back to Hong Kong to work at the consulate again. That is perfectly okay with us, as far as I'm concerned.

When you ask the question, "What was the atmosphere like?"

It was one of deep anxiety.

By the time I left in 1986, I think most people in Hong Kong had, number one, come to terms with the reality that Hong Kong was going to go back to China in 11 years. Number two, they were far more optimistic about the future of China than they had been perhaps when the decision was announced.

Q: How about refusal rates and all?

TKACIK: If you're looking for the nuts and bolts of visa issuance in Hong Kong, the refusal rate there was between seven and ten percent for non-immigrant visas. The reason for this was that generally visa applicants were self-selective. Ninety percent of the people who came to apply for visas were ones that could afford travel to the U.S. and intended to return to Hong Kong.

Hong Kong had very good public documents. They had good registers, good banking documents, well-organized and certified property documents. Hong Kong is a small compact place and everybody sort of knew everybody else. If they didn't know you, then that was cause for some head scratching.

When I arrived at the consulate, we were overrun with visa applications. The young junior officers tended to be at a loss for how to adjudicate these things. For the first couple of months, I said, "See how many credit cards they have. Ask them for their credit card statements going several months back if you have a problem. Everyone has to have their income tax statement and whatever property documents they have. If you really have a problem, just ask to see their credit card."

Almost overnight, we began to process 200-300 visa applications a day with five or six officers without really breaking a sweat. We could close up at 4:00 in the afternoon, and it wasn't a big problem.

Q: What were the non-immigrant visa applicants doing? Were they going to the States, looking around, and then coming back?

TKACIK: Yes, you had tourism, but there was an awful lot of business travel. We had an awful lot of F-1 visas. I think you are probably right. There were a lot who went to the States to check it out, to see what the lay of the land was. Generally, they came back.

Another thing that got us moving was that by the time I left, we had managed to get indefinite validity visas approved for Hong Kong passport holders. So these people did not have to come back for five years. They could just come back whenever they got a new passport. So even though the visa workload went up considerably during the three years I was there in terms of the number of visas issues, the amount of work was pretty much stable.

We increased the visa staff. When I arrived, we had nine officers. When I left, we had 12 officers. One of the additional officers was a visa fraud investigator and one was a refugee coordinator. Refugees were a whole problem in of itself; not a problem, but a challenge. Fraud was just something that the State Department was getting into at the time.

The other thing we had in Hong Kong was an Immigration and Naturalization District Office. Joe Surek was there. I don't know if you remember him. He was the District Director in Los Angeles. He and two other officers were in Hong Kong. They did an awful lot of work that normally a consular office would do.

Q: Did you get involved in any American services?

TKACIK: We did. I'm trying to remember. Tom Cummings left shortly after I arrived. I was chief of the section for nine months, until Len Willems arrived. One of the first cases we had was Typhoon Lester, I think it was. It was one of the fiercest typhoons we had in Hong Kong history. It sunk a U.S. oilrig south of Hainan Island. We took up the slack on that; even though the Consulate General in Guangzhou was normally in charge of it, they didn't have the people to handle it, so we did Typhoon Lester.

Then there was an American sailing ship, a three-masted schooner. It was more a pleasure ship that was based in Hong Kong. It sunk, killing all hands on deck. There were nine American crewmen on it.

Q: Did you sense that Hong Kong Mission diminished its China watching by this time?

TKACIK: That's a good question. It had not diminished its China watching, because the consulate in Guangzhou hadn't gotten up to steam yet. The embassy in Beijing was still growing. It was a 35-person post in 1979. It was over 110 or 120 by 1983 or 1984. We were doing an awful lot of China watching. I have to say I did quite a bit at that time myself.

We had an awful lot of Chinese businessmen and expatriate Chinese, recent arrivals from China, who were brown book holders. They had the one-year permits for residence in Hong Kong. They would go to the United States on business. Every single of them, of course, had some kind of Chinese state sponsored involvement. It was always a matter of somebody's concern, whether the Political Section, the Economic Section, or – in these interviews do you talk about other agencies?

Q: We don't get too much. We try to stay away from that.

TKACIK: Anyway, they will go unnamed. Anybody that came through that looked interesting, we generally glommed onto.

I remember that since I spoke Chinese, had served in Beijing, and knew all the names and faces, I was always debriefing people – where they were coming from, who they knew. I went down to the basement floor of the consulate where they had all the card files. The consulate in Hong Kong had the most complete biographic card file register.

Look at your card-filing drawers in this room; they had two rooms filled with those things.

Q: Isn't there always an alphabetizing problem? When I was running the Consular Section in Seoul back in the 1970s, we were trying to figure out a way to deal with a Hangul (Korean alphabet) filing system when three-fourths of the people are named Kim or Choi. There are about three or four different names. If you are trying to put them in

Romanized order, Rhee can be spelled Rhee or Yi. We kept thinking, what about the old Chinese telegraphic system? But that didn't work.

TKACIK: Why wouldn't that have worked?

Q: Because the Koreans didn't have that much variation, I guess.

TKACIK: The Chinese had a lot of variation. In those days, we were moving from the Wade Giles Romanization to Pinyin. All of the new cards were in Pinyin. Like I say, we had two rooms the size of this room just lined with these library card catalogs. When I was there, they were filed under Wade Giles. As long as you knew what the system was, you could find it alphabetically. Each one of them had to have standard Chinese telecodes. Even if you only knew the Chinese, you could translate literally under Wade Giles or Pinyin. On the other hand, if you only knew English or Wade Giles – sometimes you didn't know what the characters were.

First of all, we had tremendous staff in the Political Section downstairs. Vincent Lua, there were two or three others, but we all remember Vincent. The second thing was that, especially after being in the Consular Section, I got to know names. If you gave me a name in Chinese, I could give you a good guess as to what the Chinese characters were. Then I could go look at it that way.

We had lots of businessmen from the brand-new Shenzhen Special Economic Zone. We had lots of businessmen from Guangzhou. We had expatriate Chinese who were from important families in China who had perhaps suffered in the Cultural Revolution, and their families had arranged for at least one or two members to go down to Hong Kong to establish a beachhead there.

A lot of them became very good sources. During most of the three years that I was there at the consulate, I had the biggest office in the Consular Section. I don't know why that was. About a year into my duty at the consulate, I invited an officer from the Political Section to come and stay in my office with me. His name was Tom Hui. He was a political officer from upstairs. Tom would spend about an hour a day, sometimes he would spend four hours, down with me, in my office. We would be going over visa applications. He would keep an eye out for anybody he would be interested in, and all the rest of it. It worked out to be a very useful symbiotic relationship.

As a result, we in the Consular Section did much more political and economic reporting than had ever been done before in the Consular Section. We had a lot of junior officers, just out of the A-100 course, who were economics or political cone officers, and wanted to at least get their licks in before they went on to their next post, or get their licks in so they at least had something to show to their Career Development Officer back in the State Department that they had actually done something worthwhile in their time as a Visa Officer.

I think we did quite a bit of very useful political and economic reporting in the Consular Section when I was there.

Q: Did you get a feel for, I'm sure you did in megaterms, what was happening in China during this three years?

TKACIK: There were an awful lot of Hong Kong businessmen who were beginning to see the potential for China. Andrew was a friend of mine. During the course of our dinners or lunches, he indicated that he was working on the Shenzhen Special Economic Zone people to set up a stock market in China.

This was almost ludicrous. This was like talking about green cheese on the moon, or something. We are setting up a green cheese market on the moon. You just think, you just can't be serious. Well, within I would say five years, Shenzhen had a stock market. And he was involved in it.

We had a lot of businessmen in Hong Kong who saw beyond the potential for just export processing assembly factories. They saw the potential for railways, stock markets, and real estate development. The problem was that the Chinese government was generally several steps behind them. One tended to fear that they were perhaps very suspicious of their Hong Kong brethren.

When I was in Hong Kong, Vice President George H.W. Bush visited us, after stopping in Beijing and, I believe, Guangzhou. He had a day in Guangzhou. I was the scheduling officer for the Vice President's trip. One of my Hong Kong friends, Edmund Lao, who owned the Hong Kong Yaumatei Ferry Company, had arranged to send several 500-man ferries up to Guangzhou and bring down part of the Vice President's entourage. Another ferry went up to Shekou. In fact, we arranged for the Vice President to stop at Shekou, which is in China, to view an American oil company's progress in South China Sea. All of the big American oil companies had their bases at Shekou, which was just about a half mile up the river from the Hong Kong border.

There was a tremendous amount of travel by Hong Kong businessmen across the border into China. They pretty much knew everything that was going on in China. Read my telegrams from Hong Kong. They can be easily accessed by submitting a Freedom of Information request. Requests are even submitted on line now.

Q: Pick up an attitude. Did we see China as developing a potential menace to us as, say, the Soviet Union?

TKACIK: No. No. When I was in Hong Kong, I think in October 1983, the seminal event was the shoot down of Korean Airlines Flight 007 by a Russian fighter jet. That was a big shock to people who thought maybe we could deal with the Soviet Union, and then for them to pull this kind of silliness. Not only that, it seemed that the Soviet pilot that shot them down and said, "The target is destroyed," seemed to understand that this might not

be a military plane after all. My point is that at the time we considered China to be our ally against the Soviet Union. At the consulate, we looked at China as a friendly power.

That said, there was a tremendous amount of intelligence interest in China and what was going on. It was still quite closed and I think one had to feed a demand in Washington for information on what was going on. We weren't looking for the Chinese to be engaged in any nefarious activities, although I will say that the North Korean presence in Macao was something that everybody got exercised about. I think at the same time the North Koreans assassinated 26 South Korean ministers on a visit to Rangoon, if you remember the Rangoon bombing.

When I say a big North Korean presence, there were about 17 North Korean intelligence officers in Macao. Her Majesty's government, the British government, did not let them come to Hong Kong. There was a very vigorous immigration screening from Macao primarily, but also from China, because we knew that the North Koreans had free run of China.

There were an awful lot of very strange goings on in Macao, involving the North Koreans. In my files at home, I've got a couple of MEMCONs (Memorandum of Conversation) on typed yellow legal pads. I was looking at one of them just a couple of months ago. It was about a mysterious murder of a North Korean agent in Macao and how the North Koreans put the body on a boat. They got it on a North Korean merchant boat and on to North Korea before the Macao police could get to it. This story was told to us by somebody from Macao immigration, or some such thing.

There was an awful lot of interest in the U.S. Consulate General about what the North Koreans were doing. At that point, Macao did not have direct airline, rail, or any ties with anybody other than Hong Kong. Anybody going to North Korea from Macao either got on a small steamer in Macao and sailed to North Korea, or they had to transit Hong Kong. Or they could fly to Guangzhou and go across the border at Zhuhai. The North Koreans had a very big consulate; they called it a trade mission, in Guangzhou. It was on Xiamen Island, about six blocks down from the U.S. Consulate, from the White Swan Hotel. They always kept to themselves. They didn't put any brass plaque up in front on their office. They rarely showed up at any diplomatic corps functions. They were very mysterious. If I recall, at that time, when I was in Hong Kong, the North Koreans had a penchant for olive drab Mercedes Benz. They were sort of green colored Mercedes. They had two or three parked out in front of their office.

Aside from China's unseemly indulgence to North Korea, we viewed the Chinese as sort of international partners. That's the way we dealt with them. Apparently, it persists to this day. At that time, I don't think anybody had any idea that China would develop as fast as it did.

Q: You left in…

TKACIK: In 1986.

Q: Whither?

TKACIK: I came back to the State Department where I was Director of the A-100 course at the Foreign Service Institute (FSI) in Rosslyn, Virginia.

Q: How long was that. From 1986 to…

TKACIK: 1986 to 1988, two years. I didn't want to do that. I wanted to work in either the Consular Affairs (CA) Front Office, or get a congressional fellowship. They were handing out congressional fellowships at that point. I got a congressional fellowship and I was so happy with myself. Then all of a sudden, I got a note from Joan Clark, the Assistant Secretary in charge of Consular Affairs. She said I just gave your name to FSI. I recommended you to be the Director of the A-100 course. Oh crap. I had just been promoted to FS-01 at the time. So I was Director of the A-100 course for two years, which was not exactly what I wanted but at any rate, there it was.

I managed to go to the National War College in 1989.

Q: Let's talk about the A-100 course first. What was your impression of the officers coming in?

TKACIK: I had a sense, even then, that there are an awful lot of, maybe too many, officers who were not really committed to public service. Maybe it happens all the time. Some don't want to go to hardship posts. Others feel they have been slighted or some such thing. None of them, except the consular officers, were interested in doing consular work for their first time around. There was a lot of ragging about that.

The junior officers I had working for me in Hong Kong, there tends to be a certain amount of arrogance that one does not find seemly. I don't know, but was it always that way? I don't remember junior officers as being that way when I was a youngster, but maybe they were.

One of my good friends from Taichung Language School, Dr. Earl Rickerson, was a linguist for the CIA. His language was German, but he went to the Taichung Language School for Chinese, and then went back to the CIA where he was involved in junior officer language training. He became the Director of Career Trainee (CT) training, which is the A-100 course for the CIA.

I went to visit his operation three times, twice up around here, and then once down in Camp Perry. I stayed with them for a while. I got the impression that they had an esprit de corps, a sense of mission and purpose. They were motivated in a much more profound way than our junior officers were.

I wrote a couple of long memos to Jane Coon…

Q: Carleton Coon was her husband.

TKACIK: Yes, she was Director of FSI at the time. I basically said that that if the State Department wants to have a full professional dedicated corps of junior officers, you've got to treat them like they are grown-ups and you've got to train them. And we don't train them. We just sort of pick them up off the street. Because they passed the Foreign Service Test, they are, ipso facto (by the fact itself), good Foreign Service Officers. We all know this is not the case.

Very little effort in those days was given to actually training junior officers in their specialties. We had the two-week political training course. It's not the same thing. Again, as I say, I was quite impressed with the CIA training.

I was impressed that in those days, I don't know if we still do, we had a certain number of CIA career trainees who were also trained in the A-100 course, because they had certain cover requirements. Again, they were different from the State Department people. Why was that?

Well, probably because they had already been through a year of CT training, not only just their orientation, but they had six weeks at the farm, and about a year of actually working in an embassy. If you go down to Camp Perry, I don't know what it looks like now, but they had this big building that was like an embassy. All of the resources you've got, they had there. They would file reports. They were trained on how to do whatever they do.

I remember at the time sending a memo to Jane Coon saying this is what we needed. Of course, it turned out that Secretary Schultz was at that very moment committed to building this place, the National Foreign Affairs Training Center (NFATC). At the time, he was soliciting ideas from all over, but primarily from the FSI internal bureaucracy, on what the ideal NFATC would include.

When they asked me, I said you need an embassy. You need a full infrastructure so that people can actually feel like they're working in an embassy. They write their reports. Somebody gives them feedback on their reports. Make sure that they interact with the language schoolteachers and students, to get practice on how to debrief people in a non-English language. I don't know if any of that was followed up on.

I think we would have been better off perhaps with more former military. My impression was that the Foreign Service Officers (FSO) we had who just came from the military were significantly, noticeably, more mature than the other ones.

Q: When I came in, I came in 1955. I had four years in the barracks. I wasn't a college kid.

TKACIK: I think it reinforces in you a sense of socialization in the sense of hierarchy, in the sense that you really should take orders. A lot of the youngsters coming in – when I

say youngsters, even the ones who are 30 or 40 years old tend to think they know it all. It's very difficult to explain otherwise.

Q: It gives a flavor. Did you go to the War College after this?

TKACIK: Yes.

Q: Why don't we talk about the War College? What did you do?

TKACIK: I had fun. That was my happiest year in the Foreign Service, the one year at the War College.

The focus of the War College is to give military officers who are probably on the fast track to flag rank a sense of broader, strategic interests in the world, a broader strategic context of military power. In that, I think they were very successful with the military.

As far as we non-military were concerned, it gave us a real appreciation for the complexity and high degree of organization that is required for a successful military operation to unfold. You really don't get an appreciation for all of the machinery that goes into, say, providing relief to a tsunami disaster for 100,000 people, unless you've been with the military at the various states of organization of these things.

At the War College, we had a number of not just classroom presentations on how the military is organized to take on certain goals, but we also did off-site field trips. You could actually see the military in action: the air force, the army, the navy, the nuclear submarines, space command. It was just breathtaking.

We went out to Nellis Air Force Base on a field trip one weekend. We hopped a ride on a KC-10 tanker and flew across the country, refueling several F-16s on the way. When we got to Nellis, we watched them do red flag fighter training, which is the top gun sort of thing.

We were on an aircraft carrier down in Norfolk. We went aboard nuclear submarines.

The thing that really blew my mind, of course, after being an FS-01 in the Foreign Service, which is the equivalent of a colonel, is to see the amount of responsibility that the military gives to lieutenant colonels.

One of my classmates at the War College was a Lieutenant Colonel and he was in charge of a KC-10 squadron. You're looking at $1 billion worth of aircraft machinery and 600 men, not to mention the logistics and all the rest of it. And he was the equivalent of an FS-02. We in the State Department know better than to give an FS-02 that kind of responsibility. He went on to be a lieutenant general in the Air Force.

Most of our colleagues were military 05s or 06s, 06 being a full colonel, but a lot were 05s (lieutenant colonels). Out of my War College class of about 180, I think one-third of

them became flag officers. The current Air Force Chief of Staff, Norton Schwartz, was in my National War College class. The Army Chief of Staff, Peter Schoomaker, was in my class. A lot of big names were in that class, which made me sensitive to how much the Army and Air Force valued the War College. The Navy guys tended to not want to be there. Most of the marines became lieutenant generals.
The point I would make is that the service academies really value this.

We had a couple of CIA people there, mostly in the DI (Directorate of Intelligence) side of things, and the DDS&T (Deputy Director for Science and Technology). We had NSA (National Security Agency), NRO (National Reconnaissance Office), and 20 people from the State Department. There were no real stars in my class. Margaret Dean, who is Director of the Board of Examiners. She just retired, but she still runs the Board of Examiners. Mildred Patterson, Sue Patterson, and Bill Pope were there. Then some not so happily remembered people, but that's neither here nor there.

Q: After you left the War College, where did you go?

TKACIK: I went to Guangzhou. I don't know why I did that, but for some reason I thought that being the Deputy Consul General in Guangzhou was a good career move. I was in Guangzhou for three years. As DPO (Deputy Principal Officer), I was responsible for all the political and economic reporting.

Q: Okay, we'll pick that up there.

TKACIK: Okay.

Q: Today is December 7th, 2009. The anniversary of the attack on Pearl Harbor. Anyway, you're off to Guangzhou. What year is this?

TKACIK: It's 1989.

I should just say that at the War College, if anybody is interested, I did a pretty big paper on a theoretical geographic-based model for alliance formation. It was centered on Kautilya's wonderful theorem, the friend of my friend is my friend; the enemy of my friend is my enemy; and the enemy of my enemy is my friend. If you think about it, this conjures up a checkerboard pattern of alliances.

So I did a paper on that, which was about 40 pages. This was in February-March-April of 1989. The upshot of my paper, the predictive value of it was to say, well, you could change the patterns of alliances across the globe if you had significant changes in political borders, in political borderlines. One of my suggestions was that Gorbachev at that time might be seeking to align the Soviet Union with a united Germany, in order to keep Eastern Europe under control, and to eventually realize his idea of a common European house.

Part of the predictive value of this was that if Gorbachev were to go and just change a single border, the inter-German border, he could probably change the dynamics of the entire European political alliance. At the time, it was viewed as rather bizarre, the idea that somebody would predict that Gorbachev would sit still for German unification.

Interestingly enough, of course, Germany was unified. Within six months, the Berlin Wall had collapsed. Gorbachev was very eager to realign the Soviet Union in Europe, and to put on a smarter face, if you will, in world affairs. He actually supported the U.S. in the first Gulf War.

Then something unimaginable took place, which was in August 1991. The Soviet Union collapsed, with the August 17th coup. The Soviet Union completely fractionalated in the sense that its 17 component republics became independent states. It was amazing to me that the Cold War dynamics of Eurasia completely changed with the elimination of the long border between the Soviet Union and China, which under a Kautilyan theory would have driven the Cold War competition between China and the Soviet Union and China being aligned with the United States.

Now with this entirely new arrangement of states in Eurasia, China and the Soviet Union somehow became friends, almost overnight. It was remarkable.

The reason I mention this is because my thesis advisor, Terry Dibol at the National War College, called me a year ago and said he was going to be using my paper for something he was writing. I thought, the prophet is without honor in his own country. There you have it. That's the sort of thing we did at the National War College.

Q: There's an old saying I've heard again and again: there's the regular way, the bad way, and the navy way, or something like that. From your perspective at the War College, what observation would you make on inter-service cooperation?

TKACIK: It's interesting that ever since Goldwater-Nichols, which organized how the military interacts with intra-military, or inter-service dynamics, the air force has been the primary provider of rapid reaction logistics. Of course, in Afghanistan, you couldn't function without the air force. At the very beginning, they were bringing in everything by air. If you look at the map, you realize you can't get to Afghanistan from here. The air force needed to understand very clearly the political limitations of air clearances, contacting foreign governments to get permission to overfly, and what were the sovereign sensitivities of individual countries that might hamper this.

From my perspective, China never wanted the United States to overfly any Chinese territory whatsoever. To this day, we don't get any Chinese cooperation in Central Asia.

Q: Did you serve for your class at that time as a resident Chinese expert?

TKACIK: I sort of was. The class did a video yearbook for the Class of 1989, National War College. For some reason, I wound up as one of the two MCs (Master of Ceremonies) of that.

In my class, we had another foreign service officer who was a China expert, Don Kaiser. Kaiser was arrested in 2004 for leaking classified material to a Taiwan intelligence agent, with whom he had a sexual affair.

Q: I called him one time. The case, like so many of these damned things, has never been resolved.

TKACIK: No, he went to jail for a year. I'm not exactly sure what the charge was, but it involved keeping some 5,000 pages of classified material stored inappropriately in his house. In the course of his sexual dalliance with this Taiwanese intelligence agent, he had mentioned my name as a possible person to recruit. I think that was part of why the FBI (Federal Bureau of Investigation) desired to get him for actual espionage, actually doing agent spotting for a foreign intelligence service. The Taiwanese never came to me and tried to recruit me.

To my understanding, Kaiser put all of this in e-mail. He was sending this via AOL (America On-Line) or some open e-mail source to this Taiwanese intelligence officer, which I just don't understand. Here's a guy who was the Principal Deputy Assistant Secretary of State for Intelligence and Research who knows full well what goes on in this town when it comes to following foreign agents around. How and why he did this is incomprehensible.

Q: While we're on the subject, were we told more or less or in some way to watch out for these guys, agents from the Republic of China on Taiwan?

TKACIK: I don't know how much I can say about this, but there is a list of what we call criteria countries. These are countries whose intelligence services are engaged in activities that meet certain counter-intelligence criteria here in the United States. The FBI, and virtually all the other agencies as well, has a mandate to watch these countries. I think I can say without fear of contradiction that Taiwan is a criteria country.

I don't know for a fact about any of this stuff, but there are certain countries that have very robust intelligence services that are not criteria countries. I don't know, but I would imagine that France is a criteria country and that Great Britain is not. The BND in Germany is not criteria. Why would France be, whereas Britain and Germany are not? The Japanese have an intelligence service, but they are not criteria. My understanding is that Singapore has a really sophisticated intelligence service, but it has managed to keep itself off of the list by not engaging in the kind of activity that would normally expect of a criteria country.

My point is that Taiwan from the 1970s, when the Taiwan intelligence services arranged for the assassination of an permanent resident in his garage driveway in the San Francisco

Bay area in 1984, that was one of the things that crystallized the selection of Taiwan. Taiwan to this day continues to be a criteria country, as far as I know.

Q: Okay. In 1989, at the War College, outside of your theoretical thing, was the Soviet Union considered essentially the potential enemy and China would be sort of number two?

TKACIK: No, when I was at the War College… You understand that we graduated a week or two after Tiananmen. Do you remember Tiananmen?

Q: Yes.

TKACIK: Up until Tiananmen, the general impression among everybody, including us China hands, was that China was moving toward political, as well as economic, reforms and relaxations. As economic freedoms began to take hold in China, it would inevitably bring along with them demands for political freedoms.

At the War College, we had a lecture by Richard Perle, who at the time I think was an Assistant Secretary of Defense. He was commenting on China. It might actually have been in the context of the Tiananmen demonstrations, which had not yet blown up.

Q: It lasted for some time.

TKACIK: It lasted from about May 4th when Gorbachev visited through June 4th. It lasted about a month. Richard Perle, being I suppose one of the great thinkers of the neo-conservative worldview, said that in a totalitarian country where the totalitarian party is deprived of its monopoly on status, there will inevitably be changes in the social dynamic, and there will inevitably be political reforms.

At the time, that made perfect sense to me. I think in the intervening 20 years, this was 20 years ago, we have now seen that a totalitarian party like the one in China can still maintain its monopoly on status, even though it acquiesces to certain economic reforms that permit a certain amount of economic aggregation of property, so long as it maintains monopoly authority over the economy.

Q: Of course, it helps to have a country that has, you might say, commercial genes in its DNA (Deoxyribonucleic Acid). Other countries might not be able to push that button and have things happen.

TKACIK: Well that's true, but it is a real surprise that democracy can take hold in Taiwan for instance, or the democratic ideals take hold in Hong Kong. Both are Chinese. So one does not have to say that China is culturally an authoritarian despotic kind of culture.

The demonstrations at Tiananmen were very focused on democratization and political reforms, even though a lot of apologists try to say, no, the demonstrations were more

grounded in student unhappiness with tuition rises, official corruptions, and a lot of things that were tangential to the political reforms. The fact is that all of those students were talking about democracy.

Q: Okay, you are a China hand, par excellence.

TKACIK: Yes.

Q: With your colleagues, let's start with the early days after June 6th, 1989. Did this change your thinking or attitude? I'm talking about you and maybe your colleagues talking about these things. Were you thinking we're up with a different dynamic or not?

TKACIK: I don't know what we thought. From 1978 or 1979, when I was first in China, to 1989, which is a ten-year period, we saw changes that I never would have imagined ten years earlier.

When I arrived in China in 1977, it was like North Korea, maybe even more regimented than North Korea. I think we've forgotten how much of that regimentation really persisted and still held control of the society under the surface, even during the ten years of economic reforms.

The thing that was most important between 1979 and 1989 was a real philosophical rift between the Communist Party leadership conservatives who felt that the party's legitimacy rested pretty much in Mao Zedong's theory, and the party reformists, like Zhao Ziyang, Hu Yaobang, Hu Qili, and half a dozen others at the very top. They believed that socialism as an ideology and a theory of human development was valid, but that it really had gone through some tremendous perversions in the Maoist years. You had to get rid of the Maoist patina if you were going to restore the legitimacy of the party.

By the end of that decade in 1989, the two sides had become irreconcilable. The only one holding them together was Deng Xiaoping himself, who really didn't quite know what to make of where China was going. He had his own legitimacy problems, because he personally had been purged not once, not twice, but three times by Mao Zedong and the Maoists. So he was not interested in preserving Maoist ideology as a legitimating factor.

So Deng Xiaoping was not interested in maintaining Maoism as the core of his legitimacy, because he had personally been purged several times by Mao. On the other hand, I think Deng understood the necessity of having some kind of a foundation and legitimacy that would be as powerful as the idea of government by consent of the governed, which is what we in the West consider the legitimating factor in our governance. People consent to their governance through various mechanisms, one of which is elections.

Deng Xiaoping was not comfortable with the idea of governing China by the consent of the governed. I think that he understood that the party would pretty much collapse and that there was still quite a bit to do before China would emerge as a truly communist

nation, and the state would wither away. One of those things was basically to make sure that the place didn't collapse into chaos, which is what he thought the Tiananmen demonstrations represented.

I think a lot of the old guard who were pro-Maoist but very anti-radical, meaning they were opposed to the Gang of Four, Madame Jiang Qing's theories of cultural revolution, had no experience in democratic societies. Their idea, when they saw 1.5 million people gather in Tiananmen Square, especially 1.5 million students, young people, demanding changes, their minds went back to the Cultural Revolution. They thought this was a new Cultural Revolution. As far as they were concerned, that meant chaos and collapse of their nation, just as it had collapsed in the Cultural Revolution.

So a lot of U.S. diplomats, I think, going into the May 1989 demonstrations were very sympathetic to the demonstrators. Once the demonstrations were crushed and the hardliners had emerged victorious, and the reformers had all been swept away with the exception of Wen Jiabao, I think we then began to make excuses. I know that I did for a certain period of time, from 1989 almost through to the end of my time in Guangzhou. I began to rationalize how this maybe wasn't so bad. The last thing we would want to do is punish the Chinese for trying to maintain stability in their country

I was in the southern part of China. Guangzhou really did not go through the demonstrations phase that Beijing had gone through. Furthermore, when there was an economic crackdown in the rest of China, in Guangzhou the Cantonese government basically insisted on maintaining economic reforms. Deng Xiaoping approved that.

There were never real agitated demonstrations in South China. There were some in Xiamen, which is up in Amoy, just across from Taiwan. There were a couple of days of demonstrations in Guangzhou during May 1989, but nothing of great momentum. As a result, South China was not viewed as the threat to order that the big demonstrations in Beijing, Taichung, Shanghai, and a lot of the other cities were.

Q: You went to Guangzhou almost right after this. You must have been thinking, why is this different here?

TKACIK: There were a couple of reasons why it was different in Guangzhou. One is that Deng Xiaoping had personally authorized the five big special economic zones in South China. Four were in Guangdong and one was in Fujian Province. The big economic zone in Guangdong, Hainan Province – Hainan was broken off to make its own province. These were all Deng Xiaoping's personal brainchildren, so to speak.

The Cantonese leadership at that point was very much – well, I'm not sure how to characterize it. The General that brought Deng Xiaoping back from his third purge after Mao Zedong's death and the arrest of the Gang of Four, was Marshal Ye Jianying. If I recall, he was number two in the Standing Committee of the Politburo and, if I recall, he was Vice Chairman of the Central Military Commission.

Ye Jianying was from the south. He was a Hakka from northern Guangdong Province. He was a friend of Deng Xiaoping's. He was one of the ten great marshals of China. He personally organized the arrest of the Gang of Four and the purge of their party faction in September and October 1976, right after Mao Zedong's death. Part of that was the rehabilitation of Deng Xiaoping, because Ye Jianying did not believe that the sitting chairman of the party, Hua Guofeng, who had taken Mao Zedong's place, was worthy of it. In fact, he thought Hua Guofeng was not just incompetent, but a leftist himself.

He, as the primary figure in the army, basically told Hua Guofeng that he had to accept the return of Deng Xiaoping as the Executive Vice Chairman of the party. Otherwise, they would just get rid of him too.

Deng Xiaoping had always been very grateful to Marshal Ye Jianying for this. I'm not sure, but I think Marshal Ye Jianying might have been made Chairman of State. He was put in charge all of China's geostrategic thinking.

Ye Jianying had evidently, according to South China legend, asked Deng Xiaoping to take care of his son, Ye Xuanping. I think Ye Xuanping was made first Mayor of Guangzhou, then Vice Governor of Guangdong Province, and then Governor of Guangdong Province. Ye Xuanping, the son, had worked in the Guangdong Party Committee for the period of reform, which is from 1979 to 1989, right into 1990, and barely into 1991, to keep Guangdong and the experiments in Guangdong going. He had convinced Deng Xiaoping that of all the places in China, Guangdong was not the one that was not working. Guangdong was the experiment that was successful and, I don't care what happens to the rest of China, but you've got to retain the economic reforms in South China.

That was the story we heard in the consulate throughout my three years there. And it seemed to ring true. Everybody agreed with it.

The interesting thing, of course, is that Guangdong's party committee itself was a collection of factional power bases. There was the Guangzhou gang. There was the Foshan gang. There was the Meishen gang. There were the Hakkas. All of these guys were sort of representing different parts of Guangdong Province in the provincial party committee, sort of keeping things going.

After Tiananmen, when you had a general wave of conservatism going across the country, you did have a couple of the Guangdong Party Committee factions who were seeking patronage among the conservatives in Beijing. There was an attempt by the conservatives in Beijing - of course, we all counted among them Li Peng, Chen Yun, Yao Yilin, and Sun Ping - who then began to work through…

There were parts of the Guangdong Party Committee that were very much loyal to the conservatives. There were parts of the Guangdong Party Committee that wanted to maintain liberal reformist views. They still had the residual support of Deng Xiaoping himself. There was a time in late 1991 when we were in Guangdong, where it looked like

the hardliners, the central planners from Beijing, were going to reimpose what we called, "zhili zhengdun' (control and rectification) in Guangdong, to clamp down on a lot of the rapid public fixed investments that the Cantonese government was undertaking. These investments were in highways and nuclear power plants. There were power plants all up and down.

The first thing the Cantonese wanted to do was to figure out how they could illuminate Guangdong just like Hong Kong was illuminated. Anybody who had ever been to Hong Kong and gone up to the Peak in the evening would look out over this dazzling brilliance of neon lights as far as the eye could see, except for the very black rim of the horizon that was China. There was no light in China. The Cantonese were very insistent that they figure out how to do this themselves.

Power plants, oil refineries, infrastructure, these were all things that the Cantonese government invested in. But how do you do this when you don't have any money? Well, the way you do it is you offer foreigners a piece of the action. You say you come in here and build a toll road. You can have it and run it for 20 years, but at least we got the toll road. There were a number of takers.

It's a long story, but the answer to your question is that we in South China understood that there was special patronage from Deng Xiaoping that was primarily, or at least partially, politically motivated. In 1991, it looked like this was coming to an end. All of a sudden in Guangdong, we began sensing that there was a resurgence of reformist dynamism. We didn't know what to make of it. I remember sending cables to Beijing saying, we are hearing down here in Guangdong that things are moving faster, The frictions between the hardliners, the central planners and the reformists are now moving back onto the side of the reformists.

Beijing had not seen this at all. The embassy in Beijing didn't report on it. The consulate in Shanghai was not aware of it. In January 1992, it looked like it was beginning to fade. Somehow the reformists had run out of steam.

I remember visiting Xiamen for Chinese New Year's, going up to a friend's house in Xiamen, which is the new name for Amoy, in Fujian Province. I took my son. We had a good time there. We stayed at the Holiday Inn. My friend showed us all around Gulangyu, which was the old treaty port in Amoy harbor that was an island filled with colonial buildings. While we were up there, I called home from the hotel to tell my wife we were okay.

She said, "Did you hear that Deng Xiaoping is down here?"

I said, "What?"

She said, "Deng Xiaoping is in Shenzhen."

I said, "He never goes to Shenzhen. He spends his winter in Shanghai."

"No, everybody is talking about how he is in Shenzhen."

The next day I talked to one of my friends. I said, "Did you hear than Deng Xiaoping is in Shenzhen?"

He said, "Oh yes, everybody is talking about it."

I said, "Why didn't you tell me about this?"

He said, "I don't know."

I had this sneaking suspicion that my friend had invited me to Amoy to get me out of Guangzhou while this was going on.

The next day, we flew back to Guangzhou and sure enough, Deng Xiaoping had just finished in Shenzhen. None of the Chinese newspapers inside China were reporting on it. First it came from the independent newspapers in Hong Kong, which was still British-controlled at the time. Then all of a sudden, we began getting reporting on it from the PRC-controlled newspapers in Hong Kong, such as Daogung Bao and Wenhui Bao. And it was like there was a news blackout. Why would you black out news about a Deng Xiaoping visit?

It was a big deal. Evidently, the Central Standing Committee in Beijing had not really authorized Deng Xiaoping to go down there. Deng Xiaoping said it doesn't really matter whether you authorize me or not. I'm not a member of the Central Standing Committee. I'm not a member of the Politburo Standing Committee. I can go anywhere I want.

Of course, if Deng Xiaoping goes to the south, the entire place shuts down. Shenzhen was in lock-down. They had huge motorcades going throughout the city, ferrying the Deng Xiaoping party to the border, where he went up and viewed Hong Kong from the 29th floor of some hotel.

Then Deng Xiaoping got on a ferryboat, one of these big huge jetfoils that Hong Kong Yaumati Ferry had run up to Shenzhen. Yaumati Ferry was run by a friend of mine. He leased four of his ferryboats to Deng Xiaoping to ferry him across the mouth of the Pearl River, which was about 20 miles wide, to Zhuhai, which is right next to Macau. I've forgotten what date that was, February 20th, 1992 or something.

This was just as the hardline central planners had begun to feel that they were winning the ideological war in Beijing. All of a sudden Deng Xiaoping shows up down in Shenzhen and says the special economic zones are a good thing, "jiji techu hao." Deng Xiaoping says special economic zones are good. Five words. That changes the entire complexion of the debate.

He went over to Zhuhai after that and held a special meeting of the Central Military Commission with Yang Shangkun and Chao Shi. Chao Shi wasn't even on the Central Military Commission; what was he doing there. There were half a dozen generals from up and down the coast. Yang Shangkun was the Vice Chairman of the Central Military Commission, who promised that the army would "baojiao huhan," which means protect and serve as the (naval) escort for the reforms. "Gangge taifang."

The significance of this was that the Chairman of the Central Military Commission was Zhang Zemin, who was up in Beijing. Nobody told him that they were meeting with Deng Xiaoping down in the south. So the whole dynamic of China's politics just changed overnight with the Deng Xiaoping visit.

First it was the reassertion that the reform and opening was the official ideology of the party. Number two, the army went on record as supporting the reform and opening. The army would be there to support it. Finally, Zhang Zemin himself felt he was under a tremendous amount of pressure to choose sides. He had straddled the fence up this point, between the hard line central planners with Premier Li Peng, Chen Yun, Yao Yilin, and all these other guys. On the other side, he had Deng Xiaoping. It was Deng Xiaoping who actually picked him back in 1989 to be the General Secretary of the Party, and named him to be the new Chairman of the Central Military Commission to replace Deng Xiaoping himself.

I think Zhang Zemin felt blindsided by the whole thing and was forced to finally make a choice. He made the right choice. That was in January-February-March 1992, when the entire party changed its ideology. People now don't understand, but we understood it in Guangzhou quite clearly.

The first place inside China that I think publicized Deng Xiaoping's important talks in the south was the Shantong Ribao, at least that's the first place I saw it. It gave a summary of the Deng Xiaoping talks. Evidently Deng Xiaoping went to each place in Shenzhen and gave little speeches – he went to Zhuhai and gave speeches there. Then he went up to Shandong and gave speeches there.

Evidently, he said pretty much the same thing. The city party committees that took the notes, Deng Xiaoping's office authorized them to issue the notes to their local party committees. Under Chinese Communist Party regulations, you may not put something in the newspaper unless the central propaganda department approves of it, or the provincial propaganda department approves of it.

In this case, the provincial propaganda department was terrified. They didn't know which way to jump. Half of their leadership was trying to curry favor with the hardliners. The other half was seeing their governor, Ye Xuanping, sort of kicked upstairs. He had left Guangdong in early 1991 to go up to Beijing, where he was Vice Chairman of the CPPCC (Chinese People's Political Consultative Committee).

The answer to your question is I think we understood quite clearly what the dynamics were that made Guangdong different. It was the support and patronage of Deng Xiaoping in the south.

It was this burst of energy from Deng Xiaoping, who at this point was 88 years old. In the very early part of 1992, he then said, "Do not talk to me about whether something that is called capitalism or something that is called socialism. I don't want arguing about it. There is only one thing, anything that increases the comprehensive strength of the nation is socialism with Chinese characteristics." "(faxi zhangchang guojia de zhonghe liliang jiu shi you zhongguo teshe de shehuijuyi."

Q: I would think that this almost ideological struggle would also be reflected in our embassy in Beijing and our consulate general in Guangzhou. In other words, you would be caught up in the enthusiasm of this new dynamic that was coming down there, whereas up in Beijing, was it more likely to be more conservative up there? It was almost like reporting on two different countries. Was that happening?

TKACIK: Yes, that happened. I was in charge of the political and economic reporting from Guangzhou, which is basically South China. By this time, the Hong Kong Consulate General tended to stay out of our in-country debates. They had a lot of political and economic reporting that was related to Hong Kong specifically.

All through this time, we sent cables after cables to Beijing on what was going on in Guangdong. It was generally viewed up in Beijing as well, this has no relevance to us. We take their word for it down there that things are different. It has no meaning for the rest of China.

Q: Were your cables going to Washington too?

TKACIK: Yes.

Q: So in other words, it wasn't one of these things where Beijing was sitting on the reporting.

TKACIK: No, Jim Lilley was fascinated with the idea that things were so completely different in Guangdong, and Fujian for that matter. He visited two or three times to see for himself. I think he was really impressed with the way things were going.

I think he was also persuaded by the political and economic reporting up in his own embassy that somehow what was going on down in Guangzhou was insulated from the rest of China. I always said that this is the wave of the future. This is not insulated. What you see here, you are going to see in the rest of China.

When Jim left in 1991, he sent me a nice cable, congratulating me on my reporting.

Q: We talked about ideology. In the rest of the communist world, by 1990 the real Marxism-Leninism ideology was gone. How about in China? Was Maoism or Marxism-Leninism dead, but people were Maoists or something because this was the path to power in their position? Or were they believers?

TKACIK: Especially among people who are committed to an ideology or a doctrine or an orthodoxy, it is very difficult to completely change your point of view, even when presented with overwhelming evidence that it's wrong. What happened in the communist party, especially with the collapse of Maoism with the arrest of the Gang of Four back in 1976, and Deng Xiaoping's emergence with a new ideology at the 3rd Plenum of the 11th Party Congress in November-December 1978. People had to sit down and rethink this. They had to say okay, communism isn't wrong. Communism is absolutely infallible as a law of history. Marxism-Leninism is infallible.

So, what can we learn about ourselves in the light of Marxism-Leninism? What happened at the 12th Party Congress, you had an entirely new doctrinal chapter written…

Q: The 12th Party Congress was when?

TKACIK: It must have been in 1981 or 1982. I should know these things. The 14th Party Congress was in 1992. The 13th Party Congress was in 1987. The 12th Party Congress was in 1982, so we are still in the 11th Party Congress period in 1980 and 1981.

The party issued a report on certain historical problems. One of those was to say was that Mao Zedong made a lot of mistakes, but our summary judgment is that Mao Zedong was 70 percent right and 30 percent wrong. Virtually everything he said before in 1957 was right; just about everything he said after 1957 was polluted by the Gang of Four and all these other people, and it was wrong.

They came to terms with the Cultural Revolution, the Great Leap Forward, and all the rest of it, which just devastated, just destroyed, the country.

The second thing they came up with was the theory of the initial stages of socialism. Marx said quite explicitly that a society has to go through these stages of growth and development, from the slave period to the feudal period to the capitalist period to the socialist period to the communist period. Marx, in the third volume of Das Kapital – this is something told to me by a professor of Marxism at Xiamen University, Wang Roling.

Bob Wang was the DPO (Deputy Principal Officer) in Taipei at AIT. When I was in Guangzhou, Bob went up to visit Wang Roling several times in Xiamen. Wang Roling's father was the guy who actually translated Das Kapital from German into Chinese. Wang Roling himself was the Vice Chairman of the Marxism Department at Xiamen University, or some such thing.

Anyway, Wang Roling explained that in the third volume of Das Kapital, Marx explains why it is absolutely necessary to go through the capitalistic stage. The acquisition of

property and the competition for financial remuneration becomes so great that it generates a tremendous dynamic for technological innovation. People are always coming up with new ways to make money, new businesses and new products, in order to generate capital. It is this vibrant dynamism of competition that only comes from capitalism.

He said what the Chinese Communist Party is now trying to do is trying to shepherd the Chinese people through this very dangerous stage of capitalism to harness these competitive forces that will be necessary to bring China into a socialist future, where you have all the technological, all of the benefits of socialism. You can't have socialism just in a poor country. Socialism can only be sponsored and fostered in a climate of technological advancement.

This is why Marx was sure that socialism would emerge first in Germany. At that time, he thought of Germany as the most technologically advanced with the kind of dynamism that it would take the society into a new stage.

This is what happened during that whole period from 1979 to 1989, leading up to Tiananmen. Where the Communist Party had to try to reinvent itself away from Maoism and toward something that would accommodate the reforms. From 1979 through 1989, that ideology of reform was called Deng Xiaoping theory. Deng Xiaoping theory was based on this ideology of the initial stages of socialism and the dynamic competition of capitalism, and how socialism with Chinese characteristics was going to require the merging of socialism and capitalism.

So here we are 20 years later, the Chinese Communist Party in 2007 issued its new Party Report. Sure enough, it lists in its cannon of infallible literature, Marxism-Leninism, Mao Zedong thought, and Deng Xiaoping theory. So these are now the core of the communist ideology.

In the 16th Party Congress, when Zhang Zemin was eased out – I don't think he wanted to go, but he knew that he was sort of obliged to go – Zhang Zemin then had his own contribution to the ideology, which was called the Theory of the Three Represents. This is a theory in which the communist party is strictly not the representative of the gong nung bing, the workers, peasants and soldiers. The communist party also represented the intelligentsia, the cultural elites, and business entrepreneurs.

The idea of the Three Represents was they would also represent these three additional classes, which were key to liberating the productive forces of society, jiefang shehui limien de chansheng de liliang.

At any rate, in the 16th Party Congress, they had five: Marxism, Leninism, Mao Zedong thought, Deng Xiaoping theory, and Zhang Zemin important thought of the Three Represents, sange daibiao zhongyao sixiang, the important thought of the Three Represents.

Now we've got another guy, Hu Jintao, the current President. His contribution is harmonious society and scientific development. Wouldn't you know? The 17th Party Congress has named that this is going to be part of their new ideology.

This is a long way of answering your question, which is, do these guys really believe this crap? The answer is I have a feeling that they have convinced themselves that yes, they believe this. Marxism is a discussion of the overall movement of history. Leninism is a discussion of how you need a core political party, an exclusive political party to be the vanguard of the society. Maoism – I don't know what Maoism does. What is Maoism if you strip away the communism, people's communes and all the rest of it? What was that theory? Maoism was there.

Deng Xiaoping is the initial stage of socialism and the liberation of productive forces. Zhang Zemin is the idea that we aren't really a class-based party anymore. We are now at the stage where we represent the workers, the soldiers, the peasants, the intelligentsia, the entrepreneurs, and the cultural elites. Now we've got Hu Jintao, whose theory is harmonious society and scientific development. This means that the country's productive forces now are being focused on generating scientific innovations for social credit.

If you put it in that sense, what's not to believe? I think that they managed to do that in a very effective and successful way, so much so that they can still claim that the Chinese Communist Party is China. If you oppose the Chinese Communist Party, then basically you are opposing China. Even though our population is 77 million Chinese Communist Party members out of a population of 1.3 billion, which is about six percent. It's that core that really leads the country. The rest of the masses really should be thankful that we are leading the country.

Look at us now. We are the top industrial country in the world. We are now number two in GDP (Gross Domestic Product). We just surpassed Japan this year. We have an increasingly powerful army. Everybody pays attention to what the hell we say, and we don't have to pay attention to what anybody else says.

We, the Chinese Communist Party, are actually pretty successful. If you don't like it, well you have two choices. You can just shut up, or we can throw you in jail. It's your choice.

It seems to work.

Q: Of course, when we are talking about ideology, one has to take note that we are continually quoting in the United States the founding fathers, who represented a small little group in a small little area. We've inflated that into just about anything you can think of.

TKACIK: We at least are a nation of laws. The Chinese have given a lot of lip service to fazhi, the rule of law. You can still find nobody in China who says we are a nation of laws. We in the United States have a constitution. We generally follow the constitution.

Q: I'm not trying to compare the two. I'm saying ideology still plays a strong role in how we view ourselves.

TKACIK: Yes.

Q: Let's go back to the more practical things. You go to Guangzhou right after August 1989, the crackdown in Tiananmen. Who was the Consul General? What were you doing? What was the atmosphere when you got there?

TKACIK: When I arrived, Mark Pratt was the Consul General. I replaced Steve Schlaikjer. Steve had just gone to Taipei for a year of language training. His Chinese was already perfect anyway, but he had been assigned as Economic Counselor in Beijing. That was opening a year in the future, so a place to put Steve was at the Yangmingshan Language School outside of Taipei for a year. This was good because it gives you a chance to really hone your language without the pressure of everyday work.

Steve had just left. There was a certain feeling of besiegement in Guangzhou, because of the Tiananmen thing. It was just a little too intense. Steve was in Guangzhou when the Tiananmen demonstrations were taking place.

Guangzhou was not very much affected by it. There were some residual demonstrations during the Tiananmen affair. There were students at the universities who were putting together delegations to get on the train and go up to Beijing to participate in the demonstrations.

When the crackdown occurred on June 4th, there was one minor demonstration in the city of Guangzhou. One of the major bridges across the Pearl River that divides Guangzhou down the middle was occupied for about a day. I think the city fathers basically put up with it and then said okay, fun is fun.

The political reaction in Guangzhou to demonstrating students was rather indulgent, but they could afford to be. There was no public demonstration other than that. Then all the students went home, and that was that.

The general feeling in Guangzhou among the consulate was that we down here in South China are more interested in business and making money than in politics and demonstrations, which is probably true. However, Guangzhou, Shenzhen and Zhuhai became very important exit points for a number of the students who had survived the crackdown at Tiananmen. They snuck out of town as quickly as they could, leaving in the dark. They then made their way down to Guangzhou where they could figure out a way to sneak across the border to Hong Kong.

There was an operation set up by very politically involved Hong Kong students called Huang Yiao, Operation Yellow Bird. Yellow Bird involved getting documents and fake papers for some of the student leaders. They then found sampans and little boats to sneak

them out of Guangzhou and into Hong Kong before the cops got them. That took place all during that summer. Some of them were still sneaking out in December.

I remember when I was in Guangzhou on December 15th or 16th, 1989, I think it was, some guy in a black leather jacket and dark glasses came into the consulate office at the top of the Dongfang Hotel and asked to talk to me. I went out to see him. He had a big stack of documents, Xerox papers about the size of this book…

Q: That's about two inches.

TKACIK: Yes, about two inches high. He showed them to me and said, "Would you like to buy these?"

I looked through them. They were in Chinese. They were Ministry of State Security secret documents, jimi wenjin, talking about all sorts of things.

I said, "Let me take them."

He said, "You can take these, but I've got hundreds and hundreds of these things."

I said, "Okay, let me take these and just look at them. Come back tomorrow."

This is up on the top of the Dongfang Hotel. Just above us on the roof was the code room. It was watched by American guards. I went up there with Dave Keegan, who was the political officer at the time. He and I translated maybe…we had maybe 12 documents. We translated them all that night and gave them to the code clerk. He encoded them and sent them all out NODIS (No Distribution) to Washington.

The thing was that these documents included something that purported to be a Ministry of State Security document that involved the identification of U.S. intelligence agents in China. One of the prominent names there was Dick Williams who had been a former Consul General in Guangzhou. He was then Deputy Principal Officer in Hong Kong. In fact, Dick Williams was my boss in Hong Kong in 1985 or 1986. Art Kobler replaced him in 1986.

Then it said, Dick Williams, CIA agent. He was the one that personally arranged for all of these Tiananmen escapees to get out of China and get to Hong Kong. At the time, Dick Williams was Consul General in Hong Kong.

I just thought either these documents are all utter frauds, or the Chinese Ministry of State Security doesn't know what the hell it is doing. I think we generally agreed toward the end of our discussion that they were probably utter frauds. The Ministry of State Security (MSS) isn't that bad.

At any rate, we got a thing from the State Department telling us what to do if the guy showed up again, and all the rest of it. He never showed up again.

Q: I would think that you would be a little hesitant to even accept these papers.

TKACIK: It was inside the consulate. A guy comes into you and he's got papers that say jimi wenjin. He's inside the consulate. You think, what the hell.

We had a couple of cases where so-called students would want to meet me in a restaurant. Then they would talk about they were trying to put together a student protest aimed at overthrowing the government, they wanted to protect human rights, and all the rest of it. I generally said that these were provocations. Aside from eating lunch, I would say that we don't do that. I'm not the place to come to. I can't support this thing. We would always report those approaches.

My point is when somebody comes into your office and leaves this stuff. Maybe it would be real. Like I say, the guy never showed up again.

The thing about it though was the way he was dressed, which is to say in a black leather jacket with black spectacles. This is the way MSS guys dressed down there. Anybody that dressed like that was MSS. If the MSS ever saw anybody dressed like that who wasn't MSS, they would arrest them, take them down to the station, and remind them that they shouldn't be dressed like that.

Q: It sounds like when I was in Yugoslavia. Our Yugoslav staff used to chuckle about men who would come in to inquire about visa practices. This is in the late 1940s. They would all have the same shoes. They would all have military shoes on. Regular Yugoslavs couldn't afford those shoes.

TKACIK: I'm not sure if I mentioned this in an earlier story or not, but I had come to the conclusion by the end of my tour there that just about every one of my contacts in South China was connected to MSS in one way or another. There was one interesting encounter in Xiamen. I was with a guy…I was looking at some old pictures the other day and there he was. He ran a furniture factory in Xiamen. Because he had bought large amounts of hardwood from the United States, $3 or $4 million a year, he was considered a good customer. So I went up and visited his factory.

He built very high quality furniture out of hardwood ash. It was a light blond wood. I'm trying to remember his name now. Anyway, he took me out to dinner at some local restaurant. As I was walking back up the hill with him to the Holiday Inn, all of a sudden he stopped, turned around, and went over to some guy in the shadows behind me. He starts yelling at him in the Amoy dialect. The guy had on a black leather jacket and black glasses and it was dark outside!

I said, "What the hell was that all about?"

He said, "Oh, he's a policeman following you."

I was thinking to myself as we continued up the sidewalk in the dark to the hotel, how the hell would this guy know that that guy was a policeman? And number two, why would he dare to go back and scream at him if he himself weren't a policeman? The MSS watches every diplomat every bit of the way. You do not have interactions with Chinese except through the intermediation of MSS assets.

Q: Okay, they've got their oar in the water. Were you able to get pretty good information? I'm talking about solid information, not classified stuff or something, about what was going on, by your interaction with the Chinese there.

TKACIK: The key to all of this was just reading the newspapers. The key to reading the newspapers was just keeping an eye open for changes in the normal way people talk about things. After months and months of reading the same phrases over and over again, when a different phrase comes up, you think oh my, that's one I haven't heard before. Tell me about that. Then you can go out to your contacts, whether they were MSS or not, and debrief them on what these new phrases mean.

Generally though, they want to keep their credibility, so they try to tell you as much anodyne stuff as they can that's accurate. When the time comes, and they don't want you to know, they want to have the credibility to keep you from knowing.

I found that if one were to talk about doing political reporting in China, which is basically a denied area, you have to realize that everybody who talks to you is basically being run by somebody with an ax to grind. The people that you wound up getting the freshest information from tended to be foreign businessmen who were interacting with their partners and business contacts. They learned things that way. Oftentimes, they would bring stuff to you, or you would have to go and find them and say, "I've heard that this is going on."

You would never ask a Chinese, because they would never tell you, but you could ask the American guy who runs the shoe factory, the Taiwanese that runs the toy factory, or the Hong Kong fellow that runs the textile mill.

We had some very good Thai contacts, from wealthy Thai families. They would be the second cousin of the Thai family that owned a huge feed mill conglomerate in South China. Their English was fairly good and their Chinese was very good. They looked Chinese; they were Thai Chinese, but they didn't have the kind of axes to grind that generally other people did.

It's been 20 years now, so I suppose I'm not blowing any of my sources here, but I found that especially in the year or two after Tiananmen, journalists and professors at universities tended to be a bit more candid and open about what the hell was going on than any of our other contacts. But even then, they knew when to clam up. Journalists, meaning the reporters and writers for the big newspapers or the magazines, all of them had to be vetted by the party. They were in the Central Propaganda Department's direct chain of command.

Nanfang Ribao – Southern News - was directly under the provincial party committee. Guangzhou Ribao was directly under the Guangzhou party committee. Shenzhen Ribao was directly under Shenzhen party committee. All of these journalists were party members. Their job was not just to write for the newspapers. Their job was to report what the heck was going on for the party committee. If it got into the newspapers, well so much the better. They did not view the important writing they did as the articles they did in the newspaper. They viewed their important writing as the stuff that got into the party committee reports.

There was a daily newspaper for the Guangzhou Party Committee called Meiri Kuaibao (The Daily Express). I remember reading a thing in Guangzhou Ribao, the Guangzhou Daily, which said Meiri Kuaibao celebrates issuance of its 10,000th edition. I thought, what the hell is the Daily Express? Its 10,000th edition? That means it's like 30 years old. I've never seen it. It was a little thing on the front page of the newspaper that said, Daily Express, 10,000th edition. The municipal party secretary and the deputy secretary in the Propaganda Department came to a reception to congratulate Meiri Kuaibao for their 10,000th edition."

The next day, I happened to be at a reception for a bunch of journalist that Richard Stipes was hosting. He was branch PAO (Public Affairs Officer) in the consulate general. There were a bunch of journalists there from Guangzhou City. I thought I'm going to go over there and ask them about this. I went to one of the guys who was drinking some kind of a soft drink in the corner. There were a lot of people milling around. It was a reception for some visiting American journalist or something. It was all pretty much expected.

I went over to this guy and asked, "What the hell is Meiri Kuaibao, the Daily Express?"

He said, "We don't talk about it. That's the party internal newspaper."

I said, "What does it print?"

He said, "It's crime, corruption issues, a lot of things that you can't publish in a daily newspaper, but the party has to know about."

I said, "How many issues do you put out?"

He said, "Probably between 1,000 and 2,000 a day."

I thought it's a daily edition and it only goes to the top people. I said, "Tell me more."

He said, "Anything that is going on that is important, the party wants to know about. So we write it and put it in the hopper. Our editor will then say that we can't put this in the newspaper, but we can send it over to the editor of Meiri Kuaibao and they will put it in their paper."

I did a cable from Guangzhou. I thought it was the funniest thing: All the News Unfit to Print. I sent it out. For months after that, I would sidle up to people and say, "What is this Meiri Kuaibao?"

People that I knew who knew what this was said, "I don't know. It must be the British Daily Express. You know, Britain has a newspaper called the Daily Express." These are people who I would normally trust to give me the straight scoop. When it came to this, they didn't want to talk about it. There were limits on what your government-approved asset was able to tell you, no matter how much of a nice relationship you had with him.

When I did my inventory at the end of my tour and went through 30 or so of my top contacts, it just dawned on me that they all had some kind of shady connection with the Ministry of State Security or the intelligence services. There were, of course, one or two that didn't. Those I will keep to myself, I suppose.

Those were the good old days.

Q: Did you find that you could sort of follow general developments there such as corruption problems, economic developments, and that sort of thing?

TKACIK: Yes, that was fairly easy. Most of the big things did appear in the newspaper. Most of the big things, if they didn't appear in the newspaper, generally were brought to your immediate attention by American and foreign businessmen. Todd Verlachter, who was our U.S. Commercial Service officer, a trade officer, actually established the American Chamber of Commerce (AmCham) in Guangzhou. He got all of the application forms and pulled together all of the American businessmen that he knew of. AmCham Guangzhou reached a critical mass and began to get things done. Whenever big tax issues came up, whenever there were labor laws or just about anything of economic importance came up, the businessmen knew about it first.

Political things you really had to be attuned to. For this, I will credit Mark Pratt, the Consul General just as I arrived, and Steve Schlaikjer, who understood the political factions in Guangzhou and Guangdong Province fairly profoundly. When a name would come up, or when you would start seeing something happening, some guy was removed from his job and another guy was put it, it was an immediate red flag to try to sort out who was doing what to whom. It was very difficult to get your normal sources to give you the straight scoop. If you could get a few wisps from six or seven different people, you could put it all together and form a coherent view of it.

There were other times when you just sort of had to elbow your way into these things.

One of the things I did on a very regular basis was browbeat the Consular Section. The Consular Section didn't like me, because although I was DPO, I did not write the Consular Section's chief's annual efficiency report. What I did do was I had the junior officers, and there were about eight of them at any one time in the Visa Section downstairs doing their initial visa tours in the State Department – Guangzhou was a big

visa section – we had them do internships in the Political and Economic Reporting Section. I was able to leverage that relationship with them on a continual basis. I managed to get a commitment from the Consular/Visa Section to send me all of the interesting visa applications from any Chinese who wanted to go to the United States for any kind of business. We had four or five big delegations a day going to the United States from some place or another. A lot of them would include vice governors. A vice governor would be taking this delegation on a junket to the U.S., paid for by Boeing Corporation or someone.

As a regular deal, I would invite these delegations to lunch at the consulate. We finally moved to the White Swan Hotel, which is a five-star hotel that can give you a Chateau Lafitte Rothschild '87 with your Beef Wellington. This is one of the top hotels in China. The consulate was on the grounds of this hotel. In 1982 or 1983, Esso Corporation had a big oil exploration contact in the South China Sea. Esso came in and built this beautiful office building with residences and offices on the grounds of the White Swan Hotel. In 1988 I guess it was, after five years, they realized they weren't going anywhere. They basically shut down their Guangzhou office and moved the entire thing down to Shenzhen.

Since they had built it, they could say who they would sell it to. The consulate wanted it. It was on the grounds of the White Swan Hotel. We took over the lease from Esso with all the Esso furniture – it was very nice furniture – and eventually, with the help of about 12 U.S. contractors, floor by floor, redid the entire building, including putting an entire new consulate in that building.

We moved the consulate from the old Dangfang Hotel, which was not very secure, to the White Swan Hotel, which was still not very secure. The reason I say that is because our building guards were Chinese.

The reason I tell you this is because we had a very nice dining room, a sort of corporate dining room with low ceilings. It had a big marble dining room table with chairs. There was an adjacent kitchen. Three or four times a week, we would have a luncheon there for some visiting delegation that was going to the United States. Often times, Dennis Harter, who was Consul General after Mark Pratt left, would show up as well. As far as protocol was concerned, the Vice Governor didn't mind that it was the Vice Consul General, meaning me, who was inviting him to lunch, and Dennis generally didn't feel like he needed to show up, except in cases where there was a fairly senior person coming to lunch.

We got a lot of information during the course of lunches, just sitting down at lunch. Todd Thurwachter, Phil Scholl the agricultural officer, whoever the political officer might have been at the time, Lee Brudvig the economic officer, Gary Williams a political officer, and me. We all spoke fairly decent Chinese. Todd's Chinese is really good. Mine was good. Phil's was pretty good. Gary's was okay. Lee knew the questions to ask. We would just sit for lunch and talk. People were very open during these things.

It turned out that when you invited these delegations to lunch, they still had to get permission from their party committee to go to this lunch. So the Guangdong Provincial Party Committee was quite aware of me having these lunches. I had them all the time. It seemed fairly harmless. A lot of people felt that if they didn't go to a lunch, they might not get visas. In those days, it took about five days to get a visa clearance. They would send the visas in by courier. Rather than get an approval back, they would get this thing saying we would like to talk to you about the visas. Can you come down for lunch?

I think there was a certain implied conditionality here that you might not get the visa if this looked a little fishy to the Deputy Consul General.

When you asked did you have a sense of what was going on? Yes, I think we had a sense on a daily basis; we had a pretty sensitive thumb on the pulse here.

Q: Looking at the time, this is probably a good place to stop. I think we should keep on with Guangzhou for a while.

I'm putting this down for the next time. During the time you were there, 1989 to 1992, were there any significant developments? Have we bombed the Chinese Embassy in…

TKACIK: Ah, the Gulf War started.

Q: The Gulf War. We'll pick things up like that.

TKACIK: Of course, the Soviet Union collapsed.

Q: Also, how those things played out in Guangzhou.

TKACIK: On my goodness, of course.

Q: Today is December 11th, 2009, we are returning to our conversation with John Tkacik.

While you were at the Consulate General Guangzhou the dissolution of the Soviet Empire occurred. Was that felt where you were?

TKACIK: The thing that really started it all was the Gulf War in August 1990. I remember I was in Hong Kong picking up my family who had returned from R&R (Rest and Recreation) in the United States. They had arrived in Hong Kong the night before. I picked them up at the airport. I guess it was August 2nd. I took them back to the house of a friend of ours. We were staying with a friend at the time.

I turned on the television to CNN (Cable News Network). All the previous day, of course, the Hong Kong television had been full of the build-up on the Kuwait border. That morning when we woke up, the invasion had taken place. That was August 1st, 1990.

The Consulate General in Hong Kong went into sort of a lockdown, because there was a considerable amount of concern for Iraqi-sponsored terrorism. At any rate, the reason this was so seminal is that I think the Chinese government didn't quite know what to make of it. The government itself in Beijing had been very supportive of Saddam Hussein, although I have to say that throughout the Iran-Iraq War, the Chinese were selling vast amounts of armaments to both sides.

The thing that made the Chinese a little bit upset in South China was that Kuwait had been a very good customer, not just a good customer but also a good investor in South China's infrastructure. There was a big oil refinery project. It was probably the Huizhou refinery that was a joint venture with Shell Oil, but the money had come from Kuwait.

Kuwait had made quite an extensive development/aid portfolio open to China. So the Chinese were very sympathetic of Kuwait. This just was something that they didn't expect. It was clear to us in South China that the Chinese on the whole were sympathetic to Kuwait. They were not supportive of Iraq. However, they felt they really couldn't get involved because China wasn't really that much of a world player at the time. The general feeling in the consulate was that China was just not a player. I have a feeling that was the general feeling throughout the mission in China. Washington did not feel China was a player either.

That being said, the Chinese were not particularly open to any kind of overflight cooperation with the United States, in terms of moving materiel from Japan across China to the Middle East. The United States never got much in the way of support from them, unlike the Russians at the time. We in South China were aware that there was quite a bit of cooperation between the U.S. and Russia.

At the very same time, just before the Gulf War took place, the Soviets had been very open to the U.S. in surprising ways. They had just been shut down in Afghanistan. I believe it was in July 1990 – and I don't know how we were involved in Guangzhou – but Secretary of State Jim Baker had made, I think it was his first trip to Mongolia, which was basically a Soviet socialist republic. They were independent in name only. The interesting thing was that Baker went to Mongolia, and was very supportive of the inchoate nascent democracy movement that was put together by the students there. The Chinese were a bit unsettled by this. They were not really prepared to see the Soviet Union let the Americans have free rein in Mongolia.

This is odd because there were three conditions that Deng Xiaoping had laid on the Soviet Union for a normalized relationship, just a year earlier when Gorbachev had visited Beijing in May 1989, right before Tiananmen. The three conditions were to get out of Afghanistan, to get out of Vietnam, and to get out of Mongolia. The Soviets got out of Afghanistan, and Gorbachev was getting out of Mongolia, which surprised the Mongolians, no doubt. The Mongolians were then in the process of looking for a third neighbor, not just the Russians and the Chinese.

I mention all this because in Guangzhou the sympathy for the United States was palpable. At that time, on the street when you asked people point-blank about the Iraq invasion of Kuwait, I never met a single person – we used to ask it all the time – who evinced any kind of support for Iraq. If fact, there was intense hostility.

As the U.S. began to build up throughout that summer and fall of 1990, it was clear that the man on the street was supportive of the U.S. In private conversations, you would get a certain sense of embarrassment or dissatisfaction that the Chinese government was staying out of it altogether. There was very little understanding why Beijing was staying out of this fight, since it was clear who was right and who was wrong. That was the choice.

I was just going to say, of course, that the climax came in January 1991, when the air war started. I remember that day – I'm trying to remember whether it was a Saturday or a Sunday – when the news hit Guangzhou. We were shopping in one of the big long street markets behind the Garden Hotel. We were there with our families. I have this memory that I was pushing a stroller, but maybe that's not the case. My daughter would have been four years old at the time, so she wouldn't have been in a stroller.

The point being is pushing down this long market behind the Garden Hotel, the Chinese were unsolicitedly thanking us, or praising America. One guy said, "Ni shi neiguo ren?" or "What country are you from?"

I said, "America."

He said, "Meiguo nummo one. Meiguo nummo one."

Q: And you got a thumbs up signal.

TKACIK: Yes, and nummo one is sort of Cantonese for number one. U.S. number one. Going along, there was a butcher who dropped his cleaver, pointed his fingers at the sky, shooting down. "Meiguo nummo one."

I thought, oh my. This was unsolicited. They wanted to know who we were.

Q: It's hard to imagine today, but at the time CNN dominated the news. It was a fascinating show. It showed smart bombs. It showed trucks going along and bridges being blown up just after them. You couldn't ask for better television.

TKACIK: I guess that must have been where it was. That first day of the Gulf War, I think you are right and there was an awful lot of videotapes from the nose cameras of various JPGs and J-DAMs (Joint Direct Attack Munition), and that sort of thing.

By January 1991, just about everybody in South China had either a satellite dish or one of these big air broadcast reception dishes aimed at Hong Kong. The television signals from

Hong Kong were pretty strong. We could pick them up at the Consulate. Of course, we were on the 12th floor. It was primarily for Hong Kong reception.

So Hong Kong television was just filled with all of this. It was all translated by the Hong Kong broadcasters into Cantonese. So everybody in South China knew what was going on.

We had just begun to get satellite reception at the White Swan Hotel. It was something that the White Swan didn't tell us about. They had wired the hotel for satellite cable television back when Esso had the building. When we moved in, nobody told us about this. I have to take the credit, because one day I noticed that behind our television set, which hadn't been moved since we moved into the apartment, there was a coaxial cable plug. I wondered if that would pick up the hotel television signal. I knew the hotel had satellite.

I had a lot of electronic stuff in the house and I rummaged around the apartment. I found a coaxial cable and screwed it in. In those days, you had to tune the television. These were all wonderful Japanese Panasonic televisions. You open up the front panel and you could tune each channel. I plugged it in and began to tune it to see if I could pick anything up. Lo and behold, I could pick up the cable from the hotel.

I guess this was about January 1991. I ran around the building telling everybody, "We have cable. We've always had cable. This is how you do it."

A lot of people had brought their own television sets. Each set had its own different way of tuning things. Some were manual and some were automatic. Eventually, everybody figured out how to do it.

The reason I mention this is because all of Guangzhou had cable, all the Chinese. There was no attempt by the central government to censor anything. China for the previous decade, from 1980 through 1990, had basically been on a trajectory of openness and reform. The openness being a cognate of Gorbachev's glasnost, which I think was translated as "kaifang," which is the same as the word for openness. Deng Xiaoping had adopted the slogan, reform and opening, before Gorbachev's glasnost. From 1985 to 1989, opening was hallmark of China's new direction.

Throughout South China, especially in the penumbra of Hong Kong, you had a very well informed population, unlike the poor hinterlands of China, which didn't have television, much less satellite dishes. Satellite dishes became a necessity, an imperative, throughout China after a while, because that was the way you got your television programming. Why would you have a television if all you could get was the local one channel propaganda station? When you went out and got your television and your videocassette recorder (VCR), which was a requirement in any rural hamlet or town, you had to have something to watch. They all quickly figured out, like we did in the consulate, how to put up satellite dishes and bring in the feed from outside.

Q: Looking at China, at the time, here's Saddam Hussein invading a country that Iraq had some claim on. Was there anything comparable, either pro invasion or pro resisting invasion, anywhere in China that had resonance?

TKACIK: Iraq claimed Kuwait as its 19th province and that was given quite a bit of press play in Asia at the time. China claims Taiwan is its 33rd province. That did not color the public view of the morality of the invasion of Kuwait. There was no sympathy, even in the government among the people we talked to – we didn't really talk to any party people. We did talk to a lot of government people, both rural and municipal.

Q: Did you find that people – I'm not talking about in the street – but people you had contact with, asking what's this thing all about? In other words, were they wanting to know what was going on?

TKACIK: I don't recall that we ever did. We did have a new USIS (United States Information Service) press guidance for the local journalists. Again, as I say, people on the street knew what was going on. There was no sense in tackling an American and begging him to tell you what the truth was, because the Chinese knew. Again, the Chinese in Guangdong, the Cantonese population, was glued to the Hong Kong broadcast media, both radio and television. At that time, there were still very strong British influences in Radio Television Hong Kong (RTHK), the government-run station in Hong Kong.

RTHK is like PBS (Public Broadcasting Service) here. It broadcasts a lot of BBC (British Broadcasting Corporation) productions. The BBC did their own Cantonese programming that they broadcast in South China. RTHK did an awful lot of news programming, talk shows. In South China, especially in the penumbra of Hong Kong, there was very little excuse for not knowing what was going on.

If you were a Chinese living in Foshan, Huizhou or Taiping, and you didn't know what was going on, you picked it up from your friends or from somebody on the street, because somebody was always talking about it. The Chinese were really quite interested in the news. The Chinese will admit they are incurable gossips. They just like to talk about things, especially if they think they know something that somebody else doesn't and they want to show it.

I think it was a cultural thing at that particular period, right after Tiananmen when domestic politics had been tamped down, one of the things that was okay to talk about was foreign politics, especially if the Chinese government had not issued a propaganda department directive steering people away from it.

I think the Gulf War was a very important cultural turning point, at least in South China, for the population and its valuing of news from outside.

Q: Were there any military lessons being drawn from these pictures of destroying tanks in the desert and blow up bridges from airplanes? Did you catch any commentary or

someone saying we ought to bring our People's Liberation Army up to do something about it, because it was based on huge masses of men and equipment that wasn't really all that modern.

TKACIK: We didn't see a whole lot of it in South China, because we at the consulate had little contact with the People's Liberation Army. As a result of Tiananmen and the U.S. military sanctions – the U.S. had a program of military systems trade with China that involved a number of things, one of which was the Peace Pearl Program. This was the avionics for the Chinese F-8, which was a glorified version of the Russian MIG-21. It was the same concept, but it was a completely new aircraft, but lacked modern avionics.

The United States still had, throughout the 1980s, a policy of no lethal weapons sold to the communist Chinese. In an effort to put together a more strategic global cooperation relationship with the Chinese during the Afghan War primarily, but also to deal with Vietnam, Cambodia, and all the rest of it, the United States under the Reagan Administration had approved the sale of quite an array of non-lethal defense systems. Again Peace Pearl was one. There was an ANTPQ, or something or other, which was a big anti-aircraft radar. There was a fire control radar for suppression of enemy artillery. There were half a dozen big-ticket items that were valued at close to $1 billion.

A lot of this was done in the early 1980s in an effort to buy off the Chinese who were objecting to our military sales to Taiwan. In the 1980s, one could say it worked, because we continued to sell to Taiwan very sophisticated weapons, and actually put together a very important advanced military aircraft development and construction capacity in Taiwan under AIDC – the Aerospace Industrial Development Corporation, which began under the tutelage of Lockheed Martin, or actually General Electric, at the time. It was to build the IDF (Indigenous Defense Fighter), a fairly capable fighter. There are a lot of people downplaying it, primarily to assuage the Chinese sensibilities. The fact was that the IDF was a capable fighter.

In order to buy off the Chinese, then we said, "You Chinese, we're going to help you build a fighter. We'll take your F-8, which seems to work okay, put new avionics in it and fire control, and all the rest of it."

When Tiananmen hit in June 1989, I think President George H.W. Bush could see that this could not continue. Under extreme pressure from the Congress, President Bush announced that he would cease all defense cooperation with the Chinese. As a result then, the People's Liberation Army stopped all their interaction with U.S. counterparts.

We did have in Guangzhou at the consulate a lot of interaction with the Guangzhou Military Region. China at the time, I think had seven major military regions. Guangzhou was the headquarters basically for the South China Military Region. It was a very important military region. Guangzhou Military Region (GZMR) and Nanjing MR were the two big military regions with responsibility for an invasion of Taiwan, should that ever be required. And that stopped.

The U.S. military at the embassy in Beijing was told to tone down their cooperation with the Chinese military. In fact, that was their whole job. The military attachés in Beijing were supposed to find out what was going on. It really hampered them quite a bit not to have access to the Chinese military.

My impression was that the defense attachés in Beijing really did not have a lot of idea of what was going on in the military regions around China. They relied to a large extent on the diplomatic reporting from the consulates general. In 1989, that just stopped. Mark Pratt, who was the Consul General just as I was leaving, had had fairly good contacts with the Guangzhou Military Region.

By 1990-1991, we didn't have the kind of direct insight into Chinese thinking on the Gulf War and the lessons of it. Of course, everybody will tell you that yes, the Chinese looked at the Gulf War, gulped, and said, "We can't deal with this. If there is ever a problem with the Americans, we're going to get slapped around pretty seriously."

Immediately at that point in 1991, after watching the complete collapse of what was considered the third most capable army in the world in a matter of 100 hours, the Chinese Central Military Division laid down the directive that China had to deal with this.

I will say up to 1992, the U.S. National War College, of which I was an alumnus, had stopped their China visits. They stopped in 1990 and 1991. In 1992, they finally did make a trip to China. I hosted them in Guangzhou. I used their visit, the National War College field trip to China, as a way to try to get in to see the Guangzhou Military Region people.

The GZMR was not real responsive. I had, through my visa contacts, made friends with the Norinco people, Norinco being China Northern Industries, which was the biggest armaments conglomerate in China. It was basically run by the Chinese Central Military Commission through the Commission on Science and Technology for Development of National Defense. The Norinco people were always going to the United States, selling whatever civilian products they were developing. Through Norinco, I managed to get the National War College class to go visit one of the Norinco shipyards, and the navy shipyards in Guangzhou. We went to see a small arms plant. We actually went out to one of the military's boot camps. Again, at the time, I don't recall the Chinese telling me directly that the Gulf War was a turning point for them. Certainly, we all knew it. You could see from the expansion of Norinco's operations in Guangdong that national defense industries were taking on a completely new importance for their national strategy.

Q: By this time, was there sort of a permanent build-up along the Vietnamese border? Or had this quieted down?

TKACIK: There were of course military positions all along the border. The Chinese felt that 11 years earlier they had snuck around the North Vietnamese sufficiently enough to teach them a lesson. The Chinese themselves were taught quite a lesson. The tension at the border, if I recall, was not deeply hostile. I think there was a sense that things were easing, especially as the Soviets were scaling down their presence in Vietnam. We

regularly had people going down to the border area. The U.S. Consulate in Guangzhou had responsibility only for the Guangxi part of the border area.

I did not go to Guangxi during my period there. Dennis Harter, the Consul General, went. He spoke Vietnamese. He went down to the border area once or twice. They were just starting cross border training again. He was Consul General in Ho Chi Minh City, and then I think he retired.

Anyway, border tensions with Vietnam I think began to ebb at that time. The Soviets were withdrawing their presence. The Vietnamese realized that they had real severe territorial and other issues with the Chinese. Without solid Soviet backing, the Vietnamese were reluctant to antagonize the Chinese.

Q: How about Hong Kong? Negotiations for reversion in 1997 hadn't started yet, but what was the atmospherics?

TKACIK: All the time I was in Guangzhou, Chris Patton was the British Governor of Hong Kong. He was a conservative party whip in the British parliament. He was an advisor to (Prime Minister) John Major. I think what happened was that Chris Patton lost his primary election. Major then made him Governor of Hong Kong. Patton realized that Hong Kong was not democratic. Basically, all policy in Hong Kong was directed by the Governor's Office through the civil service. Of course, the Hong Kong government took full cognizance of public opinion, but there was nothing that one could point to and say that this is really a democratic structure.

The reason this is important is because Chris Patton was very conscious that Hong Kong was going to be reverting to China in seven years. Under the basic law, which was the Sino-British deal context for the reversion, Hong Kong's civil and governmental structures would remain unchanged as they were handed over to the Chinese.

So Chris Patton said, "Well, we've got to change this before we hand it over to the Chinese. We've got to make it democratic."

All of a sudden, he began to get very eager to put together elections and tried to make the Hong Kong Legislative Council more of a parliamentary body. As soon as he started doing this, the Chinese went ballistic. This was a violation of trust. The Chinese had signed this agreement with the British that nothing would change, and now you guys are changing it. All this is a secret effort to alienate the Hong Kong people from Mother China.

The worst kind of political epithets were manufactured in Beijing to describe Governor Patton, who stuck to his guns, god love him, through most of the time there. In the end, I think the democratization of Hong Kong didn't really move in a way that Patton wanted it to. The British sort of backed off and the Chinese let everybody know that they didn't give a crap what the British did. When the Chinese took over, it was going to go back to

whatever it was at the time of the signing of the joint declaration establishing the basic law.

Hong Kong, I think, was very conscious throughout this time that they were going in a matter of years to be part of China and had resigned themselves to it. I think there was an air of dread in Hong Kong during a lot of that time. The big businesses, the big capitalists, had resigned themselves to Chinese sovereignty by basically sympathizing with the Chinese. All of the big businesses were co-opted by China into supporting the reversion to the motherland and to silently and sullenly complain about Chris Patton's democratization.

There were an awful lot of grassroots politicians that began to pop up and agitate for more democratic reforms, à la the Patton model. A lot of them are still around.

Q: Were entrepreneurs in Guangzhou dreading the influx of Hong Kong businessmen, or were they looking towards descending on Hong Kong? How were they viewing this?

TKACIK: All through the 1980s, the nouveau riche of South China had looked at Hong Kong as their Switzerland. That's where they would go to put their money. That's where they would buy their condos. They would try to relocate their families to Hong Kong, put their children in Hong Kong schools, and this sort of thing.

Just as I was in Guangzhou, which was from 1981 to 1992, that dynamic began to start snowballing. Up until that time, through the 1980s, the big economic tectonic movement, so to speak, was Hong Kong money coming into South China. Hong Kong manufacturing completely disbanded. All of the Hong Kong manufacturers moved their production lines to South China, primarily for labor reasons. Also, the land was cheaper, there were fewer environmental restraints, and labor was much cheaper. If you found a place early enough on the Pearl River delta, transportation via barge up and down the river was as cheap as you could get it.

A lot of Chinese businesses began to pop up in support of Hong Kong and increasingly vast amounts of Taiwanese investment in the Pearl River delta. That money was then laundered and sent down to Hong Kong.

What happened was an awful lot of homegrown Chinese entrepreneurs who had managed to put together some capital in the disbanding of the people's communes of 1978-1979, a lot of these entrepreneurs found that if they could identify or document themselves as Hong Kong investors, they could get all sorts of government tax benefits. They could repatriate profits down to Hong Kong. They could make money in China and open up bank accounts in Hong Kong. When they took the receipts from overseas to pay for their goods, they would just keep the money in Hong Kong. There was a phenomenon we identified in Guangzhou called the "jiayang guizhe," which means false foreign devils.

A lot of Chinese documented themselves as Hong Kongers, but they weren't. I remember one entrepreneur that I came across – I forget how I actually met the person – who had a

big textile factory near the Baiyun Airport. The textile factory made athletic shirts for Puma, Adidas, Nike, and that sort of thing. I asked him how he got this factory.

He said, "I work for the provincial sports committee. The sports committee had this big athletic field for soccer, track and field, plus a lot of these big indoor basketball courts, and all the rest of it, that they weren't using."

Really? The provincial sports bureau had this land that they weren't using. This guy was working for the sports commission. He managed to divest the sports commission of the land by going into a joint venture with a Hong Kong textile company. The sports commission then turned over the land and the real estate, and all the buildings thereon, to this Hong Kong textile company on a 50-50 basis. The 50-50 basis was that the Hong Kong people would provide the money for the production line, the infrastructure, and all the rest of it.

What happened though was that this guy had a second cousin in Hong Kong who was a taxi driver, or something like that. He brought the second cousin in from Hong Kong and said, "You pretend that you are the textile factory. I've got this sports field and all of these buildings. We're going to put a textile factory in here. I will get the money."

He got the money from the agricultural bank somehow. They got the money in local currency, Renminbi. He managed to turn all the Renminbi into Hong Kong Dollars. He put it in a Hong Kong bank. He purchased the equipment from Czechoslovakia, and started a textile operation with his cousin from Hong Kong as front man.

After several years of this, he was making millions of dollars. He had contracts in Scandinavia. He had contracts in the United States. He was splitting the money 50-50 with the provincial sports commission. Eventually, because he was on the provincial sports commission, he managed to persuade the commission to sell out its interest to the Hong Kong joint venture partner for some stupid amount of money. He wound up having the entire thing himself.

He wasn't from Hong Kong. He was not a foreign joint venture investor. He was a homegrown entrepreneur who managed to leverage his influence in the sports commission in what was clearly a corrupt way. He probably had 40 or 50 people there. It had a good business. He was generating all this money. He wouldn't bring the money into China; he left the money in a Hong Kong bank account.

Eventually, he moved his entire family down to Hong Kong. He bought a condo there and set himself up in Hong Kong. I don't think anybody was the wiser ten years later. There you have it.

So your question was, were the Chinese worried about the sudden influx of Hong Kong investors? The answer is no. They were doing it the exact other way around.

Q: The entrepreneurial ability of the Chinese is amazing. You have groups such as the Lebanese who permeated Africa and South America. Was there Chinese investment going out elsewhere?

TKACIK: Not at that time. When I was in Guangzhou, there was very little Chinese investment going outwards, except for this kind of jiayang guizhe kind of stuff. This is basically money laundering, rather than investment.

If you look around Southeast Asia or go to any city in Southeast Asia, the big entrepreneurs, the big businesses, are all Chinese run. They are not local bumiputra run or anything. I think this is testimony to your observation that the Chinese are tremendously entrepreneurial. I think the South Chinese are perhaps the most entrepreneurial, although we have now seen after 30 years of China's reform and opening, just about anybody in China can figure out how to make a buck.

Q: Did you sense a different breed of cat in the north and south?

TKACIK: Yes, there is. The Yangtze River flows just north of Shanghai. The general wisdom is that south of it, jiang nan, south of the river, the entrepreneurs begin. North of the river is mostly agricultural, bureaucratic, and sort of austere. Even at this stage of China's development, which is the cusp between the reform and opening of the 1980s and an emergence of state mercantilism in the 1990s, you could see that the small businesses, the entrepreneurs, the small and medium-sized enterprises were very much a South China phenomenon. The big state-owned businesses and industries were in North China and Manchuria, in the Northeastern Chinese provinces.

Why was that? I think there is just a cultural ethnic lore throughout South China. Ancestors from their villages had 100 years ago or whenever, gone out to South China or Southeast Asia or the United States or wherever, and had managed to make money. In South China, even in the smallest villages, there were these stories of Jiang Sang's or Li Su's father or great-grandfather going to Vietnam, Cambodia, Burma, or some such place, and making money. They had it in their minds that, if you want to make money, that's how you did it.

In North China, you didn't have the great exodus in either the Ming, Qing, or the early Nationalist period. You didn't have these outward migrations.

So yes, I think you could say that the Yangtze River is sort of the dividing line between North and South China, not just geographically and agriculturally, but in their cultural mindset as well.

Q: It's probably time to move on, unless you think there is something else we should talk about.

TKACIK: The next thing, of course, was the collapse of the Soviet Union. After the Gulf War, the Soviets under Gorbachev had become strategic partners of the United States in a

way that I think the Chinese were completely baffled by. It was a cognitive revolution to the Chinese that global strategic alignments could change as radically as they did with the Gulf War and the aftermath of Tiananmen.

I don't know exactly what the dynamics were in Moscow at the time. Clearly, the U.S.-China strategic relationship had been strained almost to the breaking point by Tiananmen. The Russians were trying to create a new strategic relationship with the United States, by their support and cooperation against Saddam Hussein and the Gulf War.

The Gorbachev model was clearly to try to make the Soviet Union a non-threatening actor in Eurasia and to convince NATO (North Atlantic Treaty Organization) and Western Europe that this was a new Soviet Union. They were going to be friends. There was a lot of goodwill. The Soviet Union definitely needed European investment to develop. The Soviet Union was now prepared to makes its home peacefully in a common European house.

To do this, Gorbachev adopted a clear strategy of letting the Eastern European satellites go their own way. He did not object to the tearing down of the Berlin Wall. He did not object to the vast migrations across the Czech border into Austria and from Hungary into Austria that perhaps the Soviets would have objected to five years earlier. He did not crack down on Solidarity, and basically encouraged Jaruzelski to accommodate Solidarity.

This all took, not just the Eastern European communist parties, by surprise. It certainly took the Chinese by surprise. It was even more horrifying, because it came in the aftermath of Tiananmen. You had the collapse of the Berlin Wall. You had uprising in Romania and the assassination of Ceausescu. That really shocked the Chinese leadership six months after Tiananmen.

There was a lot of anxiety in Beijing about what kind of a strategic realignment was taking place in Eurasia. When the Berlin Wall fell in November 1989, Timisoara was in December 1989. I guess the reunification of Germany took place in June 1990. All of this was completely shocking to the Chinese, who didn't understand what was going on.

All of this meant that the Americans had a completely new view of what the Soviet Union was. The United States, the Europeans, and the Japanese to a certain extent, looked at the Soviet Union and said well, a new era has emerged. We can deal with the Soviet Union. They are our friends, unlike the Chinese who just kill people in the streets, run over people with tanks, and all the rest of it. The Soviets are now opening. There is glasnost. There is this perestroika.

The Chinese Communist Party was very perplexed by the whole thing.

I remember right after that, I took Ambassador Lilley down to Shenzhen. I introduced Ambassador Lilley, who was an old spy, to one of his old Chinese counterparts, Yuan Geng. Yuan Geng was not the chairman, but the guiding light of China Merchants, the

second-biggest steamship company in China. It's a state-owned steamship company. China Merchants had used its leverage in its steamship business to generate a lot of cash to put together a special economic zone in South China right next to Hong Kong, called Shekou. Shekou was the germ, the yogurt culture from which the South China special economic zones grew.

Yuan Geng had been an intelligence agent in Jakarta in the 1960s when Lilley was an agent in Laos and Cambodia. He had us all for dinner at his hotel in Sheko. There was me and the ambassador. I guess Lynn Pascoe and some other people were there. We talked that night about what was happening. I must have drafted a memcon or something on his evening.

The upshot of that conversation was that China was very confused about where the relationship with the United States was going. There was a general anxiety that the leadership of the communist party that had taken over after Tiananmen was pulling China in the wrong direction.

That was a seminal eye opening experience for Jim Lilley in his perception of South China. From that point on, when he went back to Beijing, his view was that South China was different. What we see up here in Beijing is not uniform throughout the country.

The new complexion of the U.S.-China relationship started to crystallize at that point, where the United States had horrible anxiety about where China's communist party was taking the country after Tiananmen in 1989. This new hope for a strategic partnership with the Soviet Union after the unification of Germany, and the Soviet Union's support in the Gulf War against Saddam Hussein in terms of sanctions, men and materiel, and in terms of support in the United Nations. China resolutely stayed out of this whole thing. China was no damned help anywhere in the Gulf War, although it could be said that China could have caused some serious problems if China had vetoed the resolutions in the United Nations Security Council.

I do have notes at home about the Chinese reaction to the attempted coup in Russia.

Q: Gorbachev was confined in the Crimea.

TKACIK: Yes.

That was August 1991. There was a week there where nobody knew how this was going to play out. I remember we had lunch with maybe it was the Vice Governor of Guangdong? Asking him about the coup. The impression was that the Vice Governor was quite sympathetic with the coup, that Gorbachev was taking the Soviet Union in the wrong direction. There seemed to be a certain amount of sympathy for the coup organizers. When the whole things collapsed, the Chinese were dispirited. When the coup collapsed, then they realized that the deal was new republic leaders like Yeltsin were going to start to emerge, and the Soviet Union would begin to fall apart.

My recollection is that the coup collapsed because Gorbachev had promised all of the constituent soviet republics their independence. In return for which, the soviet republics would sign on to a treaty of union, which made them more of a confederation of independent states rather than a centrally unified country.

We all remember the chicken Kiev speech that George H.W. Bush gave in Kiev, I believe it was August 1st or 2nd, 1991. George H.W. Bush said you Ukrainians ought not to think about independence. Being ruled by a corrupt local government is no better than being ruled by a distant despotism.

The general Ukrainian reaction I'm sure was utter disbelief. I think it was a perception on the part of the coup plotters that the United States would be sympathetic to trying to keep the Soviet Union intact, rather than trying to move ahead with Gorbachev's treaty of union. The coup plotters were dismayed that the United States was really not as sympathetic as they thought. The Chinese, on the other hand, were just aghast.

I remember a lunch; it must have been after January 1992, when the Soviet Union had collapsed and Deng Xiaoping had made his southern tour to Guangdong and had re-established reform and opening as the guiding principle for China. It began to dawn on the Chinese Communist Party that the Soviet Union really was gone. It was not coming back.

We had a long lunch with Vice Governor Leiyu of Guangxi Province. He was going on a trip to the U.S. The Visa Section informed us that a Guangxi delegation is going to the States and Leiyu is on it. I went to Dennis and said, "Let's have them to lunch. Let's have the whole group for lunch here."

So we had a very nice lunch with Leiyu and a fairly senior Guangxi group. Leiyu was very candid about the problems of the Soviet Union. He began to espouse a line that then became quite common throughout the Chinese leadership that Gorbachev had done it just wrong. Gorbachev had started political reforms first, and really had never started the economic reforms. We Chinese know what we're doing. We're starting the economic reforms first. We are going to keep a lid on the political reforms until the economic reforms fully take hold.

I think that was probably one of the first in-depth discussions that any of the U.S. diplomats in China had with a Chinese counterpart on the collapse of the Soviet Union.

Q: Was there any thought, looking to the future in China at the time the Soviet Union was coming apart, of a possible break-up of China?

TKACIK: No, I don't think any of us ever thought that. It was never considered a realistic scenario because the Soviet Union had just barely 50 percent of its population as Russian, and 49.9 percent of its population was not Russian, including tens of millions of Muslims and Central Asians, You had very proud minorities in the Baltic States who

absolutely hated the Russians. You had the Ukrainians who always felt they were better than the Russians anyway.

In China, you didn't have that. In China, you had about a 95 percent population of ethnic Han Chinese, who might speak various dialects of Chinese. China had a long and proud history of being Han Chinese. There was a concern in 1990 that the economic "zhili zhengduan," control and rectification, that was trying to rein in the double-digit inflation that was generated by the economic reforms in 1987-89. There was a sudden crackdown on credit, interest rates, and infrastructure investments that really brought economic growth in South China to a standstill.

There were people who suggested that in South China the population wouldn't stand for it. This kind of economic downturn would generate a certain amount of discontent. After all, South China could run itself very well. It didn't need Beijing to run things for it.

The real dynamic of South China was that the provincial party committee had for ten years been run by Cantonese. It was one of the only big provinces that had 90 percent of its top leadership that was homegrown. There has been a tradition throughout Chinese history that you take the top mandarins, and you never send a top mandarin to his own province. You are just asking for trouble.

When the communists took over, there was something called the gang hu…something, the cadre avoidance system is the term for it, The cadre avoidance system is that none of the top people should be in place for longer than three years. Very few of the top people should be locals from the province.

So when you start sending your top communist party cadres down to a province, you don't want him going back where all the local snakes are his pals, and he is going to form what they call a mountaintop. What you want is to make sure that the party center in Beijing controls all these people, and the party central organization department of the party manages all of the promotions.

So a guy from Shandong and a guy from Guangxi are going to be running the Anhui Party Committee. That way, you don't get the local guys too entrenched.

In Guangdong, for ten years after Deng Xiaoping's reform and opening, most of the province's party committees were Cantonese. There was a feeling that South China was getting a bit too big for its britches. In 1990, the top Cantonese political leaders were all sort of kicked upstairs. They were all promoted to national level jobs and gotten out of Canton. They were replaced by people from Shanghai, Fujian, Anhui, and all the rest of it.

The entire party committees, not just the provincial party committee but Guangzhou Party Committee…

The other thing was the Shenzhen Party Committee has never been Cantonese. One of the interesting organization department achievements throughout that period was that the central organization department in Beijing always made sure that the Shenzhen Party Committee was under the direct control of the center and not the direct control of Guangdong.

Q: Where is Shenzhen?

TKACIK: Shenzhen is the special economic zone that borders right on Hong Kong. I think the theory at the time was that Beijing wanted to interpose some kind of a buffer between the powerful Cantonese culture of Hong Kong and the powerful Cantonese culture of Guangdong by taking this large swatch of farmland – it's like maybe 1,000 square miles of farmland – and turn it into a colony of northerners. Just go down there and build this big special economic zone. It's going to have factories, municipalities, ports, airports, and all the rest of it. You start bringing in cadres, engineers, millions of people, from outside of Guangdong, people who don't speak Cantonese. You ship them down to Shenzhen.

Even though it was nominally under the Guangdong Provincial Party Committee, the Shenzhen Party Committee was populated by out-of-towners, northerners. It always kept a very northern character to its governance.

When we would cross the border from Guangdong Province into the Special Economic Zone, almost immediately you began hearing Mandarin spoken. In Guangdong, you always heard Cantonese. It was like night and day. It was like going into another country. Going across the border from Shenzhen into Hong Kong, then it would reverse. You would no longer hear Mandarin; you would hear Cantonese again.

It was a remarkable phenomenon. I think it underscored the depth of the central party's anxieties about the independence of the Cantonese.

Q: And also its ability to manipulate.

TKACIK: Exactly. It was a very good example of how the central organization department controls China, Guangdong being the exception. By 1990-91, Guangdong had even lost that special characteristic.

Q: John, where did you go? You left in 1992.

TKACIK: I left Guangzhou in July 1992. I then appeared at INR (Bureau of Intelligence and Research) as chief of the China division in mid-August 1992.

Q: Okay, we'll pick it up then.

TKACIK: Okay, that sounds good.

Q: Today is December 16th, 2009, and we are returning to our conversation with John Tkacik. John, where are we now?

TKACIK: I was just about ready to leave Guangzhou and I was assigned to be the chief of China analysis in INR (Bureau of Intelligence and Research). The office was INR/EAP/CH and I replaced Neil Silver. That was in August 1992.

Q: How long did you have that job?

TKACIK: Two years.

Q: In 1992 what were the major China trends of interest?

TKACIK: In 1992, we had just seen Deng Xiaoping's campaign in the south. The 14th Party Congress was on us. The U.S. elections were taking place. President Bush was under a tremendous amount of pressure from the Democrats on a lot of fronts. One major issue that I was concerned with was the approval of the sale of F-16s to Taiwan.

In July, about a month before I arrived, Senator Lloyd Bentsen of Texas and Governor Ann Richards of Texas, both Democrats, decided to make a very pointed attack on President Bush for kowtowing to the Red Chinese over the issue of F-16s to Taiwan. The reason they were interested, of course, was because the F-16 production line was in Fort Worth, Texas. They were looking at some 6,000 jobs. It was going to be a $6 billion contract at that point, which ended up being a little more expensive. $6 billion divided by whatever they divide by comes to about 8,000-10,000 jobs. Of course, those jobs ripple throughout the economy.

The reason this was controversial was because the Chinese had already wagged their fingers in our faces and said, "Thou shalt not sell any weapons to China."

President Bush was hopeful that he could return the U.S.-China relationship back to its normal state of affairs, having suffered the interruption of Tiananmen. The pressure of the election was too great for him. One of the factors that was key in making President Bush move ahead on the F-16s was Jim Lilley, who at that time was the Assistant Secretary of Defense for ISA (International Security Affairs). Jim Lilley told the President that it would be a good idea to sell F-16s to Taiwan, that the Chinese would probably buy into it, all things being equal.

When I arrived in Washington in August 1992, the first person to call me was Jim Lilley asking if I would come over and talk to him at the Defense Department. My recollection is that I was over there on August 15th or sometime around then of 1992.

I went over and visited him at the Pentagon. We had a one-on-one in his office. He cautioned me not to be too pro-China and not to worry too much about China's reactions to things. I remember it being a sort of Dutch uncle type of interview. He was always very friendly toward me and we had a very enjoyable discussion.

It did turn on the F-16s. The first tasking I had in INR was to put together an analysis of China's probable reaction to the F-16s. I went back to INR on the 8th floor of the old building in the State Department. My boss at that time was Tom Finger. We sat around with the other China analysts, Carol Hamrin and Chris Clarke. We sort of scratched our heads and tried to imagine how things would go.

Our analysis sort of turned on how the Chinese reacted to other countries selling arms to Taiwan. I think in retrospect it was a flawed way of looking at things. We decided to sit down and go over all of the files on the Dutch sale of Swordfish submarines to Taiwan back in the early 1980s. A year and a half before, France had sold Lafayette frigates to Taiwan. In both cases, the Chinese withdrew their ambassador, ordered the Dutch in the 1980s, and the French just a year and a half before, to reduce their presence in China. The Chinese took a real dim view of anybody selling weapons to Taiwan.

You look at that and say well, you know, the Chinese are going to react the same way with us.

That was the State Department's view. Bill Clark was the Assistant Secretary of State for East Asia. If I recall, Bill was a Japan hand. He wasn't particularly enamored with China. He did not seem to have much of a concern about the progress of the U.S.-China relationship. Since he was Assistant Secretary for all of East Asia, he did scratch his head a bit about it.

Q: He and I served together. He was chief of the Political Section and I was chief of the Consular Section in Seoul back in the late 1970s.

TKACIK: Bill was a great guy. I think the chief of the China desk at the time was Don Kaiser. He had his way of looking at things.

Q: When you arrived there, you were career FSO and new to INR. Often in INR you have civil servants who have been there a long time. People can become quite committed to issues like this Taiwan-Mainland China thing. Did you find people were true believers on one side or the other?

TKACIK: I'm not quite sure I would put it that way. I had known Carol Hamrin for 20 years at that point. Chris Clarke I had known distantly. I did not want to go to INR. In fact, I wanted to go to the Consular Affairs Bureau (CA). I was agitating to be the Special Assistant to the Assistant Secretary for Consular Affairs at the time. I think in retrospect, it's good that I didn't get that. The Assistant Secretary was the woman who wanted the Bill Clinton passport file, and all that.

She was a Bush appointee, Elizabeth Tamposi. Mike Marine, who just recently finished up as Ambassador to Vietnam, was the Special Assistant to her.

I was all set to go and be Special Assistant. Who else was there? Joe Borich had had the job before. Joe and I had been friends from Taipei days. Joe had been in Shanghai. We were consular officers. Joe left CA and was DCM in Somalia when Somalia collapsed; it swept over like a tidal wave. Joe encouraged me to take the job.

The reason I mention this is that Chris Clarke, who was the civil service officer in the China business in INR, came out to Guangzhou and talked me into applying for the job as the chief of China analysis. Why would he do that? The predecessor was Neil Silver, who was going on to be Political Counselor in Beijing. I guess they wanted me because I had a fairly good reputation, at least in my recollection, of doing really outstanding political and economic reporting in South China.

I didn't want to go to INR. Everybody said that will be better for your career than being Special Assistant. In retrospect, that was correct because Tamposi wound up being an utter disaster.

When I got to INR, they all knew me anyway. It wasn't as if I was the new guy on the block. They get Foreign Service Officers (FSO) once every two years cycling through that job. They know how to deal with FSOs. Generally, the FSOs in that job have been pretty capable. Neil Silver was before me. One of the guys that came after me went off to take my job in Guangzhou, so that was sort of a lateral arabesque. The next guy that came after me left to be DCM (Deputy Chief of Mission) in Monrovia, just as Monrovia was falling apart.

The answer to your question is when I showed up in INR, we were all playing on the same field.

Q: It wasn't a place that was divided between the mainlanders and the islanders, or something like that.

TKACIK: No. Later on, I remember going to Carol Hamrin's retirement party. That would have been in 2000 or 2001. At that time, there was a lot of discussion about the so-called Red Team and the Blue Team; the Red Team being the pro-China people and the Blue Team supposedly being the China skeptic people. I remember Carol saying she was a proud member of the Red Team at the time. That was nine years later. I don't remember her at the time as being particularly pro-China in the prejudice sense that colored anybody's view.

In doing a full analysis of China's reaction to other countries' arms sales, we went ahead and did an analysis on an overnight basis on how the Chinese would react to U.S. arms sales. This would be dire. The Chinese, we suggested, would move to downgrade the relationship. They could possibly withdraw their ambassador. I have forgotten all of the things we had in mind.

I was on board with this. I must admit though that having just come from Guangzhou, my impression at the time was that U.S. leverage over the Chinese was orders of magnitude

greater than Holland's or France's. The Chinese probably wouldn't see it as being in their interest to make a stink out of it. That being said, I went ahead and signed off on the analysis anyway.

Again, I signed off on the analysis despite Jim Lilley's caution to me that I ought not to overestimate the way the Chinese would react. The State Department did not think it was a good idea to move ahead with these arms sales. The Defense Department under Lilley was very insistent that they move ahead. Jim Lilley, having been George H.W. Bush's station chief 15 years earlier in Beijing and having been his ambassador in China just a year before, and having had a very long relationship with the President, knew how to work the system. I don't think that Jim was real close to Brent Scowcroft, the National Security Advisor at the time.

The way the State Department dealt with this issue of F-16s was to say, "Let us convene a PCC (Principals' Coordinating Committee), getting the Secretary of State and the Secretary of Defense together over at the National Security Council, and having a meeting on it. Our theory was that it would take such a long time to get everybody organized to have a PCC, by the time we actually had a meeting, the presidential campaign would be too far gone and nobody would care.

The Defense Department said, great idea but let's get it done real quickly. Let's have a Deputies Committee meeting. Then they scheduled a Deputies Committee meeting, if I recall, for August 17th, which turned out, by the way, to be the 10th anniversary of the Third Communiqué that we had with the Chinese.

We all thought we could slowball this. We'll have a preparatory meeting for the Deputies Committee meeting. Then we'll have the Deputies Committee meeting. Then we'll have the PCC. It's a piece of cake. We'll run the time out on this.

I was just on the job for a week. We were doing all these papers about how the Chinese would react. I think on the morning that the preliminary meeting was supposed to be at the White House, like a Monday morning, I got a call from Jim Lilley on Friday afternoon. He said, "The Monday meeting has been cancelled. Can you tell Bill Clark?"

I thought, that's good news. I said, "I'll tell him. Don't worry. Is there anything else?"

He said, "No, I think that's good."

I said, "Is it going to be rescheduled?"

He said, "Well, I'll get back to you on that."

As I was writing up my notes and running down the corridor to tell Bill Clark, it dawned on me what happened. Jim must have gone over to the White House, got Scowcroft to get the President to approve the F-16s. The decision had already been made. Since the decision had already been made by the President himself, there was no need to have a

Deputies Committee meeting. There's no sense in telling the State Department that it was already approved, because they'll just think of some way to screw it up somehow.

I remember going into Bill Clark's office and saying, "Bill, it's been cancelled."

He had the same initial reaction that I had, which was oh good, relief. We can kick this ball down the road.

Then I said, "But I have a feeling that the decision has already been made."

He gave me a semi-horrified look and that was that.

It turned out the decision had already been made. By August 24th, Bush had called in the Chinese Ambassador – I think it was Zhu Qizhong – and told him. The ambassador was real upset. The public announcement by the White House was not made until September 4th, about ten days later. So we had that ten-day period to try to figure out what was going on.

It's one of these areas, in intelligence, we know what the other guys are doing, but we don't know what we are doing. I was not cleared for the NSA (National Security Agency) intercepts of foreign communications that dealt with named, high ranking American officials. Even though I was the chief of China analysis, certain legal requirements restrict the availability of this intelligence to the Assistant Secretary for Intelligence Research himself or the Principal Deputy Assistant Secretary. That's neither here nor there.

What we did see is a considerable amount of intelligence on how the Chinese were reacting internally to all this. This was quite a bit different from the way we had predicted it. The Chinese had evidently taken the information on board. There was a great amount of complaining and sturm und drang (literally "Storm and Urge", although usually translated as "Storm and Stress") in the leadership of the Chinese Politburo. In the end, according to the way we understood it, Deng Xiaoping himself laid down the final position. That was to his that when we look at George H.W. Bush and William J. Clinton, we are far better off having George H.W. Bush than Clinton.

The Chinese perceptions of what a Clinton presidency would be like were colored quite dramatically by Clinton's acceptance speech at the Convention, in which he charged President Bush with kowtowing to dictators from Baghdad to Beijing. In 1992, that was sort of ironic, seeing as how President Bush had authorized Desert Storm and all the rest of it.

Bush had very pointedly tried to keep the U.S.-China relationship going in the immediate aftermath of Tiananmen by sending Scowcroft and Lawrence Eagleburger to Beijing, not once but twice, in July right after Tiananmen and on December 16th, 1989.

Deng Xiaoping wanted George H.W. Bush to win the election. That was quite clear. It was my introduction to analysis in INR, and especially China analysis. I have to say that, at least in my case, it was driven by the State Department's view of what it wanted to see on the policy side. I have to say that a lot of U.S.-China intelligence at the time did not paint a picture of China that it was being particularly cooperative with American stated foreign policy aims. Consequently, there was an awful lot of trying to put Chinese behavior in the best light possible, because the Agency (CIA) would always paint it in the worst light possible. That was the first thing I had to do in the China analysis office in INR.

At the same time at the F-16 issue was taking place, the Chinese were selling M-11 missiles to Pakistan. I won't go into the gory details about this, but there was an awful lot of hypothesizing in the State Department that the Chinese are selling the M-11 missiles to Pakistan as a *response* to America's sale of F-16s to Taiwan. The F-16 sale to Taiwan, however, the decision was not made until August 17th. We did not inform the Chinese Ambassador until August 24th, and it wasn't public until September 4th. That said, I was also very much aware in INR that the Chinese had made their decision to sell M-11s to Pakistan at least one year before. They kept up the contracts. The contracts were moving ahead, apace. There was no mention at all in any of the intelligence I saw prior to August 24th that the M-11s had anything to do with U.S. arms sales to Taiwan. Only after we told the Chinese about the arms sales to Taiwan, did the Chinese come back and say you Americans can hardly complain about us selling M-11s to Pakistan when you are selling high-powered, high performance jet fighters to Taiwan.

When this happened, I think the inclination in the State Department was to try to argue that China's lack of interest in non-proliferation goals was a reaction to America's behavior, when in fact it wasn't. The M-11 issue just continued right through my tenure in INR.

Q: Why would the M-11 going into Pakistan concern us? We weren't at all friendly with India at the time.

TKACIK: We were friendly with India to a certain extent. We were all aware that Pakistan had nuclear weapons. They didn't test the nuclear weapons until seven or eight years later. These M-11s were short range ballistic weapons that could carry a nuclear weapon. They were proscribed under the MTCR (Missile Technology Control Regime). Under U.S. law, the United States could not transfer any kind of aerospace equipment or technology to countries that proliferated ballistic missile technology.

This meant that if the United States wanted to sell satellite technology or even if we wanted to launch U.S. communications satellites on Chinese launch vehicles, we would be proscribed from doing it if China were named a violator of the MTCR, a proliferator of missile technology.

There were all sorts of other things. We had a long history of begging the Chinese not to sell this stuff to the Pakistanis, because it would trigger American law and prevent the

United States from selling this equipment to China. People would bend over backwards to rationalize what the Chinese were doing or say there was simply not enough information or intelligence to invoke the sanctions. State Department's position, which I was very much a central part of, was that there simply wasn't enough evidence.

We had human intelligence. We had some kinds of intercepts. We had some kinds of overhead intelligence. All of these pointed in the direction of the MTCR's violation by the transfer of M-11 technology to Pakistan. Since we didn't actually have a photograph of the M-11 on the ground, in the open, in Pakistan, we found it difficult to make a recommendation either to Secretary Baker or, under the Clinton Administration, to Secretary Christopher that the Chinese had violated their MTCR commitments. We always argued that the evidence was insufficient.

I retired in 1994. After I left in 1996, then it just got to be so in your face that we wound up having to get presidential waivers for these things. And it was not just Pakistan. The Chinese were selling rather advanced missile technology to Syria, Iran, and Iraq, in violation of the Iran-Iraq Non-Proliferation Act, or something like that. Congress passed laws during the Iran-Iraq War that prohibited the United States from dealing with any country sold weapons to either Iran or Iraq, as belligerents in a major war.

The Chinese shrugged their shoulders and dared us to sanction them. We never sanctioned China for anything as far as I can remember.

There were lots of earth-shattering events in the aftermath of the Soviet collapse.

Q: How was that seen from the optic of China watchers?

TKACIK: I'm not sure how the China watchers saw it. I think I mentioned last time that the Chinese that we talked to in China were insistent that Gorbachev had done it backwards. He started with glasnost before moving into perestroika. The Chinese were not going to do that. They were going to do their perestroika first, which is their economic restructuring, before they would ever move into political opening up, like glasnost was. Indeed, I think the Chinese were re-assessing their ideological underpinnings of communism in light of what had happened in the Soviet Union. This put great stress on China as being in the initial stages of socialism.

The thing that we saw in INR, in 1992 and 1993, was incredible expansion of Sino-Russian defense cooperation. We saw it at the time as not being particularly a result of policy making in Moscow, but a result of the collapse of the Soviet Union, but also old Soviet military industrial complex organizations, factories and academies, being left high and dry. That had to fend for themselves. The Chinese were there immediately to offer employment to people.

Throughout 1993, intelligence channels – it's sort of difficult to explain how it was we saw these in intelligence channels – we saw massive numbers of Soviet scientists,

mathematicians, engineers being hired by the Chinese to come to China to teach at their academies, to help with research. It was rather breathtaking.

Also, this is one of the reasons that Jim Lilley decided we could justify the sale of F-16s to Taiwan. In early 1992, the Chinese had begun to sign contracts with Russia to purchase Sukhoi SU-27s from Russia. I think that first contract was for 24 aircraft, with a second tranche of another 24, so it would have been a total of 48 aircraft that the Chinese were going to purchase by the end of 1994.

In the decision memoranda in the U.S. government, part of the justification for selling F-16s to Taiwan was that the balance in the Taiwan Strait was being tipped by China's purchase of these very advanced Soviet aircraft. It was sort of a surprise and it was sort of incongruous. We were in a state of cognitive dissonance. In 1992-1993 after 35 years of the Sino-Soviet split, Russia and China now all of a sudden was warming up.

I don't know how to explain it in geopolitical terms, except that in 1989 China and the Soviet Union shared the longest land border on earth. It was about 12,000 miles long. In 1992, that 12,000 miles shrunk to about 2,500 miles, just in Manchuria, with the rest of the border in Mongolia, Kazakhstan, and Central Asia, all of a sudden interposed between these two super-states as buffers. So China didn't feel the same kind of threat from Russia that they used to.

Q: It was a real change.

TKACIK: It was. And it was manifested almost overnight in China's willingness to purchase Russian advanced military technology, and Russia's willingness to sell advanced military technology.

Q: Well, that's all Russia had to export.

TKACIK: Yes, it was all they had. But we were seeing Soviet mathematicians and physicists who were deeply rooted in the Soviet nuclear weapons designs academies going to China to show the Chinese how to make nuclear weapons. You think, holy mackerel! You would think that the Russians would have at least drawn a breath and thought about this for a while before allowing this to happen. Because if we knew it was happening, the Russians knew it was happening.

At the time, in 1992-1993, the Chinese were not the world's second wealthiest nation, like they are now. They were still pretty tight with the yuan and very careful how they spent their foreign exchange. This is one of the things that really sort of perplexed us.

What we were seeing in INR was some major changes in the ways the Russians and the Chinese dealt with each other.

Q: You were head of INR's China Division (INR/EAP/CH), did that include Formosa?

TKACIK: Yes, the China division did China, Taiwan and Hong Kong. We also did Mongolia. We were in the office of East Asia Analysis (INR/EAP), which then also had Northeast Asia that did North Korean issues as well as Japan and South Korea (INR/EAP/NE). There was also Southeast Asia that did everything else: Southeast Asia, Australia, the Pacific, and that sort of thing (INR/EAP/SEA).

At the time, my division was the sexiest. At the beginning of 1993, the North Koreans were announcing that they were withdrawing from the non-proliferation treaty and were going to remove the International Atomic Energy Agency (IAEA) inspectors. They would not permit challenge inspections anymore. That generated an immediate crisis.

The crisis really started in 1992 as it was building up. The Clinton Administration was left with the momentum of the Bush Administration policy on North Korean nuclear weapons. Right into late 1993, it was getting a lot of pressure to prepare for a military response to North Korea's nuclear weapons.

The Chinese were very much a part of that. We were evidently dealing with the North Koreans via IAEA. When they said they were leaving IAEA, we didn't know how to deal with it, except to make a lot of threats. I'm trying to remember the sequence of events.

The Clinton Administration looked at China as having the most leverage on North Korea. We went to the Chinese to see what they could do. When I was in INR, the diplomatic back and forth involved the Chinese telling us that they didn't have a dog in this fight, so please don't come to them. We were putting the onus on them saying well, if you don't do anything, we are going to have to take drastic action.

The Chinese were saying, well, why don't you talk to the North Koreans yourselves?

Our response was that we tried to talk to them, and they won't talk to us.

I'm trying to remember what exactly happened. I do remember that after a lot of back and forth, finally the DCM, who I guess was Scott Hallford at the time, came back with a message from the Chinese saying, "China now urges the U.S. to go and talk to the North Koreans directly."

Our assessment in INR was that was the Chinese way of telling us that they had already talked to the North Koreans. They thought the North Koreans, number one, would be receptive to a direct approach by the Americans, and number two, be inclined to try to resolve the issue.

Q: How much information from your perspective were we getting out of North Korea?

TKACIK: There are sources and methods involved. I think the short answer is we really didn't get much of anything out of North Korea. To be open and above board, a good part of our information came from the IAEA themselves, which we were part of. We had known what was going on at Yongbyon. I was not part of the North Korea compartment,

so I can't say what kind of access we had. I was never under the impression that we had much insight into what was going on in North Korea at all.

The sole methodology of North Korean analysis, as far as I could figure, was Bob Carlin, who was my counterpart in the Northeast Asia division. Bob Carlin's and John Merrill's divination of the tea leaves of North Korean propaganda pronouncements, which meant reading very carefully what the North Korean press was saying, reading very carefully their syntax and their use of nouns and verbs in contrast to what their previous syntax had been. As far as that goes, that tells you exactly what their negotiating positions were going to be.

I have to say that Bob Carlin can nail it pretty much down word for word what the North Koreans were going to tell you in negotiations, because they already said it explicitly over and over again in very rigid and never changing words in their own media. This is something that I believe Jimmy Carter found out when he visited in 1994.

I think Bob Carlin went to North Korea with either Jimmy Carter or with Congressman Bill Richardson of New Mexico.

Bob Gallucci was our negotiator. I remember he said at one point that he was very pleased at his preparation for the negotiating sessions, because Bob Carlin had prepared briefing memoranda that nailed the North Korean position 100 percent. Of course, what Bob had known was to take what the North Koreans had in their press and put that in his memoranda.

[Transcriber's Note: Gallucci and Joel Wit, an INR analyst later wrote a book on these early 1990s negotiations entitled Going Critical, The Brookings Institute, 2003.]

That said, I have to admit that if you had done that with China, you would get pretty much the same result. If you are going to be in negotiations with the Chinese, the best thing to do is to read the Chinese newspaper, read what the Chinese are saying in their own press. You will find out exactly what they are going to tell you at the negotiating table. Any deviation from that is unsubstantial or designed to put you off your guard or keep you off balance. In the end, they always come back to their written stance.

Your question was how good was our intelligence on North Korea? The answer is it was not very good. We did have certain sources and methods that were very useful in some very narrow areas. We did know the extent of the famine at the time. Again, as I said, I can't tell you how we knew about that, but that information was pretty solid.

Q: What about Taiwan? What was happening on Taiwan when you were doing INR?

TKACIK: Taiwan was going through a massive transition from a one-party political monopoly under Chiang Kai-shek and his son, Chiang Ching-kuo. That momentum, when Chiang Ching-kuo unexpectedly died in January 1988, led to him being replaced

constitutionally by a vice president who was Taiwanese. It was not expected at all in Taiwan that a Taiwanese would actually be President of Taiwan.

Lee Teng-hui was considered sort of a tame politician, who pretty much did what the KMT (Kuomintang) wanted him to do. It was either an act designed to keep the power elites off their guard until Lee Teng-hui could solidify his political power, or Lee Teng-hui actually grew in the job. All of a sudden, overnight, he became President and didn't know what to do. It was like Truman becoming President after Roosevelt's death. Nobody had briefed him on anything.

One of the first visits that Lee Teng-hui got from the Americans was a nice visit by David Dean, an AIT Director in Washington who came with a personal letter from Ronald Reagan, not congratulating him on his recent promotion to President, but warning him in dire terms about Taiwan's nuclear weapons program, about which Lee Teng-hui knew absolutely nothing at the time.

So Lee Teng-hui became President in January 1988 and then spent the next two to three years, 1989-91, very systematically moving his people into influential jobs, very systematically aligning his rivals against each other. One of the first things he did was to suggest that Taiwan needed constitutional reforms, under which they would disband what had jokingly been called the Parliament for Life. It was the Chinese parliament elected in 1947 that came over to Taiwan in 1949. It was 700 and some-odd strong at that time. By the time 1988 rolled around, there were only 278 left who were still capable of being in parliament.

That was the legitimacy of the Government of the Republic of China. So what Lee Teng-hui did was he very capably wrangled people into supporting his reforms. He assured them he would keep the power structure intact. It is a chapter in Taiwan's history that I don't think has been written yet. It was an amazing sequence of events that basically turned Taiwan into a constitutional democracy in a period of about three or four years, without any violence.

In any other country that we've seen with democratic revolutions, there has been some fighting in the streets, and all the rest of it. In Taiwan, everybody could see what was happening at the time. It took place in quite a systematic and predictable way right under our noses. The power elites in Taiwan thought that they could still maintain control over it.

By the time I arrived in INR, Lee Teng-hui had pretty much asserted himself as the pre-eminent politician in Taiwan, had pretty much defanged most of his political opposition and political rivals, including the very powerful and forceful Premier Hau Pei-tsun. Hau was worried that Lee Teng-hui was going to turn Taiwan into an independent Taiwanese state. He had managed to gather a lot of the old mainlanders around him in opposition to this.

Lee had managed to get a lot of support from the ethnic Taiwanese population. Lee also managed to maintain his control over the party's finances. The opposition in Taiwan couldn't make a move, because it didn't have control of the money. They wound up breaking off and forming their own political party. At the time, it was a tactical mistake, but I think now that we look back 20 years later, it looks like that was a strategic success on their part.

What happened was that Lee Teng-hui was very much trying to re-establish a separate identify for Taiwan, as opposed to China at that point. In INR, we were watching this dynamic unfold and didn't quite know what to make of it. I have to say that when I came to U.S. intelligence on Taiwan, it was generally bad to non-existent. Our intelligence in Taiwan involved only our clandestine sources talking with old mainlanders. Nobody read the newspaper. Nobody had any idea of what was taking place. I think we were relying on AIT's open reporting for the day-to-day developments.

As a result, I think we were sort of unprepared where Lee was taking Taiwan. If we hadn't been wrapped up in our little clandestine world on the intelligence side of things, I think we would have seen much more clearly where Taiwan was going, and could have made preparations for it. We never did.

I was rather sympathetic toward Lee Teng-hui by the time I left INR. At that time it looked like China was very eager to be conciliatory toward Taiwan, and that Lee Teng-hui might easily have managed to create a new identity for Taiwan, sort of a Chinese identity for Taiwan but a Chinese identity separate from China.

Within a year after I left, in 1995, Lee Teng-hui had basically made the determination that China was not going to accept Taiwan as a separate entity. His only hope was to create a separate Taiwanese identity for Taiwan.

That dynamic was only unfolding just as I was leaving INR.

Q: This is probably a good place to stop. We'll pick this up when you left INR.

TKACIK: There are still quite a few INR chapters to go through. I will prepare myself better the next time.

Q: Would you want to mention what they might be?

TKACIK: There were the Yin He, the Xinjian-Uighur uprisings and China's emergence as a modern economic power just about at that time. We can address that later.

Q: Today is January 7th, 2010, we are returning to our conversation with John Tkacik. John, we're still in INR. You were in INR from when to when?

TKACIK: I was there from mid-August 1992 to August/September 1994, about two years.

I've brought a bunch of handwritten notes from those days. There was a lot of stuff on the M-11s, the sale of Chinese short-range ballistic missiles to Pakistan, in violation of their pledges to us not to do so. But they went ahead and did it anyway. I talked about that in earlier sections.

One of the more memorable events of my tenure there was the famous Yin-he incident. If I recall, it was the 88th or 89th voyage of Yin-he, so we referred to it as Yin-he 88 or Yin-he 89.

It was in late July 1993 that we must have picked up the intelligence that the Yin-he, a container ship, was going to leave Shanghai for Hong Kong, Jakarta, Dammam in Saudi Arabia, with the final stop being in Iran at whatever the port is that begins with the letter 'B'.

We got intelligence somehow that the ship was carrying chemical weapons precursors to Iran. We thought this was solid gold intelligence. It went to the White House. The problem I had was that when the ship was identified, I was on leave. I was taking two weeks of leave with my family in Hawaii. I think I read about it in the paper or something. I was told by Tom Finger that there was no need to come back for this thing. It was going to take a while for it to sort itself out.

I must have got back in early August, because the last note I have is July 15th, 1993, and there is no mention of it there. Then my notes start up on August 12th, 1993. What happened was that while I was gone, the intelligence went to the White House via the Presidential Daily Brief (PDB). It went to Tony Lake (head of National Security Council) first. I think Tony Lake had just had the last straw placed upon his back with the Chinese. He was insistent that he would not let this one go. We had to do something about it. We've got the solid gold intelligence. Again, I can't quite say what that is. And we would have to do something. Well, the word went out that Tony Lake was actually planning to stop the ship on the high seas, anything to prevent this thing from getting to Iran.

Here we are at August 16th, 1993 – sent memo to Tarnoff that some analysts are beginning to back away [Peter Tarnoff was Under Secretary of State for Political Affairs from March 1993 to April 1997]. Ken Harrington at CIA informed that the intelligence maybe wasn't all that conclusive. Stanton recommends – I don't remember who Stanton was; that must be Bill Stanton who was Tarnoff's special assistant or something – that Tarnoff hold a meeting, but it's a bad situation and we don't have a game plan.

Toby Gati, who was the Assistant Secretary for Intelligence and Research, said it would be useful if Tarnoff would have a staff meeting, because they are not on top on the Yin-he. Stanton then asked what we would think of the intelligence. I had to say at that time that it was pretty good. Somebody said are the Chinese setting us up? We constantly pestered the Chinese on all sorts of proliferation issues. The M-11s were one, but there were reports of the Chinese selling nuclear weapons technology to Pakistan. There were Chinese fingerprints all over the North Korean nuclear issue. The Chinese were certainly

in Iran. We had a lot of evidence of them selling weapons to Iran, in violation of the Iran-Iraq Non-Proliferation Act that was passed in Congress in the 1980s. All of these things would have required us to sanction a large number of Chinese companies.

The State Department's view generally was let's not do that if we don't have to, but let's go to the CIA and say see here, Mr. Harrington – Kent Harrington at the time I think was the National Intelligence Officer (NIO) for China at the time – if this intelligence is what it says it is, we've got to do something. Tony Lake wants to do something. However, if it's not as good as you say it is, maybe we can hold back and think about this for a while.

During the discussion of the intelligence, there was some discussion that maybe the intelligence was too good. Maybe we were being set up. Maybe there was some effort that the Chinese were engaged in that would try to discredit our intelligence and say, see here, you guys are always claiming that you've got this intelligence on Chinese proliferating here and there. Now you've got this ship that is supposedly taking chemical weapons precursors from China to Iran. Now you want to pull it over and inspect it. What if we do inspect it, sort of like the dog chasing after the automobile? What if he catches it?

The issue was what if we do inspect it and there's nothing on there? Then it will discredit us and we'll not have the diplomatic leverage over China in the future.

Looking at all of the intelligence and collating it all together, we thought that number one, it was by our standards fairly good intelligence, the things that we looked at. But there was a possibility that we were being set up. So the CIA's concern was the intelligence is good, but if we tell the Chinese, then they'll try to figure a way of getting rid of the evidence. So what do we do?

The answer at this point was we have to assume that the Chinese government does not know that Chinese companies are transporting illegal chemical weapons precursors to Iran. So let's go to the Chinese Foreign Ministry and ask them a question, which is, "Is it indeed against Chinese law to sell this chemical to foreign countries?"

I think we went in at a low level to the Chinese and said we have some information, but we would like to clarify something. Is it illegal to sell… I'm trying to find what the name of the chemical was. It was dichlorophosphate or something fairly specific. I believe it was Sha Zugang that took the demarche, went back, and then responded the next day that yes, it would be illegal to sell this stuff to Iran.

Once we had that, then the decision was made to send in the U.S. Ambassador at the time, Stape (Stapleton) Roy, to personally demarche the Foreign Ministry to say that we have intelligence that this ship, the Yin-he, is transporting dangerous chemical weapons precursors from Dalian via Singapore to Iran.

The thing was that we didn't want to make that demarche while the ship was still in Chinese ports. I don't know what we thought. You would think it would be better to stop

it before it goes, and that would take care of that. For some reason, we watched it until it got to Hong Kong. We did get a report from Hong Kong customs that the ship was in port. They had a full manifest for the Hong Kong shipment, but not for the rest of the ship.

The next port of call was Singapore. We then liaised with the Singaporean customs. They went on board and demanded to look at the entire shipping manifest. There it was – I'm making this up now – it was like shipping container 2806, bound for the Iranian port of Bandar Abbas. The Singaporeans said yes, the thing is there. The Singaporean customs captain that went on board the boat talked to the master of the Yin-he and said see here, you've got this container number 2806. Where is that container?

The ship's master looked at it and said that's being off-loaded at our last stop. So that's on the bottom. You go into this huge container ship. You've got lots of containers on top of the hold, which are taken off at the first ports. The ones that are not going to get off until the last port, they go way down on the bottom. So it's down on the bottom.

The Singaporean customers said we want to look at it. The captain said sure.

Evidently, the containers were packed so tightly together than there was room for a human being to get down in the hold between the containers, but there was no way to open the doors. You couldn't open it up to look at it. The Singaporeans shone their flashlights down in the hold and said maybe we don't have to go down there after all.

They came back to their headquarters in Singapore and wrote up a full report of everything that was said. It was almost a transcript of what was asked. And they let the ship go. We did not say please hold the ship there and we'll inspect it. The Singaporeans said we'll do what you want us to do. If this is a proliferation problem, we want to cooperate. We evidently didn't have the guts to say unload it there and take a look, so it went on to Jakarta.

In Jakarta, in late August 1993, we knew the ship was coming in. It was a day's journey from Singapore to Jakarta. It was just across the Strait of Malacca and down to Sumatra. It was going to take another day to get into port. It got into port. Again, I'm making this up, but we had exact information on the number of containers that were being taken off. I think it was on the order of 29 containers being off-loaded for Jakarta.

It takes about 20 minutes per container. You've got to lock it up and seal it. You've got thing that cranes in, and all of this.

Defense Intelligence Agency (DIA) had tasked the attachés to go and watch the damned thing being unloaded. So that day, when the ship came into Jakarta, DIA had its liaison people accompany them down to the side of the ship. The entire 12 hours it was in port being loaded, DIA was watching. They were numbering all the containers that came off, reporting back that the containers had been off-loaded, and they had accounted for every

container. Then the cranes then loaded the Jakarta-to-Daman containers that were fewer on top of the ship. And the ship left.

At this point, this is when the ship was between Jakarta and Daman, going across the eastern Indian Ocean, around the tip of India, up into the Arabian Sea, we sent the ambassador in to demarche the Chinese. The Chinese said you are mistaken. There are no chemical weapons precursors on that ship. I think we demarched them and then they said we'll check into it. They came back and said you are wrong. There is nothing on that ship.

Well, we had the manifest from the customs people in Singapore saying that container was there. I think the Singaporeans confirmed that it contained the prohibited stuff. That story was actually in the Far East Economic Review the next week. Somebody leaked it. We didn't leak it. It was probably the Singaporeans. I think it was to our benefit to have it leaked, because at least it showed that this wasn't completely made up.

The ship takes about two weeks to go from Jakarta to Daman. It's long. It the course of that two weeks, we had a number of VIP (Very Important Person) visitors to Beijing to demarche Li Peng, the Premier, and Jiang Zemin, the President of China, saying this is truly disturbing that Chinese companies are selling these chemical weapons precursors to the Iranians. The Chinese kept saying I am looking you straight in the eye and telling you there aren't any chemical weapons on that damned ship.

Meanwhile the ship is steaming its way on. Finally, it gets to the Arabian Sea. The U.S. Navy stops the ship. We don't board it, but we tell the ship to heave to. You sit there until further instructions. The captain of the ship must have radioed back to Beijing for instructions. Beijing just said sit there.

It was a couple of days out there. A ship like that you don't plan on five or six extra days of sitting around, because you've got your fuel and provisions. The crew has got to eat, and all the rest of it. These guys were sitting out there for five days in the Arabian Sea at the beginning of September, which is not the coolest part of the year.

Q: I lived in Iran. It's not the place to be.

TKACIK: The port they were going to was Daman, Saudi Arabia. Boy, the ship's master began to get anxious about this. The Chinese said we're not going to let you inspect that ship. This is ridiculous. This is a sovereign ship. We have given you our word that there is nothing on this ship. You can go jump in the lake.

Tony Lake was not going to let the ship go. Finally, the Chinese said okay, we will permit the ship to be inspected. It will go to the Saudi Arabian port of Daman on such-and-such a day. We will inspect it jointly with you guys and the Saudi Arabian customs. And there were a couple of senior CIA analysts had been following this closely and knew all of the in's and out's, not just of the intelligence but also knew shipping and all the rest of it.

They went out. It was a big delegation. There were about 23 CIA people. The embassy sent people from Riyadh. The Chinese had a big delegation get off a Chinese airplane in Daman. They all made a big ceremony out of off-loading every one of the containers at Daman, every one of them. We had the container we wanted, so we went straight to that container and opened it. It had toys, ballpoint pens, and a lot of anodyne stuff.

There was a certain amount of crestfallenness when we, the CIA guys, opened the one container we thought prohibited goods were in. And it wasn't in there. Then they began looking at all of the containers. There was anodyne stuff in every one of those containers. Sheepishly and shamefacedly, we cleared our throats and suggested that maybe the ship be reloaded and sent on its way to Bandar Abbas.

The Chinese, I'm sure it was Xia Zhumong was the senior Chinese on the scene. He was just foaming at the mouth. We told you. Our President told you there was nothing on the ship. Our Premier told you there was nothing on that ship. Our Foreign Minister told you 18 times there was nothing on that ship. I told you there was nothing on that ship.

It was a propaganda coup for the Chinese. From that point on, the Chinese have pointed to the Yin-he and said you Americans claim you've got intelligence on this kind of crap, and blah, blah. We're not listening to you any more.

What do you say? Tony Lake was quite embarrassed by the whole event. I suppose it was one of the things that was factored into his not staying on the next Clinton term, although he stayed on for another two years after that. And he continued to deal with the Chinese. Actually, he was sort of sheepish with the Chinese after that. He never did quite have the ferocity and single-mindedness that one needs when dealing with the Chinese. After that, he was always sort of apologetic. I say this specifically, and this was after my time, but when the Chinese launched their ballistic missiles into the Taiwan Strait during the Taiwan presidential election during 1996, which is clearly just an outrageous display of arrogance and intimidation, Tony Lake went over two months later to try to get U.S.-China ties back on track. At any rate, that's beyond this story.

This story, however, is an interesting story. At the end of this whole thing, and we in the intelligence community are sitting around at our various meetings, staring at each other wondering what the hell went wrong. Looking at all the intelligence, it is possible that we were set up. What the intelligence showed was that a company in Dalian, or some place in Manchuria, had arranged to ship this container on a coastal freighter from Dalian down to Shanghai. That coastal freighter was supposed to off-load the shipment and on-load it on to the Yin-he on a certain date.

In our looking back at the intelligence, the intelligence was pretty clear that the Chinese company knew they were selling this stuff to the Iranians and the Iranians knew it was coming. At this point, it's possible that when we let the Chinese know, it's possible the Chinese then sent the Shanghai Foreign Affairs Office or somebody down to the port of

Shanghai to look around to see if they could find the records of the port captain about what was loaded on the Yin-he, which had already sailed.

Apparently, there was a shipment, and apparently it didn't make it on the boat. It was still in Shanghai and it was going to be assigned to a boat sometime in the future. What that did was convince the intelligence community that they had the right intelligence. It was like the intelligence in Iraq on the weapons of mass destruction. We had it all there. Even Saddam Hussein thought he had weapons of mass destruction. It wasn't there because we didn't have the crucial final pieces.

On the other hand, it is possible that the Chinese knew how to yank our intelligence cranks by just saying things off the cuff, or letting people know things, knowing full well that would come back to the U.S. intelligence community. And then the U.S. intelligence community would turn themselves inside out trying to figure out what was going on. The problem was we could never figure out if it was a deliberate set up, that we had been gob smacked, or by pure bad luck the intelligence that we had was inaccurate because a certain container just never made it to the right place at the right time.

One of our analysts down in the bowels of the Defense Department who watches merchant shipping said, oh yeah, this is a common problem with most of Asia. These coastal lighters that take the containers from the minor island ports to the major port, the captain's drunk or the crew is not having a good day or somebody didn't pay for their fuel the last time. It's a common problem that these containers are supposed to be on certain ships, and everybody says they are on certain ships, but they don't quite make it. And nobody figures it out until after the fact.

My own hypothesis is that in that kind of a scenario, we probably would have picked up that it didn't get on the Yin-he. It's quite likely, in my mind, that the Chinese intelligence services made sure that it didn't get off that ship at that time, and were waiting for us to react. They got the first reaction in late July when we went in and asked them whether this shipment was legal or illegal, to export these things without export licenses. They probably knew at that time – I'm just hypothesizing here – that they had us on the hook.

Q: Haven't I read that many of these Chinese industries were run essentially by military industrial concerns?

TKACIK: Yes.

Q: Could they playing in a way their own game?

TKACIK: No, that is impossible. All of the Chinese military reports up through channels through the Central Military Commission. The Chairman of State, Zhang Zemin at the time, was Chairman of the Central Military Commission. Deng Xiaoping was still alive and very active in 1993 in the Central Military Commission.

The military does not ship things out that the government doesn't sanction. There is a lot of making excuses for the Chinese government on these proliferation sales. It is clear from my experience that the Chinese government knew about every one of them.

There was one case in 1991, when the Chinese were shipping something to Libya. It was going via Laos and Bangkok. It looked from a distance like the Chinese had not authorized that one and stopped it.

The Chinese military industrial complex, they know what Iran is. They knew it then. They would make sure that they could export these things. The Chinese government itself didn't want to export this to just anybody. They wouldn't export it to Taiwan, for instance. If somebody said I'll export these chemical weapons precursors to Taiwan, nobody would let that happen.

You see way too much of it and in public. Even then, the intelligence community's assessment was that the Chinese government, if it does not approve of these sales, is not disapproving of them. There's a term of art for it that we were using at the time that has persisted for 20 years. It's something to the effect that the Chinese government is not fully enforcing its own export licensing requirements.

This is true in all of these cases. For instance, the M-11s. There was a lot of speculation that maybe CNEIC (China Nuclear Energy Industry Corporation) was short-selling these M-11s to Pakistan, unbeknownst to the Chinese government. The Chinese government demanded that we bring out a stack of bibles so that they could swear on them. Anybody who knows the Chinese knows that when they swear on a stack of bibles, they are not particularly interested in committing themselves to the truth, but rather to bamboozle somebody.

The point was that the M-11 sales, all of the intelligence and all of the information we had, was that the M-11 sales were approved by the Chinese government at the highest levels.

We had similar information about China's involvement in Pakistan's nuclear weapons development, its atomic weapons development. These things simply do not take place without the Central Military Commission's approval. It's possible that the Foreign Ministry doesn't know anything, that it's been kept out of the loop, the military has been doing this all by themselves. The Foreign Ministry is pretending to follow another foreign policy, while the real foreign policy is being made by the military. If you want to believe that your foreign ministry interlocutors are not lying to you, then you can comfort yourself with the idea that they are not lying, they are just simply out of the loop and they don't know what they are doing.

In the case of Qian Qichen, the Foreign Minister at the time, I believe he was a member of the Politburo, a member of the Foreign Affairs Leading Small Group. He knew what was going on. They are briefed. Their top cabinet ministers are briefed in the PDB-style (Presidential Daily Brief) the same way as ours. In other words, the President of the

United States gets a CIA briefing every morning from the DNI, as do the top six or seven people in the U.S. government.

China is the same way. The Standing Committee of the Politburo gets the top briefings. The Politburo itself gets very good briefings. I think that in the case of Qian Qichen, he was the equivalent of the National Security Advisor and the Foreign Minister together. He was also Secretary of the Foreign Ministry's Party Committee. So he's a top party guy. He's a top Foreign Ministry guy. He's a top national security guy. All of our intelligence at that time pointed to the Chinese government knowing what was going on, and acquiescing to it, if not directing it.

I don't think they made a lot of money off of these things. It wasn't for the money that they were selling these missiles, chemical weapons precursors, and all of the rest of it. It was to gain influence in Iran, Pakistan, Burma, Sudan, and they got the influence.

You can look to China's geopolitical place on the map to hypothesize why the Chinese are such great pals of the Pakistanis and the Iranians. To the extent that they would go out of their way to give the Pakistanis a nuclear weapon. Nuclear weapons designs in Pakistan were based on Chinese designs. We know that because we've got the blueprints that have all the Chinese names on them. We had this back when I was in INR. This information was freely available.

It was clear to us in those days that the Chinese were not averse to the Iranians developing a nuclear weapon. You think, why in the hell would the Chinese tolerate the Pakistanis developing a nuclear weapon? And maybe even the Iranians?

There are two reasons. One is that the Chinese feel a certain rivalry with India. The idea that you can outflank India with Pakistan, and then maybe Pakistan would even use nuclear weapons to cause tremendous economic damage to India in a conflagration. As long as China could stay out of it, they didn't care.

The other thing was that there was a considerable amount of private religious support from both Pakistan and Iran to the independence activists in Western China, in Xinjiang Province. When I was there from 1992-1994, we saw evidence of rising levels of violence in Xinjiang, primarily against People's Armed Police, Xinjiang Construction Corps, and the People's Liberation Army.

I had a map on my wall in INR where I could pretty well identify the locations of all of these places. I'm really not at liberty to say how we heard of all these terrorist incidents, but there were several dozen that we heard of that were significant. If we heard of several dozen, there must have been dozens more.

What had happened was the religious Pakistani businessmen were funding madrassas that were training and indoctrinating Xinjiang Uighurs inside Xinjiang at mosques. The Iranians were there too. The Iranians and the Pakistanis got along fairly well together. President Rafsanjani of Iran visited China while I was in INR in that two-year period. He

got permission from the Chinese to stop off in Urumqi, which is the capital of Xinjiang. When he was in Urumqi, he evidently made a speech that was supportive of the local Uighurs, the local Muslim population, offering them financial support, moral support, religious training support, and all the rest of it. Then he flew off to Iran.

The Chinese evidently choked on their Moutai (Chinese liquor) at that one. They were desperate to get the Iranians to understand this was a no-no, but they didn't have any leverage over them. So how do you get leverage over the Iranians? You fall over yourself giving them weapons so that they love you so much that the plight of a bunch of poor Turkistanis in Xinjiang is not as important to them as perhaps it had been.

The same holds true for the Pakistanis. The Chinese had a long-term military alliance with Pakistan, even before the 1962 Sino-Indian War. The Chinese did put incredible amounts of pressure on Islamabad to stop the flow of money from the Pakistani business community into these madrassas, and that sort of thing. I think that was fairly effective. I think the Chinese lesson that they learned was that if you get in and you give these Muslim countries vast amounts of weaponry, financial support, and all the rest of it, then you can talk them out of supporting radicals in Xinjiang Province.

I think that's essentially what happened. From that point on, the militancy of the Xinjiang uprising, the Xinjiang independence movement, was pretty much stamped out. It did not get any foreign support at all. You couldn't even smuggle a one-shot pistol across the border into China. You could get them from China to outside. You could send all you wanted from China to Afghanistan. The deal was we'll give you the stuff, but it doesn't come back here.

Certainly, the Taliban, al-Qaeda, and the Pakistani ISI (Directorate for Inter-Services Intelligence), the Iranians never let themselves provide any kind of military weapons support to the Xinjiang people. As a result, the Xinjiang thing has basically stumbled along on empty for the last 20 years.

Even during these last two years, when you've got lots of hyped news report about Xinjiang terrorists, it is amazing that these terrorists' weapons are things like knives. Or, in one case, two of these so-called terrorists ran over 18 Chinese security policemen in a heavy truck and killed them. You never hear of them using automatic weapons, IEDs (Improvised Explosive Device), or the kinds of things that are used against us in Afghanistan. You can't get them into China. Why? Because nobody will sell them to you. None of the Pakistanis, Iranians, or the Taliban is interesting in compromising their Chinese patronage.

I think as a result the Chinese relationship with Iran and Pakistan is pretty tight. It makes it extremely unlikely here in January 2010 that China is going to do anything to dissuade Pakistan from ultimate possession of a nuclear weapon. But that's the whirl of that story.

Q: Does that sort of do it for our time here? What did you do after you left INR?

TKACIK: I retired at that point. That was one of those up-or-out things. I had reached the end of my window, which I had opened fairly quickly. I was 45 years old, retired from the State Department, and then went to work for R.J. Reynolds Tobacco as a Vice President for Government Relations in RJR Nabisco China and RJR Tobacco International (RJRTI), based out of Hong Kong. My office was in Hong Kong at that point. I stayed with RJR until the end of 1997. RJR TI, which was the operating company overseas, was bought out by Japan Tobacco in 1997. We all took the money and ran.

I came back to Washington at that point.

Q: I have to ask the question: did you have any concerns about working for the tobacco industry?

TKACIK: No, not really. As is with everything, there are two sides to every coin. The tobacco industry can take care of itself. I won't go into the science of it, but I had access to virtually all of the medical studies and all of the rest of it, the toxicological studies, which were part of my job. I had to be the interlocutor with foreign governments on all sorts of tobacco marketing issues. It's true that smoking is an unhealthy habit to have. Some of the things that are not quite as well appreciated are the facts that smoking is not the worst thing you can do to yourself. Getting no exercise is the worst thing you can do to yourself.

A number of studies, one of which that I recall that was done at Baylor University, a broad 15,000-person study, showed that smoking did not shorten the life of that segment of smokers that had otherwise healthy lifestyles. Which is to say, they ate properly; the exercised regularly, they were outdoors, and all the rest of it. What smoking seems to do is really exacerbate a lot of the health problems of people who are sedentary who don't eat well and have a slew of other lifestyle issues like heavy drinking, for instance. When you compare all of these populations, it's quite clear that smoking is quite down the list of stupid things you can do to yourself.

I don't want to say that I rationalize this in my own work. The thing is that when they called me to see if I was interested – actually, it was Jim Lilley who called me and asked if I was interested in the RJR job. I had no qualms at all.

Q: I would assume that at least in that period – I don't know how it is today –the Chinese are very heavy smokers.

TKACIK: It was exactly at that time that one of the jobs that I had to do was to see where the Chinese were going on this. It was exactly at that time, in 1996-1997, that the Chinese were moving ahead in a number of smoking policies. One was warning labels on cigarettes. Another one was smoking bans in public places. I think they already had smoking bans on public transportation, but they were looking at that point – and this was 15 years ago – at smoking bans in restaurants. These were things that the United States hadn't even started to do.

There was a big international conference on tobacco and health in China. I think it was in 1996. The Chinese government was very eager to prove itself to be the model government for this sort of thing.

The answer to your question is yes, the Chinese were big smokers then. It looked to us like roughly 66 percent of Chinese males smoked. About 20 percent of Chinese females smoked. It was a cultural thing. Females in a lot of places smoke more than men. In Europe, for instance, it's 50-50. Women in Europe smoke because they want to lose weight, and that sort of thing. Men smoke heavily in China. Of course, one thing to remember is that for all of Chinese history, up to that time, the biggest revenue center for the Chinese government was tobacco: tobacco taxes and tobacco sales.

Q: They had to own…

TKACIK: This is another thing. In the 1970s, when I was there, there was one brand of Chinese cigarettes called Panda that was world-class. They were very difficult to find. They were always available at Diaoyutai Guest House. When the Chinese government would have state visitors, they would house them out at Diaoyutai. The cigarettes of choice there would be the Pandas. Those were collector's items. I never managed to collect one. If you had Kissinger come in, or Secretary Schlesinger come in, when they were at Diaoyutai Guest House, you would get Panda cigarettes there. It was one of the things you scrounged for.

The other Chinese cigarettes in those days were just awful.

In the intervening 15 years, from the late 1970s to the time I was in Asia for RJR, the Chinese invested quite a bit of money modernizing their tobacco industry, not just on the tobacco equipment side of things. They had the most modern cigarette making equipment you could get from Switzerland. The United Kingdom had very good papermaking production lines. Finland had some kind of a special something-or-other. They had the top of the line for their big cigarette factories.

The second thing was they had really good tobacco, which they didn't have 15 years earlier. They had gotten good tobacco seed from the United States. They had gotten it from Zimbabwe. The two big places were the U.S. and Zimbabwe. They began a complete overhaul of their tobacco agronomy, to the point that when I was in China, RJR's tobacco brands were not considered premium brands. They were considered mass-market brands. The premium brands were ¥10- ¥15 (¥ = Yuan or Renminbi, Chinese currency). Our price point was ¥6- ¥8. So we were about a third cheaper than them.

RJR was the first foreign company to set up a joint venture in China after opening up of the Chinese economy in 1980. We went into Xiamen and opened the Huamei Cigarette Company, making three brands: Winston, Salem, and Camel. We were the only foreign company ever – because we were the first one, then they realized that they were inviting in too much competition – we had a joint venture with the Chinese factory there. We had

to abide by the Chinese quota system. No other foreign cigarette company could get a factory in China. We were the only ones.

You would have thought that we had a foot in the door. In fact, the door was slammed on our foot where we couldn't get it in and we couldn't get it out. We were limited to, I forget, maybe 50,000 large cases per month or something, in our Xiamen production, only to find out that our joint venture partner was actually doubling our production but selling it on their own. I don't want to say they were counterfeit, because they were our cigarettes. We made them. We licensed them. We supervised the production. We could only produce 50,000 large cases. Then they would go ahead and produce another 50,000 or 200,000 large cases. The would sell them on the open market and not share the money with us.

When the Chinese government got wind of it, they slammed down on them. The problem we had was that we were competing against very good tasting Chinese cigarettes.

The other was that the Chinese cigarette tobacco blends were a more European blend, mostly Virginia tobaccos, whereas the American blends are what we call the Turkish blend. This is Virginia, Burly, and American. The American blend smokes very mildly. The Virginia tobacco gives you a tobacco taste. And the Chinese smokers like the tobacco taste. They weren't smoking just to get nicotine. They weren't smoking just to look cool. They liked the taste. So it was very difficult for us to compete in the Chinese market on the Chinese terms.

At any rate, the long and the short of it was that we were frozen out of the tobacco market pretty much. I think RJR wanted to divest itself of its overseas operations. There were a whole slew of other issues that I probably shouldn't get into. They involved bad influences that we just didn't want to have. At this point, we just let it be known that we had a wonderful operation. We had factories all over Asia, a good selling product, and at that point, Japan Tobacco came in and made us an offer we couldn't refuse. And that was that.

We turned over the keys of the Xiamen factory to the Japanese. I suppose they are still making cigarettes there.

The thing that really surprised me was how well Marlboro sold, which is our competitor in China. How do you sell Marlboros when you can't make them in China? You can't import them because the import duties are so high. It turned out that they were being made under license in Vietnam to Philip Morris. Then they were smuggled over the border, trainloads of them. A mile long train would take a day's supply of Marlboros into China.

The other thing was that the North Koreans were making counterfeit Marlboros in North Korean factories. I don't know where they got the tobacco. I suppose they got the tobacco from the Chinese, run it into North Korea, counterfeit them, and run it back out again.

That was an interesting, but seamy side of the tobacco industry. I was not at all upset to leave it.

Q: Did you keep your hand in China affairs?

TKACIK: I try to. After I left RJR, I continued to do a lot of freelance writing on China. In 2001, I signed up with the Heritage Foundation and was with Heritage Foundation for eight years, doing mostly China, but also Mongolia.

Q: How did Heritage Foundation come out on Taiwan, since it represents the more conservative side of the political spectrum? Did it have an attitude towards Taiwan?

TKACIK: It was very pro-Taiwan. But maybe that would be for another session. I was at Heritage for eight years.

Q: I would like to talk about it. I think it's important to talk about think tanks and their influence. So why don't we pick that up the next time?

TKACIK: That sounds good.

Note: this interview was not continued.

End of interview