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

AMBASSADOR JAMES D. WALSH

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

[Note: This interview was not edited by Ambassador Walsh]

Q: Today is October 17, 2003. This is an interview with James D. Walsh. This is being done on behalf of the Association for Diplomatic Studies and Training, and I'm Charles Stuart Kennedy. You go by Jim?

WALSH: I go by Jim.

Q: OK Jim, well, let's start at the beginning. Could you tell me when and where you were born and then we'll talk a little about the family.

WALSH: I was born on August 9th, 1946, in Scranton, Pennsylvania.

Q: Let's take sort of from the father's side first. Where do the Walshes come from?

WALSH: My father would have been second-generation American. I then am third-generation American on that side, and the Walshes, as far as we can trace them back, are from the southwest of Ireland in the County Cork area. But they came directly to northeastern Pennsylvania, into what is essentially a coal mining area, from Ireland.

Q: As far as you know, was your family in coal mining?

WALSH: Not to my knowledge. In fact, on my mother's side, the McCales, they too go back… let's see, I would be third-generation American on that side as well, but one of the stories in the family is that my great-grandmother had asked on her deathbed that my great-grandfather keep their son Michael McCale, who is my grandfather, out of the mines. Whatever you do, keep Michael out of the mines. Now, what I don't know is whether or not that meant that his father, my great-grandfather, had been a coal miner and as a result she wanted to save her son from that. But I know that my grandfather did stay out of the mines, and became a tin smith and later on had his own sheet metal business. So he was saved from the mines.

Q: How about on your father's side, how about your grandparents?

WALSH: Never knew them. Grandfather Walsh was dead long before I was born, and my grandmother, my father's mother, whose name was Annie McKaren Walsh, died in 1948 when I was two years old, so I never got to know her either. So I don't have as much memory, either institutional or personal, on my father's side as I did on my mother's side.

Q: What was your father doing and what was his background, education?

WALSH: He was a man with a high school education. I'm trying to think where he started out. I know he served in the army during World War II installing radios in tanks in California. This of course I heard from my mother. He came back from the war and started working with the General Electric company. He was a salesman with GE up until almost the time of his death. Right before that he had broken away and become a sales manufacturer's representative for people in the appliance businesses, including General Electric. And then he died in 1958 and I was 12 years old at that time.

Q: Your mother's father was in the tin and then the sheet metal…

WALSH: Sheet metal business, right. And then in the tool and dye business; he had a small manufacturing plant in Scranton, Pennsylvania, in my hometown.

Q: Was your mother a high school graduate, or more?

WALSH: No, she was a college graduate, which back in those days was pretty unusual in my neck of the woods. She gradated from a small Catholic university in Scranton, Merrywood, and subsequently went on to get her master's degree, went back to study; in fact, we graduated together, she and I. We graduated not from the same university, but in

the same month. In fact, if I remember correctly, my younger brother Steve got his bachelor's degree the same month and we all celebrated our degrees together, the two brothers and the mother.

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

WALSH: Home economics.

Q: Did she use that? Did she end up as a teacher?

WALSH: She did end up as a teacher, but she ended up as a business teacher. Her master's was an MBA. She worked as business manager for my grandfather's business. She used to keep the books. And she did that with another company when she was fresh out of college as well. So while her degree was in home economics she seemed to move directly into more of the bookkeeping type of thing after college. But then she did become a teacher. After my father died she became a high school teacher. Subsequent to that she became a college teacher, teaching business at Keystone Junior College in Pennsylvania until she retired.

Q: I think of when you say that part of Pennsylvania and Irish and all, did you consider yourself part of the John O'Hara country? Did you read his stories at all? Because he wrote for the New Yorker*, he was a well-known author, well before you were born, but he wrote about the up-and-coming Irish in that part of Pennsylvania.*

WALSH: Well then this qualifies. Scranton's definitely that.

Q: Up until your father died, what was home life like?

WALSH: Very comfortable. Some people talk about having had the tough upbringing. I was one of three sons, and we grew up in a very comfortable environment. My father made a good living. We belonged to the country club. I went to a small Jesuit prep school in Scranton, as did one of my two brothers. We had a very comfortable sort of middle-class American existence.

Q: What was Scranton like? Were you in a neighborhood of...

WALSH: Scranton's an old industrial town. It was much larger in the 1940s, for example. It was a city with something like 140,000 in the '40s. It's down to something in the neighborhood of 75,000 now, so it's half of its former self. It was a good town to grow up in. There was a lot of activity back then, in the '50s. I can remember Scranton being, of course that's from the vantage point of a young boy, I remember it being more city than I think of it as today. But it was a very comfortable place to grow up. Of course, there wasn't much crime, relatively speaking, in the U.S. back in the '50s as there is now, but Scranton had probably even less so. Certainly there was more racial homogeneity in Scranton than there was in the country at large, so we were living in a bit of a bubble that

way. But not a bad time. Pretty area. Northeastern Pennsylvania, it was a pretty part of the world, mountains, so forth. And it was comfortable. I did eight years with the nuns.

Q: Were the nuns the way nuns were supposed to have been in that era? With rulers on fingers?

WALSH: Absolutely. Rulers on the fingers. These were the IHM, Immaculate Heart of Mary, nuns. That's when nuns dressed as nuns. And they were strict disciplinarians, as were the Jesuits that I then had for the next eight years. Talk about a double whammy. Eight years with the nuns and eight years with the Jesuits.

Q: What sort of education were you getting out of this? Let's talk about the nuns first.

WALSH: Good. In retrospect I thought it was a damn good education. There was a lot of discipline, daily mass, this sort of thing. The priests back in those days occupied the same sort of status that they used to at least, maybe not anymore, in Ireland, where the priest's word was the last word. But I thought it was a valuable experience, particularly having lost my father so young. For three boys, to be at a school where you had that kind of an environment, I think, was probably healthy.

Q: At home, how Catholic were you?

WALSH: We were a practicing Catholic family. When we were in grade school you had daily mass.

Q: I was just wondering, sometimes you can have two lives in a way, but you were…

WALSH: Much less so now as an adult, but growing up I would say we were a fairly strong Catholic family.

Q: What about the world. At the dinner table would there be discussions about things, or not?

WALSH: No, not in the sense that we discussed world events. It was a classic, normal, small city upbringing in that the issues discussed at the dinner table were not the great issues of the day or were not really philosophical in nature. They were more what was going on in the family, what was going on in school. To the extent that we were dealing with news issues they were the local news issues - what was happening in town, that sort of thing. I don't remember, to be candid, any profound discussions of this or that.

Q: I don't think there were many. It always depends on environment. Where did your family fall in the political spectrum?

WALSH: Oh, we were Democrats. Very definitely Democrats. My own immediate family, that is, father and mother, were not politically active. But my extended family, in

terms of uncles and that sort of thing, were more active. And to the extent that they were active with one party or another it was with the Democratic Party.

Q: Did you get any feel for the outside world from either refugees or people coming from elsewhere. Were there any ties to other countries as a kid?

WALSH: No, in that sense it was fairly insular. There was no window on the world if you will. In fact, the first time that I really became interested was when I went off as an exchange student right after high school. The first time I became involved in the world beyond where I was brought up was when I went off as an exchange student.

Q: What about on the academic side. What things sort of grabbed you and what didn't?

WALSH: I was not much for the hard sciences. I was not a great fan of math and physics and chemistry, biology. I did reasonably well, I got by. But it wasn't the sort of thing that I enjoyed doing. I liked the softer subjects. I liked literature, I liked history, I liked political science. I loved languages, German particularly.

Q: How about in elementary school. Were nuns teaching you language?

WALSH: No.

Q: Latin?

WALSH: No. I took Latin when I got to high school. There was no language training at the elementary school level anywhere, to my knowledge, in Scranton. That came much later. We had a dose of Latin because mass was said in Latin through all my growing-up years. I could speak it with the best of them as long as we were doing it on our knees. But it was not a subject that you studied. I did four years of Latin at high school, and then Greek was available, but I didn't take Greek, interestingly enough, I took the alternative. I took the hard sciences. I ask myself why, because they weren't the areas that I most enjoyed. I guess I just felt that one classical language was enough.

Q: Where did you go to Jesuit high school, what was the name?

WALSH: Scranton Prep.

Q: How did you find the Jesuits?

WALSH: I love the Jesuits. I'm a great fan of them. I find them very tough, I find them intellectually tough, but I also find them very physically tough. I find them, as they say, the soldiers of Christ, they really were. They're a rough bunch, but if I had it to do over again, as the old saw goes, I'd do it in a heartbeat. In fact, I went on to my own university in Scranton, which is a Jesuit college. I decided I liked them enough to do another four years with them.

Q: In high school what sort of activities were you involved in?

WALSH: I was in the debate club, I was in the German club, I was involved with the school magazine. During three of those four years I was a manager of the basketball team, which mainly means the guy that kind of keeps the score. I wasn't very athletic.

Q: You say that you were on the debating team, I think that somebody trained by Jesuits, were you taught a form of debate, of how to analyze things?

WALSH: Sure. The use of the Tomistic Scale where you would put your pros and cons. And, being good Jesuits, once you've successfully argued one side of an argument or one side of a question, they'd immediately put you on the opposite so that you can knock down every argument you had just made and see how well you do it. I thought that was a good way to go about things. I think it honed your intellectual acuity, but at the same time, on a more personal level, it puts you in the other guy's shoes. OK, now that you've beat up on that guy we're going to put you over there, see how you handle it.

Q: Did you find in later life you were going back to your techniques you had picked up from the Jesuits?

WALSH: You bet. I use them in the Foreign Service all the time.

Q: Gave you an unfair advantage.

WALSH: Oh, I don't know. I ran into a lot of Jesuit-trained people in the Foreign Service.

Q: You graduated from high school when?

WALSH: '64.

Q: By the way, I realize you were just a kid, but did you get involved in the… was there a lot of enthusiasm for Kennedy during the 1960 election?

WALSH: Oh yeah. As a matter of fact I campaigned for him. In 1960, I was a freshman I guess, and I remember one of my classmate's father was sort of a local activist. We spent a number of Saturdays going around putting leaflets under doors and passing out Kennedy/Johnson badges, that sort of thing. I was only 14 I guess.

Q: The assassination must have really hit the school hard.

WALSH: Like everyone else, you remember well where you were, what you were doing. Which brings to mind a funny story. Sometime in the late '80s I was talking to a young JO (Junior Officer). We were talking about where we were when the president was shot. I said that I had remembered exactly where I was, I was a senior in high school. And this JO started to describe where he was and he was clearly already an adult, and I said something is not making any sense here. And he said, no, no, I remember perfectly. I

watched the television, they showed him coming out of the Washington Hilton. And I realized I was really a different generation. It never occurred to me that he could have been talking about Ronald Reagan. To me, when they shot the president, the only president was John Kennedy. But he was talking about somebody else. Couldn't imagine who I was talking about. Talk about the generational divide.

Q: When you graduated it was sort of a done deal that you would go on to university, you and your brothers. How far between your brothers? Who was first?

WALSH: I was the oldest of the three. The next, Steve, was two years younger, and then Rick, the youngest, was three years younger than him, so it was five years between the two of us.

Q: You say that you went as an exchange student for… the summer?

WALSH: For a year.

Q: How did that come about?

WALSH: Serendipitously, really. I was very interested in German. It was the language that I was studying in high school. And like in so many cases, you have a professor, a teacher that you really glom onto, you have a lot of respect for. Of course in this case it happened to be my German teacher. He wasn't a priest yet, but he was studying for the priesthood and was teaching. Pete Smith was his name. He got me very interested in German literature, German language. And so I applied to be a Rotary exchange student for when I finished high school. I was accepted and I was to go off to Hamburg, Germany, to a family and spend a year between high school and college with this family. And as the time to leave got closer, that fell apart. For whatever reason, it just didn't work out. They said the only alternative we really have for you now is to go to South America, to Argentina, to a town called Cordoba, which was upcountry Argentina. And I said I have no interest, I have no language background, that's not something in which I'm the least bit interested. But I realized it was too late for me to do anything about it in terms of getting into the freshman year of college. It was serendipitous. I ended up going when I was 17 years old, to Argentina as an exchange student, and becoming very interested in the language and the country, and many, many years later ended up being ambassador there.

Q: Cordoba, you were there from when to when?

WALSH: From the summer of '64 to the summer of '65.

Q: Talk about what you saw. I mean, your impressions at that time.

WALSH: First, what I smelled. The thing that hit me the most, and it stuck with me ever since, when I got off the plane from New York. This was the very first time I'd ever left the country. I remember going to New York, flying Pan Am. This was back when 707's were brand-new airplanes. We had to stop off at Maiquetía Airport near Caracas in order

to refuel because you couldn't go all the way to Argentina on a tank of gas. Of course today you can. And I remember getting off the plane and being overwhelmed by the smell of diesel. And I don't know why, I guess where I grew up people just didn't use diesel. There must have been trucks around Scranton using it. But in Buenos Aires, which was the biggest city, except for passing through New York to get to the airport, that I had really ever seen, there was this smell of diesel. Not putrid, just there. It's always stuck with me. But that was the smell of Argentina. It was diesel fumes. I remember being impressed by the city. First of all, I changed seasons. I left, I think it was July, in the middle of the summer and of course arrived dead of winter. And it was cold. And then changed flights, changed airports, and flew out that afternoon to Cordoba, which was going to be my home for the next year. I was met by my surrogate mother, one of the four families that I lived with during the course of the year. I remember going home to their apartment. They were urban dwellers, and I had never grown up in that kind of environment. I grew up in a small city in the outskirts. A neighborhood, if you will. And I just remember being overwhelmed by how friendly the family was, but not understanding a word they were saying. Not a single word. And they would just rattle off in Spanish and I had no idea. And I just sat there and grinned like an idiot until sooner or later, over the course of the year, I got the idea.

Q: What did they do with you?

WALSH: Well, they put me in high school, Manuel Belgrano High School, for about a half a year. And I subsequently learned that a fairly large number of my classmates in that high school were murdered during the military dictatorship, 1976 to '83. They disappeared. There were a number of high schools. Cordoba was an area of a lot of political ferment in Argentina. It was the Berkeley, if you will, of Argentina. And this particular high school later on in the late '70s was seen by the military as an area to keep an eye on. A lot of those students who would be my age today never made it. I spent half the year at that high school and I spent the other half year at the Catholic University of Cordoba in the law faculty even though I hadn't even started university. None of this was for credit. Since I had finished high school the Rotary program allowed me to do both high school and college during the course of the year, so I met a different age group. Many of those people, particularly in the college group, ended up being good friends for years and years to come.

Q: What about the language learning? How did this work?

WALSH: Basically, when I knew I was going to Argentina I was able to get a quick dose of Spanish from Dr. Frank Cemino. Remember him well, saw him recently. He's an elderly man now, who was a Spanish teacher at the high school level, college level, both I guess, in Scranton. But try as he might there wasn't enough time, so I barely had enough to say good morning. So it was basically through osmosis. Pointing to things and having them named, and then just trying to memorize them. To a certain extent I tried to institutionalize the learning by setting a standard - I would get 20 words a day and then try to use those and then 40 and 60 and so forth. And little by little it came, but it was one

of those things. You know, as Foreign Service yourself, you wake up one morning and you say, jeez, I'm speaking this language.

Q: How were you treated? You say you had four families. How did that work?

WALSH: Altogether I there was 12 months, about three months with each of those families. And I was treated very well by all of them. They ran the gamut in size, in economic situation, from very well off to what we would consider middle class, the kind of upbringing that I had. I didn't stay with anybody on the lower end of the economic scale because in Latin America if you were in those circumstances you probably weren't a member of the Rotary Club. It was a Rotary exchange program and these were Rotary Club members.

Q: At school were you treated as sort of an exotic creature?

WALSH: Yeah. In ways that if I had been assigned to, say, Buenos Aires, which was a very sophisticated, world-class city, I would not have been a strange duck.

Q: They have a big English speaking community.

WALSH: Very big English-speaking community. Anglo-Argentines in Buenos Aires are a fact of life. Cordoba, not so. Cordoba is truly a Spanish colonial city. It's not a backwards city. It was a city of, when I was there, about 600,000. It's almost two million now. But it was the capital of the interior, as they used to say.

Q: Farming? Was this cattle?

WALSH: No. Most of the farming and the ranching was in the Pampas. Cordoba was at the edge of a mountain range and it was the automobile manufacturing capital of Argentina. It was the Detroit, if you will, of Argentina. It had big plants. It had GM and Ford and Kaiser, Renault, Fiat, all had plants there. It was a big industrial city.

Q: How'd you find the social structure of the high school?

WALSH: Well, I found it unlike what I was used to. In Scranton, I went to an all-male high school. Scranton Prep in those days was boys only. That's changed, of course, like everyplace else, but in those days it was boys only. In Cordoba it was coed, although, like most kids that age, the girls stuck to themselves and the boys stuck to themselves. People wore uniforms, which was not something that I was used to. Girls wore uniforms at my grade school, but here they all wore something called a guadalaholbo which means, basically, a duster. It looked like a white lab coat. Everybody wore those to keep from getting their clothes dirty during recess. But otherwise it was very much like an American high school.

Q: Could you date or was this...?

WALSH: You could date, but in the sense that we would go to parties as groups and that sort of thing. There was no sort of serious dating.

Q: '64 to '65, where was Argentina, which has gone back and forth, where was it politically in those days?

WALSH: At that time it was in a democratic period. The president was from Cordoba, interestingly enough. He was a country doctor, Arturo Illia, who had been elected. He succeeded another elected president who would become a very good friend of John Kennedy's, a fellow named Frondizi. So I had gotten there during a democratic period. And generally speaking it was peaceful, although I had my first whiff of tear gas in Cordoba. During my first month, August of '64, the then-president of France, Charles de Gaulle, came on an official visit to Argentina. And he came and spoke on the steps of the Palace of Justice, basically the courthouse, in downtown Cordoba. And I don't know whether the riot that ensued had anything to do with his visit or whether they were just auto workers and others that were taking advantage of his visit to make a point. But anyway, there was a demonstration and it turned ugly, and my host family brother and I were caught in the middle of the thing. So we had to run like hell because the cops were using tear gas. We got a pretty good dose of it, but we got out of there alright. But I remember that being the most exciting I think had ever happened to me to that point.

Q: How about at the university? Was that a different breed of cat?

WALSH: Cordoba was a place of great political ferment, and so the university reflected that. It was like a university in the United States in the '60s. A lot of anti-Vietnam sentiment. Vietnam, of course, was not yet what it would become. And there was still an underlying anti-Americanism that would flash up from time to time. I can't remember what was going on further north in Latin America, to be honest with you, but I think there was some activity and we were involved, engaged elsewhere in Latin America and that was causing…

Q: In Brazil I think this is the time that they had the dictatorship there and we were considered to be a little too cozy to them.

WALSH: It could have been. There was something going on in addition to Vietnam, and I can't recall what it was, that had young Argentines who were politically active ticked off with the United States. And I would get an earful because again, even at the university level, I was a bit of an odd duck. There were not many Americans in Cordoba and I don't think I had another American in my classes. So on the one hand I was the target of nothing ever nasty or violent, but I was a convenient target for people who were upset with U.S. policy, but at the same time I made some great friends.

Q: All of a sudden you're an American and you come out of Scranton, where you say you weren't really very much engaged in things. Did this turn your mind towards what are we doing, why are we here?

WALSH: That year in Argentina was the seminal event in getting me interested in foreign affairs, U.S. foreign policy. I wanted to be part of it. That was really, to the extent that there are watersheds in anyone's life, that was mine.

Q: Did we have a consulate there in Cordoba?

WALSH: There was a consulate there and shortly after I left it was closed because the consul, fellow by the name of Egan, was murdered. But I had no dealings with the consulate whatsoever. I didn't know what a consulate was.

Q: Did you know anything about the foreign affairs establishment?

WALSH: Nothing. I didn't know what an embassy was. I knew sort of generically what an embassy was, but I had no idea where it was located. I was told it was down in the capital which was 800 km away. I don't know that I ever knew there was a consulate in Cordoba while I was there. I learned after the fact about Mr. Egan having been murdered.

Q: Why was he murdered?

WALSH: This became active during the early '70s. I'm trying to remember when Egan was killed. It was during a period when a group of terrorists called the Montoneros in Argentina became prominent. And it was the Montoneros activity that led to the military crackdown that led to the military dictatorship of '76. But it was the early '70s when a lot of kidnapping and killing was going on, and that's when Egan was murdered. [Ed. Note: John Patrick Egan was kidnapped on February 26, 1975 and executed on February 28, 1975.]

Q: We'll stop in a second, but did you have any chance to talk politics? Was this becoming something that you all of a sudden find yourself involved in?

WALSH: I had to engage somehow. At the dinner table in Argentina the conversations did often revolve around international events and what the United States was doing and so forth, which was not something that we spent time on talking about back home. I might have been the catalyst of that. That might not have been the conversation if I weren't sitting at the table, but since I was at the table we would talk about what the United States was doing, and I found myself often on the defensive. That's kind of the early training for the Foreign Service, trying to defend U.S. policy because I was the only guy at the table from the U.S.

Q: I always heard that the Argentines really look towards Europe, and the United States would… unlike, say, if you were in Mexico. But did the United States loom rather large?

WALSH: Yeah, the U.S. did commercially. You're right, though. The Argentines, unlike other countries in Latin America, looked toward Europe for what they would call probably their cultural sustenance in the sense that there's a great tradition of Anglo-Argentines. The British came in the mid-1800s to late 1800s to build the railroads, and a

lot of British culture remained behind. There is a certain snobbery among Argentines with regard to France. The Argentines like French architecture. Argentines of a certain class send their kids to the lycée (French public secondary school), they don't send them to the international school or the American school. But all that said, we were the big kids on the block when it came to foreign investment. The big investors in the automobile industry were American firms. The French were there, but in the banking community it was U.S. banks. Bank of Boston had been around since the turn of the century. So we loomed large, but if you were to ask an Argentine, especially back then, where they would like to send their kids if they sent them abroad, would they send them to Harvard or would they send them to Sorbonne, they'd say for sure they'd send them to Sorbonne. That has changed. I think there's more of a focus now on the relationship with the United States than there had been in the '60s.

Q: Speaking of university, were they picking up the elements of the Berkeley experience... this predates really the Vietnam thing, the free speech movement. In other words, it was the beginning of the hippies, the Haight-Ashbury business, and the generational cut, don't trust anybody over 30 and that sort of thing. Was that developing there?

WALSH: There was, not as much as in the United States.

Q: It was spotty in the United States, too.

WALSH: This was earlier too, '64, '65, it wasn't the same as '72 when things really started to heat up. The importance of the nuclear family in Argentina is so powerful, as in any Latin culture, that that makes it more difficult for these sort of centripetal forces to operate. That didn't change throughout all of this.

Q: No matter what you revolted against you had to be home for dinner at mother's on Sunday.

WALSH: That's right. And the daughters didn't go out without the brothers. You could raise hell in any way you wanted, but there were a certain sort of core values that were not to be monkeyed with.

Q: Today is the fourth of November, 2003. Jim, you came back from Argentina, this was a student thing, wasn't it? How old were you when you came back?

WALSH: 18.

Q: So you weren't exactly ready to be nominated as ambassador to any country at that point.

WALSH: Not even close.

Q: So what'd you do when you came back?

WALSH: Well, I came back. I was 18. I was then a year behind my classmates because we had all graduated the year before from high school. They were finishing their first year of university. And then I attended my hometown university which was a small Jesuit school in Scranton, University of Scranton, as a history and Spanish double major.

Q: Mike Metrinko was your classmate.

WALSH: Was my high school classmate. Mike went on to Georgetown for his undergraduate, so we weren't college chums, but we were high school classmates. And so I attended the university for a couple of years.

Q: So you did that for two years.

WALSH: No, I did it for four, but I spent my junior year abroad because I got the bug.

Q: Let's talk a bit about University of Scranton. What was it like at the time?

WALSH: It was a small liberal arts, largely progressive school. I think of the Jesuits in an educational sense as the avant-garde of the Catholic church, and I think they are sort of forward leaning. They tend to be liberal, but my own political inclination is liberal as well. But again, hometown school, I didn't go away to university.

Q: Were the reforms of Pope John XXIII sort of stirring up, was it kind of an exciting time to be in a Catholic institution?

WALSH: It's always an exciting time to be in a Jesuit institution because the Jesuits stirred things up. Of course, they were thrown out of Spain. You would think the Spanish would take some pride of the fact that the founder of the Society of Jesus was in fact Spanish, but the Spanish often say that he was a Basque and therefore wasn't truly Spanish.

Q: This is Loyola.

WALSH: Ignatius of Loyola, yeah. So it's always an interesting time to be with the Jesuits. That was an interesting time in the church because this was a post-John Kennedy era and as you said it was John XXIII.

Q: What sort of courses were you taking?

WALSH: My focus was mainly on history, literature, language, Spanish particularly, although I did study German as well.

Q: Had you really moved your focus from Germany to...

WALSH: By then, yeah.

Q: Was it Spain or Latin America?

WALSH: It was Latin America that did it. Because I hadn't yet been to Spain. I spent my junior year at the University of Madrid, so it was the influence of Argentina that had me thinking more in terms of the Spanish language.

Q: Were there any Latin American resources in the Scranton area?

WALSH: No. Not really. In fact, even the Spanish language program at the university was reasonably small. Spanish had not become the important de facto second language in the United States that it has become. In the mid-'60s, any kind of research material at the university in Latin American affairs was pretty minimal.

Q: How about your colleagues. Were you below them looking to get out in the world, or…?

WALSH: I think that the Jesuits instill a sense of curiosity about the world. I think that they're by nature intellectually curious people. So I don't think I was alone in that regard. I might have been a bit of a fish out of water in terms of my classmates from Scranton. Not an awful lot of them were necessarily interested in international affairs, but of course this was a school where more than half of the students came from elsewhere. We had people from all over the country, and we had international students as well. One chum at the university was an Argentine who was studying at the University of Scranton to get his degree. He went on to earn a Ph.D. from the University of Virginia and now he is the dean of international studies at the University of Maryland right here, Saul Sosnowski. And probably one of the preeminent experts on Latin America in this region.

Q: What about this other international affairs, small little to-do in Vietnam? You were on the campus during… how was this hitting? I mean, Jesuit campus is different than, say, Berkeley or something like that.

WALSH: Remember this is the time of the Berrigan brothers, so there was activism on the University of Scranton campus, but it was intellectual activism. Later on, when I attended graduate school for my master's at Syracuse University, that was a different story. That campus, this was in '69 to '70, that campus really was more like your big public university campus. There were violent demonstrations against the war. Sit-ins at the dean's office, cars burned, this sort of thing happened during the course of that year. But not the University of Scranton. It was more sedate than that. There was a lot of debate about the war, but I don't recall anything approaching violent demonstration.

Q: You went to Spain for your junior year. Was this Franco time?

WALSH: Right in the middle of Franco's time.

Q: How did Spain strike you?

WALSH: Sad. I was looking to go to Spain through my own university, but there was no junior year abroad program available in Spain. I had to transfer to Georgetown for that year in order to take advantage of their program in Madrid. It was a fascinating time really. One of my memories of Spain during that '67, '68 time frame, was the number of crippled and maimed veterans of the Spanish Civil War that were still around. The Spanish Civil War at that point was not quite 30 years over and a lot of these veterans who were in their late teens and twenties in the 1930s were now only in their late forties and early fifties. Madrid was loaded with legless and armless beggars. And it was at that point that I think that the national lottery system in Spain was set up. I think the only people who were allowed to sell lottery tickets were the blind. And the blind largely were blinded during the course of the Spanish Civil War. So in that sense it was sad. And of course during the Franco years there was no public debate of any sort, there was no dissent. No groups of young men, for example. If there were more than three young men at any point grouping on a street corner, the Guardia Civil, the Spanish police force, could come up and disperse you for no reason at all, just because they didn't like the looks for three or four young men grouping. Back then the University of Madrid, where I attended, was closed for several months during the course of that academic year because of anti-regime demonstrations, and police came in. I can still remember police coming up the stairs of the School of Philosophy and Letters on horseback with truncheons, beating students as they found them to break up demonstrations.

Q: What did you do?

WALSH: Ran.

Q: Good for you!

WALSH: But I had a few good whacks as everybody else did.

Q: What sort of things were you trying to study?

WALSH: I grouped all of my electives into my junior year. Often people will take their electives either at the very end of their senior year or they'll spread them out. I tried to group all my electives into my junior year so that I could focus on the kinds of things that I could only do in Madrid. So, for example, I had courses on sixteenth-, seventeenth- and eighteenth-century Spanish art, and we had our classes at the Prado Museum, which was terrific. And had I done that at the University of Scranton, it wouldn't have been the same as being able to do it right there at the Prado. And I did Spanish literature courses where I could go to the Cervantes Institute and the Royal Academy of the Spanish Language right there in Madrid for source material.

Q: Did that sort of nail down your idea of getting out and around?

WALSH: You mean doing things having to do with travel and the Foreign Service, that sort of thing? Pretty much. I still didn't really have a sense as to how I would do it. I just knew by then that whatever I was going to do it would probably have to do with

international affairs. But I had not thought in terms of the U.S. government or the Foreign Service or anything like that.

Q: In Madrid had you run across the embassy at all?

WALSH: Not at all. I don't think I was ever at the embassy in Madrid during that year.

Q: At Scranton was there anybody who sort of you could look upon as a mentor, who was helping you direct your thoughts of what you wanted to do?

WALSH: Yeah, there was a priest. By then I guess he must have been well into his sixties, Ed Gannon, a professor of philosophy, and probably the most urbane man I thought I had ever met. And I found him to be a delightful cynic with a great sense of humor. More than any one else there, he directed me towards the international scene. My history professor, Bernie Williams, was also an influence. Bernie loved history, history was my major, and his enthusiasm was pretty infectious.

Q: Then you graduated in…?

WALSH: I came back and did my senior year and graduated in '69.

Q: So then what did you do?

WALSH: There I was. 1969 with a degree in history and really no prospects for employment, so I decided to go on for a master's degree in public administration, an MPA, at the Maxwell School in Syracuse, New York. They had a one-year program where you could get in in July and you're out by the following July. It seemed to me that that would give me something. Maybe more market. So I went to Syracuse. Spent a year in Syracuse - very intensive year in the sense that it was one of these no-nonsense programs. You didn't enjoy the university life. Undergraduate school was for that. You just had a very heavy course load throughout the year and you had your degree at the other end of the process.

Q: Did you have any particular area that you were… In public administration, what were you looking at?

WALSH: Ultimately I made the right choice in pursuing a degree in public administration because I ended up having a public service career. I was beginning to think in terms of the international scene, but in a private sector way. Basically I picked the wrong degree for where my head was at that time. I was thinking in terms of doing something in the corporate world overseas while at the time I was pursuing an MPA. I probably should have been pursuing an MBA (master's in business administration). That would have been a more logical thing to do. But as it ultimately turned out, the MPA was the right thing.

Q: Then July of, I guess 1970, there you are with an MPA and Vietnam is raging. We're beginning to withdraw at that time. You have the Kent State business and all of that. Spring of '70. Was the military bearing down on you?

WALSH: No. Because when I was 18 I had been diagnosed as a diabetic. That's another story I can get to later when it gets to the Foreign Service because that thing has been flipping and flopping my entire career. But no, I had been diagnosed as diabetic when I was 18 years old so I was considered unfit for service.

Q: What did you do July of '70?

WALSH: I came to Washington. I figured with an MPA I was probably best equipped for some kind of work with the government. At least I would check it out. I came to Washington and started interviewing. I was probably interviewing for a couple of weeks, and I had two offers at the end of that process. One was to join the National Park Service as a junior smokey, to be a park ranger. Which in all these years in the Foreign Service, I've always wondered if I made the right choice.

Q: It sounds intriguing, doesn't it?

WALSH: Exactly. And I'm just wondering if maybe it would have been more interesting had I gone the other route and become a park ranger. And the other offer was to be a management intern, an MI as they called them back then, with the Department of the Navy, now called the Strategic Systems Project Office. This is the outfit that develops, engineers, manufactured through contractors, the intercontinental ballistic missiles systems used on submarines.

Q: This is Polaris.

WALSH: Polaris, then it became Excitement and now it's Trident. I decided to go with the Navy department.

Q: Well, let's talk about this. This is during the era of Rickover, wasn't it?

WALSH: It was during the era of Rickover. I left out an entire year. After Syracuse, this was 1970, I applied for and was given a Rotary Foundation Fellowship grant for one year of study abroad at the graduate level. They would pick up your living expenses and your tuition at basically the school of your choice overseas. They have a right to pass judgment on the school so that it was a serious endeavor. Initially I tried to get into the London School of Economics to do that year and just basically couldn't get it, and so decided to go back to what I knew. So I went to Argentina, applied for a graduate program at what was called the Di Tella Institute. It subsequently become a full-fledged university; it's called the Di Tella University now. Di Tella is the name of the founder and director, Torcuato Di Tella, who was a prominent intellectual in Argentina. When I subsequently went to Argentina his son was the foreign minister. So I actually came back and revisited the Di Tella folks a little later. The reason why I really shouldn't leave this year out is this

is the year when the whole Foreign Service thing started. So I went back to Argentina, rented an apartment, and began taking classes at the Di Tella Institute, focusing on Latin America, particularly on Argentina. In those days, students living abroad could come into consular sections in American embassies and pick up their mail. Those were the good old days. This is the first time living abroad where I actually did have contact with the embassy. I asked if I could have my mail sent via the embassy and the good folks at the U.S. Embassy in Buenos Aires said yes. So I used to go in, oh, once every week or two to the embassy, and there was one of these pigeonhole arrangements and I would just go up to W and say can I have my mail. And one day in the fall, not long after I got up there, there was an ad on the wall saying "Foreign Service examination, first Saturday in December" being offered. I asked the senior FSN in the consular section in the embassy in Buenos Aires what that was all about. She said, well, that's basically what my boss and others here in the embassy do. Would you like to talk to one of them? And I talked to the vice consul, whose name was James Mitchell. I'm sure he's long dead. And he explained to me what the Foreign Service was about. And so I said, well, how much does it cost to take the exam? And he said nothing, it's free. He said, do you like College Bowl? Remember GE College Bowl? Quiz show, used to be on TV. I said yeah, I do. And he said it's like taking a College Bowl exam. You just give up a Saturday and you come into the embassy, and I said sure. So I took the Foreign Service exam at the U.S. Embassy in Buenos Aires. 30 years, almost to the day, not quite, to when I returned as ambassador.

Q: You kind of left that hanging then? What was the situation in Argentina the year you were there?

WALSH: It was a combination of things. Well, for the most part, it was what they call in Spanish a play on words they call the “dicta blanda.” The Spanish word for dictatorship is “dictadura,” and of course “dura” being the Spanish word for “hard.” That was, rather than the hard dictatorship, this was the “dicta blanda,” the soft dictatorship. And the “dictadura” being the period that people know so well, 1976 to 1982, when 30,000 people were disappeared. This, in the early '70s, was not an elected government. It was a junta of three military officers that kind of rotated who was in the chair at any given time. Basically, there were no civil rights, but there weren't the kind of abuses that came later either. So the situation in Argentina I would describe as stable. People on the right wing were delighted at the way things were. People who were not were resigned. There was no real active opposition to the regime in the sense of the Montoneros who came shortly thereafter.

Q: You were in the big city now. Before you had been in Cordoba, and all of a sudden you're in the big city. Was this a different atmosphere?

WALSH: It was a different atmosphere, yeah. Cordoba was much more provincial, although it wasn't a tiny town, half a million people, but it was more of a Spanish colonial atmosphere. People still took the siesta, they slept through the afternoon. Buenos Aires, no. I don't know how many millions this was in the early '70s, there's 12 million people there now so it must have been 8 or 9 million at that point. It was certainly the biggest city I had ever lived in. So it was much more of an urban flavor to life. It was more like a

European city than it was a Latin American city. It was a fun place to be for somebody who was 24 years old, I guess at that time.

Q: How about student life, as you were at the graduate level. Was this a world apart or not?

WALSH: Not really, at least not at that time, because Di Tella Institute was an urban school. There was no campus to speak of. And the other, bigger universities - because the Di Tella University is a small private school - the bigger universities, the University of Buenos Aires, the Salvador University, these larger schools were also urban universities in that they occupied downtown buildings. There was no sense of campus. There were coffee shops, but they weren't necessarily just student coffee shops, members of the public went in there. So it wasn't the same sense of community you get at an American college or university. While this was the time of the soft dictatorship it was still a dictatorship. And there was no student activism, at least no overt student activism. There was a lot of debate going on on campuses, but it was a dangerous thing to get out and make waves.

Q: You decided on moving into the Spanish-speaking world. You spent a year in Madrid and then you're back in Buenos Aires. Were you picking up the idea that the Spanish-speaking world was full of a lot of policemen wandering around, keep breaking you up… you were really looking at a dictatorial world.

WALSH: Yeah, that's true. Of course, the first year in Argentina that was a time of democracy, in '64, '65. But yeah, you're right. My next two experiences, both in Spain under Franco and in Argentina under the military, yeah, I was getting a skewed view of the Latin world.

Q: Were people interested in you as an American, and was the Vietnam War something that was on their minds or not?

WALSH: Vietnam was an issue, but it wasn't as much of an issue, at least to my recollection, in Argentina at that time, because students had other kinds of concerns, and that was for their own lack of civil rights. It wasn't a time of demonstrations - at least not yet. People were more inward-looking at that point. But Vietnam, of course, was a subject of debate, and the opposition among the student population was almost universally against the U.S. position. The other thing, too, was that I think that unlike Europe, not a lot of American students went to Argentina back then. Not an awful lot go even now, but even less back then. So I was a bit of an oddity. Not as odd as I was in Cordoba some years earlier. I might as well have been from the moon. But in Buenos Aires, even as sophisticated a city as it was, there weren't that many American students.

Q: At that time the United States wasn't the colossus to the north, it was Brazil still, was it? Did they look towards Europe?

WALSH: Brazil back then didn't really have any of the heft that it has today economically. As a matter of fact, Argentines really took a very haughty attitude to Brazil and Brazilians. They thought them somehow a lesser people. Argentina had a long history of being a sophisticated background, the European background and so forth. So I think that the relative importance of Brazil to the Argentine psyche right now is a new phenomenon. That wasn't true back in the early '70s. The United States was then, as it is today, the 800-pound gorilla. There was no getting around it. But Argentines personally took more interest in Europe, particularly in France. At a time when, in Central America for example, the sons of the upper middle classes and the wealthy were going off to universities in the United States, their counterparts in Argentina were going off to the Sorbonne, going off to Bologna, going to Oxford. They had this greater sense of affinity with Europe than they did with the United States.

Q: Did you run across sort of the English colony or whatever you call it?

WALSH: Yeah, the Anglo-Argentines. The Anglo-Argentines are more English than the English as is often the case because subsequently I met them in former British East Africa, my first assignment in the Foreign Service, in Kenya. And as they always say, the overseas British are more British than the British. And that was true in Argentina, as well. The British came in the mid- to late-19th century to build the railroads, and stayed, and formed a fairly close-knit Anglo-Argentine community, which survives to this day. There was a period in 1982, during the Falklands War, where they kept theirs head down. Some of the Anglo-Argentine country clubs, for example, that had the portrait of Her Majesty front and center in the clubhouse put it down in the basement during the course of the war. But it's back up again! But they really have been, except for really the older generation, and I mean people in their sort of 80s now, the Anglo-Argentines really have been assimilated into the Argentine culture. They've kept the language. Even the younger generation, which is smart. I think they realize there's an economic value accruing to it, but certainly the Anglo-Argentines I know, of my age group and younger, consider themselves Argentines. There's no talk of going home to England or anything of that nature, which was not true, really, of some of the older Anglo-Argentines. But no, these folks really do identify with Argentina.

Q: What were you studying at the institute?

WALSH: Basically I was studying Argentine history, Latin American history, Latin American political development. The focus was Latin America generally, Argentina specifically.

Q: But were you seeing at that time, this is in retrospect and something you became obviously very much involved in, something I've never understood is what the hell is wrong with Argentina? Sort of economically and governments. One looks at it, it doesn't have an Indian problem, it's got an educated population, but the economics are just incredibly poor and the politics don't seem to work. Were these things examined? We're trying to go back to that time. Were you looking at it at all that way?

WALSH: I wasn't looking at it that way, no. My focus was trying to basically learn as much as I could about Argentine reality from a historical standpoint. But since then, I've given it a lot of thought. I've spent time in the country, and people who are a lot brighter than I am have given it a lot of thought. It is a real kind of power country that is so well-positioned economically, climatically. Not a lot of the racial strife that you have in other Latin American countries. The approach they took to native populations was similar to the approach we took in this country that basically decimated them. Ended up with a homogeneous population with a literacy rate in the high 90 percent. A very well-educated population, sitting on one of the richest pieces of real estate in the world. Not overpopulated - even today. Argentina is a third the size of the United States with a sixth or seventh of its population. And yet they just have a hell of a time trying to govern themselves.

Q: But was that apparent at this time? At the time you were there?

WALSH: Sure, because the military had taken over. The military had taken over when I was there.

Q: Again, I'm trying to go back to the time. What were people saying of why the military had taken over.

WALSH: I think for the reason the military had always taken over in modern Argentine history, and that is because the so-called oligarchs went knocking on the barracks door. It's my view that the military in almost no case had proactively sought to govern in Argentina. Basically, what happened is the oligarchs, the landed gentry, who felt that things weren't going their way, that things were moving from their vantage point to the left, virtually all of the political spectrum was to their left. They basically went to look for the military and said let's get in some order, let's get things back where basically we can run things. And that's what happened. You look at it right from the time of the 1930s during the first military takeover of Argentina. You look at it later on. Perón didn't govern as a military dictator at all, he did so as an elected civilian president. Well, he was referred to as General Perón. He was the antithesis of the Argentine military officer. He looked to organize labor and folks like that for his support base. But then you looked at the early ‘70s and God forbid the late ‘70s, which was really the worst period in Argentine history, '76 to '82, and basically they were a tool of the wealthy landed classes.

Q: At that time at the university, did you run across any graduate students who were aiming for the military or was this a whole different group?

WALSH: No. I never once met anybody in graduate school who would have given a thought to going to the military. In those days, the military - generally speaking, the officer corps - came from long-standing military families. Your father was a senior officer in the army, you were an officer, your son was an officer. And virtually all of those went to the academies, the military academy in Argentina. So they graduated from basically the equivalent of West Point and went on to a military career. Now the non-coms (non-commissioned officers) and the rest of the military were largely recruited from

the poorer classes of society. There was a period when I was living there where you had obligatory military service - universal obligatory military service. So that you were 18 years old or whatever it was I don't.

Q: This is tape two side one with Jim Walsh. You were saying there was a period when they had universal military service and everybody went or everybody…?

WALSH: Well I'm sure there were a lot of cases where people bought themselves out of it. But essentially it was a universal draft.

Q: Going back to this time - it was, what, '70, '71 - was there a strong sense among the students at all of Argentine patriotism?

WALSH: There was a strong sense of Argentine nationality more than patriotism. I don't think they think of it in terms of patriotism; at least with some Americans there's almost a kind of a militaristic angle to it. They spilled our blood, the defensibility and that sort of thing in a patriotic sense. It's not that kind, because they're not a militaristic people in Argentina at that time. I think the idea somehow of pride in Argentine identity, yes, there is. But that identity is very European. What they'd like to do is to differentiate themselves from many of their neighbors who they consider to be more Latin American. Now that excludes Uruguay which has essentially, historically, been a cultural and at one point was even a political extension of Argentina. And to some extent that may exclude the Chileans.

Q: I would think that the Chileans, I mean the Europeans, would have a very close affinity to… the same stock.

WALSH: Yeah. Although Argentines really have always thought of Chileans as kind of their country cousins, in a way. Uruguay is the same. The same stock but never quite as sophisticated. Their economies never quite as developed. The number of intellectuals that get world recognition, not nearly as many, you know, this sort of thing. I think right-thinking Argentines look and see how well the Chilean economy is doing today and say hell, if they can do it, we can do it.

Q: Before we leave there's just one thing. Did you have any sense of Marxist influence, I realize it's a dictatorship, but still, students are students.

WALSH: Like I said, I don't recall demonstrations, but there was debate. Absolutely there was a strong leftist bent among the student population at Di Tella and basically the students I met in other universities. Presumably as a reaction to the fact that there were no civil rights under the dictatorship, soft or hard. And that Marxism provided the kind of philosophical underpinnings for that attitude on the part of students. Oh yeah, very strong. And of course, ultimately, after I left, it manifested itself in the Montoneros movement. That was carried on throughout the Isabelle Perón period. The second Juan Perón administration and the subsequent Isabelle Perón administration were such a disaster,

with Montoneros' activity earlier on and incompetence on the part of Isabelle, it all led to the military takeover in '76.

Q: Well now, was Perón just a presence in Spain at that point or… was he a name that people bandied about and say, oh will he come back?

WALSH: Oh sure. Of course, during the military years you didn't mention his name. And the streets and avenues and parks and all of the other sort of monuments that were named after Perón, they were all renamed during the military years. And then when I got back subsequently in 1989 I found that they had all been renamed once again, and Perón's name was back in bold because the president of Argentina was a Peronist. Perón was always that sort of eminence grise that was sitting outside of Madrid. He would send instructions to his people in Argentina, and Peronism never really disappeared at any point. The leadership moved to Spain and the rank and file essentially went underground in Argentina, but it never ceased to exist. It was always there.

Q: In the university, did you sense a Peronist feeling or was this something that was sort of in the ranks of labor and somewhere else?

WALSH: There were what they called the Juventud Peronista, the Peronist Youth. There was Peronist activity in the universities, but I would say that there was a stronger affinity with Marxist Leninism on the part of a lot of the student body than there was with the Peronist movement. The great majority of the support for the Peronists came from the working class, and those weren't the folks attending universities.

Q: Intellectuals go for Marxism. How about Castro in Cuba?

WALSH: He was seen as first of all a Marxist-Leninist leader and secondly as someone who would stand up to the 800-pound Yankee gorilla. So there was a certain attraction among the student body. And there was another connection, which people in Argentina either like to highlight or to hide, depending on where you came from on the political spectrum, and that is the fact that Che Guevara was Argentine.

Q: Che Guevara in our campuses at this time is dead I think by this time.

WALSH: He was killed in Bolivia in what year… he must have been dead by then.

Q: But he was sort of an icon. You still see it. This picture on T-shirts. Was this sort of allowed?

WALSH: No, you didn't see his picture on T-shirts in Argentina when the military were around. That would have been a dangerous thing to do. But yeah, he was one of the people whose name was floated around in conversation on the campuses.

Q: Back to a completely different world and that of Admiral Rickover and your time with the Department of Defense. What were you doing?

WALSH: I was a management intern for the first year and that meant that I moved around from one office or area to another in this special office called Strategic Systems Project Office. The father of the nuclear navy arranged for this office to be created, and he was still alive at the time, Admiral Hyman Rickover. He was a legend in his own time. His influence was felt throughout. Every senior naval officer in this organization had served on nuclear submarines and they had interviewed personally with Admiral Rickover. My understanding was that every officer and crewmember of a nuclear sub in those days had to be interviewed personally by Admiral Rickover. I imagine that became unwieldy eventually, but back in those days the word on the street was that you didn't get on board one of those vessels unless Admiral Rickover met with you.

Basically, the product was an instrument of death, but the process was like any other process. You had the budget shop, you had the contracting shop, you had the personnel shop, the engineering shop. I take that back, the only areas where a management intern with my background did not rotate into were the hard engineering shops where they actually sat down and designed the missiles.

Q: Thank God. I think of you, saying let's work on this targeting thing.

WALSH: The real work of course was done by contractors. Westinghouse did the closures. Lockheed Missile and Space out in Sunnyvale did the missile body. Thiokol in Utah did the motors. These were the people who actually built the things. But there were engineering areas where they actually worked with contractors in designing these things, and I didn't deal with those at all. And then ultimately, at the end of that year, you had to choose an area where you'd like to specialize. And I chose contracting. And I basically was a contracting officer for the rest of my time with that outfit.

Q: This was two years?

WALSH: A little less than two, because in the meantime I was waiting to hear from the Foreign Service, which is another story.

Q: Let's finish up on the contracting side. How did you find that? Were you getting kind of restive? It doesn't sound very exciting.

WALSH: Well, it wasn't. But the thing that really bothered me the most was feeling a sense of frustration that I really wasn't accomplishing anything. And what I mean by that is this. As a contracting officer your job is to sit down across the table from the contractor to negotiate the buy - the missile buy, or the motors buy, or the closures buy, or whatever it happened to be. And ultimately I ended up on the team that was negotiating with the missile supplier itself. And our team usually was the principal negotiator - that was not me, I was too junior - myself as maybe the deputy, an attorney from the legal shop, and an engineer. The contractor for whom we were paying out of the contract might have had 30 people on the other side of the table. And they would bring in a bill of materials which would be a computer printout. Remember, this is 30-some years ago, so this was still

pretty crude, a long foldout thing with the holes on the side that might have, I don't know, 20,000 different items. And we were somehow supposed to price out all of that, determine whether the public was getting screwed or not by the contractor. It was overwhelming. There was no way. All you could do basically was to throw a dart and pick several dozen items and then try to find out whether or not those things were properly priced or not priced. And of course you'd find out that maybe a quarter of them were inflated and you could only assume you were getting screwed on any number of other things. So it was a sense of frustration that somehow you were out there supposedly trying to protect the interest of the taxpayer and there was a chance that you didn't do it effectively. So I found it more frustrating than boring. It involved some travel. I used to travel a lot, particularly to Sunnyvale, California, to the San Francisco area, which I liked a lot. And I was a guy in my mid-20s and it was a fun thing, and I was a GS-9 (General Schedule civil service pay scale grade) or something like that at the time, which was decent money for a single guy. But during the entire period I was waiting to hear back from the Foreign Service. From the time I took the exam to the time I came into the Foreign Service was a period of almost two years.

Q: You took the written exam and passed it the first time?

WALSH: And I failed it the second time.

Q: How did this look at the process?

WALSH: Well, I took the exam in Argentina and I passed it. Then by the time I learned that I passed it and my oral was set up I was back in Washington working for the Navy department in the job that I'm describing - or as an intern actually at that point. So I took the oral, passed it.

Q: Do you recall any of the questions on the oral?

WALSH: I couldn't. It's all a blur. Then of course the background investigation took a little longer than the average kid that age because I had lived overseas. But not much longer. But then I flunked the physical because I was diagnosed as being diabetic when I was 18, and diabetes was a disqualifying condition for the Foreign Service. It still is. And I kept arguing, as I had argued when I was diagnosed, that I really wasn't diabetic. I knew diabetics and I didn't have any of the symptoms of a type-one diabetic. But I kept arguing and arguing with medical at that time until finally the head of med Dr. Michaud looked at it. I would call him and I would send him information about blood tests. Finally he said, "Mr. Walsh, I'll make a deal with you. We're going to bring you in and we're going to give you a five-hour glucose tolerance test," which back then was the definitive test for diabetes. If it comes out negative, he says, I'll put you on the rank-order register. If it comes out positive, you promise never to call me again. And I figured, hey, that's a deal, because the fellow didn't owe me that much. And it came out negative. I was put on the rank-order register going on two years from the time I took the exam.

Q: While you were with the Navy, had you been following foreign affairs and all that? Was there much talk among young government workers, professional…?

WALSH: Not where I worked. I kept my own counsel because I was a great opponent of the Vietnam War then. I was not alone among my peers, but I was pretty much a loner at the Strategic Systems Project Office at the Department of the Navy, where support for the war was still pretty strong. So I pretty much kept my own counsel. There was a colleague or two at work that shared my attitude, but it was not something you went around the water cooler dissing the president.

Q: So you came in in…

WALSH: November '72.

Q: And you recall what your class was like? You know, mixture?

WALSH: I remember thinking that this was a really bright bunch of people. I guess in retrospect that the competition in my life wasn't all that stiff until I joined the Foreign Service and I got in that room. I said you might have been magna cum laude at the University of Scranton, but these folks are magna at Harvard and Yale. So I felt at that point that if you were going to compete in this crowd, it's going to take a lot more work than it's taken you thus far.

Q: I think many of us came in kind of humbled. You kind of looked around and they seemed pretty fancy. I think later on I learned that most of us sort of even out. But at the time it was sort of scary.

WALSH: At the time I was pretty intimidated. I was always in the top 2-3%, but then I said, 2-3% of what? These people are really… I remember, there was a gal in my A-100 class, Alexandra U. Johnson was her name. She's since out of the Foreign Service.

Q: She's the one who went to Jerusalem at one time? I remember she got right in the headlines. She was…

WALSH: She's the one who left as a result of that, I think. U. Alexis Johnson was a great name in the Foreign Service at the time I joined and of course everybody thought she was related, but she said she wasn't. But she, for example, if I'm not mistaken, spoke four hard languages totally. And she spoke Russian, she spoke Mandarin Chinese, she spoke… I don't know. But it was one of these things… and she was my age, she was younger than I was. And I was thinking, when in the hell did she have the time to do this? I mean, I spoke Spanish and only because of the fact that I'd been away. If it weren't for that I wouldn't have spoken anything. As an old professor of mine at the University of Scranton used to say, "Scranton, Pennsylvania, the only place in the world where they speak less than one language." But you know, I thought God, how could it be? That's the kind of people that I thought, it's going to be tough competing with these people. But you're right. Later on you find out that people are people.

Q: The Vietnam War, there was a truce by this time I think, wasn't there? Was Vietnam much of a topic among the group?

WALSH: Yeah. It didn't end until April of '75 when Saigon fell. And I was on the Vietnam task force when that happened, interestingly enough, in the op center. But yeah, during the course there was a lot of debate. Generally speaking, if I remember correctly, most of the FSOs were anti-war. Even at that point, even though technically we were already working for Uncle Sam.

Q: What were you looking towards doing?

WALSH: Well, I was interested in going to Latin America. I had assumed that I'd be going off to Latin America because of my background there. They gave us the list of assignments that were available to JOs (junior officers) at that time and you were able to put down a list and rank-order which ones you wanted one, two, three, and I remember putting down three Latin American countries. I don't remember which three they were at the time. They said well, you're off language probation because I'd gotten a score high enough here at FSI for Spanish. So they said being off language probation you'll go off right away, right after the A-100 course. And as an admin officer I went to the admin course as well.

Q: Was this because of your work with the Navy and all that?

WALSH: They coded us when we came in.

Q: Did they ask you or did they just code you?

WALSH: I don't remember. I don't know if I was asked or not, but it made sense to me at the time because I had a master's in public administration, and I guess as an administrator. But I went to the admin course after the A-100 course. So by February I was ready to go, because I was off language probation. And of course I'm assuming that they'll use my Spanish language skills, but they didn't. They decided to use my English language skills and sent me to Nairobi. So I went as assistant GSO and personnel officer to Kenya.

Q: Well then, you were in Nairobi from '73 to '75? What was Kenya like at the time?

WALSH: It was wonderful. In fact, when people say weren't you disappointed that you didn't go to Latin America, I was, of course, initially when I got the word, a little bit like I was when I told you before that I wasn't going to go to Germany - but it was the best thing that ever happened. I loved it. And I'm glad I didn't get myself sort of pigeonholed into Latin America. Ultimately I did later on. I ended up finishing up in Latin America.

Q: Were you picking up any vibrations about ARA (Bureau of Inter-American Affairs) at the time when you were in the A-100 course? Because when I came in, and over the years I sort of felt this, well if you go to ARA it's a black hole you'll never come out again, and

it's a secondary field. You've always got the European and the Russian confrontation and then you've got the Middle East, which is always exciting, and then the Far East, a lot of things happening there, and Africa was still new countries and you've got a lot of opportunity to mess around, but ARA is sort of an old colonial place and nothing ever happens.

WALSH: There was talk about once you get into Latin America, watch out, you'll be there… but that didn't scare me because I fully expected that I'd have a full career in Latin America because it was an area where it was my interest. It was where I was interested from an intellectual and academic standpoint. I had the language. I felt that there was enough variety in terms of countries that you wouldn't get bored. And personally, I thought that while the front-burner issues were the superpower confrontation in the Middle East and so forth, there was always going to be a country in Latin America that was going to be front and center at the White House, and that's always been true. No, that never bothered me. I had a more varied career than I expected to have because they sent me off to Nairobi right out of the box. And I'm really glad they did. You know how it is, your first post - immediately when I'd come back to the department I would hang around in AF/EX (offices of the executive director of the Bureau of African Affairs). Even when I went off to other parts of the world, I'd still come back and hang around AF/EX. And I became known as an AF (African affairs) type, even though if you ask anybody today who I've known later on in my career they would say no, he's a Latin America guy.

Q: Let's talk about Nairobi. Who was our ambassador at the time?

WALSH: I had two ambassadors. When I got there, the ambassador who had been there for some time was a guy by the name of Robinson McIlvaine, Rob McIlvaine, whose son was in my retirement course.

Q: Yeah, Stevenson McIlvaine, who I've just finished interviewing, and I interviewed Robinson McIlvaine too.

WALSH: I don't know the son. I saw the name and I said it's gotta be the same… and I looked at him and I said this is the kid. But it was Rob McIlvaine who was the ambassador for the first year, and a fellow by the name of Anthony Marshall, political appointee, for the second year. And he was still ambassador when I left.

Q: What was sort of the atmosphere in Kenya when you got there?

WALSH: Great. So different from now. Kenyatta was still alive. The Mzee, as they call him, was running the country with a velvet glove basically. It was a family affair. His wife was raking in tons of money. It was a very corrupt regime. But generally speaking the economy was, by African standards, not doing too badly. Tourism was booming. Game parks were full. Nairobi itself, crime was not an issue.

Q: It's a scary place today.

WALSH: Exactly. The embassy at that time… this is before the new building was built, which is the building that ended up being destroyed, now has been replaced by another new building. We occupied the top three floors of what was called Mitchell Katzhouse, which was a freight forming company right across from city hall. It was a very small operation. I was the assistant GSO (general services officer) and personnel officer, part-time at each job. I think Nairobi now has a couple assistant GSOs and at least one if not two personnel officers. It's grown much bigger. DCM was a fellow by the name of Ralph Lindstrom, who has since died. But like all first posts I remember almost everybody there. I remember that better than some that I've served at.

Q: As GSO often you get caught up in people getting annoyed at you because you're not making their life a lot easier or something like that.

WALSH: Not much in Nairobi. First of all, it had some of the best housing in the Foreign Service. You would have the same problems any GSO would have when the household effects show up and stuff's broken. But I think the attitude of people was you don't have anything to do with it. The kinds of problems that a GSO would normally suffer, the slings and arrows of his colleagues, would be from the kinds of things that you do have some control over, and you're not helping it, has to do with housing principally because that's a sore spot. But people in Nairobi, maybe I have a selective memory on this, but very little of that because we all lived so damn well that nobody wanted to say anything. And it was a great place to live. There was lots to do. People would come on R and R (rest and relaxation). Nairobi was the R and R point for Bujumbura, for Kigali, we had closed actually while I was there, we had closed down Kampala.

Q: So our embassy sort of snuck out I think to get away from Idi Amin.

WALSH: Yeah they did. In fact, the guy who snuck out and came to Nairobi ended up being my boss 10 years later in Zimbabwe.

Q: Keeley?

WALSH: Bob Keeley.

Q: It was sort of last one out, turn off the lights, and they left without informing anyone.

WALSH: Well, you know who came in to help manage that? He always, God love him, he always finds himself in the most god-awful situation. An admin colleague of mine who was a junior officer, who came in the Foreign Service after I did, this was my first post - Pat Kennedy.

Q: Aha. He's now in Iraq.

WALSH: He's Bremer's deputy. That's an example of Pat. He's always where the action is. But Pat was brought in as a JO, I mean he came in after I did. He must have been in the

Foreign Service six months. And he was sent out TDY (temporary duty) to come to Nairobi to help manage the departure. In fact, he shows up in Keeley's article about Kampala. You know, what's the name about the book?

Q: Embassies in Crises or something like that.

WALSH: Exactly, Embassies Under Siege. He's mentioned by Keeley as one of the people who was sent out to help them make the move over to Nairobi. But no, I don't recall the kinds of things that everybody thinks, oh God, you did a stint as assistant GSO, it's hell. I had a great time.

Q: Did you get at all involved in security matters?

WALSH: Not too much. We had an RSO (regional security officer). That was his thing. I mean, I got involved in the sense that if we had to go and put locks on a house or do external lighting on a house and so forth I would get involved in contracting that out, that sort of thing. Or have FSNs do it. But I wasn't the security professional. It was a guy named Larson.

Q: How were the FSNs? Local employees.

WALSH: Oh, mixed bag. We had some terrific ones. A lot of Sikhs in East Africa, and we had a lot of Sikhs on the embassy staff. And they were good. And the FSNs who were native Kenyan Africans were a mixed bag. Some were really sharp and others less so. Two of them were very, very sharp. One was an ethnic Greek Kenyan who worked for me in the personnel shop, Kaveruntu Midas. And another one Lucy Karee who was Kikuyu, same tribe as Kenyatta, were killed in the bombing.

Q: How did you like Foreign Service work and all?

WALSH: I liked it. I liked the personnel work better than I did the GSO work because it was more people oriented. We were dealing with people and their careers - FSNs largely, because the personnel shop didn't really do much with Americans. But I was just having too good a time enjoying Africa. I loved it. I bought an old, beat-up, ball-wheel-based Land Rover and I got my pilot's license. I learned to fly when I was in East Africa and I used to rent planes and we used to go camping by airplane out in the bush. We used to go hunting. We used to go on safaris all the time. I had a great time.

Q: Kind of wonder who's minding the store.

WALSH: I did really. Basically, I looked at the embassy job as I came to work and did my job, but then weekends I got out and saw a lot of country and I really enjoyed it. I was not involved in the substance at all. I didn't care to be. I wasn't the assistant GSO pining to be the political officer. Not in the least. I was having a great time. Both ambassadors seemed to be good guys. Not so far away from me, it was a small mission, but as a first-tour JO I didn't hobnob with the ambassador. And I didn't have much to do with the DCM

either. I got as far as working with my own boss, the GSO who went on. God love him, he's done wonderfully well. He's been ambassador four times.

Q: Who's this?

WALSH: Johnny Young. Do you know Johnny? He's in Slovenia right now. Great guy. He and his wife have become lifelong friends. I used to pal around with the consul in the consular section. She and I used to go down and drink at the Big Five bar. She had been on a couple of tours before me, so she was senior to me. Been around. We've stayed chums over the years. She came back, became director general.

Q: Who's that?

WALSH: Ruth Davis.

Q: Ruth Davis, yeah. Ruth worked with me in Naples. I was consul general. She was American services officer.

WALSH: I remember when she was in Naples. And she went to Barcelona as CG (consul general). Well, Ruth was the consul because there was no vice consul in Nairobi. That's how small it was in those days. Yeah, I still remember all the people in Nairobi. You know how that is? You remember your first post.

Q: Oh yeah. Then '74?

WALSH: '75. I was there for two years.

Q: Where'd you go then?

WALSH: I came back to Washington. Someone at that time advised me that I should not stay out two consecutive tours. I should get back and get a corridor reputation, whatever the hell that means, and get to know the building. So I bought it. As a matter of fact, the Secretary of the Treasury came to post, George Shultz.

Q: I've heard the name.

WALSH: And he came to post and I was, as one of the more expendable officers, put on basically 24 hours with the guy - was sent out from the department as the admin advance to kind of work with him, to do whatever he needed to have done. I had a grand time. I loved it. I loved that atmosphere… it was more pressure than we were used to in Nairobi. His name was Jim McGonagall. Jim worked for John Thomas who was then the assistant secretary of state. I learned all about this from being an advance man for presidential and vice-presidential and cabinet-level travel. And Jim was one of the people who said you need to get back - in fact, you could replace me as a special assistant to the assistant secretary for administration. No, for the deputy assistant secretary for administration. So I applied for that job and I got it. But between the time that I got the job and the time I got

back to Washington, John Thomas was promoted to become assistant secretary and a guy who had been the executive director for NEA (Bureau of Near Eastern Affairs) was made the DAS (deputy assistant secretary) for administration. Ray Hunt. Leamon R. Hunt. And so I ended up working for Ray Hunt for those two years, which turned out to be my one and only Washington assignment. Never, ever served in Washington again.

Q: Ray Hunt, who was unfortunately assassinated…

WALSH: Assassinated in Rome in '84.

Q: How did he operate?

WALSH: He was my hero. Ray was one of the people that most influenced me in the Foreign Service. He was tough, he was opinionated, he was smart, he was hard-working, but he was very goal-oriented and he had a great fondness for people. So did his boss, John Thomas. But I wasn't day in and day out with John the way I was with Ray. And in fact Ray's murder was… I was one of his pallbearers at Arlington cemetery in '84 when he died.

Q: It's hard to figure out why he was assassinated.

WALSH: I've tried to check it out. The most reasonable explanation I've been given is that, of course, at the time he was the executive director of the MFO (Multinational Force and Observers). He headed it up in the Sinai and then they had the headquarters of this organization in Rome and sent Ray to Rome. I think at that point he may have even been retired from the Foreign Service, I'm not sure. He was a great guy. The best I can tell is they know the Red Brigades took credit for having killed him, but they think that it was one of these deals where either Hamas or somebody in the Middle East through their own network said that's your turf, we want you to take care of this guy for us. Because the Red Brigades would have no reason to want to take him out.

Q: They weren't targeting Americans.

WALSH: They did kill him. I think it was on his wife's birthday too, if I'm not mistaken. It was on Joyce's birthday.

Q: Let's talk about the time… you were doing this from '70…

WALSH: '75 to '77.

Q: What were you doing?

WALSH: Anything that needed doing. I was his staff aide. There were several staff aides operating out of the office at that time. Joe Melrose, who has since retired from the Foreign Service. Brenda Saunders, Brenda Sprague is her name now. I think she's still around. But, you know, the job that most staffers do, basically staff the work out into the

bureau and act as a filter coming back in and reviewing the paperwork for signature. But one of the things that made that job a little bit more interesting than maybe the average staffer job is that the administrative support for presidential/vice presidential travel, basically anything going out of Andrews Air Force base, came out of that office. So I did an awful lot of advance work during those two years. I probably worked in that time between 15 and 20 presidential/vice presidential trips. Either I went to a particular place and did the advance on the ground, spending a month or so getting ready, or rode the trip on Air Force One or Air Force Two during those two years. And for years after that I kept getting brought back into it from wherever I happened to be working. I wasn't the only one, there was this cadre of people that they would steal like Harvey Buffalo and Chuck McGwire.

Q: Can you talk about some of the more memorable trips?

WALSH: Yeah. One great trip was on Air Force Two with Vice President Rockefeller in 1976. He was Ford's vice president and he was retiring, not running again I guess. Ultimately he died with his boots on in a townhouse in New York with somebody other than Happy.

Q: It was a staff assistant, a young lady staff assistant.

WALSH: Is that what it was? Interesting guy. But he and Mrs. Rockefeller, Happy Rockefeller, were making their final trip around the world. It was kind of a swan song. I flew on it and my job was basically to handle the luggage. I worked with the guy handling the luggage, Mike Frandock. I wasn't even the top luggage guy, I was the assistant luggage guy. And we went to Paris, we went to the Isle of Kish where we met with the Shah. That was the Shah's summer home in the Persian Gulf. We went to Bangkok, Kuala Lumpur, Singapore. We went to Sydney, then we went to Wellington, New Zealand. And I remember we were supposed to then fly all the way home from Wellington to El Toro Marine Air Base in California. I guess we were going to arrive on fumes. Chuck McGwire and I became very chummy with the vice president's doctor, who was also the team physician for the New York Jets. His name was Ken Riland. He was an elderly gentleman. And he was great fun. He had nothing to do. The doctor had to be within two paces of the vice president at any given time but he didn't have anything to do. And Dr. Riland - who must have been in his 70s - when he would arrive he would come down under the belly of the airplane and help throw bags with us. Just one of these real-bigger-than-life guys. We would get together with him in Wellington and McGwire and I would say, “You know, doctor, the vice president's an older man, are you really going to allow him to travel all the way… 10 hours?” And he said, “What are you talking about? He's younger than I am!” He said, “I smell a rat. You're a couple of micks with an agenda.” And Dr. Riland was one of these New York Dutchmen from the 1600s, great blueblood but with a great Irish sense of humor. He said, “I think I smell a rat. A couple of micks with an agenda. What do you got in mind?” And we said, well, there is a perfect spot halfway to El Toro Air Base where you could do a rest stop and the vice president wouldn't have to travel that whole distance. But of course, only his doctor could really make that recommendation. And he said where is it? Papeete, Tahiti. And the next thing

we heard, we were going to Tahiti. The doctor said "vice president needs a rest," and we spent 24 hours in Tahiti. And we had a great time.

Q: How did the French governor react to that?

WALSH: It was billed as a rest stop, we didn't have any protocol. We went to a beautiful hotel in Papeete where the rooms were out over the water. A group of us who got along on the plane including Ken Riland and the vice president's chief of staff - Mrs. Christian A. Herter, Susan Herter, who was the vice president's chief of staff - we all got together and rented a Windjammer and took a Windjammer cruise over to Moorea, which is the island right across from Tahiti. We all got a snoot full and we'd crowned Susan Herter - who was very prim, proper, a real lady, a lovely lady, but decided that she would let her hair down and she did - and we crowned her with the teeth of a shark which opened like a crown, and we crowned her the Wahine Queen Mother. And she went along with it like a real trooper.

Q: Well, on these trips, you were a junior officer and you were at the giving end rather than the receiving end, the impact that these presidential/vice presidential secretarial trips have on posts. You know, one presidential trip is equivalent to an earthquake. Was there any sense of trying to make it a little better? There often comes a certain amount of arrogance and all this. Did you have any sense of this?

WALSH: The kind of work I was doing was the kind of work that takes the load off the post, because I'm doing the kind of work that the post usually ends up having to do. I think we - particularly those of us who were doing the admin support, which was the grunt work - recognized what a pain in the ass these visits are, and I think to a large extent we tried to mitigate that impact. One thing I failed to mention to you though was, I didn't realize this, but when Jim McGonagall suggested that I come back to take his job, I didn't realize that the ground rules in that office were you couldn't get out until you recruited your own replacement. And so I ended up doing the same thing, looking when I was going around on these trips for someone that might be a good fit to replace me.

First I had seen the impact in Nairobi of just Shultz's visit. Everybody actually had to turn to during the visit, but during the run up to the visit as well. But yeah, we didn't have a presidential visit or a vice presidential visit while I was in Nairobi. But yeah, you could see what they do to a post. But again, we weren't the SS (Secret Service) staffers coming in who could make life miserable for you. We were basically among the people taking some of the load.

Q: Before we leave this particular thing, you mentioned you were on the Vietnam evacuation task force. What'd you do?

WALSH: I can't even remember. It was in April of '75 and they were asking for people to man the phones basically, up in the op center. They had set up a separate office near the op center and there was a whole bunch of us that were drawn from all sorts of offices around the department. I must have just gotten back from Nairobi. I probably didn't even

get into my job with Ray Hunt. April '75 is when Saigon fell. And I remember being up there with a whole bunch of folks who I have since become great friends with. John Condayan, Doug Langan. And we did the midnight shift. I was there from midnight till eight in the morning, fielding calls from people. We would have the status of people and we would get calls about embassy people and we would tell them what we knew about them.

Q: Well this is probably a good place to stop. And we'll pick this up the next time in 1978?

WALSH: Where would we be… '77, I guess. Because I left Washington in '77.

Q: And where'd you go?

WALSH: San Francisco.

Q: Alright, well we'll pick up San Francisco, one of the more difficult foreign assignments.

WALSH: Tough. While I was working with Ray Hunt, he was tapped after our ambassador, Frank Meloy, and our economic counselor in Beirut were murdered in 1976. Ray was tapped to go out as chargé and he brought me with him. So I went to Beirut during the civil war to help manage the navy evacuation out of Beirut.

Q: We do want to talk about that.

WALSH: Yeah I think we do, because that was a fascinating time.

Q: Today is November 18, 2003. Jim, let's go to… when did you go to Beirut?

WALSH: In summer of '76. I think it was June.

Q: Just to give us an idea, what was the situation there when you got there? What had brought you there?

WALSH: I was working at that time as a special assistant to Ray Hunt who was the deputy assistant secretary for administration. We were working on logistic support for presidential travel. And I had been sent by Ray down to help set up for the G7 summit in San Juan, Puerto Rico. We were hosting that year and it was being held in Puerto Rico. And I was on the phone several times a day with Ray. He was managing things, of course, from the Washington end. And I noticed one day that there was not the same level of enthusiasm about dealing with issues having to do with the summit and I asked him what's up, what's the matter. And he said that he had been asked to go out I guess as chargé, if I remember this correctly, for a short interim period because the ambassador had been killed in Beirut. Ray had said to me that he was leaving. And I said well if there's anything I can do to be helpful, let me know. And he said, well, I thought you'd feel that way, so you're on a flight coming back from San Juan tonight and we leave

within two days for Athens. And we were waiting in Athens to go into Beirut on Middle East Airways because the airport was closed in Beirut. It had gotten a number of mortar hits on the runway and the runway was closed because it needed to be patched up. So we waited in Athens until they patched up the runway and I think we were the first MEA, Middle East Airways, flight into Beirut for some period of time. And basically the purpose was to help arrange for the evacuation of U.S. civilians out of Beirut. We had two evacuations from the Bain Militaire, which is in the southern part of the city from where the embassy was. We lived in the embassy building. We slept there, worked there. Really didn't get outside. I think in the entire time I was there we were able to leave the building once. Went up to the American University of Beirut to a Sunday brunch or Meza, as they called it back then, which was I think my only outing.

Q: So what were you doing?

WALSH: I was the admin officer managing the embassy or what was left of it, and helping with the logistics to get everybody contacted and down by buses and cars and whatever we had to the Bain Militaire to send them out to U.S. Navy ships.

Q: What was the situation on the ground? What was causing all this?

WALSH: Oh, the situation was terrible. We were in West Beirut and there was all-out civil war between basically the Muslims in West Beirut on our side of the Green Line - the Green Line was the dividing line. That's the area of town where the ambassador and the economic counselor were murdered. And Junni which was on the other side, on the east. One of our FSNs went through living hell every day. Channa Wad is his name. I understand he's now come to the States and become maybe a resident or a citizen. He would watch people set up mortars just below the embassy windows in a vacant lot next door and shoot them over into East Beirut. And his family was over in Junni, in East Beirut. That was cause for considerable anxiety on his part every day watching that happen, even though statistically the chances of it hitting his people were pretty slim. There was a burnt-out tank right at the front of the embassy. Burnt out in the sense that the treads didn't work and it didn't move. But the turret worked and they would fire out at fishing vessels. Never saw them actually hit one, but they would fire these shells out. I don't know whether it was to scare them or what.

Q: Maybe they just had a gun and they wanted to use it.

WALSH: And they did, they used it.

Q: Were there any problems getting the Americans out? I mean, having to put them through difficult combat zones to get them through?

WALSH: The whole area between where the embassy was on the waterfront and the area south of the city where the port was, was a rough area, and you went through roadblocks to get there. But no, we didn't have any incidents that I recall. We were able to get everybody out that needed to get out. And then we stayed behind. There was a group.

Most of them were Marine security guards. But I think we were a contingent of no more than a dozen or so that stayed behind for a period of time, extra few weeks or a month. And then we left.

Q: Was the embassy just plain shut down?

WALSH: No, we operated during that time as best we could. We were there for American Citizens Services. We didn't have a visa operation toward the end obviously. We were operating pretty much on a shoestring in terms of the number of people that were still there. It was largely a placeholder. We had instructions from Washington that that flag was to continue and we were to continue to operate as best we could. We managed to keep things going. Certainly we didn't shut down at any point while Ray and I were still there.

Q: It must have been difficult with the Foreign Service Nationals, the FSNs, wasn't it? They were both maybe losing their jobs but also in danger?

WALSH: Well, they were in danger and then you had both Christian and Muslim FSNs, and we were on the Muslim side of town. So the Christian FSNs, many of them, weren't really able to leave the embassy compound because they felt they would be in danger. And in some cases they would have been. So it was a tough time. And of course, later on, some years later, when the embassy was blown up, a number of those FSNs were killed. Several that I worked with while I was there were killed later on.

Q: Then in this excursion tour, when did you leave?

WALSH: I think it was September.

Q: '76.

WALSH: '76. And Ray and I left by land through the Bekaa Valley and over the Chouf mountain range, and into the Bekaa Valley. We were met by folks at the Syrian border from our embassy in Damascus. It was the best thing that happened to Ray and I for a long time. The ambassador invited us to stay with him at his residence and we had our first real freshwater shower, because the water we had at the Beirut embassy was a mix of brine. We had a terrific meal and a great long, hot shower at Richard Murphy's house, who was our ambassador in Damascus.

Q: Well then what'd you do?

WALSH: Then back to Washington to continue the tour and I stayed until ’77.

Q: Then what?

WALSH: Well, I went to one of my real hardship posts. I went to San Francisco, California. Somebody had to do it. As U.S. despatch agent.

Q: Tell me about this. All of us who have been in Foreign Service label certain things "care of U.S. despatch agent." There's one in New York, I guess there's probably one in New Orleans.

WALSH: There's one in Baltimore, and one in New York, one in Miami. The one in San Francisco was closed and then reopened as a much smaller operation dealing largely with air freight shipments in Seattle. But basically it is the freight forwarder for the State Department. This is the office that is responsible for shipping your household effects, your air freight, the official shipments to the embassy. Everything that is sourced out of the U.S. is funneled through the despatch agency and through a contractor called a CRP, which is a Consolidated Receiving Point. We had one called Richmond Export Services in California when I was there. Basically you would bring shipments in for consolidation so that you would be able to take advantage of bulk rates, container rates and so forth. Shipping to the Far East. The Far East was basically my territory. And my going there really was a bit of an accident. If you're interested in the history of that, the despatch agent in San Francisco was a senior civil servant. There had never been a Foreign Service officer.

Q: It struck me as being a normal spot for a civil servant, long years of experience.

WALSH: And that's what it was. Steve Laydo was the despatch agent and I think he had been there since it opened, so he had been there almost 30 years as despatch agent or as the deputy and worked his way up. And this was 1977 and Steve was in his 60s. And Congress passed legislation putting a maximum age, I don't remember what it was, but there was a maximum age put on civil service, and Steve was beyond it. And when his birthday came, evidently in August, he was to be off the rolls. So folks in Washington in the Bureau of Administration, under which the despatch agency fell, were running around trying to figure out how to replace him. I remember meeting with some of the front office people in the bureau and I said, gee, it's too bad it's not Foreign Service because I'd go in a minute. And they said, well, how long would it take you to get out there? I said I could be out there next week. I was single at the time and I had my Volkswagen camper. And so I said well, we'll just have the position redesignated Foreign Service. And they did. And I think it was within a week I was on my way to San Francisco to take the job. And it remained Foreign Service for several tours.

Q: Tell me how you found it when you got there because I would think this would be sort of a new guy with a suit coming in from out of town, a son of a bitch from out of town. There's a San Francisco way of doing things and everybody knew everybody else and all of a sudden you appeared.

WALSH: There was a little bit of that. Not only the son of a bitch coming from out of town, but Steve Laydo was a man in his 60s. In 1977 I was 31 years old and I'm coming in to take over as the head of the office. And of course everybody who worked at the office was considerably older than I was, so it was a double whammy. You were coming in literally as the new kid on the block. And of course Steve was a very hard act to follow

because not only was he a very delightful human being, well-loved and so forth by the people in the transportation community in San Francisco, but he was expert in the area. And I knew nothing. Nothing. Never had done any work like that at all. So it was the steepest of learning curves. But I had good support from the Washington end of things. And I had a lot of fun. I enjoyed that sort of thing. When I was a teenager I was a merchant seaman. I guess I didn't mention that, but when I was in college I sailed on U.S. merchant ships as a seaman. I enjoyed getting down into the port and talking to folks who were in the shipping business. I think I was there for two years. It was a two-year assignment. '77 to '79.

Q: When you think of shipping, you think of San Francisco and I go back to remembering Harry Bridges and the longshoremen and all that. That was a mess. How was the longshoremen situation?

WALSH: It was probably as tough in San Francisco as anywhere in the country. It was particularly the folks in San Francisco and Oakland that were the toughest unions within not only the stevedore union but the steamship unions. This was the time when they called him the "great white father," Paul Hall, who was president of the Seafarers International Union. You know, the two big unions, the NMU - the National Maritime Union - and the Seafarers International Union. And those folks were very, very powerful. Harry Bridges of course. They were very active. They're always on the cutting edge of protest, so it was always a fascinating time because there were strikes during the time that I was there. Slowdowns and so forth. But we always managed to get the stuff out. If they closed one port, we moved it to another. If they closed us up in San Francisco we moved it down to Long Beach, or we moved the freight up to Seattle, to Tacoma. There was always a way to get it out.

Q: Were you seeing attributes of the decline of American merchants' sea power?

WALSH: Oh yeah. It became more and more difficult because under the terms of the Jones Act it basically required us to use American bottoms to ship. And I agreed with that, I mean to the extent that we could. One of the big lines they used to talk a lot about in San Francisco was American President Lines, APL. And they went out of business. Any number of these places, these outfits, particularly in the passenger side, went out of business. APL went out of business.

Q: Is Branson or are they on the other side?

WALSH: I don't recall having dealt with Branson. It became more and more difficult to find American bottoms to carry this freight. And of course if you didn't have it then you were permitted to use foreign flag. But we were using foreign flag unfortunately much of the time.

Q: Did you find in getting stuff to posts and all, were there some places where you really had to be concerned? I mean when they unloaded in a port - Busan and what have you, that a lot of pilferage and all that. Was this a concern?

WALSH: We wanted to make sure when we shipped this stuff that it was containerized. Ideally it would go straight through to the embassy sealed, so that the seal isn't broken until the embassy representative breaks it at the customs location in the destination city. Occasionally you would find containers were broken into on board ship. But the kinds of things that the U.S. government shipped were less attractive. Household effects, for example, were not really interesting targets for pilferage. Even most of our official shipments were not interesting. It wasn't like breaking into a container loaded with TVs or something like that. We would consign this to the U.S. embassy in each of these countries and the embassy would then take receipt of it and clear it through customs. So they were the ones who had to prepare the way at the other end.

Q: Did you run across the old boy network as far as passing out contracts and getting people… Did you find when you got there, oh, we always use this firm and not that firm and problems of that nature?

WALSH: Not really, because first of all there was a contract already established with Richmond Export, which is this one outfit that I mentioned to you that was the Consolidated Receiving Port. We had control over it to which freight farmers and which lines would be tendered the freight, and that was done strictly on the basis of open bidding. In other words, these folks would come in and they would bid on the freight and the low ball got the freight.

Q: Did you find that was a problem, though? I remember there was a time, particularly in storage, where we used to have American security I think do our storage for us here in Washington, and then they passed it on to low bidding and we found a lot of very substandard people had bid on this and a lot of our stuff was broken into or not well-kept and all that. Was that a problem?

WALSH: We didn't have it on the West Coast. We used the Richmond facility also for storage, but it was a good facility. It was climate controlled. You have to inspect the facility. It has to be lowest qualified bidder. It can't be just the lowest bidder. But in San Francisco we had a good facility. I have no idea now if even there's a West Coast storage point. I doubt it. It's probably all brought back here to the contractor in the Washington/Baltimore area.

Q: Well then, '79 you're back in business.

WALSH: In '79 I decided to take an out-of-cone assignment. And I went to Mexico City as commercial attaché in the combined econ/commercial section.

Q: So you went in '79 and you were in Mexico from '79 to when?

WALSH: '81.

Q: Tell me, who was our ambassador and how were relations as you saw them?

WALSH: Relations were good. Our ambassador was a Carter appointee, political appointee who has since become a very good friend, former Democratic governor of Wisconsin, and former Midwest chairman of the John F. Kennedy presidential campaign, Patrick J. Lucey. He was the ambassador during the first year of my assignment. In fact, when we arrived in Mexico I had just barely started in my job as commercial attaché when the ambassador called me up for an interview. His schedule C special assistant, Bob Dunn, was heading off to work at the White House, and Ambassador Lucey was looking for a career person to act as his special assistant during the remaining time. He was only planning to stay for a matter of months. And so we met and we got along like a house afire, so basically my job was put on hold while I acted as his special assistant. And then he left…

Q: Let's talk about this time, because I've heard other people talk about Lucey, particularly his problems with his wife. I know nothing about the man, but I mean… from other people I've talked to, this was not a happy time for many people. How did you find this?

WALSH: Before I got there, I understand that there had been a lot of changes, a lot of people… the ambassador came in, he was a tough taskmaster, he knew what he wanted, and he expected people to work. I got along famously with him, and I particularly liked his wife. Jean was very un-Foreign Service. She had her own opinions and she expressed them. Quite honestly, I have a lot of respect for her. I got along with the Luceys famously. But again, I was there at the very end, at the last few months. People who were there before, during the time of all the changes, might have had their own read on this. But from my standpoint, I thought he was terrific. Pat's only problem was he never learned to speak Spanish worth a damn and he'd be the first one to admit it. I'm trying to remember how many months I was with him, because he then went on and ran for vice president in a third party run. Do you remember John Anderson? Anderson ran for president and Lucey was his running mate. I was there during three ambassadors in two years. So I must have only had a matter of months with Pat because we had an academic from the state of Arizona, Julian Nava, for about a year. Then for a few months, just before we left, a Reagan appointee, former president of the Screen Actors' Guild, the job that Reagan had had at one point, Ambassador John Gavin, with whom I've stayed friendly.

Q: While you were doing the sort of special assistant role, what sort of things were you doing?

WALSH: Similar to the sort of thing I was doing for Ray Hunt in Washington, and that was vetting paper that was coming up through the front office. While I was the ambassador's special assistant, the DCM also made use of me to vet paper coming in and going back out to the various sections. I also acted as the overall narcotics coordinator. We had a huge DEA operation.

Q: This is tape three side one with Jim Walsh. You said you had this other person who was…

WALSH: I was the State Department's emissary dealing with narcotics and other issues, and of course we had DEA, which was the operational side. The ambassador asked me to act as the go-between, the liaison, the coordinator of both of these organizations, and I found that particularly… I remember having had a lot of difficulty with that.

Q: I would think so. I mean, there was the traditional State Department didn't want to ruffle too many feathers, and the DEA tended to rush in and ruffle as many feathers as it could.

WALSH: Yeah, they wanted to get the job done. And both of these guys - and I don't remember either's name to be honest with you - they were both very senior people, they were both big egos, and of course I was a very junior guy. And while I had the horsepower associated with being the ambassador's special assistant, it's not the same as being the ambassador himself, and so that was a real balancing act. I don't remember specifics of what I did during that period but I remember it being a very delicate job. To the extent that I have any diplomatic skills I probably tested them in that job as much as I have in any subsequent job. This only went on for a few months because the ambassador changed and then I went back into what was to be my job in the econ/commercial section. But then, the Foreign Commercial Service was created that very year. So I left the State Department. And all of us who worked on the commercial side of the econ/commercial section became Department of Commerce employees.

Q: Was this just a paper thing for the interim? In other words, you didn't have to make a commitment.

WALSH: No. It was a paper thing, although technically those of us who had been State Department employees did transfer over to their roles. I remember having to deal with the Commerce Department personnel folks on issues. So it wasn't an actual transfer. And at the end of the tour those of us who were State Department employees in commerce slots were offered the opportunity to join the Foreign Commercial Service without going through some of the hoops that anybody coming in from the outside would have to go through, like the assessment process and so forth. And I gave it a lot of thought. I enjoyed commercial work. It's the part of Foreign Service activity that I most enjoyed later on when I was DCM and ambassador. And so at that time I gave a lot of thought to switching over, but I guess in the end decided that I was going to go home with the girl that brung me and decided not to switch.

Q: Let's talk about what were you doing as the commercial officer.

WALSH: Well, we had a commercial counselor. I was the attaché. There were two attachés and there were a couple of deputy attachés. We were a pretty large commercial operation. The investment relationship with Mexico was huge. I had my own set of industrial and service sectors. We divided up the Mexican economy into certain areas and I can't recall now what I had. But machine tools was part of it and basically I worked with anybody who was coming to the embassy, either personally or virtually. This was of

course pre-computer age. We dealt with American firms that were looking to access the Mexican market. This was the late '70s, early '80s, when oil was up well over $30 a barrel and Pemex was the biggest game in town – the state-owned oil company in Mexico. And they were spending billions of dollars, buying all sorts of well head equipment and other materials that weren't manufactured in Mexico, looking to have a lot of them manufactured in Mexico. So American firms, particularly firms from Texas/Oklahoma area, were very competitive because they were right next door, they were expert in the area. So we had a lot of commercial activity at that time. The bubble burst later, of course. The Mexican financial crisis when the peso came crashing down. I was not there at that time. I was there at the heyday of Pemex. It was a very exciting time, a lot of people coming into the country.

Q: Did you run across the problem for American firms to get into the Mexican market? The problem of corruption? Morbida or whatever, the bite?

WALSH: Mordida.

Q: Tell me, how does a firm at that time get into business?

WALSH: It was an issue. Still is an issue. Corruption is widespread. The fellow who was president of Pemex when I was there subsequently went to jail, Jorge Diaz Serrano. He ended up doing jail time precisely because of corruption. The American firms did have an edge, because particularly in the oil drilling equipment, the well head equipment areas, we were known to have the best stuff. Because we were right next door there were no transportation charges. After sales, service was better than anything the French could provide for example, or the Germans. So we had an edge over other foreign competition. I'm not going to say that that edge neutralized what they were doing in terms of payoffs. But I think it was probably enough to make a difference for the most part, most of the sales. I didn't in the time I was there have any experience with any of these U.S. firms violating the Foreign Corrupt Practices Act.

Q: Which is quite new at that time, wasn't it?

WALSH: Brand new. Because of the big deal with Lockheed in Japan… That was new stuff. So I don't personally know of anybody but I couldn't swear that there wasn't any.

Q: Did people come in and ask? Somebody coming in new to the business and say what do I do? What'd you do? You have to explain the Corrupt Practices Act.

WALSH: Oh yeah. I told them the one thing you don't do is you don't bribe anybody. And there probably was business lost as a result of that, because people just wanted to be bribed. I mean, the fact that this guy had done jail time is an example. On the other hand, if you look at the results, the fact of the matter is that most of the product was U.S. product.

Q: Well I would think this would be a great place for the five-percenter - the deal maker, what he does you know… In other words, you give me five percent of the sales cost and I'll take care of everything, would allow for a certain amount of payoff and your hands are clean, but…

WALSH: No. I remember a fellow from one of these firms in Texas, one of the smaller folks that we helped up. He didn't have a lot of experience in the international market, and I can recall after he had a sale, him coming by the embassy and trying to offer me money as kind of a thank you. And he said, well, if I'd had somebody down here on contract I'd have to pay for them. So I had to explain to him that he gets the bill on April 15th and pays it along with his taxes. It was perfectly innocent, there was no funny business involved. It was just this guy felt, gee, you know you went to a lot of trouble, you helped me out, the deal went through, and I feel like I owe you something. So I found that kind of interesting. It's the only time that ever happened.

Q: You'd been in Argentina. How did you find dealing with the Mexicans? Were they a different breed of cat?

WALSH: Oh yeah, very different, just different culture entirely. Argentines are essentially displaced Europeans, whereas Mexicans take great pride in the fact that they are a true mix of races. They are Hispanic, they are Indian. The other thing that affects the way Mexicans look at the world is the fact that they're right next to us. I think it was Porfirio Diaz, president of Mexico in the early part of the twentieth century, who said, "Poor Mexico, so far from God, so close to the United States." That colored a lot how Mexicans viewed the United States. There was always a certain… it was a combination of resentment and admiration, of friendship and hostility. It was kind of a mixed bag that you sensed when you were there. It was fascinating in a way to live in a country that you thought being so close that you would understand better, but it was much more complicated. I found it much more difficult, for example, to understand the Mexican psyche than it was to understand the Argentine psyche. I found that Argentines were much more like Americans in many ways than Mexicans were.

Q: In dealing with the oil business, is this sort of your main…

WALSH: No, because the value of oil was so high at that particular time. I think it peaked out at something like $34 or $35 dollars a barrel. This was back in the late '70s - that was a lot of money. So the big money was being made selling to Pemex or manufacturing in Mexico to sell the Pemex. Obviously the economy was on a roll as a result of the oil revenues, so that had a spillover effect in a whole bunch of other areas. In the service industries, for example, the tourism was growing by leaps and bounds. So U.S. hoteliers were coming down, looking for areas, particularly along the coast of Mexico, to expand. So no, not just the oil industry. There were all sorts of areas. It was the heyday really of commercial activity.

Q: Well then, after this assignment, '81 whither?

WALSH: '81? Back to the shipping business. But this time with a little bit more background and a little more knowledge. '81 we went to Antwerp where I went as director of ELSO, the European Logistic Support Office, which essentially is the despatch agency in Europe. It's an operation that is located in Antwerp, Belgium, and it was a consolidation point for incoming shipments and household effects, and outgoing household effects. Obviously there weren't shipments going back to the States of official goods because they were consumed abroad. Basically, for Europe, most of Africa, and most of the Middle East.

Q: Oh boy. That's quite an operation.

WALSH: It was quite an operation.

Q: Well you did this from '81 to when?

WALSH: '81 to '83. We lived in Antwerp. We were in Belgium but we didn't fall under the purview of the bilateral ambassador. There were three ambassadors in Brussels: NATO (North Atlantic Treaty Organization), EU (European Union), and the bilateral ambassador. And while we were official Americans in his country, in that sense we felt under his purview, but I had no reporting relationship, no chain of command relationship with the embassy in Brussels. I reported directly back to the Bureau of Administration, the Office of Transportation Services here in Washington. We were a fairly big operation, about 30 people in Antwerp. We had a branch office in Bonn called RPOB Bonn, Regional Procurement Office in Bonn, which did regional procurement, bulk procurement for European posts. They were able to get better deals. We had a freight expeditor at Charles de Gaulle Airport in Paris. He was resident in the U.S. embassy, but he was our employee. And then we had a storage facility outside of Genoa, Italy, for storing household effects for the southern European area. It was a multimillion-dollar operation. We would negotiate special air rates with all cargo air carriers, and sometimes belly cargo on big passenger aircraft into West Africa. For example, if you were assigned to Ouagadougou, Bamako, N'Djamena, Nouakchott, places like this, the way you received your household effects, at least back then, if you were traveling from the States they would generally come by sea to Antwerp and we would fly them. We were able to get rates that were so advantageous that sometimes not only was it safer to do it that way, but quicker, and it was sometimes actually cheaper, because we would negotiate bulk rates with these airlines and we would fly the stuff in.

Q: I can see where flying things in would have great advantage over… So many of these ports can get tied up from cargo getting… in other words, demurred, or really get tied up for a long time.

WALSH: Yep, and that's what was happening. That's why we went to the air. It's one thing if you're in Nouakchott where the port is the destination city as well, but usually the port cities for places like the Sahel are in other countries, like Accra, Abidjan and so forth. So you've got to deal with the bureaucracies of a couple of African countries before the

stuff gets to you. So flying it directly in on Air France or Air Afrique turned out in the end to be financially viable.

Q: Well then. Were there any particular problems of dealing with any particular governments and this thing that you find yourself up against, that sort of thing?

WALSH: No, not really. Because we dealt with the freight forwarders and it was their responsibility to deal with the governments. If there were any kind of problems it was usually at the destination, because we were operating out of northern Europe, where things worked very well. I suspect probably better than they do in the United States. So we didn't have any issues from our end. But at the other end from time to time there might be an issue of, for example, an airline coming in and the embassy's expeditor not being made aware of it and therefore surcharge is accrued. Usually if there were any issues of that sort it happened at the destination. It was our job to make sure that we let the embassy know when the stuff was coming and how so these sorts of things wouldn't happen. But we didn't have too many dealings with the foreign governments except for the countries in which we were operating, of course, which were Italy, Belgium, France, and Germany.

Q: These countries are prone to have strikes fairly frequently but they only last a day or two. Were they a problem for you?

WALSH: I don't know that while we were there we had any kind of a port strike in Antwerp. We had a contractor in Bremen, in Germany, the Karl Hartmann Company. They were a good outfit. We used to have freight coming in to that area, northern Germany, Scandinavia, were handled by our contractor up there. Occasionally we would have problems with some of the air carriers into Africa where if there was an Air France strike, for example, then our freight would back up and people would be anxious about getting the stuff. We would try to shift it to another carrier if we could, but oftentimes what would happen is that carrier would be overloaded because of the strike. So yeah, there were problems, but not overwhelming. No big deal.

Q: How'd you find life in Antwerp?

WALSH: Loved it. The weather was terrible. But the Belgians are wonderful people. The Flemish Belgians particularly are lovely people. It's one of those jewels. It's not on the tourist route the way that Brussels or Amsterdam is, although it's about halfway between the two. But it's every bit as interesting. Less expensive because it isn't as discovered I think. At least it was less expensive then. No, it was great. One of the nice things is you're not in the capital city so you're not under the thumb of the embassy, although there was a consulate in Antwerp at that time. It's since been closed. We had very little dealings with the consulate. We were operating separately and we were physically located up in the port.

Q: '83 I guess.

WALSH: '83. Back into my core function, if you will. My core cone. I went out as administrative counselor to Zimbabwe for two years.

Q: That'd be '83 to '85.

WALSH: '83 to '85, right.

Q: Tell me about Zimbabwe '83 to '85. What was the situation?

WALSH: It was a great place back then. Zimbabwe had become independent in 1980 as a result of the Lancaster House Process. Robert Mugabe was then prime minister. There was a ceremonial president by the name of Canaan Banana, who has just died this week. But, ultimately, Mugabe became head of state as well as head of government. It was a good time to be in Zimbabwe. It was like when we were in Nairobi in '73 to '75. Since it's become a tough place, crime and so forth. We were there at just the right time. It was a progressive government. Mugabe was held up as an example. Not the only example. Julius Nyerere in Tanzania, for example, was somebody who was showing himself to be an enlightened leader. But the old saw back then was they would point to the period of UDI - Unilateral Declaration of Independence - the UDI period of Ian Smith in Rhodesia. You know, under UDI Ian Smith was prime minister and Robert Mugabe was in jail. During the early days of Zimbabwe, Mugabe was prime minister and Ian Smith was in parliament. It was basically a success story. The economy was in pretty good shape. It was based largely on coffee, tea, cotton, that sort of thing. But it was doing pretty well. Of course, it's since gone to hell.

Q: Mugabe has just been in there too long and has basically destroyed the country.

WALSH: There's no question about it. He's ruined that place, which is really too bad. I mean, land reform is a good idea, but there are ways of doing it in such a way that you don't just chop up large working farms into nonviable plots and doing it in such a way that there's no transition, there's no reasonableness. And everybody suffered. Now people are starving in Zimbabwe which made no sense because when we were there it was a rich country.

Q: Who was the ambassador when you were there?

WALSH: The ambassador was Robert Keeley. He had been ambassador in Uganda during the time years before when I had been in Kenya. He was an old AF hand and had been ambassador also in Port Louis, Mauritius. And then ultimately, after Zimbabwe, finished up as ambassador to Greece. He has since retired. The DCM was Gib Lanpher, E. Gibson Lanpher. He became ambassador to Zimbabwe later on. I was the joint administrative officer because we had a large AID mission there, and this job of being the admin counselor for the mission had rotated between AID and State. My predecessor was an AID officer and I was a State officer.

Q: How did you find the political situation, you being on country teams and all this? Were things working well?

WALSH: It had problems of bureaucracy and corruption, but not anything like it is today. It was the administrative system which basically the British had brought with them. And as in most former British colonies it worked pretty well. There was a certain status associated with being a civil servant, unlike in the United States. So people took pride in their work. I remember at the time, even during Mugabe, the chief justice of the Zimbabwe Supreme Court was a white judge. And it worked fine. It's just a shame what happened to it afterwards. But no, it worked. It was a good place to live. Wonderful climate. The Zimbabweans were warm people. I think morale at the embassy was very high because it was such a pleasant place to live. We didn't have the kinds of issues that we had subsequently with Mugabe, although he was very left of any U.S. administration, even then. We didn't have the bones of contention that we had later on.

Q: What was your impression of the AID projects there?

WALSH: To the extent that I had any involvement with them, which was pretty minimal, they seemed to be reasonable. For the most part they were focused on the agricultural wealth of the country, which made sense because that's really where the effort probably ought to be placed. But the AID people that I knew seemed to be sharp people, competent people. But as administrative counselor I, for example, didn't deal with the funding of the projects. Mine was an operational budget. They handled their own budget separately. Project budgets were something I had nothing to do with.

Q: Get out and travel much?

WALSH: Yep, a lot of travel, because I was a great camper. I used to get out and camp and travel up in the mountains and travel to the game parks. Did a wonderful canoe trip down the Zambezi River.

Q: Well after that joyous interlude, whither?

WALSH: Where next? '85 I went to Kingston, Ontario. The Canadian national defense university, NDC, National Defense College.

Q: Did that what '85 to '86?

WALSH: '85 to '86 right. One year.

Q: When you have these out-of-country assignments… Now how did this work. What was your impression?

WALSH: It was terrific. As a matter of fact, I was due for senior training at that point. My career counselor said you should probably be looking at something like a senior training assignment. I wasn't senior enough for the senior seminar. We had slots at the

Army War College, the Navy War College, the Air War College, and NDU (National Defense University) here in Washington. But we also had three locations overseas: Royal College of Defense Studies in London, the NATO war college in Rome, and the one in Canada. But the only one that I, at that time, was told was keyed into a follow-on assignment was the one in Canada. You knew when you went to the war college what you were going to do for the next three years. You were going to be assigned to Canada, and you usually knew by the time you got the job where you were going to be. And since my wife's Canadian, we were looking for a Canadian assignment. So what happened was, they said the fellow who goes to the war college - and we had one State Department slot - the guy that goes to the Canadian war college in '85 will become counsel general in Halifax, Nova Scotia, for '86 to '89. And I wanted that CG job in Nova Scotia, and this was the means of getting it.

Q: What was your impression of the war college and the Canadian defense establishment?

WALSH: I found the Canadian defense establishment very professional, very gung-ho, and very small. A whole succession of Canadian governments have basically allowed the Canadian military to shrink to a fraction of its former self. The Canadian Armed Forces during World War II were huge.

Q: They had the third-largest Navy in the world, I think, at one point.

WALSH: I think you're right. They were huge. Their contribution to World War II was significant. Over the years it just shrank and shrank. And it's a shame because the Canadian military I dealt with were really pros. This was not a toy army by any means. The problem is they didn't have the kind of budget support that you need and as a result the navy shrank, the army shrank, they had equipment problems. But one of the really well-run jewels was this National Defense College, which has since been closed for budgetary reasons. It was a great year. We were 40-some members of the course, most of them Canadian military officers, but not all. We had three U.S. military officers in our course, three colonels, one of whom went on to become a lieutenant general in the U.S. army. We had British military, New Zealand military, Australian military, we had a lot of Canadian civil servants. We had a great year.

Q: What sorts of things were you looking at?

WALSH: Basically we were looking at geopolitical issues. We were looking at the Middle East crisis. I compared notes, for example, with people that year that were at the war college at NDU here in Washington. No question we had the best deal. We had a 707 outfitted for first-class travel and we traveled all over the world. For example, there were several weeks where you studied hemispheric affairs, and then we traveled all through South America on this plane as a group. We had another study in the Middle East and we went to Jordan and we met with the crown prince of Jordan. We went to Israel and we met with the chief of the IDF, the Israeli Defense Force. We went to Pakistan, traveled up to Peshawar, and then went up to the Khyber Pass watching - at that time, of course, the Russians were in Afghanistan and we could watch Soviet Hind helicopters flying around,

operating near the Khyber Pass. They spared nothing. In that sense, they had the budget. Unfortunately, ultimately it closed down. But we would study an area, they would bring speakers into Kingston, fly them in, experts in the area. And then once you finished that area, then we packed up and traveled out to the area for a week or two.

Q: Were the Canadians at that time putting an emphasis on sort of a role as peacekeepers?

WALSH: Yes. That was the one area where they felt they could make a difference. And they did. Because in order to be a peacekeeper you have to first be a good soldier and of course Canada had quality soldiers. They'd already gained a reputation in Cyprus particularly. Canadians usually headed up the Cyprus operation if I remember correctly. They did a lot of blue helmet work. The only one-star officer on the course was a Canadian army officer, Gordon Ray. Gord went on to become the chief of staff of the Canadian army. He became a Canadian three-star and was killed visiting his troops at a peacekeeping mission in the Balkans. Not hostile fire, he was killed in an accident. They were putting a real focus on peacekeeping because it was something they could do within the budget levels that they had, and plus the idea is that a lot of those funds come through the UN budget. So it didn't necessarily come out of the Canadian taxpayer's pocket.

Q: At this time there was this idea. Had the Canadians made it all a unified service so they all wore the same uniform and all that?

WALSH: Yeah, you're really up on this stuff. They were wearing purple at that time. But in fact, they were just coming out of that period. This was about '86 I think they dropped that and went back.

Q: Anybody who knows the military culture knows that this was something dreamt up by a politician or a civil servant. I think it was Trudeau or something?

WALSH: I think it was Trudeau. But absolutely, it was never going to work, particularly because the system is very much like the U.S. system. There were two academies: one at Kingston, which was the Royal Military College, and then there was one out on Vancouver Island in Victoria. But early on, professional soldiers identified themselves as air force, army or navy. And the idea that somehow they could make all of that disappear, it was a nonstarter. So of course they ultimately dropped it and went back to having three separate services.

Q: After this time there, did you get a feel for Canadian culture? First place, I don't think we mentioned your wife. Where did she come from and…

WALSH: She grew up on a farm in the outside of Sombra in southwestern Ontario, that's near the Saint Clair River that divides Ontario from Michigan. At the time that we met she was living in Edmonton, Alberta, where she was managing a travel agency. And we met in Honolulu in May of 1978. She was staying at the Hilton Hawaiian Village hotel in Honolulu on what they call a familiarization trip, where they bring travel agents out to

look over a property that they might then subsequently sell. And I was coming back from a vice presidential trip. I had traveled with Vice President Mondale at the time. And I remember we were traveling on Air Force Two and we landed in Honolulu. The Vice President made a speech at the East-West Center. From there we were to fly back to Andrews Air Force base, but I was despatch agent in San Francisco at this time, because this was '78. So I asked my boss why don't I get off here, take a couple of days to rest up and then I'll fly to San Francisco, and that will save you having to fly me all the way back and so forth. Which was of course a lot of nonsense, I was just looking for a chance to spend a couple of days in Honolulu. And they agreed to it. And so the second day I was there I met my wife. We were staying at the same hotel. And we were married about six weeks later. And we just celebrated our 25th wedding anniversary.

Q: I think we will pick up Halifax the next session. But were you picking up either through your wife or at the war college, the Canadian-American perspective? You picked up the Mexican-American perspective. Was there a transference at all?

WALSH: The Canadian relationship with the United States is further complicated by the fact that there is not one Canada, but there are, as the author so famously said, "two solitudes." You've got French Canada and English Canada. And their attitude toward and relationship with the United States is very different, not to mention their relationship with each other. So that was a very complex relationship. And I got a little bit of a taste of it early on, just from being married to a Canadian and becoming part of a Canadian family, but that was an Anglo-Canadian family. It was a real eye-opener to spend time living in Canada and find the attitude of Canadians, which I thought was going to be very different than what I found it to be when I actually got there and lived among them. Suffice it to say that Canadians know us much better than we think they do. And we know them much less than we think we do.

Q: OK. Then we'll pick this up when you go off to Halifax. And this would be what, '86? And you were there from '86 to '89. And we'll talk about Halifax. You only just mentioned before you picked up something through your wife and at the Canadian war college, but we'll talk about your impressions, particularly from the Halifax point of view, of Canadian-American perceptions of each other and all that. And also what you were doing in Halifax and all that. I suppose we'll even talk about fish.

WALSH: Oh we'll talk about fish. Lots of fish.

Q: Today is the 7th of October 2004, and after a long hiatus we're picking this up again. I'm not sure if we talked about the Canadian war college. Would you talk a little about your impression of the Canadian war college? Because this was a time… Trudeau had already been there and he'd gone through these reforms with the Canadians that tried to put everybody in the same uniform and everything. What was your impression of the Canadian military?

WALSH: It was very positive. They're a professional outfit. I found them generally to be very professional but very frustrated because, as all military people, they had a lot of pride in what they did, and they found that generally within the Canadian psyche, the military didn't occupy the same position that the military do historically in the United States. It could have to do with the

fact that in recent years Canada has not been involved to the extent certainly that the United States is in warlike activities - although they're among the best peacekeepers in the world. I think there's a lot of nostalgia on the part of the Canadian military, because in World War II they will point out that they were well ahead of us in coming to the aid of Britain. Of course, in that case it was their mother country. And in percentage terms their casualties during World War II were considerably greater than American casualties were. I think there was some frustration that there wasn't the appreciation on the part of the Canadian populace for what it is they were doing, which is too bad because they're real pros.

The other point you made, which is an interesting one - I was there exactly at the time when the Canadian military were all wearing purple. Basically it was the unification of the forces. You didn't hear them make any public comments against it, but at the private level it was clear that none of the services appreciated that. Despite the fact that the Canadian system provides for what was then and is now only one military academy, that is in Kingston, Ontario, from which the navy, army and air force all flow, unlike the U.S. system where we have the Naval Academy, the Air Force Academy and West Point. There really is an identification with the individual service. Though they come from the same service academy, there is a sense that the army is the army and the navy the navy and the air force the air force. And the idea of becoming a single consolidated service I don't think really dealt with some of the… they're not petty jealousies, these are really just a sense of identification with a long history. These services have a history. If you go back through their United Kingdom parentage, they go back centuries.

Q: Was there much emphasis on peacekeeping at this point?

WALSH: Very much. In fact it was the principle focus, to be very candid. There's a peacekeeping school in Canada. It's probably the preeminent peacekeeping training facility anywhere in the world, and Canadians were literally all over the world in peacekeeping functions. They were in Haiti, and the fact that of course their servicemen and their officers are certainly all bilingual made them all that more effective in many parts of the world. They were in Rwanda. As they always pointed out, you have to be a soldier before you can be a peacekeeper. The idea of bringing somebody in without that background is really probably not too smart.

Q: Did you sense much interest on the part of... this is before the collapse of the Soviet Union and we got involved in the Balkans and elsewhere. Did you find much interest on the State Department or particularly our American army representative there in peacekeeping? Or was this something way off on the side.

WALSH: My sense was that on the part of the U.S. military that attended the college there certainly wasn't the same interest in peacekeeping that there was on the part of the Canadian officers. I think that Canadian officers looked at peacekeeping assignments as having value in and of themselves, and also from a career standpoint could be career enhancing. Our own military representatives, perhaps because they have more opportunity for conflict situations - opportunity is a term I'm using advisedly - that they didn't have the same level of interest.

Q: Alright. Then you're in Halifax from…

WALSH: I should mention one thing, Stu, and that is that unfortunately, because of the cost of maintaining the Canadian National Defense College it wasn't too many years after I graduated that they shut it down and it no longer exists, which is too bad.

Q: What do they do?

WALSH: There is no senior school such as what we have in the United States, but there is a command and staff college in Toronto and there are assignments that senior officers can take. But the idea of having a group like that spend a year traveling together, studying international affairs together is gone.

Q: Alright well then let' s go to Halifax. '86 to '89. Can you talk about Halifax, kind of where it stood and what it was as a place in Nova Scotia and all? Where it sort of fit in things when you arrived there?

WALSH: Well, at that point we had just closed our consulate in Winnipeg, which subsequently we've reopened. That's not unusual. We've done that all over the world. But at that time, in addition to the embassy in Ottawa, we had two very large consulates in Toronto and Montreal, a somewhat smaller but still large consulate in Vancouver, and then three small consulates in Calgary, Quebec City, and Halifax. Halifax was, I thought, the most interesting of all the consulate assignments with the possible exception of Quebec City, which was responsible for analyzing, reporting on, dealing with the issue of Quebec's separatism. That was concentrated in Quebec City and not in Montreal. And since that was a hot issue and one that had a lot of visibility in Washington, that was an interesting assignment for a consul general. But quite honestly, with that possible exception I thought Halifax was the most interesting because unlike those consulates, our responsibility was for four of the 10 Canadian provinces. So we had Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. That was referred to as a whole as Atlantic Canada. People use the term the Canadian Maritimes. The Maritimes are really the three provinces that are closest to the mainland. When you add Newfoundland the unit becomes Atlantic Canada. It was very interesting because while there were some issues that these provinces had in common, such as the fishery, there was a lot of uniqueness among the four, which made it interesting. You were dealing with four different premiers, four different legislatures, and all of them, particularly Nova Scotia/New Brunswick, had U.S. domestic angles to the issues we dealt with because in the case of New Brunswick, certainly, we share a border. Halifax is the center of Atlantic Canada. Not a large city, 250,000 counting everyone in the area. Canadians from that part of Canada have a different attitude toward their own central government than people do in what they refer to as upper Canada or Ontario. Toronto is viewed with suspicion. Ottawa is viewed with suspicion - some envy, but mostly suspicion. That they really are not interested in the issues of Atlantic Canadians. That they had forgotten, so forth. So there's a very close sense of identification in that part of Canada with New England.

Q: I'm told the Boston Red Sox are their team.

WALSH: It is. Yep. And when people talk about going to the “big city,” they don't talk in terms of Toronto and Montreal, they talk in terms of Boston. New England is referred to generally as the Boston states. And there is a strong familial attachment between Atlantic Canada, particularly the Maritimes, and New England. Many of these families, people that I met, in government and in business and so forth, had families, first cousins, not distant relatives, living in Maine and Massachusetts. The north/south connection was much stronger than the east/west connection.

Q: You were consul general there. First place, let's talk about the different provinces. Let's see, Nova Scotia first. Were these different provinces really separate identities?

WALSH: Oh yeah, very much so. Nova Scotia really does play on its tie to the UK, particularly to Scotland, but not only to Scotland. They are in my estimation the most British of all Canadians. People talk about the United Empire Royalists that traveled north into Ontario, Kingston was a

center of that, where the war college was. But I saw more portraits of Her Majesty in offices in Nova Scotia than I ever saw anywhere else in Canada. And I also had a sense that the lieutenant governor… In the Canadian system the representative of the head of state of Canada, as opposed to the head of government, is the governor general of Canada, who represents the Queen, the prime minister being the head of government only. But each of the provinces has a lieutenant governor, which is basically the representative of the governor general and, through him or her, the Queen. In many provinces that's very much an honorary position and is not really given the kind of attention that you might think it is, but in Nova Scotia that person is held in quite a bit of esteem.

The other thing I think about Nova Scotia that made it special is that it's a destination for an awful lot of Americans traveling, not only in business but as tourists, maybe even more so than some of the other areas. And so there's a real sense of identification with the United States. Newfoundland's a case by itself. Here's a place that up until 1949 wasn't even part of Canada. There are people who argue that the selection that took place in 1949, where the highlanders were given the option of either separate nationhood, continue their association with the United Kingdom or join Canada, that I've heard comments from people saying that the election was rigged in favor of association with Canada and that the political leaders at the time pushed in that direction. I have no way of knowing. The fact of the matter is Newfoundland is part of Canada. But when you travel in Newfoundland you get the sense that you're in a country of its own - the accent, the culture. In fact, Newfoundlanders that I've known, when they talk about traveling they say they're going to take their holidays in Canada and they talk about it as though it were a separate country.

Q: When one goes to Europe you usually end up flying over there and I've never seen such a barren-looking place. There isn't much there, is there?

WALSH: No. In fact, the locals, it's a point of pride that they're able to basically eke out a life on this barren piece of rock. In fact, Newfoundlanders call it the Rock. Interesting people. Delightful people. They're among the most interesting people in all of Canada. There's almost an Irish brogue when you visit there.

Q: Was there any… Canadians have a word for it… we would use a term which is now in disrepute, but Eskimos.

WALSH: Inuits.

Q: Is there an Inuit issue there?

WALSH: Not on the island of Newfoundland. Newfoundland is actually only part of the equation. It's called Labradorean Newfoundland. So the mainland portion of the province is Labrador and there are Inuit who live on Labrador. They have the same sorts of issues that they have in other provinces of Canada that have Inuit populations. That is, they have to deal with the native and American question and the Canadian government I think spends a lot more time and effort dealing with that than, say, the U.S. government does with our own Native American population. And it's supported by the Canadian populace, which is something that I think is probably less the case in the United States, that these folks didn't get a fair shake and they're entitled to it.

Q: What about Prince Edward Island? I mean, I always think of Japanese tourists going to see Anne of Green Gables.

WALSH: And you're not far off. Basically, it is an idyllic little, largely rural island that survives on farming - potato farming particularly. By definition it's an island. Some of the best lobster in the world comes from PEI. And oysters as well. And tourism. So it's the smallest of all the Canadian provinces, despite the fact that a bridge has finally been built to it I think there's still an island mentality among the PEIslanders. But they have the same representation in the sense that they have a premier and they have representation in the Canadian Senate. Obviously as a percentage of the total population when you get to the House of Commons their representation is much smaller, which is understandable. But that's where Canada started. Confederation started in PEI at Charlottetown in the 1860s, so there's a lot of history.

Q: Who was the prime minister in Canada when you were there?

WALSH: Let me think. It was Mulroney.

Q: What were the issues that you were dealing with and pressures?

WALSH: They were largely regional. The core issues, such as the dissolution or the possible dissolution of Canada, were not what we dealt with in the Maritimes or in Atlantic Canada. Those were issues that were focused mainly on Ontario and Quebec. Our big issues really were related to the fishery. While we and the Canadians had reached an agreement on a dividing line between their side of the Gulf of Maine and our side of the Gulf of Maine, there were an awful lot of violations of that line in practice. It was particularly true of fishermen from New Bedford, Massachusetts, basically Portuguese Americans who had been fishing that area and the Grand Banks for centuries.

Q: And Labrador is a Portuguese word.

WALSH: It is. Exactly. And so in practice we were dealing with violations. While I was in Halifax, the Canadian Coast Guard - which is not a quasi-military organization like the United States Coast Guard, it is all civilian-manned - armed their patrol vessels with 50-caliber machine guns and had occasion to use them at least throwing rounds across the bow of some American fishermen that were on the wrong side of the line. And some of those fishermen returned fire. So we actually had a shooting war in the Gulf of Maine when I was there. And no one killed, thank God. But as you can imagine, we heard from legislators from the state of Massachusetts on this issue as well as the Canadian federal government. When people told me you'd be dealing with fishery issues I thought that would be scientific issues. I discovered that fishery is a very hot political issue.

Q: When you talk about Canadian-American relations you're essentially talking about fish. I mean, it goes back to the Webster-Ashburton Treaty of 1842. I mean, going back to since the creation of the United States, fish has been a contentious issue and continues to be.

WALSH: And it was. During the time I was there it was a hot issue.

Q: Was this a diminishing resource when you were there? The area as in the United States, New England fisheries, were they dealing with the problem of what to do about maintaining… because these were mainly small fishers, weren't they? I mean, they weren't like the huge Russian and Japanese factory ships and all.

WALSH: I think for the most part the New England and the Canadian maritime fishing fleets had common interests in that they wanted to maintain the economies along these coastal towns, what

they call the in-shore fishery. And in that sense there was squabbling over some of the same territory between these two in-shore fisheries, but I think they had a common interest in making sure that the resource lasted over time. The common enemy were the ones that you mentioned, and that is the Japanese and Russian factory ships that were coming in, laying just offshore or just beyond the exclusive economic zone, and scarfing up all the available fish in the area. The Spanish were other big violators. And while I was there the Canadian authorities, either the coast guard or what they call DFO - Department of Fisheries and Oceans - pulled some of these factory fish in for having crossed the line and they held them for long periods of time, and it became a real issue between Canada and some of these countries. I'm trying to think of other issues.

Q: Power?

WALSH: To some extent. Power largely as it flowed into the northeast grid from Labrador, but that was through Quebec for the most part. Some offshore issues - offshore Newfoundland, Sable Island offshore Nova Scotia. These were issues of oil exploration, gas exploration. That became more of a domestic Canadian issue than it was an international or bilateral issue because of the ongoing argument between Ottawa and the provinces as to who controls the energy resources, basically the mining rights. The real battle is between Ottawa and Alberta in this area, since that's the most energy-rich of all the Canadian provinces. But bilaterally energy was not so much an issue in our neck of the woods. Lumber, again not as much as on the west coast in British Columbia, but there were issues. Nova Scotia is the largest supplier of Christmas trees to the United States. Many of the Christmas trees that you see around the northeastern part of the United States are actually imported from Nova Scotia.

Q: Well, the NAFTA, North American Free Trade Agreement, was not in place or even was it thought of at the time or not?

WALSH: Canada joined NAFTA while I was DCM in Ottawa some years later. But the free trade agreement between the United States and Canada, the bilateral free trade agreement, was already at that point in place. Or were we in the process of negotiating it? Because Canadian accession to NAFTA was another political move beyond the bilateral free trade agreement.

Q: What about immigrants? Was this a problem or were they all headed off towards Montreal or Toronto or something?

WALSH: You mean immigrants from the United States?

Q: From other parts of the world, ending up in Canada and then going to the United States.

WALSH: Not so much an issue from the Maritimes or Atlantic Canada. There were some that would get as far as Canada and then try to immigrate into the United States. Particularly immigrants that would come into Quebec, for example, from francophone Caribbean, and then basically try to move back into the United States to basically join up with A) other Haitians in Florida and B) live in a climate that was more hospitable, because the Canadian climate was pretty tough if you're used to living in the Caribbean. But no, that wasn't a big issue in our part of the country.

Q: In talking to Canadians in your neck of the woods, did Cuba come up a lot? Was our Cuba policy a problem?

WALSH: We basically agreed to disagree on Cuba. The Canadians in the Maritimes felt that their own government for the most part was right and that the American embargo made no sense. And to some extent trade between Atlantic Canada and Cuba was helpful to the Atlantic Canadian economy. The big hotel owners that have hotels on Varadero Beach in Cuba were not local operations. They were generally headquartered in Toronto. But generally, it was one of those issues where we agreed to disagree.

Q: Did you get involved with the state of Maine at all? Would you talk about that?

WALSH: Well, the state of Maine in the same way that we were involved with the state of Massachusetts because there were questions of jurisdiction over the fishery. There weren't any real border disputes in the sense that the border between New Brunswick and Maine has been long recognized, so that wasn't so much an issue. One small issue that sort of popped up every year was what they called the Machias Seal Island. Probably no one outside the state of Maine or the provinces of Nova Scotia or New Brunswick knows anything about this, but there's a little island off the coast of Maine that - I think it was during the Gulf of Maine decision - was ceded to Canada. There's no permanent Canadian presence on the island because it's a puffin rookery, those funny-looking birds with the big beaks. And once a year a fellow named of Marna Norton from Maine would travel out to the island and plant the American flag and claim possession of the island. And then almost like a bit of Kabuki drama, the Canadian coast guard would come and ceremoniously arrest him, remove him from the island and then back to the mainland he went. He did this every year. I think he's died now. I don't know whether his family has taken up the struggle. But the idea there is that he claims that as long as an American citizen rejects Canadian sovereignty at least once a year that this remains an open international issue. I don't think the U.S. government has taken up his cause. But it was always a lot of fun every year because everybody waited for Marna Norton to go out and plant his flag.

Q: How about in talking to the Canadians where you were. Were they pulling this "poor Canada with big United States and little us," which you get in certainly Ontario and that area? Or was it more "maybe we can join up with you" or something like that?

WALSH: Both. There was less of the "poor me" I found in Atlantic Canada, which is interesting because Atlantic Canada is as a region the poorest part of Canada, besides the Northwest Territories. Maybe it's because of their pride in their own unique history, but I didn't get much of that. You get more of that in Ontario. Possibly because of those north/south links that I was talking about, you did occasionally hear a comment saying we'd probably be better off if we belonged to the U.S. But then they think about benefits of being Canadian - like universal health care - generally speaking, in serious conversation I don't think I ever met a Canadian from the Maritimes that wanted to be other than a Canadian. But certainly, there is the idea of being overshadowed by the giant next door. Many Canadians say, "we're the only country in the world that defines ourselves in terms of what we are not." And that's basically the same problem Mexico has. So far from God, so close to the United States.

Q: Well, how did you find the hand of our embassy in Ottawa rested on your operation?

WALSH: Very lightly. I think that's probably because we had a tremendous ambassador at the time, Tom Niles, who was a career officer. And the DCM at the time, Dwight Mason. Both were, I thought, tremendous managers. They were the kind of people that said, look, here's the general guidance, this is what our policy is in these areas, and they let the CGs do their thing. There was never, for example, a requirement - as I know in some countries there is - that policy-related reporting or recommendations regarding policy had to be cleared through the embassy before

they were sent on to Washington. Never. We were always expected to do our reporting directly and copy the embassy. We had a lot of visits from the ambassador and the DCM and the other officers in the embassy as they got out to the field. But no, it was a light supervisory touch, and it worked well.

Q: Were there any sort of consular cases or arrest cases or problems that you…

WALSH: We had one particular very dicey arrest case. It was a murder. I don't remember the names now, but there was a case of a Canadian from Nova Scotia, who attended school with an American boy from New Jersey, in Nova Scotia if I'm not mistaken. I think he was at Acadia University, which is in the Annapolis Valley. And he traveled home with this pal for the holidays to stay with his family in New Jersey. And while there - and this was never really made perfectly clear - but basically the boys murdered the New Jersey friend's parents with shotguns. Blew them away, and then took off with the bodies and traveled halfway across the United States and dumped the bodies, and basically behaved as guilty people. And they were found guilty, and they were both jailed in New Jersey, and I think they were life sentences. Again, I'm not 100% sure on those. And we had a lot of back-and-forth because there was a lot of pressure from the Canadian family to have… we had just negotiated a prisoner exchange treaty with Canada. And this young man, whose name now escapes me, they were trying to get him moved up into a prison in Nova Scotia to serve out the remainder of his sentence. But the New Jersey authorities wanted ironclad assurances from the Canadian government that he would spend the entire sentence behind bars. Which, in the United States, a life sentence conceivably can be a life sentence. In Canada there's no such thing. There's a 25-year maximum on a life sentence, so "life" means 25. And we went back and forth for the longest time. By the time I left he had still not been allowed to transfer into a Canadian prison. The Canadian government argued that they couldn't make an agreement like that because it would be ceding sovereignty. It would be a violation of their own regulations and laws with regard to what constitutes a life sentence. So that was a very interesting case.

Q: Were you the purveyor of various points and going back and forth?

WALSH: I became personally involved in this. This was a high-visibility case. This wasn't just some American who's in jail for six months for shoplifting and we have to make sure he's being treated well, because they were always treated well. They were treated so well in the Canadian prison system, I never once had an application from an American who wanted to serve out his sentence in the United States prison system to be closer to family or closer to home. In other words, the requests to take advantage of this bilateral agreement were always in the other direction. I can see why. We had an agreement, anytime anybody traveled, no matter who in the section or in the consulate, they had to do prison visits. And I did a prison visit in Prince Edward Island. It was so comfortable that the fellow who was in there for breaking property, he was only in for a few months, but he said it was the most comfortable place he had ever lived, and that he was asking for an extension. They said he couldn't have it and he was planning to do something of a misdemeanor when he got out so that he could go back in again.

Q: What sort of things would you do? Make a lot of speeches, or go around and metro social life or what…

WALSH: Nova Scotia had a lot of social life, surprisingly. There was even more than I found later on when I was DCM in Ottawa. I just assumed as you moved along that it would become more intense, but it varied. It depended where you were. Later on, when we talk about Argentina, that was very intense. But I found in Nova Scotia they're very social. An awful lot of dinners. Something I found I had a hard time getting used to, something I wasn't familiar with, was stag

formal affairs where basically men all get together without their wives in tuxedos. And a fair amount of television and radio work, a fair amount of travel in the region. There was always a by-election or some sort of an election going on in one or more of the provinces, so we did a lot of that.

The consular workload was not huge, but it was interesting, the economic focus largely on the fishery and to some extent on tourism, the lumber industry and offshore. And the political was focused on the elections and to the extent that any of this impacted on the Quebec separatist movement, but it was only tangential.

Q: When was acid rain an issue while you were there?

WALSH: Acid rain had been more of an issue before I got there. And it was not as much an issue in the Maritimes as it was in central Canada. That was largely a function of the way the winds blew.

Q: I understand there are people in upstate New York who have problems with acid rain coming from Canada.

WALSH: It went both ways. And no matter how high you built the stack it didn't make any difference. Sooner or later it had to come down.

Q: What about, particularly during the time of Trudeau and all, there were the sort of cultural wars - the idea that American magazines, American television, etcetera, etcetera, was so dominating them, the poor Canadians weren't getting their due share and all that. Was that an issue at all?

WALSH: Yeah, that was an issue and it continued to be an issue later on when I served in Ottawa. There was support for federal subsidies of the cultural industries. And it caused problems when we negotiated NAFTA because ultimately we had what was called the cultural carve-out: the Canadians insisted that before they signed onto this deal that Canadian culture had to be protected. That included things like television and radio programming, theater and so forth - that otherwise they feared would be swallowed up. This was almost always English-language programming because the French-language programming was protected per se.

Q: Did French play any role where you were? I mean, in a way I would think you would be kind of removed from that. That was an Ontario-Quebec thing or something.

WALSH: The separatist question, that was certainly a Quebec, rest of Canada issue.

Q: This is tape four, side 1 with Jim Walsh.

WALSH: An interesting point about the French language question is that while Canada is a de jure bilingual country officially, we all know that it's not de facto bilingual. But none of the provinces are officially bilingual except for New Brunswick. It's the only province that is officially bilingual. So any federal activities in any of the provinces across Canada have to be offered in both languages. If you're brought into a federal court you have the right to be heard and questioned in French or in English, all of the documentations in both languages. That is not true at the provincial level anywhere in Canada except in New Brunswick.

Q: Why New Brunswick?

WALSH: New Brunswick has a long history of French settlement.

Q: Is this Evangeline country and all?

WALSH: No, Evangeline country is Nova Scotia.

Q: That's what I thought.

WALSH: There is an area along the Minus Basin, which is the Bay of Fundy and along what they call the French shore of Nova Scotia, and what they call the French shore of Cape Breton, which is the island on the northern part of Nova Scotia. These are largely French communities and it's known as Acadia, Acadia being the parent culture to our Cajuns in New Orleans.

Q: Evangeline represents people who were ripped out of Louisiana and sent up in exile.

WALSH: No, the other way around. This was back in the 1760s, I think I'm right. The Acadians - who are from another part of France from the Quebecois and there's no connection there whatsoever, and they hasten to point that out - that they had always been neutral, even when the French occupied Nova Scotia, Louisbourg and some of the other areas in Nova Scotia. The Acadians were much like American Quakers. They didn't serve in the military, they didn't support the politics of Paris. One way or another, they had a neutral stance. And when at one point, the British governor of Nova Scotia required that every resident of the colony had to swear an oath of allegiance to the English sovereign, they refused to do it, as they had refused to do it for the French sovereign. They said look, we're just not playing in that game. And he said anybody who doesn't has to be exiled. And that's when the community from Nova Scotia traveled to Louisiana and became… it's basically a bastardization of Acadienne to Cajun. But interestingly enough we were in Nova Scotia in August for a visit. First time we'd been back in years and years. And it was the 400th anniversary, because the first French landed in Nova Scotia in 1604. It was the 400th anniversary of the founding of Acadia, and the governor of Louisiana was the guest of honor, came up for the doings.

Q: Did you get involved in any sister-state thing or anything like that?

WALSH: Not really. Most of the towns and cities had some sister-state arrangement, either with some place in the United Kingdom or in Scotland, or in the United States. But it's something that kind of managed itself. I never became involved in it.

Q: What about universities? Was there a sizeable American student body from the States or were they a hotbed of anti-Americanism?

WALSH: They were no more a hotbed of anti-Americanism than universities in the United States were. There were American students at Canadian universities, but not in huge numbers. There's a long history of university education, particularly in Nova Scotia. Halifax had a half a dozen universities, some of them very prominent - King's College and Dalhousie University for example - less so when you got into New Brunswick and Newfoundland. It was the educational center, a university town.

Q: In the winter did everybody except you leave for Florida and the Carolinas?

WALSH: You had snowbirds, people who could afford to do it because they were retired and left to go to Florida the same way that people in the northern part of the United States do, but the majority stayed at home and lived there. One of the interesting things that we found, though, was often referred to as the "two solitudes" of Canada. The French Canadians, particularly the Quebecois, sort of live their lives separate from English Canada. That is true when they go to Florida as well - French Canadians go to the eastern coast of Broward and Dade counties, Hollywood particularly, Fort Lauderdale. There are, in the high season, French-language radio stations and newspapers. And Anglo-Canadians for the most part tend to go to Sarasota and the Naples side, where there are Canadian-focused radio stations.

Q: I was wondering. My wife has some Canadian cousins from Guelph and they head to Naples and that area.

WALSH: So it's interesting to see that this "two solitudes" that they talk about back home carries on into their vacations as well.

Q: Well after that, were there any other issues… How about the Canadian movie industry? Did that play any role while you were there, because it's quite powerful.

WALSH: No, and of course a lot of Canadian entertainers, comedians, made it big in the United States, comedians and singers and so forth. Quite a few movies were actually filmed in Nova Scotia. It's cheaper because of the differential in dollars. There's an awful lot to draw on in terms of the universities. I'll give you an example. A Stephen King novel, supposedly happening in a little town on the coast of Maine, was actually filmed in Lunenburg, Nova Scotia. Lunenburg is often used as the quintessential New England seaside town, just like *Superman* was filmed in Calgary. And Gotham City was not New York, it was Calgary for *Batman,* because it looked more American I guess than American cities did. But it wasn't a huge factor in our part of the country.

Q: Well then, you left there in '89. Whither?

WALSH: '89 and went to Buenos Aires as political counselor.

Q: And you were in Buenos Aires from when to when?

WALSH: From '89 to '93. Four years. I spent a year and a half of that as political counselor and two and a half as DCM. It was a split tour. I was reassigned at post.

Q: '89, what was happening in Argentina when you got there?

WALSH: Well, an election had taken place the month before I got there. The new president, Carlos Saúl Menem, had just been sworn in.

Q: This is his first time.

WALSH: Yes. He took office in a crisis environment. The former president, who was the first democratically elected president of Argentina in decades, Raúl Alfonsin, had to leave office early because the economy was in a shambles and he had basically lost the support of the political machinery in the country and the people. And so he basically said "it's all yours." Menem came in, took over, in advance of his normal inauguration day, at least by several months. He was supposed to take over December 10th, he took over in June I think, so it would be six months. And by the time I arrived there he was just beginning his term in office.

Q: Who was the ambassador when you got there?

WALSH: Terry Todman.

Q: As you went out from the desk and all, I mean obviously you must have stopped by the desk and talked, and the bureau and all. Menem was a new phenomenon, wasn't he? What were you getting from the Washington perspective on your way out there?

WALSH: People didn't know what to make of him because he was a real surprise. He was the governor of a small province in the northwest of the country, La Rioja. He was totally atypical for an Argentine politician. Argentine politicians historically have been big-city, urbane sophisticates. This guy campaigned as very much the populist. He was famous for his long hair and his big mutton-chop sideburns. But he was a spellbinding orator. He was good. And I think everybody was surprised when he won - first, the Peronist primary, and second, the election. The reporting from the embassy, particularly from Bob Felder, gave people here in Washington the heads up that this guy was somebody to deal with. The general feeling was that he didn't have a prayer, but Bob's reporting was right on the money.

Q: This is Bob Feldman?

WALSH: Felder. Bob was the political counselor down there who got to know Menem I guess as he traveled out to visit provinces. And he was one of the few people, if not the only, that saw it coming. He's to be commended. Other people said there's not a chance. He's just so completely off the wall in terms of… historically, what are Argentine politicians like. And Felder said no, he thought he was going to win, and he did win. People scrambled around trying to find out as much about him as they could. And there

was a general fear that he was going to be one of these sort of bombastic anti-American caudillos. And he turned out not to be that at all. He turned out to be something very, very different. He could have been co-drafter of the Washington consensus. The guy took a very orthodox view toward the private sector and government intervention. He did exactly the opposite of what Peronists have done historically, and Perón himself did, which is to nationalize industries. Perón nationalized the railroads and so forth. And people were concerned - particularly in the business community - that Menem was going to undo, if you will, what had been accomplished during the Alfonsin regime. But in fact he was very clever. He immediately reached out to the business community and said, you know, you guys can do this better than we can, and we just want to help you and facilitate. So a lot of people, particularly the poor, felt betrayed, because they said, hey, this isn't what we voted for. This guy has turned out to be more establishment than the establishment. But in fact, during most of his first administration, things went so well that there was a trickle-down effect and the Argentine under-classes did better than they had done previously. So the problem was he just stayed too damn long.

Q: When you arrived there he was just taking over.

WALSH: Well he'd been there for a matter of months.

Q: I mean, being the new boy on the block and coming from the Arctic north and all that, did you sense a situation in the embassy, sort of a regearing because they'd been very skeptical about this guy? Were you able to bring almost a clear perspective or a different perspective on that?

WALSH: Well I think I had two advantages. Number one, I'd already lived in Argentina for two years. I had been there as a young man as a student, and I had done graduate work there. And particularly in the second visit, when I lived there for the second time, I met an awful lot of people who ultimately became involved in politics. So I had kind of a ready-made network that was more than I would have had as an incoming FSO under normal circumstances. The other thing, I had the benefit of the fact that Bob Felder, my predecessor, had a staff that had reached out to the Menem camp and had established a significant network among the people who were supporting this new relatively unknown president. He'd used that time to introduce the ambassador to these people, because Ambassador Todman had been there already for several months by the time I arrived. A lot of that work, to be honest with you, was done for me. I was able to piggyback on what Bob - and through him, the ambassador - had already started. So in a way, I had the benefit of what had gone before, plus the fact that I knew a lot of folks on my own. And the transition wasn't very difficult. And Menem was making it very clear from the get-go that he wanted a good relationship with the United States, so he and his people were reaching out to us at the same time.

Q: Prior to that, how had the United States and Alfonsin gotten along?

WALSH: Alfonsin - since he was the first elected president since the military dictatorship - got a level of support, not only by the United States but by the European powers, that he

probably wouldn't have earned otherwise. He was a prickly sort, and I would argue that he looked for ways to differentiate himself and his policies from the United States and others unnecessarily. I think the relationship was alright. I wasn't there at the time, but I'm picking that up. And I think the relationship was better in the early Menem years than it was during the Alfonsin years.

Q: How stood the economy when you arrived?

WALSH: Not good. That was one of the reasons why Menem took office sooner than normal. Inflation was a terrible problem. In fact, it was hyperinflation. There were brownouts and blackouts from the electrical system. It was a mess. The country was really in rough shape. There was not a lot of interest at that point on the part of international investors to come into Argentina, and I think that's one of the reasons why Menem made it clear that he was pro-private sector. Because once people became convinced that he was, a lot of firms from the United States, a lot of firms from Europe, Spain particularly, started to get into… Spain was now in a position to be able to reach out and do things internationally which it hadn't been able to do for a long time. But Spain now as a new member in the EU and all of the monies that come from that, the flow from Belgium into the Spanish infrastructure, freed up some of the money by Spanish investors to look for overseas markets, and that's what they did. They looked for Argentina. Spain actually became in terms of - now this is later on, I'm talking about the time when I was ambassador - but it was growing then. It got to a point where there was a year or two there where net new investment by the Spanish was greater than U.S. net new investment, which had never happened.

Q: But you know, there's always been this, and remains this thing of... Here is a country, Argentina, it seems like everything going from a European population, no particular Indian indigenous problem. Lots of pampas, lots of almost everything you can name, and it doesn't seem to get together. Did you have the feeling, not you so much as sort of within Argentina, that things were beginning at last to come together or not?

WALSH: Yeah. There was more of a sense of that. It wasn't universally held, though, because there were still… among the military and among the so-called oligarchy there was this tremendous suspicion of anything Peronist because they hearken back to the 1940s and '50s. Perón and his wife Eva were nationalizing industries and passing money around freely and taking up a very anti-U.S. position. How could a Peronist behave this way? They were waiting for the other shoe to drop, and the other shoe never really did drop.

Q: He came from a Peronist background?

WALSH: He came from a Peronist background.

Q: What about his party?

WALSH: Once he got in, he took hold of the party machinery in a way that… he was a very deft politician, the guy was very sharp. One of the principal pillars of the Peronist movement in Argentina historically has been organized labor, and a strong unified labor movement in Argentina could have proven a problem for someone who was basically making decisions that were pro-management in a lot of cases. So he arranged for a schism within organized labor and recognized a split off. Basically it's as though he had taken the AFL-CIO and arranged them to become the AFL and the CIO and recognized the head of the CIO and kept the two of them, and while they were battling each other, Menem was running the country. So he was a very sharp politician. He's still around. You know, he's in Chile. There's an arrest warrant if he goes back into Argentina. But you wouldn't count this guy out until he's six feet under.

Q: What were American interests there when you were there?

WALSH: Oh, huge. The American Chamber of Commerce had hundreds of corporate members. Virtually every American Fortune 500 firm was represented there. General Motors, Ford, the big pharmaceutical firms, General Electric, just about everything. Because there's a long history of American investment. Ford I think opened up in Argentina just around the turn of the century, well prior to World War I. So we've always been the big kid on the block down there. The British were the principal investors in the latter half of the 19th century. But then really from the turn of the century through to today we are the largest investors. There's almost no company that you can name of any size in the U.S. that doesn't have some representation in Argentina. Now we have competition from the Spanish, but more recently, because of the way things have been going in Argentina, a lot of that is moving in the wrong direction. But in the early '90s it was a booming place. Our problem was how to allocate our time to deal with all of the senior U.S. executives who were coming down and wanting to talk to people in the embassy about investment possibilities. It was a booming, booming time to be in Argentina.

Q: How'd you find Terry Todman as ambassador? He has a reputation of being one of the imperial ambassadors.

WALSH: I'm retired now, I can do what I want and say what I want. I would say he is one of the toughest, smartest and fairest guys I ever worked for. And I picked those words intentionally. He expected a lot from you. And if you didn't deliver, God help you. But I found him to be eminently fair. He was not a warm and fuzzy guy. He didn't pretend to be a warm and fuzzy guy. His charisma was a tool that he used in representing Uncle Sam in his dealings with the host government officials, and he used it effectively. Internally, he expected everybody to deliver. I suspect one of the reasons why he chose me as DCM at post is because I am more warm and fuzzy than he is, and could deal with some of the management questions around the embassy that he didn't want to deal with. But I learned more from that guy, not so much how to run an embassy as how to work with a host government, than I've learned from anybody else I've ever worked for.

Q: What were some of the things you picked up in dealing with the host government?

WALSH: From him? It's one of those things where it's hard to say just what it was. He spoke very good Spanish. He was quite a linguist actually. I think he had four or five languages if I'm not mistaken. I never heard him speak them but I understand he has sort of three-level Arabic and French. But his Spanish was dead good. The guy had a lot of principles. And I think principle number one was I'm only working for one guy. I work for the President of the United States, and don't ever expect me to do anything out here that undermines that, no matter how I might appear to schmooze with you. And he laid that out. And that's one of the things that I did when I got there. My first speech to the press was that… they made much of the fact that I had a long history in Argentina. I had lived there, I had gone to school, I had all these Argentine friends, and people were delighted that I would be coming down. And the first thing I did was say, make no mistake about it. I work for the United States. To the extent that things work in concert, that's fine. But when they do not… and that is something that Todman made clear. People respected him for that. He said, look, I am not here to have you love me. But in the end they did. The Argentines really did love him. But he was a tough guy to work for. He was rough.

Q: What was the political atmosphere that you were working with when you got there?

WALSH: Actually, it was very benign. Everybody was so sick of the mistakes of the previous administration that they were willing to cut Menem a break that maybe they wouldn't have otherwise. They said, look, the poor guy didn't have the six months that he needed to kind of prep. It was dropped in his lap. Give him a break. And he was full of surprises, positive surprises for the business community. He reached out to the military. He basically made a couple of decisions which a lot of people subsequently have taken issue with, this Argentine administration now. But basically what he did was he pardoned military officers that were involved in the dirty war. Basically said let's have a break with our past and move forward. And that didn't go down well with a lot of people who lost family, disappeared, and other people who feel that the human rights issues weren't dealt with properly by the Menem administration. But he earned a lot of points with the military as a result of that, as you can imagine. And I would say it was a pretty benign atmosphere in '89. The economic situation was a mess, but the political environment was fairly benign for us as Americans.

Q: What were your contacts with the political class and all? I assume that you were out there chasing them around and talking to people and all that. What were you getting from them? What you're telling me now?

WALSH: Well, it depended. If you talked to people in the radical party, which was Alfonsin's party, they were telling a different story. Saying that obviously you guys are happy with Menem because he's sucking up, and he's not representing Argentine sovereign interests the way he ought to. And I argued back and I said, look, I'm not going to get involved in your domestic disputes here, but the fact of the matter is you guys are doing a lot better in terms of attracting new investment than you did in the previous administration. The guy's trying to dig you out of a hole that you dug yourselves into. But

they took the position of the opposition and that is we've got to poke holes in this guy, and that's understandable. So it depended on who you talked to. But generally speaking, in the first administration Menem got high notes from most folks that I talked to, both those who had supported him and thought things are getting a little better, and those who didn't support him and were surprised by some of the policies that he started to implement - free market reforms and so forth. So what can I say? The other thing too is part way through the tour I was focused entirely on the first year and a half on my role as political counselor, but then the management side of things took over for the last two and a half years. That was the alter ego like everybody else's when you're DCM, but I was much more a mister inside than I was a mister outside.

Q: So let's talk on the first part, but also the most interesting thing is when Menem takes charge. Were there any U.S./Argentine issues that were going on at that time? I mean, this is the time when all of a sudden the Soviet Union collapsed and although I can't think of a country farther away from there, it probably had repercussions, didn't it?

WALSH: Yeah, it had repercussions as it did everywhere else in the world. Basically, Menem used it to bolster his own argument that aligning himself with the United States makes sense because when you look at it, of the two systems, the U.S. system is the one that made the most sense because the other one fell under its own weight. So he would point to people even within his own party who were less enamored of the United States and say the bipolar world is gone. The idea of supporting, not that he would have done it anyway, but the idea of supporting one or another of the Cold War parties, that option's not available anymore. And besides, if we are going to emulate somebody, emulate the winner, don't emulate the loser.

Another example of how things went was that Desert Storm happened during the same time frame. And the Argentines were the only people in Latin America who not only provided moral support, but they actually provided material support. They're not a huge navy, but they provided two ships fully manned and went to the Gulf and actually participated in Desert Storm. There is no other country in the hemisphere save the Canadians who did that.

Q: We had had a tradition of sending ships down and having these joint exercises. What was it called?

WALSH: Unitas.

Q: Had we been keeping this up? There were various political ties and we had cut it off and on, but we had been doing that with… was the problem of the Falklands/Malvinas still rankling?

WALSH: It still is even today. There are people in the Argentine military who feel that we snookered them. In fact we were talking out of both sides of our mouths. Jeane Kirkpatrick at the United Nations was saying one thing and people back in Washington were saying something else, basically that somebody else being Secretary Haig. We talk

about the Monroe Doctrine, but in practice when push comes to shove we support our British friends against all comers. In my conversations I said, what did you expect? Give me a break. You were foolish to think otherwise.

Q: Yeah, and how it was done was…

WALSH: Was terrible. There are people that felt pretty strongly that we were unprincipled in the way we did this. The Argentine military might have been upset with that, but as we discussed about the Canadian military, the Argentines are professional military people and they want to play in the game. And playing in the game means working with the United States. And there was never any serious opposition within the Argentine military to Unitas or any of the other joint exercises.

Q: Or going to the Gulf. I mean, this was not...

WALSH: They were all over themselves. There were people, particularly in the radical party and left wing of the Peronist party, that thought this was a bad idea and they did not support the idea of Unitas and some of the other joint exercises. But the government sure did, and the military sure did.

Q: Was there any residue or cleaning up after the disappearances where the mothers of those "desaparecidos" or whatever it is still appearing?

WALSH: That is still to this day. Every Thursday in the Plaza de Mayo, which is the main part of downtown, the grandmothers show up and demonstrate about the thousands of "desaparecidos" (individuals who disappeared).

Q: At one point… I've interviewed Tex Harris, who was there at the time, who used to get out and talk and make quite a point of this - with not the full support of the ambassador. But were we doing anything on this?

WALSH: It wasn't like when Tex was there. He was there right in the middle of all of this, as was Wayne Smith. They would look from support from us in terms of the FBI lab, was there anything to do in terms of DNA testing. But it had gotten down to a point by the early '90s - you're talking about almost 10 years later - where it was almost a forensic exercise not a political exercise. It was more a question of trying to identify where these kids were and who were the true parents.

Q: These were the children who were taken away and adopted by the military.

WALSH: Ripped out of bellies. Some of this stuff was awful. They would perform a Caesarean. They'd dope up the woman, cut the baby out and kill the mother. It was just awful. And Tex was probably there during the time this stuff was happening, but I wasn't. In fact I missed that whole era. I was there in the early '70s. They didn't call that period the "dictadura," the dictatorship, they called it the "dictablanda," "dura" meaning hard

and “blanda” meaning soft. There was a soft dictatorship. It was '76 when things got nasty. '76 to '83 is when they were dropping people out of airplanes.

Q: Do we have sort of a black list of people we didn't contact because of their ties to the dictatorship?

WALSH: Yeah. There were bad guys that we didn't deal with at all. Massera and some of these others that were the real bad people.

Q: The naval captain… this guy pushed nuns out of planes.

WALSH: There were people that were just so over the top, and they were on our list. They couldn't travel to the United States and we would have nothing to do with them.

Q: By this time, I guess the Nazi presence... were there any issues there?

WALSH: No, that was all old stuff by that point. Most of that was kind of in the '50s and '60s.

Q: How about relations particularly with Chile and then Brazil at that time?

WALSH: '90 to '93… I think there were still issues with Chile over what they called the continental ice fields at that point which were still a little nasty. They had just settled what they called the Beagle Channel.

Q: Yeah, the Beagle Channel had been around…

WALSH: In fact I think it was through Papal mediation that that was settled. But then these ice fields, which for the life of me it's one of these things you can't figure out. It’s like people do this to themselves. Who gives a damn? But basically, the international border between these two countries, you can tell yourself, it follows the ridgeline, the continental divide, if you will, of the Andes chain. But there were some places where that becomes iffy because of these… essentially glaciers. And who cares? Nobody's ever been on them. But they had this thing. And there were times when it got hot enough that people thought it was going to become a shooting war. It never did, but it could have.

Q: Did we just stay away from that?

WALSH: I think we tried to calm the waters on both sides, that this was nuts. And there was an agreement not to sell certain kinds of military hardware to either side. Although the Chileans had F-16s, which was much more advanced than anything the Argentines had.

Q: They were still stuck with their French planes?

WALSH: For the most part they had not the Mirage…the Super Étendard. That's the one that they used the Exocet missile from during the Malvinas, the one that ended up sinking the Sheffield. Well basically, our position was this is crazy, you guys can't…

Q: Chile was going through, as it continues to, quite an economic boom. It's really doing well. And in a way it's the shadow twin of Argentina. It has some of the same population and all.

WALSH: Oh no. It's significantly smaller.

Q: No, I was thinking…

WALSH: Oh, type of population. You're right. Here's two countries that are essentially European countries with… one is much skinnier but basically they have the same sort of climactic zones and so forth. No, you're right. Chile was undergoing a great boom. Of course it's a country of seven or eight million people as opposed to 35 million. But the point is that the Argentines have always been the big brothers, always been the more powerful economy just by virtue of its size. And it was galling to a lot of Argentines that Chile was doing as well as it was doing and Argentina couldn't get its act together. It's almost as though we and the Canadians had switched places. What's going on here? This doesn't make any sense. But that was the way it was. There was a lot of rancor.

Q: How about Brazil? At one time they were both looking like they were going to end up as nuclear powers and there never seemed to be any real dispute between them, but it just got to be sort of a macho thing.

WALSH: It was essentially that. The Brazilians had the economic might to be able to pull it off in ways that the Argentines couldn't. There was an outfit down near Bariloche in the southern Andes that was their kind of high tech. Those were the folks that were doing a lot of the nuclear research. And of course, Argentina had two nuclear power plants, Atucha I and Atucha II, which had a lot of technical problems of their own. And they were really running ahead of the Brazilians until very, very recently, and then the Brazilians basically threw more money at research and had pulled way ahead of Argentina in that area. In fact, Colin Powell just came back from Brazil having raised the issue and getting the Brazilians to agree to inspections that they hadn't agreed to up until…

Q: Talking about possible proliferation.

WALSH: Yeah, proliferation issues.

Q: This is tape 4 side two. You were saying the Argentines were looking back toward a Golden Age or…

WALSH: The real Golden Age for Argentina was the latter part of the nineteenth century, 1880s, 1890s. That was when they used to use the phrase "rich as an Argentine." But

even in the '20s and '30s, in World War II, Argentina was doing very well and Brazil was considered, except for certain areas along the coast, pretty much a backwater. And the attitude of a lot of Argentines toward Brazilians was that they were a dark race. Now they have to deal with the fact that the big kid on the block is Brazil. I read the Argentine morning papers every day online, and there was extensive coverage of Powell's comment that Brazil, given the size of its economy and the size of its population geography, is the natural leader for the region. And there were all sorts of "woe is me" editorials in the papers. There was a time when the American Secretary of State would have said that about Argentina and it would never occur to them to think Brazil. But basically they finish up most of them and say, we better get used to it because that's the future.

Q: Again, we're talking about the early '90s, this time in Argentina. I would think this would be a population that would begin to, I don't know what they call it, the electronic revolution or something - thinking about wireless phones, the Internet. All these things are, computers are really coming on into the world and really transforming at least the top part of society, of communications and all. Was this beginning to hit Argentina or were there sort of inhibitors or not?

WALSH: It was hitting Argentina like it was a worldwide revolution. It was hitting certain segments of the population. I think you said it right, the top levels. The fellows that work construction were not benefiting from this revolution, but it was hitting Argentina like it was the rest of the world. At one point, this might have been a little bit later, but cell phone usage as a percentage of total population was higher in Argentina than it was in the United States. It's one of the areas where some of the firms tried to emulate the Indian models. And that is, it doesn't really matter where on the globe you are. The idea of the computer age, essentially what it did was it rendered null and void Argentina's geographic disadvantage, because part of the problem for Argentina has been they are at the end of the world. They're further from the markets than just about anyone except maybe Australia. And cost of transportation, the energy costs of getting from here to there, render a lot of the things that they could do well non-competitive because it costs too damn much to get their stuff there, whereas if you're talking about the computer age it doesn't matter where you are. So they started to try to develop things like call centers. But they never really took advantage of it as much as they could have, because as they started to move in that direction the economy started to worsen in other areas. And now here we are at the apex, if you will, or the highest point thus far, and the Argentine economy is in pretty rough shape. So in the early '90s they saw it as an opportunity basically to counter the geographic disadvantage. But at the end of the day they didn't become a banking center for Latin America or a call center for Latin America. The things that they could have become, they didn't.

Q: Let's turn to the time you were DCM. What were the management problems in the embassy then? Management situation and those sort of problems.

WALSH: It was a fairly cohesive embassy. We didn't have some of the problems that you have at other embassies where you might have serious disagreements between let's say the station on the one hand and the defense attaché's office or the political section. I

thought that people worked together. Personality mix was pretty positive. There were occasional flare-ups but they were more of a personal nature than they were an institutional nature. We had a system of short daily meetings in the ambassador's office, and only agency heads and section heads - or a certain number of section heads and agency heads - were in there. It was reduced, like a mini country team. And then we had the weekly country team that everybody else has. Todman was very good about saying, look, the DCM is the DCM. You have issues, that's where they go. And people weren't hesitant to come and see me. I was kind of an open-door kind of guy anyway. I'm trying to think of any sort of management issues. Having been DCM three times you kind of get into a… there's a certain drill. We didn't have anything that was out of the ordinary that I can think of.

Q: How about consular problems. Were there any consular problems?

WALSH: No. There was a big consular issue later on but we'll get to that when I was ambassador. No, not really. The section was very well-managed during the time that I was DCM, less so when I was ambassador.

Q: Were you having a…

WALSH: Hemingway was our consul general. Did you ever run across her? She's retired, served Washington.

Q: What's his first name?

WALSH: Her. Bee Hemingway. What was her first name? It wasn't Beatrice, but we all called her Bee. Like Aunt Bee. She was great. But that was a pretty happy place actually back then in the early '90s. Busy, but… and of course, everybody needed a visa to travel to the United States at that point. Visa labor hadn't come in. Visa labor came later.

Q: It will probably crop up the next time you were there, but was there the issue of Argentines all running around looking for another passport? Because I understand that at one point when things got tough economically many were picking up Spanish, Italian citizenship and all…

WALSH: Yup, a lot of them did.

Q: During this time too?

WALSH: During this time too, less so than later on. The numbers went way up. But there were still people who wanted to have the insurance policy of another passport, since both the Spanish and Italian governments were pretty liberal. I think they've tightened up since then, but they were pretty liberal. I think you had to have one grandparent… it was like the old Irish thing for us. And of course, the number of people with Italian passports was just astounding. I remember the Italian ambassador before I left this last time. I left in 2003 and he said they were making appointments for Argentines who have a claim on

Italian citizenship to come in and apply for passports for the year 2025. It was just an incredible number. It was like over 20 years in the future. I said, according to your present legislation, how many Argentines do you calculate probably have a claim on Italian citizenship? He told me 10 million. Ten million. He said he'd gone back to Rome and said we have to change this. This is crazy. One-third of the Argentine population is entitled to an Italian passport. They're less interested for some reason in the Spanish passports. These people don't speak Italian. They're of Italian descent, but they don't speak Italian. Their Spanish sounds Italian, but they're not native speakers by any means. Mainly the idea was that they saw that as an opportunity to get into the EU. So even if they didn't want to work either in Italy or in Spain, they wanted to work in London, it was a way to do so with an EU passport.

Q: Well Jim, is there anything else you should cover during that period, or should we move on?

WALSH: I can't think of…

Q: Would you say Menem was still, by the time you left in '93, in the ascendancy?

WALSH: Oh yeah, definitely he was when I left in '93. He was already starting to show some of his more, what's the word I'm looking for, authoritative… not authoritative, that's not the word I want, totalitarian leader. But basically you could see this was a guy that wasn't going to play by the rules. He already started talking about a constitutional change because at that time, when Menem was elected, the Argentine system was similar to the Mexican system. Six years as president, no reelection. And so now he was talking about changing the constitution to mimic the U.S. system and people were saying OK, that means that come '93 you have to run for reelection, i.e. after four years. And he said oh no, I was elected on the basis of six years. I'm talking about starting in at the end of six. Which would mean that he could then be reelected and hold the office for 10 years, which is exactly what he did, because he served from '89 to '99. And he was already starting to make noises like that in '92. And of course a lot of people had jumped out and said wait a minute.

Q: While you were there did you get any presidential or vice presidential visits?

WALSH: Yeah, we had Bush senior come.

Q: How did that go?

WALSH: Good. Big show. The Argentines of course are very good, the Peronists particularly because they've got this huge political machine, something that the radical party doesn't. They just have to urge people to come out. The Peronists pay them to come out. So we had a huge ticker tape parade down Avenida de Mayo. The president spoke to a joint session of congress. We had a big show for him.

Q: OK, well we'll pick this up in '93 and whither Jim?

WALSH: Where'd I go in '93? Back to Canada!

Q: Back to Canada. As DCM? Alright, well we'll pick this up in '93 when you're going back to Canada.

Today is October 12, Columbus Day, 2004. Jim, you were in Canada from when to when?

WALSH: From '93 to '96.

Q: Who was your ambassador and how did you become DCM?

WALSH: Actually, I don't know how I got to be DCM, at least the first go around. It happened through the system. I got a call one day. I bid on it, from having been DCM in Argentina. And I got a call from the director of all assignments saying that I was the choice. I hadn't heard anything more until I got the call saying that I was going to go as DCM to Canada. But the ambassadorial assignment to Canada hadn't been made yet. So I was given the job of DCM to Mister X. And I fully well knew how our system worked. So when Mister X was named - and of course he was a political appointee, former governor of Michigan, former congressman from Michigan, Jim Blanchard - I started the process literally all over again. I went to meet him at his law firm here in Washington and have an interview with him. I knew that he either already knew, being a very astute politician, or was going to find out really soon, that he had a lot to say about who was going to be his DCM. So we met, we had a great meeting, dinner, and so I was, if you will, reassigned as DCM to Canada, this time for real.

Q: What did he seem to be interested in in you?

WALSH: It was important that it be somebody that he had a reasonable level of comfort with, that there was good chemistry. He had a lot of experience in government - he ran Michigan for eight years and he served in the U.S. Congress for eight years, so he knew Washington and he knew what it was to run a big government bureaucracy. He didn't need anybody to tell him how to suck eggs in that regard. But he didn't know the foreign policy apparatus, and he didn't know more specifically the State Department. And he wanted somebody that he could count on to deal with that, interpret that for him, someone that he felt would be personally loyal to him as the ambassador, but somebody who then could also interpret in both directions. And thirdly, somebody who would run his mission. Because as he said that like being governor, he figured his position as ambassador involved a lot of public outreach, a lot of getting out and dealing with the government, with the public at large. He wasn't going to be able to manage a mission of 1,000 employees. We were a big mission in Canada, we had six consulates general and a total of 1,000 U.S. government employees, and he wanted somebody who would do that. And that was basically the nature of the meeting. And I said, my own background as an administrative officer, I was more than happy to do that.

Q: Again, you were up there from when to when?

WALSH: Well this time from '93 to '96.

Q: In your perspective, how stood U.S. American relations at that particular time? Clinton was the president, he had already been in for some time.

WALSH: Yes. We were basically there through the early Clinton years. Blanchard was a Democrat, he was a Clinton appointee. When we arrived in Ottawa the transition prime minister was in the job, Kim Campbell. Brian Mulroney had left office, long-term prime minister, great working relationship with the Republican administrations. Kim Campbell was only in there for a very short period. She inherited the job, and within a matter of just a very few months of the time we arrived she was out. Jean Chrétien came in and he has only recently been replaced. He was prime minister of Canada for essentially 10 years. So the relationship between Chrétien and Clinton was good. I don't know that it was the same buddy-buddy relationship that Brian Mulroney had with his Republican counterparts, but it was a good relationship. During that period everybody was focused on the Quebec separatist issue. That was the big concern.

Q: Looking at it as DCM, what was your first impression of this large embassy and six consulates and all that, plus all the other appendages, all sorts of commissions. Every department I suppose in the American government had its own agent there, it seems.

WALSH: Almost. At first it was pretty daunting, when I first got a look at the wiring diagram. I mean, it looked like spaghetti. It was a much bigger operation than I was used to. My only previous experience was as DCM in Argentina and that was a much smaller embassy, some distance from Washington with the buffer of a foreign language, no consulates, and basically staffed by the classic foreign affairs agencies. In Canada just about every agency in the federal government had somebody, if not at the embassy, at one of our consulates. It was a much bigger operation, three or four times as many people. The consulates were spread basically 4,000 miles across the map of Canada, from Vancouver on one end to Halifax on the other. The other interesting angle from a management standpoint was the pre-clearance facilities that we had at a number of Canadian cities, airports particularly, where flights into the United States would be cleared by U.S. customs and immigration on the ground in Canada before the passengers boarded. So we had a lot of civil service personnel who were not really accustomed to overseas living, necessarily, and many of whom, when they're assigned to Canada, are assigned for long periods of time. So you had people who were not Foreign Service in the classic sense that they moved from country to country, but when they did get to a country, in this case Canada, they stayed for long periods. They didn't move every two or three years like we did. So in a sense you had an entrenched bureaucracy to deal with. So I saw it as daunting, but a challenge, interesting. Fun to work with.

Q: Let's talk a little about the political situation first there. You were there when there was the big earthquake weren't you? Electoral earthquake when the conservative party almost disappeared? One of the things which has always struck me as being… I'm not sure it's really our job, but the whole idea of we're supposed to predict what happens,

although I've talked to people who said it's a lot better just to say if this happens we should do this, if this happens we should do that. In other words, what would be the consequences. But anyway, were there signs, rumblings that you were on top of what happened?

WALSH: I don't think it surprised us. You mean the scope or size of the liberal victory? I think it was such a huge landslide that it probably surprised some folks in Washington a little bit, but I think it surprised people in Canada as well. There was a groundswell of opposition to the Tories that had grown over time. Mulroney left office as really one of the most unpopular leaders of modern Canadian history. Really I'm at a loss to know why he was as unpopular as he was because actually a lot of his policies, which were liberal in the classic laissez faire economic sense of liberal, were beneficial to Canada in the long run. It might have been his close public association to the American president that didn't go down well in Canada which historically has had a problem with living in the shadow of the United States. Be that as it may, by the time he left office his approval numbers were down in single or low double digits, and Kim Campbell was basically a transition figure. So when it was the liberals' turn, they won big time at the national level. There were other changes where liberals, for example, in the all important province of Ontario, lost an election to the left of center NDP party, the New Democratic Party. So the liberals didn't win across Canada at the local level necessarily, but they certainly did win at the national level.

Q: Was our embassy interpreting this Mulroney and this unpopularity of his being too close to the Americans, did this mean that America was more unpopular and was this sort of a blow on the nose of Uncle Sam or something?

WALSH: Some people interpreted that it was a reaction to an overly close chummy relationship between the two governments. Chrétien, right from the get go, made it clear that he was going to follow, he didn't use the old phraseology that his liberal predecessor Trudeau had used about the third way, but in most of his public pronouncements he made it clear that Canada was going to follow a path that was consistent with Canadian national interests. If that coincided with the United States, that was fine, but if it didn't that was fine too. Basically he behaved that way through most of his prime ministership.

Q: Well did Blanchard when he arrived at this time of this political upheaval and all feel that it was politically important to keep a relatively low profile for a while, or do business as usual?

WALSH: No, he didn't keep a low profile. A) it wouldn't be his style because he's a political person, and B) I think he saw opportunities in being a public ambassador, and I think he handled it well. An interesting thing that he did, having been governor of Michigan, a neighboring state, he had a better idea of things Canadian than a lot of people in the U.S., including myself to be honest with you. And he knew a number of the politicians, particularly from Ontario, because they would meet on an annual or semi-annual basis to discuss issues that affected both countries. There were all sorts of watershed issues and acid rain issues, fisheries issues, freshwater fisheries issues, so he

knew Canadian politicians and he knew the Canadian political system a lot better than a number of previous political ambassadors or even career ambassadors. And he also understood how important the provincial premiers are in the Canadian system. It's a confederation, but not nearly as tight a confederation as the United States. In Canada the prime minister is the primus inter pares (first among equals) and the premiers of the big provinces carry a lot of weight. So before he got himself settled into Ottawa Blanchard decided to take a train trip from one point of Canada to the other before he even showed up. He showed up to present credentials to the governor general. Of course, he wouldn't be able to do anything until he did that. But once he did that, he didn't even spend a day in the office. He then got on a train with his wife, and went from St. John's, Newfoundland all the way to Victoria. And took several weeks doing it. Meeting with business types, meeting with political people, meeting with average citizens, doing cultural things and so forth before he got back to Ottawa. And I think it was a stroke of genius on his part because people followed him in the newspaper across the country. The federal government had a mixed reaction. There were people in the federal government who thought it was brilliant on his part to do that, it showed an understanding of the Canadian system. There were others who felt that his first obligation was to come and deal directly with the federal government in Ottawa and that he could do a train trip later. But the people who felt the latter way really didn't talk much about it publicly because this went down very well with the Canadian public. I think he made a big positive splash because people said this guy wants to get out and know the people before he gets to know the politicians.

Q: You must have gotten involved in the planning of this trip. How did it work?

WALSH: It worked great. We had each of our consul generals in their consular district meet the ambassador and his wife. We would set up the meetings, be they town hall meetings or meetings one on one with political figures or with the local boards of trade which is the Canadian equivalent of the Chamber of Commerce. And then each consul general would hand them off to the next as they moved from one consular jurisdiction to another. And it worked very well. We left most of the planning in the hands of the individual consuls general because they knew who the movers and shakers were.

Q: Did you find when the ambassador came back, in talking to him and planning, would he draw on this. You'd had Halifax and that was sort of it. Did he seem to absorb the vastness of Canada and say well in Alberta this is such an issue that we should… in other words, did this trip have an effect on him and his operation?

WALSH: Yeah, absolutely. He had a pretty good idea of how the Canadian system worked in terms of the dynamic between the provincial and federal levels. But to get out and actually talk to people about the things that really concerned them, for example talk to people in Alberta about how upset they were that the central government in Ottawa was controlling the energy policy. Basically, energy in Canada means Alberta. There was an attitude among some Albertans, they'd like to break away from Canada. There was an old saw that Albertans liked to use, it was on a bumper sticker that I remember seeing when I visited Calgary. Referring to Ottawa, it said "Let the bastards freeze in the dark."

If it weren't for Albertan energy you wouldn't be… you know. And the lumber issue and some of the other issues in British Columbia. I think he came back with a fresh understanding of some of these issues. I had to play catch up once he got back to get out and visit some of these areas myself because I had to be able to have this conversation with him on the basis of some personal knowledge. I basically had had the Maritimes and I didn't really know the rest of Canada. And after his trip I knew considerably less than he did.

Q: How were the initial meetings with Chrétien and the new government set up?

WALSH: Basically we asked for them through the Department of Foreign Affairs, office protocol. I attended the first meetings of the ambassador with the prime minister and a number of the cabinet officers, but not all of the cabinet officers. Sometimes the ambassador would take, which I thought was the right thing to do, the appropriate head of section or head of agency with him to meet those people because those were the people who really knew the issues and dealt with the substance. And they were basically set up through the foreign ministry.

Q: Did you feel, coming from Clinton and all, the Clinton administration have a Canadian policy?

WALSH: Yeah, I think the Clinton administration had the same policy that U.S. administrations have had in recent memory. And that is basically kind of a mantra: our closest neighbor, our best ally, the world's longest undefended border. The attitude was that we should move toward total free and open trade between the two countries which essentially we have done. The only major change, it seems to me, in policy, that the Clinton folks affected that was different than what the Clinton people had said early on in the administration, and what all the previous administrations said was on the issue of Quebec separatism. The U.S. position has historically been the United States has had an excellent relationship with a strong united Canada, and would hope to continue to have that relationship. We never got off the fence on the issue of Quebec separately. We always made the point that that was an issue for Canadians to decide. The reason being: A) it *is* an issue for Canadians to decide, not our call. But secondly, because of the unique relationship we have with Canada, any utterance from the White House could backfire and serve one or the other side. We actually got off that fence finally, and it was largely Blanchard in his discussions with the president, Clinton came on his first official visit to Canada and spoke to a joint session of the Canadian parliament. In very cleverly and carefully crafted language, he made it clear that the U.S. has had a long and fruitful relationship with a strong united Canada and essentially would like to see it continued with a strong and a *united* Canada. Basically we in a very subtle way got off the fence and said we have a preference, we really do. We would prefer to have one country on our northern border and not two. And of course there were people who argued that it would not be two in the final analysis, but because of the centripetal forces what would happen is that the Maritimes would then feel divorced from central Canada and the issue of Alberta going off on its own would be renewed and so forth and so on. I don't know whether that's supportable or not, but the fact is that Clinton did in his speech get off the

fence. It's my feeling reinforced by most of the conversations I've had with Canadians since then that that stated preference made enough of a difference in the subsequent plebiscite in Quebec to cause the separatist resolution to fail. That in other words it failed by a hair's breadth, but the fact that the United States government came out and said if we had our druthers we'd rather Canada stay together made enough of a difference that it might have. Nobody will ever know this, but it might have gone the other way.

Q: How were we viewing when you initially arrived, the plebiscite was in the offing at that time, about Quebec's separatism. What was the feeling within the embassy? 1) would it succeed, and 2) if it did succeed what would this mean?

WALSH: Well, there were all sorts of analyses. There was disagreement within the embassy and among the analysts as to whether it would happen. A lot of people predicted that in fact it would turn out the way it did. Others said no, it was very likely to carry. And the one scenario that I just described to you was one analyst's position that it would in fact not lead to two separate Canadas but lead to the breakup of the nation into many smaller bits and pieces. Others, and this includes people who served in Quebec, said that any subsequent independent Quebec government would go out of its way to have an excellent working relationship with Washington. Such a Quebec would want to prove that this wasn't a mistake and that it isn't something the United States should be worried about; and, if anything, we may find ourselves with a free and independent Quebec supporting the United States in foreign policy areas where Canada had been reluctant to do so in the past. Quebec, unlike English speaking Canada, doesn't feel culturally threatened by the United States because its culture is separate and definable.

Q: They don't define themselves by not being American.

WALSH: Exactly. They know who they are. There were all sorts of analyses. But I think in the final analysis, the sensible people felt that we and they were better off as a single country, because it gets very complicated if you take a country that is essentially horizontal and linear…

Q: About 150 miles north, that's where 90% of the population is.

WALSH: Exactly right. And if you take almost out of the middle of it a big chunk of that, and you basically isolate the Maritimes from the rest of Canada… the Trans-Canadian Railroad was built basically to put meat on the bones of confederation. Confederation was really nothing more than a theory until the Trans-Canadian Railroad was built, and then it became a reality because there was something stringing it together. So I think probably the one big thing that the Clinton administration did, and I think it was the right thing to do, is that they decided that it was enough namby pamby here; let's say what we mean and let's stand up and be counted that we really think that you guys ought to stick together. As a friend we're telling you this, the decision ultimately is going to be yours, and the decision came down.

Q: Well that had been the consensus all along in the United States hadn't it? That there was nothing in it for us if Quebec separated. It would just be more complicated.

WALSH: We were watching our p's and q's because of how things that we say are interpreted. But yeah, I think they're reflecting what every American thinks…those Americans that think of Canada at all.

Q: Where did the North American Free Trade Agreement, or it wasn't called that at the beginning..

WALSH: Well it was called the Free Trade Agreement.

Q: The election of '92, particularly with Ross Perot, or had it already happened by this time?

WALSH: Well the Free Trade Agreement was, but NAFTA hadn't come in. NAFTA was an issue during the time frame we're talking about. Canada had to agree to membership in NAFTA, because it wasn't just Canada and the U.S. now, there was a new partner, Mexico. The Canadians had to agree that they would allow the same sort of access to their market for Mexican products as they had already permitted for U.S. products. The same sorts of concerns that had been there for the Free Trade Agreement were there for NAFTA, and that was the cultural carve out, talking about protecting the cultural industries: the magazine industry, the movie industry and so forth. And then the same sorts of issues the Canadians had concerns about, the same sorts of issues that Americans were concerned about, and that is the labor regulations and the environmental regulations, which both governments felt weren't nearly as strict in Mexico as they were in both Canada and the U.S. But as it turned out we had to deal with those in separate side agreements. They weren't built into the agreement per se, but they were dealt with.

Q: Was this an ongoing issue between Canada and the United States about how to get the Mexicans into this?

WALSH: Yes and no, in the sense that there was a lot more interest on the part of the U.S. in the Mexican exception to NAFTA than there was on the part of the Canadians. The Canadians viewed Mexico as kind of a continent away, which it was. There wasn't the same political imperative that there was in the U.S. because of legislators from the south and the southwest in the U.S. But in the end I think they finally realized that the free trade agreement between the two countries was really only a step in a broader move in not just NAFTA, but FTAA, the Free Trade Area of the Americas, which still eludes us. I mean, we're doing it piecemeal. We've got a deal with the Central American countries, we've got a deal with Chile separately, but we're still not there yet in terms of doing it on a hemispheric basis.

Q: This is tape five side one with Jim Walsh. What about the state relationship? I mean here you have an ambassador who's a governor, and a lot of these governors along the Canadian border, along the Mexican border too, had rather close ties to the opposite

states and tended to ignore the central government on both sides. Your ambassador, having been a governor himself, was he paying more attention say most ambassadors to the premiers?

WALSH: I don't know that he paid more attention to the premiers because he was a former governor or because he recognized that they had a lot more heft in their system than some governors do in the U.S. context. What he was very good about doing was keeping in touch with premiers on the one side of the border and governors on the other side of the border, particularly in those areas where there were issues between the states or between the two federal governments that were localized in the states. For example there was a big issue on fishing licenses between Lake of the Woods, Ontario and Lake of the Woods in Minnesota. So this became an issue for the state of Minnesota even though it might have been also a federal issue. So he was very good about that sort of thing. Also, having been a congressman, he grasped a lot of these issues where the senators and congressmen got into the act. We were hearing from border state senators and congressmen all the time, because while these might be international issues, they were also domestic issues. That was one of the big changes, too, when you talk about the differences between being a DCM say in Argentina and being the DCM in Canada. And that was probably one of the biggest differences, that our so-called foreign policy issues were also largely domestic political issues as well. And you were dealing more directly with congressmen and senators. It wasn't just a question of CODELs coming out to visit during recess, to find out what was going on in the far corners of the world. These were issues where their constituents were banging on them daily, and they wanted some answers. It was good to have somebody like Blanchard who had been in both seats, and knew a lot of those players to go out and work with them. If that were not the case it would probably have been a tougher job.

Q: I would think one of the problems of our embassy in Ottawa was it's located in Ontario which is kind of the most Anglo of the provinces and it's still got a fairly solid… anti-Americanism isn't the right thing, but were skeptical about us or not with us. I mean, they took the greatest pride in being this… and then you've got all the rest to the west particularly where it's a completely different ball game and you're almost trapped in this one area.

WALSH: Yes and no. Let me address that a little bit. Certainly Ontario, to the extent that you can identify one part of Canada that is, say, more anti-American than any other, Ontario is probably right up there. But Ottawa itself is right on the border with Quebec, and the Ottawa-Carlton area really is a bilingual area. A number of the federal government offices are across the river in the province of Quebec. It's probably, maybe with the exception of Montreal, it's probably the most truly bilingual part of Canada. And the people that worked for the federal government tended to have a more broad based view of the world. So that wasn't as much of a problem as you would find in Toronto or other parts of Ontario. But you're absolutely right when you talk about it being different than the mindset further west. If anything, people in British Columbia felt a kinship with Californians and Oregonians that neither felt with either Ottawa or Washington. There was this north/south mindset. It was true with the Maritimes and New England which I

mentioned when we talked before, but it was also true in other parts. People from Alberta and people from Montana are very similar people. They view the world through a very similar prism, and that prism is very different than it is in eastern Canada or the eastern part of the United States. So yeah, as you move around the country you get a very different view of the relationship with the U.S.

Q: Obviously you've got your posts reporting, but in Ottawa particularly political and economic sections it would behoove whoever's running the embassy to get their reporters out an awful lot, otherwise they'll tend to pick up what we would call inside the Beltway reporting thing, which would skew their outlook.

WALSH: We had a pretty good travel budget and the people who were doing reporting, we encouraged them to get out around the country. Basically the attitude was if you were going out you were a full service FSO. If you were traveling around the country and you were going to an area where you had a prisoner visit and you were a political officer, you go visit the prison. But if you're a consular officer, I want to see a cable after the visit too. In other words, our attitude was this thing crossed any kind of functional lines when you were traveling around. But, and it's a big but, where we counted on getting the view from the hinterland to avoid this inside the Beltway attitude, was really from the reporting by the consulates. Because they were the ones that were really getting to talk on a long term relationship basis. If your political counselor goes popping out to Halifax and goes maybe twice a year, he may have a meeting with local politicians, but they're not going to open up the way that they would open up to somebody that they go drinking beer with on a regular basis from the consulate. So where we I think got the best, the most candid, the most accurate reporting was from the consulate reporting officers and FSNs. Some of the best reporting in Canada comes from the FSNs. And that stuff went directly to Washington without going through any kind of a screen in the embassy. The only thing we asked was that if you were going to make a policy recommendation as to how the United States ought to deal with a significant issue in your area, that you coordinate that with the embassy. We obviously didn't want to have somebody come in from Quebec City making a recommendation that the United States recommend the dissolution of Canada. But anything shy of that sort of issue, folks came directly in. They didn't go through us. And we read the reporting at the same time the folks in Washington read it.

Q: What was your impression of the Canadian media?

WALSH: I think the Canadian media had a strong liberal bent and that it was to some extent anti-U.S. Not all of it. It depended where you were. Newspapers out in the west less so. But I certainly got that flavor from most of the broadcast meeting including the CDC. Print media varied more. I found the print media to be of generally a higher quality, and they adhered more closely to the ethics of good journalism than the broadcast folks did. The Canadian left is left of the American left. The Canadian right is left of the American right.

Q: Print media hadn't fallen to the likes of so much of the British media and print media and to some extent the United States of the Murdoch and that type of thing, sensationalism and all.

WALSH: They had some good papers. The *Globe and Mail* from Toronto was the closest thing to sort of a national newspaper, a *New York Times* that you would have. No, you didn't get the kind of tabloid that you find in the UK or the U.S.

Q: While you were there were the cultural wars still going on? The Canadians complaining about too much American influence and what people were seeing and reading?

WALSH: Yeah, I think that's a permanent condition. On the other hand, we were there right at the time when there were significant numbers of Canadian entertainers and comedians and actors and so forth gaining prominence in the U.S. So we were in a position to say that it was an invasion on the part of Canadians in the U.S.

Q: Peter Jennings, isn't he Canadian?

WALSH: He's from Ottawa. Peter Jennings is Canadian and Alex Trebek is Canadian, and Mike Meyers is Canadian. Any number of some of our supposed great country western singers are in fact not American at all, they're Canadians. Alanis Morissette from Ottawa. It isn't just onesies and twosies, there are dozens of prominent Canadians in the U.S. film and entertainment industry. Which is great. But the important thing was it gave us a counterpoint.

Q: Both in Quebec and in Ottawa, was there an intellectual establishment comparable to what's in Paris at all?

WALSH: In Quebec City you get the sense that there was sort of a local intelligentsia, and generally speaking they were separatists. The café society of Quebec City tended to be more pro-independence than pro-association with Canada. Whether you would consider it on a level with Paris I don't know. There were more Parisian wannabes.

Q: What was your impression of the leadership of Quebec, the separatists and the non-separatists?

WALSH: Well, my own bias will probably show here because I'm a non-separatist. My sense was that the separatist leaders tended toward histrionics rather than logic in many of their arguments. But that again may be a very Gallic trait, I don't know. But the fact is, that's one way you fire people up, by talking about the separate value of your culture and how it ought to be allowed room to grow. I on the other hand preferred the colder, logical approach as to what behooves us in the long run.

Q: You're not even Anglo-Saxon.

WALSH: I'm a Celt. But in this I'm behaving like an Anglo-Saxon. But guys like René Lévesque… they were a lot more colorful, let's put it this way. The separatists were a lot more colorful than the non-separatists. That's why I think that I guy like Pierre Trudeau was an excellent counterpoint, because not only was he a very colorful francophone Canadian, he was an anti-separatist of the first order. So it's just what they needed at the time. But it's also my sense that the demographics, as time goes on, are working against any future resurgence of the separatist movement in Quebec. What's happening is that the francophone immigrants to Quebec have come to Quebec because it's part of Canada, not because it's Quebec.

Q: I gather the Quebecois just ain't reproducing themselves.

WALSH: That's exactly right. And what's happening is the population growth that you're getting is not from an increased birth rate among the Catholic Quebecois, but rather from the immigrants who have come from other than France, but they're French speaking, and their birth rates are very high. And their rationale for coming, as I said, to Quebec is to become citizens of Canada. So future plebiscites are likely to be less close than the last one. And I think as time goes on the idea of a separate Quebec will become less and less of a possibility.

Q: Was there any influence or effect of the increasing immigration of Orientals to particularly British Columbia and that area?

WALSH: Yeah, particularly in the run up to the turnover of Hong Kong to China.

Q: That was '98 or '99.

WALSH: Yeah. And during that time taking advantage of the special relationship of Hong Kong as a member of the commonwealth. Great numbers of Hong Kong Chinese, not mainland Chinese, but Hong Kong Chinese, moved into the Vancouver area. And a lot of them very successful businesspeople who came on investment visas and other kinds of arrangements where they brought wealth with them. In fact it caused a little bit of concern even though Canada is probably among the most tolerant of societies for just that sort of thing. They always point out to me that unlike the United States which is a melting pot in which you're expected to lose your identity and become an American, Canada is a cultural mosaic.

Q: I know, I've heard those two terms again and again.

WALSH: Again and again. And I'm not so sure either is appropriate for either country, but the point is that even in Canada where I think there is a greater tolerance for the new and different than there is in most countries, it strained a little bit some of the social relations in Vancouver because people were coming in and creating what they would call monster houses or mega mansions. They were basically building on a lot that should have been big enough for a house half the size of the lot and they were building to the lot line. It was multi-million dollar places.

Q: And enclaves too.

WALSH: Yes. Although not so much. There is a Chinatown in Vancouver, but the wealthy Hong Kong residents were going out into the wealthy suburbs of Vancouver and buying what was available which means that they weren't necessarily forming enclaves. What they were doing was rather than building a lovely house on a largish lot, they were filling up the lot with building, and this was causing some friction. I don't think it was a racial thing though, I really don't. It didn't matter who you were. If you were British and came in and were building these monster houses you would ruin the profile of the neighborhood.

Q: Were there any problems between states and provinces that the embassy had to intervene or make sure it got between them?

WALSH: Yeah, they would flare up and then you would deal with them. I mentioned the freshwater fishery and fishing licenses and people fishing across the international border on the Lake of the Woods between Minnesota and Ontario. Lodge owners and fishing guides on both sides of the border would fire up their own politicians to raise hell with the other side because they weren't getting enough of the tourist business, but those were things you just basically had to manage. Others had to do with water rights on rivers that cross the international border. One issue was a third nation that straddled the international border. Along the St. Lawrence and in upstate New York, and Ontario and Quebec there are Native American nations that enjoy special status that straddle the international border. For example, when you cross bridges on the St. Lawrence there's a special lane for Native Americans and they pay no toll. Everybody else pays a toll. They pay no toll because they're not crossing the international border. They're going from one side of their native land to the other side of their native land. The St. Lawrence crosses in the middle of their tribal lands, and as a result one of the things that both governments had to agree to was allowing them toll-free access. But as a result there is a thriving smuggling business. Particularly in cigarettes, between Canada and the U.S., carried on by Native American smugglers. And there are speedboats that cross over the river going one side to the other bringing the cigarettes in one direction or the other, because they're really moving within their own country.

Q: Did we get involved?

WALSH: Sure, yeah. New York State Police gets involved, the RCMP (Royal Canadian Mounted Police) gets involved, U.S. customs gets involved, because for purposes of that sort of thing, neither government agrees that the Indians have the right to do this. They can bring cigarettes from one side of their tribal lands to the other to smoke them, but container loads of cigarettes are clearly meant for resale and that's not permitted.

Q: What were we doing?

WALSH: We were stopping the boats and seizing the loads. But sometimes there was shooting. We're talking about people's livelihoods and sometimes they exchanged gunfire.

Q: Were there any big consular problems?

WALSH: For third country nationals there is the question of visas. For example, the non-immigrant visa (NIV) business was basically restricted only to third country nationals that were living in Canada, studying in Canada, transiting Canada, whatever. But the huge volume that you would normally get in a situation like that you didn't have, because Canadians of course aren't required to take out NIVs to get to the U.S. We had a pretty brisk immigrant visa (IV) business. In terms of consular problems, i.e. American Citizen services (ACS) type problems, strangely enough not too many. Americans jailed in Canada generally didn't want to go back to the United States to do their time, so they weren't taking advantage of the prisoner exchange program. They'd just as soon stay in the Canadian jail; they found they were better. I can't think of anything that stands out as having been a real tough consular question. We did have a case in New York, where a member of an organized crime family in New York shot a New York state trooper and fled across the border. The Canadian government insisted that the New York authorities promised that this guy wouldn't get the needle. And New York wasn't prepared to do that particularly for a cop killer. But ultimately a way was found to extradite him. I think what they did was they found a way to extradite him on a related charge, not on the murder charge. He was a crime family guy, he was a young kid, and he killed a cop.

Q: Did you find any American agencies, FBI, Customs, Drug, any other ones, particularly difficult? Sort of they were going to do it their way and problems of this nature?

WALSH: Not that they were difficult, because at the end of the day if it became that much of an issue the ambassador could just simply say you're out of here and everybody loved being assigned to Canada. And since the ambassador had the ultimate authority as to who stayed and who didn't stay, even when there were issues of the sort that you're alluding to, we were able to work it out. But the underlying premise of your question is a good one, and that is that one of the things that was toughest to do up there was keeping track of what your own people were doing with their Canadian counterparts. Directly, and sometimes through the embassy. It was like herding cats, because these folks have had long relationships; not just the FBI with the RCMP, or the CIA say with CSIS, but even in areas like Environment Canada and the EPA. The Department of Fisheries and Oceans and NOAA, those folks. These people have had ongoing working relationships, sometimes for decades. They get to know each other so well, they work on common issues, and on things about which many of them are passionate, particularly people in the environmental area and the fishery and logging. That these are people that you try to insert yourself into something that they go to each others' children's weddings. They're like family. And in those areas, not necessarily the foreign affairs agencies, but the non-foreign affairs agencies. That was where you were herding cats, because they had existing ties that you just were going to have a hard time breaking into. And often things

were going on, and deals were being cut that not only did you not have an opportunity to influence, you didn't even know in some cases that it would happen.

Q: Well this is true in the Mexican border too.

WALSH: It's true on the Mexican border. I understand that in Texas a lot of Hispanics are in positions of authority in Texas, but you still had a language difference to deal with to some extent in dealing with your Mexican counterpart. You were the environment EPA guy in Texas and your name was Jones and you were dealing with Jose Lopez, there was still an issue where the embassy was brought into the mix. But boy, they didn't need us up in Montana and Alberta and so forth.

Q: Well the fact is, you talked about Montana, Alberta and all, did you find there was that independent attitude, and really almost a visceral dislike of the central government, either in Ottawa or Washington?

WALSH: Oh yeah, that's what brought them together in the first place. Their common dislike of their central governments. And it was felt the same way on the U.S. and the Canadian side of the border.

Q: Did the hand of Washington rest heavily on you at all? I guess Blanchard could take care of things pretty well.

WALSH: First, we had a strong ambassador who had White House access. But even when we've had career officers, or let's say less politically powerful political ambassadors, the hand of Washington always rested very lightly. And the reason for that I think was largely bureaucratic. First of all, the Canadian-U.S. relationship isn't a classic international relationship. People in Washington at the State Department, true foreign policy wonks, don't understand it, don't want to understand it, see it as kind of sui generis and not the sort of thing that they're trained historically to deal with. The other thing was that when we were the Office of Canadian Affairs, part of the European bureau, Europeans really didn't pay a great deal of attention to Canada. Most of the principal positions in the EUR front office were occupied by people who had an interest in Germany and France and the UK and the Mediterranean. At one time there used to be a DAS position dedicated to Canadian affairs. There was a DAS which was a political appointee dealing with Canadian affairs. That has since gone away. Also what's gone away is that Canada has come out of the European bureau and gone into the newly created Bureau of Western Hemisphere.

Q: And I'm sure even less.

WALSH: Exactly. And of course that is made up largely of Latin American specialists whose principal interest in Canada, I shouldn't say this, this is unfair… one of whose principal interests in Canada is having a place to send officers who have toiled in the vineyards of hardship posts in Latin America over which they have some control, even though personnel has some say in it, the fact is now Canada and that string on consulates

along the border is a new place to send people. But in terms of dealing with Canada, it never fit quite neatly into EUR or WHA, and for that reason and the one I mentioned before, we were pretty much left to our own devices. Only when an issue really became a hot issue, such as the question of Quebec separatism or the battle on the Gulf of Maine where Senator Ted Kennedy got personally involved. But if it got that hot, it went beyond either assistant secretary and it usually landed on either the Deputy Secretary's or the Secretary of State's desk to have to deal with.

Q: What was the battle of the Gulf of Maine?

WALSH: Well this is the issue with the New Bedford fishermen going across the maritime boundary and there was actually exchange of gunfire. So when you have U.S. and Canadian citizens exchanging gunfire on an official issue, then you get the attention.

Q: While you were there, this is '93 to '96, what about Cuba?

WALSH: Cuba is one of those areas where we and the Canadians agreed to disagree. I don't know how many times I and other members of the mission had to go in to deliver demarches looking for Canadian support of this or that, vis a vis the embargo and we're told very politely, it became almost a little bit of Kabuki. It was all very stylized. You went in, you delivered your talking points, you made your point, they said thank you for coming, you know our position, it hasn't changed, see you around. And this went on and on because the Canadian government is at the same time encouraging its businessmen to do business in Cuba.

Q: Speaking of business, was it at this time when you were there that there was something Burton bill…

WALSH: Helms-Burton.

Q: Yeah, Helms-Burton bill that looked like it was going to affect Canadians?

WALSH: Yep. The Helms-Burton bill concerned a nickel mine in Cuba that was owned by Canadians where the officers of the company would not be allowed, so this is a consular issue hanging over this as well, would not be allowed to travel into the United States.

Q: Could you explain what the Helms-Burton bill…

WALSH: One of the aspects of the Helms-Burton legislation was that it would preclude traveling into I think and even doing business in the United States if your company was trading with Cuba.

Q: I think if they were using property that had been under American or even formerly Cuban but now American control, and if a Canadian firm bought the copper mine which Castro had expropriated…

WALSH: From somebody who subsequently became an American citizen even though that person was only a Cuban at the time they sold..

Q: This is for the Miami vote.

WALSH: Yeah, you're actually right. That's right. That was the condition. And there was one particular case, a guy that owned a nickel mine. He had no other business interests in the United States so he decided to make this a cause celebre and he told basically Uncle Sam stick it up. He was going to do business and he didn't care if he didn't come into the United States or not. And that became an issue. Also the hotel business became an issue because a number of the hotels along the Cuban Riviera, along Varadero Beach in Havana, were Canadian owned. And we dealt with this issue later on when I was DCM in Spain where it got even nastier because it involved the largest hotel chain in Spain. The owner of the hotel chain was one of the closest friends to the king of Spain, so it became a very dicey issue to enforce the Helms-Burton legislation. But no, that was an issue with Canada. As I said, it got to the point where people were going through the motions. You delivered the demarche, you'd say this is not helpful to the relationship; we hear you, you know what our position is, it hasn't changed for 30 years, it's not going to change this year. And we continued to work on all sorts of things and just basically left that one aside because there was no way we were going to make any progress on that.

Q: Just incidental, but I think it was during this period, that if you wanted to send official mail, or just regular mail to somebody in the embassy, you send it to a New York post office or something like that. Why?

WALSH: Why? Because that's where we picked up our mail. It was cheaper.

Q: Oh, it was cheapness, not delivery.

WALSH: Because if you have to pay international postage it costs more money. We had a regular run down to Ogdensburg, New York, I think it was three or four times a week, which was only an hour and a quarter away. If you could send things to the Ogdensburg address and put a 37 cent stamp on it, it was cheaper and it was controlled by the U.S. postal system and you could also send certain classified documents that way in the U.S. mail, because you're allowed to send up to a certain classification, I forget what it was, LOU or confidential I forget. But you're allowed to send without going through classified pouch arrangement, but if you put it in international mail you can't do that.

Q: What was your impression of the Canadian medical system, because I've heard sort of the yin and the yang of this. It was highly tolerated, it was wonderful coverage, and I know I have a Canadian cousin by marriage who can hardly wait to get to the United States to go to Johns Hopkins or something to get something done because there are real problems if you've got a serious medical problem. What was your reading on it?

WALSH: Just that. One of the good things is that it is universal medical care. Everybody gets covered. But when everybody gets covered and you don't have enough money to pay for it, then things are postponed. A lot of things that you and I might not consider to be elective.. a nose job is elective, but bypass surgery, a lot of people wouldn't consider that elective surgery. A lot of times because of the backlog for surgeons people waited weeks and months to get something done that in the U.S. you'd have done yesterday. It became an interesting issue for us personally as a family. When I arrived, we filled out all the necessary paperwork that you fill out when you get to a new embassy. You get your ID card and one of the things that you fill out is the form that they have a system in Canada, I guess it's similar to what they do in Washington for foreign missions in this city, that is you get a little tax free card that you can show when you make a purchase. Then the retailer drops the sales tax on your purchase, and they note the number of your tax free card. So when I sent those in I got a call from the chief of protocol. The chief of protocol said can you stop by for a drink on the way home, because the foreign ministry was on the way to my house. I said sure. I went and he said, look, I have a little bit of a problem. I've got your application for a tax free card for yourself, your wife and your daughter. And I processed yours and here it is. But we can't issue one to your wife or your daughter because they're both Canadian citizens, which is true. My wife is Canadian citizen, dual national. My daughter is a Canadian citizen, dual national. But since they are Canadian citizens, in Canada they can't be afforded diplomatic immunity. So not only can they not have the cards which is not really an issue because I would make those purchases myself if they were big ones, but the immunity associated with traffic accidents, all those sorts of things, does not apply to them either. This was news to me although I guess I should have understood that. But then, two or three days later I called the chief of protocol and I said can I stop by and have a drink on the way home. He said sure, is it on the tax card issue? I said nope, I agree 100%. That's your position and it's a legitimate one. And I said we were just in the process of trying to identify our doctors here in Ottawa. And they asked for our OHIP cards, Ontario Health Insurance Program. And of course, I said, oh, you'll have to just bill me, I'll pay you and get reimbursement from my insurance company in the United States, Foreign Service Benefit Plan. But, I said, I'll get back to you about my wife and daughter's OHIP cards. Question to you Mr. Chief of Protocol is, if my wife and daughter are Canadian citizens, are they Canadian citizens for all purposes? Uh, I'll have to get back to you on that. He got back to us and said yeah. You can't have it both ways. And they were covered by OHIP while we were there. So, it didn't make any difference when you were in there. You get no benefit by paying cash, you'll still have to wait in line.

Q: How old was your daughter?

WALSH: She was born in '80, that was '93, she was 13 to 16.

Q: I assume she went to school there. How did that go?

WALSH: Great. She loved it. She went to a little private school that was three blocks from the house. She would walk, she loved it. She still remembers it as one of her best assignments.

Q: How'd you find society there? Was it much more Canadian than international… I mean, you know, for your sort of social time and your work.

WALSH: No, it was a mixed bag. It was Canadian government and Canadian non-government. I don't know because I've never served in Washington so I don't really have a sense of how big a role the diplomatic community plays here, but I suspect it's fairly small because the city's so big. Ottawa's a pretty small city, and it has a feel of a village more than a city. Yet almost every country of any significance is represented now. Canada is a G7 nation and you'd be surprised that while there aren't the 180 or so embassies there might be in Washington, there were I think over 100 embassies in Ottawa. And so you would run into people in the diplomatic corps more often than you might expect, because the city is a lot smaller and the federal government of Canada is a fraction of the size of the U.S. federal government, so it was a real mixed bag. You used to run into your diplomatic colleagues at mixed affairs all the time. The thing I liked about Canada was social life there was very much like small town America. Something that wasn't the case in Argentina. Got some getting used to. In Argentina, when you had to socialize at night, you went out at nine thirty, ten o'clock and came back at two in the morning. And you were expected to get up and work the next day. Whereas in Canada, receptions were 5:30, 6:00. Dinner was 6:30, 7:00. I can't think of an event that I attended of a representational nature in Canada that didn't end before the ones in Argentina would begin. By nine I was home, which was great.

Q: During this time, I imagine it varies, but what role did you find that the Canadian embassy played in Washington?

WALSH: I don't think we were tripping over each other. I think that we worked pretty well in concert, because while we were reaching out to the parliament to get to know those folks and get to know the cabinet, our counterparts at the Canadian embassy down here were essentially doing the same thing. And the Canadians always send a high-powered ambassador to Washington, for obvious reasons, and they've always been very effective. Guys like Gottlieb.

Q: I think of Gottlieb and his wife Sondra.

WALSH: People that were heavy hitters. People like Gottlieb, people like the former chief of the defence staff of Canada, General John de Chastelain for example. The ambassador who was here while we were in Canada was a career diplomat, a very senior career diplomat, who had been ambassador to several countries, including I think Belgium and France, and who was a relative of the prime minister. His name was Chrétien as well. Ambassador Raymond Chrétien. First, he was very good, very personable guy, and he and Blanchard had a very good personal relationship, and their wives had a very good personal relationship. So they would get together when he would come to Ottawa, they would get together have dinner, when the Blanchards would come to Washington they would get together to have dinner with Raymond. And that was a good way to keep things in sync. I won't go so far as to say we operated like two

branches of the same organization, that's not true, but since we're able to share, for example, classified information and things that we don't share with other countries, it was a lot closer working relationship than I have ever had with the counterpart embassy in Washington to countries I've been assigned to other than Canada. Never had that kind of relationship. So it worked well.

Q: Did France play much of a role while you were there?

WALSH: France always plays a role in Canada because of the importance of the Quebec issue. And the Quebec people and the Quebec governments always make much of their relationship with France. Whether it's a separatist government in power in Quebec City or not, there is that special relationship that makes them different than Anglo Canadians. And whether you are a separatist or not, that difference is important to you, and the way you demonstrate that difference, exhibit it, is by having a special relationship with the French embassy in Ottawa and have a special relationship with the French government in Paris. For example, you know the provinces of Canada, like some American states, actually have offices in foreign countries. State of Texas has an office that's significant in size. Generally they're trade and commercial offices, but in Mexico City it's bigger than the commercial section in the embassy. We have those, and the Canadian provinces have those as well, but the most interesting one is the representative of the government of Quebec in Paris who was accorded a level of diplomatic recognition almost equivalent to that of the Canadian ambassador to France. Which of course ticks off people in Ottawa. Obviously because if there's a separatist government in power in Quebec City, they enhance that position more than if you have a non-separatist government in power. But the fact is that if you're the representative of Quebec in Paris, that guy often behaves as though he represents an independent country. So yeah, France plays a role.

Q: Well then, is there anything else we should cover do you think?

WALSH: I think a thing that we all look back on during that '93-'96 time frame with some satisfaction was that we have never had any kind of a reasonable air pact with Canada. We negotiated an open skies agreement between the two countries while we were there that was finished up by '96 by the time we left. Up ‘til that time there was no way to fly from Washington, DC to Ottawa or vice versa.

Q: I never understood that. It's such a natural.

WALSH: It was a natural. We make all this thing about two closest allies and best friends and undefended border and all this stuff, but you could fly from Washington, DC to Mexico City for a long time, but you couldn't go to Ottawa. You'd have to come either through New York, or you'd have to go to Ottawa through Toronto. Basically it was silly, and it had to do with the airlines protecting the slots basically at National Airport in one case and Ottawa in the other. And there was no vehicle by which you could get around all that. So what we did was we proposed and negotiated an open skies agreement that would allow for the carriers on both sides to compete for those slots on an even, legal basis, and by the time we left there were direct flights between Ottawa and Washington. And that

was something that made our life a lot easier, and also the symbolism of it was important. That we had made sort of a step in that area.

Q: Well then in '96 whither?

WALSH: In '96 I thought at that point well I've been DCM twice, both pretty good size embassies, I'd like to try my shot at being an ambassador. I was on a couple of short lists for small posts in Latin America, but they never went anywhere. And I was not interested in another DCM position. So the assignment process kind of went its way and at the end of it, come December, January, I was without a job. So somebody said, well, it's a little late in the game, you already said you're not interested in vying for a DCM job, although most of those are gone anyway, but you didn't put your name on any of the lists and you didn't get any of the embassies, so you might want to consider a Diplomat-in-Residence because that's a good spot for somebody with your background. And I said sure, why not. I said what's the deal, and they said the deal is you go to a university with a student body that is the object of recruiting efforts on the part of Personnel which largely means there are sizeable minorities. And those include places like Howard University, Florida International University, University of Texas. And I said, well, if I get to pick, I'll pick Florida International University. And I went off to become a Diplomat-in-Residence.

Q: You did that from '96 to '97.

WALSH: I did it from '96 to '98, two years. You're only supposed to do it for one year, but the problem was at the end of the first year I was in the same situation as I was at the end of '96 and that is I was not successfully on any ambassadorial list and I wasn't interested in pursuing another DCM job. And so time passed, got in the same situation again, and they said well here we are, what do you want to do? And I said, well, can I stay here? I'm enjoying it. I enjoyed the teaching, I enjoyed the people, I enjoyed the climate, I enjoyed getting out and talking about the Foreign Service around Florida. Personnel people would come to the state, we'd go off and do career fairs and that sort of thing. So I said I'll stay here unless you've got somewhere. They said, look, we don't have anything for you. You're a square peg for us and so I stayed two years.

Q: Let's talk about the university. What was it like? It was Florida International University. Where was it located and what's it like?

WALSH: It's part of the Florida state system. Unlike the University of Miami, which is private, this is part of the Florida state university system. It falls under the chancellor of the Florida state university system. And it has two places where the kids study. One is the main campus in southwest Miami which is where probably 80% of the students attend, and then the other one is in north Miami Beach right on Biscayne Bay, beautiful location, which is where 20% of the students study. It is largely an Hispanic university. Huge Hispanic population. And the greatest part of that population are Cuban Americans. Most of those students are down in the southwest campus. I was in the other campus which is where the African American students tended to be. It was a better mix, let me put it this way. It wasn't that it was African American, but it was a mix of Hispanic, Anglo and

African American as opposed to the other campus which was very heavily Hispanic only. Most of the action was in the other campus, that's where the president of the university was located and so forth. But we had an interesting group, and I taught a class. Co-taught with a former president of the university, Mr. Gregory Wolf, who is a wonderful guy. We co-taught a course on diplomacy and foreign affairs. It was more like a seminar than it was a course per se. I didn't have to work up a syllabus or any of that sort of thing. But a lot of give and take with the students. It was an interesting bunch of students, classes were small which was nice. And another benefit of being in the north campus is that's where the school of hospitality was located. FIU was one of the best schools providing chefs and other sort of stewards to the cruise industry in the United States. So every Friday you could go over to the School of Hospitality and for six or seven bucks you could sit down and have a soup to nuts gourmet dinner that you would get on the best cruise ship. People used to come up from the other campus to eat.

Q: Obviously one of the reasons why we send people to these universities is for you to not only have an interest in foreign affairs, but to recruit. How about particularly the Hispanic and the African American student body. Was there interest in what we were about and interest in joining the Foreign Service?

WALSH: There was some interest in joining the Foreign Service. I wouldn't say they were breaking down the doors. I had people that I taught who indicated some interest over time in the Foreign Service as a career, but a lot of that came out of discussions in the class about what life was like and I had more of a chance to give them a description of what it was like to be in our business. I found that there was more interest on the part of some of my own students than at the job fairs that we used to go and set up a booth. For everybody that indicated some serious interest at our booth, there were three that were talking to Citicorp or Chase. Even though these were international job fairs. These were people saying, yeah, I do want to go overseas, but the money is better in the private sector. And one of the problems was that. This was a time remember, this was '96, '98. It's not like today, six, seven years ago. These people coming out of college could name their ticket. They were in great demand, and they could be very picky. I suspect that if I were sitting behind one of those tables right now at a job fair it would be a little different. But back then it was tougher to recruit.

Q: So after two years there were you ready to turn into an academic or what?

WALSH: Actually, no. The benefit of having spent two years as a pseudo academic, I realized that if I had ever thought of becoming a teacher in a second career, I realized that that wasn't for me. I enjoyed it while I did it, but I recognize that it really wasn't something that I thought I was particularly good at, to be honest. And I know that one of the drawbacks of working for the government, including the State Department, is the bureaucracy that you have to deal with and that's why I spent 27 of my 33 years overseas, to get away from this big bureaucracy and only deal with the smaller bureaucracy. But I found out that the bureaucracies in academia are at least as complicated and a hell of a lot more vicious. That's a tough world. This publish or perish mentality carries on over to all sorts of things. Who gets to be the chair. I found that a lot of these people were very

tough on each other, and I just decided that's not something I wanted to get into in a second career. So, when I finished there I decided I enjoyed doing that for a couple of years and I wouldn't want to do it any longer.

Q: So what happened? We're up to '98 now?

WALSH: At that point I was then looking for my final posting. One of the reasons why I picked FIU was because the Florida regional center, which is an administrative support center that covers Latin America, the director of that center was coming due, it's filled by a senior admin Foreign Service officer. And I thought a nice way to segue way into that would be to buy a house in Ft. Lauderdale, which I did, a matter of two miles from the Florida regional center, with the idea that I would be a prime candidate for the directorship. I knew the region. I was a senior admin officer. I was there. It was a natural. I would do three years in that job and retire in south Florida and that would be the end of my Foreign Service career. It was all worked out beautifully. Needless to say, I didn't get the job. They wouldn't give me the job, they gave the job to somebody else and so here I was in the same boat after two years in Florida, not on any ambassadorial lists, or not successfully completing the process, and not wanting to be a DCM anywhere. And it was again January when everybody else was being assigned in September, October, November.

Q: So what happened?

WALSH: I got a call from the director of senior assignments who said we need a DCM in Madrid. And I said I can't believe, at this point it was February, maybe March, for a June tour. I said I can't believe that you don't have… that job must have had a million bidders. And he said something like 87 to be exact, at grade. The problem was that the ambassador, political appointee, his wife became gravely ill and he stopped the process of looking at any of the candidates until he could see that his wife was well. A thing that speaks well of the guy. But that left the process in limbo. And then personnel said he has just come back to us and said that his wife is on the mend thank goodness and he's ready to look at this list that the State Department had kind of narrowed down for him. We told him we're going to have to make up a new list because those people were assigned months ago. They're all going somewhere else. We'll do another list, but it's very late in the season. While Madrid attracts a lot of candidates generally, it's February, March whatever it was and they said we'd like to put you on the list. I had gone to school in Madrid when I was in college. And I said I don't want another… and they said yeah we know that, but here it is. It's March, you're not going to be an ambassador, you don't have anything else, you're not going to stay in Florida anymore, we're not going to approve anymore these one year assignments, you did two, that's it. And the other job fell through. So basically it's come down to you either do this or you take a walk. So I gave it a lot of thought and said I don't want to do three of these things, but it is Madrid. And he said you don't know if you're going to get this job, you're not the only one, we have other candidates, but we're putting a list together for this fellow. So I said what's his name and they told me, and I called him up on the phone. He was out in Albuquerque, New Mexico, he sounded like a hell of a guy, and I said I'm in Florida, but I said I can get a Southwest

Airlines flight out of here for $180 or something, how about I come out and meet you? And he said yeah come on out I'll buy you dinner. So we went out and we had dinner, and we stayed out and we drank tequila and ate Mexican food 'til the wee hours. Got along like a house afire and he's probably one of my dearest, closest friends to this day. We're in touch all the time. So he said the job's yours. I said good I'll take it, and that was it. And it was partly Madrid, but it was largely Ed Romero.

Q: Would you talk about him. Who is he, what's his background, how'd he operate?

WALSH: He's a man in his probably late '60s now, 10 years older than I am I guess. A very successful Hispanic businessman from Albuquerque, from one of the oldest families in America. Basically his forbears, the Romeros, I think he's the 17th generation of his family in the United States. They came from Spain. Actually they came with Cabeza de Vaca.

Q: He was a prisoner of the Indians.

WALSH: The guy that went up looking for the Seven Cities of Gold, Cibola. The 400 families that came up, the 400 conquistadores, and they settled in what is modern New Mexico back in the late 1500s. But he's not a man who came from wealth. He's one of these guys that he sold encyclopedias door to door. He brought himself up from his own boot strings and built a business of his own, scientific high tech related business, and sold it before he took this job. He was very active in politics, he was head of the state Democratic committee in New Mexico, and Clinton asked him to be ambassador, I think he had asked him in the first administration to be ambassador somewhere in Latin America and he wasn't interested. But then he came back to him and said I'd like you to be ambassador in Spain and of course that, like for me Madrid, that's a horse of a different color. So he said, yeah, Spain. I'd be honored. And so he went to Spain and we went together. They'd gone to Spain on vacations and holidays because of his connections there, for years and years; but he went to Madrid with his wife on a trip once, and they were going by the royal palace to visit the palace, and they said sorry the palace is closed today you can't go in. They said how come? They said because the American ambassador is presenting his credentials to the king. Actually, it's a whole bunch of ambassadors. It's like our guy, they pick a time and then you do them all. But he said among them is the American ambassador, so he said oh we'll stay and watch. And here comes an open carriage with six or eight horses or whatever it is, they do it in style over there. Up comes the American ambassador all decked out in his regalia to present credentials. An African American, Terry Todman, guy that ended up being my boss in Argentina, had been ambassador to Spain some years before. And Ed's wife said to him, Ed, some day you're going to be sitting in that chair. And he was. Only it was not in that carriage because it was 99 degrees the day that he presented credentials and the master of horses wouldn't allow the horses to pull the carriage so all of the ambassadors rode in Franco's Rolls Royce which is nice, but not quite as nice as horse and carriage. And that's what happened. And then that brings us to '98 and on our way to Madrid.

Q: Alright, that's probably a good place to stop I think, and we'll pick this up next time '98 and we'll talk about Spain. We haven't talked anything about Spain.

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Today is the 25th of October, two months to Christmas, 2004. What was the situation in Spain in '98 when you got there?

WALSH: We were inside the embassy. The outgoing ambassador was Dick Gardener who had been ambassador in Italy as well.

Q: Yeah he had been my ambassador when I was consul general in Naples.

WALSH: He had already left actually and Larry Rosen was the chargé at the time. I was replacing Larry as DCM, and Larry and I had about a week of turnover and then I was chargé for the first couple of weeks until Ed Romero arrived.

Q: What was the sort of political/economic situation in Spain in that year?

WALSH: Hot. Spain was really a jumping place in the late '90s. They had recently joined the European Union. They had just become the newest NATO member. In fact we were in the process in the embassy of helping them stand up the sub regional command of NATO just outside of Madrid. So we were very active on the military front, and of course economically the place was absolutely booming as a new member of the European Union. But the Spanish fell below the per capita GNP threshold where a country has to contribute to the central budget in Brussels. Spain, like Greece, was a net recipient of those funds, so a lot of money was flowing into Spain from Brussels, and all of it because of the EU regulations had to be used for infrastructure. So Spain was in the process of expanding its bullet train. There was a bullet train already from Madrid to Seville. They were looking to build another one to Barcelona. The highway system was brand new. It made the U.S. highway system which was basically built in the Eisenhower years look pretty poor by comparison. Which is counterintuitive because most people think of Spanish roads as being in fairly rough shape, but in fact their highway system is better than the German highway system. The Partido Popular, led by Aznar, prime minister at the time, or as they call it president of the government. He had a great working relationship, even though he subsequently had a very good working relationship with Bush, he had a great working relationship with Clinton as well even though they were the equivalent of the Spanish Republicans. So working with the Spanish government was a delight because we were in sync. Not lock step so much, but in sync on most issues.

Q: I realize it was the ambassador's task, but what did you see as what we wanted from Spain at that time?

WALSH: At that point this was pre-9/11. We wanted their support in the Middle East peace process because the Spanish had a special relationship with the PLO (Palestinian Liberation Organization) and with the Arab world generally and that was largely due to

their historical roots. A Spanish official named Moratinos was the special envoy from the United Nations to the peace process. That was somebody we worked with irrespective of our relationship with the Spanish government. In fact, Moratinos, who was a socialist, is now foreign minister of Spain with the Zapatero government. He was unknown except in his capacity as the UN special envoy, but we had a special relationship with him that predated his job as foreign minister. We were looking for the Spanish to help us out in the Middle East because they had a special relationship with the Arabs that we didn't, still don't, unfortunately. Probably worse now than it was at that time. We were looking for them to be active as new NATO members. In terms of NATO deployments, we were looking forward to having Spanish troops. Up until very recently they were active in Iraq, but with the election of the socialists they pulled their troop contingent out of Iraq, which was a surprise to nobody. And then I would say probably the area where I spent the most time was in the commercial area. And the ambassador as a businessman definitely spent most of his time. And that was trying to help American firms tie in with Spanish firms in joint ventures and other types of investment in Spain. Also, special angle, hooking up with Spanish firms and Spanish banks to invest in Latin America. Concept of triangulation, commercial triangulation, was between the U.S., Spain and Latin America. Because Latin America has historically been our backyard, sort of our bailiwick. In Argentina, for example, we are by far the largest foreign investor in Argentina. There's nobody even close. But in the last several years the Spanish have been the largest net new investors, so in other words they brought more dough into that economy each year for the last three or four years than we have, although our investment on the ground is still larger in total than Spanish investment. So the commercial tie was a big thing during out time in Spain.

Q: Just stick with the Arab/Israeli thing, did we have an Arab/Israeli man or woman in our embassy who dealt with this?

WALSH: No, we didn't have anything like that. We didn't have the luxury say of a post like London with an Africa watcher. The embassy in London historically has had an Africa watcher. Basically we handled that through the political section.

Q: You were there from when to when?

WALSH: '98 to 2000.

Q: Were there any developments that came out of Madrid in this particular aspect before we move to other…

WALSH: We worked closely with them on anti-terrorism activity, but it didn't have anything to do with terrorism against the United States at that point. It was homegrown terrorism. ETA, the Basque separatist movement, was active while we were there. There were bombings every few months in Madrid and other parts of the country.

Q: How did we analyze the Basque movement? Obviously they were serious, they were killing people and being killed themselves, but was this something that we felt could go anywhere? The Basque movement or not?

WALSH: There wasn't the same zeal for independence among the Basque on the French side. You know, the Basque basically occupy that whole transborder area between southern France and northern Spain, and the Pyrenees, the western Pyrenees. But they're a different kind of people. The Spanish Basque tend to be urban, they tend to be business types or involved somehow in commercial activity, and they tend to be well-educated. The French Basque are generally rural, they're sheep herders, the way the Basque started centuries ago, and they're not as interested in separation from France as the Basque on the Spanish side are in separation from Spain. So other than ETA members who cross the border into France are often hid by the French.

Q: The French are always picking up people there.

WALSH: On the other side. But in terms of did we ever feel that they were actually a serious threat in terms of separating from Spain? No. They still believe they can do it. But I don't think there's a Spanish government that… certainly the Aznar government was very tough on them. Whether the Zapatero government now will be as tough, that remains to be seen. But the point is that if they were a piece of northern rural Spain the way the French Basque are, there might not be as much pressure. But the fact is that the Basque homeland in northern Spain is where a lot of Spanish industry resides. Bilbao is one of the industrial centers of Spain, and they can't afford to lose it.

Q: Did we have any contact with ETA or anything? Were we cooperating, or did we..

WALSH: No. We were cooperating with the Spanish government. It's not that we have people on the ground. Our attitude was largely that's their fight. But we would help them in terms of forensics or anything like that that they were looking for. The FBI was available to do lab work. But we only had one American killed by the Basque. This was years ago, in the '80s. Brown I think was his name, was jogging down the Pas de Jenna and he happened to come astride of a bus full of Guardia Civils which at that moment the ETA folks decided to blow up by remote control. And they got him in the blast. But ETA does not want to pick a fight with the U.S. They're not looking for another enemy.

Q: Before we leave the Basque, was there any residue, did you feel it, I remember back in '55 when I came in we were.. Senator McCarran of Nevada had a big program to bring Basque shepherds to Nevada… was there a residue of Basque shepherdism in American politics, particularly from a Nevada and all, did you feel that?

WALSH: No, we didn't have anything like that. The last remnant of that that I recall was Reagan's pal Paul Laxalt, Senator Laxalt of Nevada who was in fact a Basque American. Those folks, they largely came from the other side. Those were the French rural Basques that I was talking about. They don't have the same association with ETA.

Q: Were you seeing a major social change in people who had been there before remarking on this? I was thinking particularly of women coming in, things like abortion and that. Diminishing of the role of the church and all this?

WALSH: I had been a student in Spain during the Franco years on a junior year abroad program through Georgetown University, and that was in 1967, '68, and at that time you really knew you were living in a dictatorship. There were rules against three or more young males gathering at any point in the city. The Guardia Civil would come up. That was the magic number. Three or more. If you were hanging around having a conversation on the street corner they were within their rights to come up and either disperse you or haul you in. The Guardia Civil came in during a demonstration at the law school when I was at philosophy and letters during that year. They came in on horseback, and the law students came over into our faculty and we got mixed up with them. They came up and into the classroom buildings on horseback with truncheons flailing, and myself and one of the other fellows there who was on the same program were jailed. We were jailed for just a matter of hours, but you knew you were living in a dictatorship. Coming back in '98, a whole different world. Madrid, I could remember the city was full in the '60s still of these poor veterans of the Spanish civil war from the late '30s so that's 30 years later, legless and armless and blind, out begging with cups. And there was none of that when we were back in the '90s. It was a very vibrant economy. Very liberal. You'd think you were in northern Europe in Sweden or Denmark. Your point about the church was right on. There was a pretty strong anti-church-as-an-institution feeling back in those days. The church, particularly opus dei, some of them were right wing parts of the Catholic church, were very supportive of the Franco regime, so there was a reaction against the regime when Franco died in '75.

Q: How did we deal across the political spectrum? Was there easy access, was there pro-American, anti-American or America didn't play much of a role at all in political thoughts?

WALSH: All of the above, depending on who you were talking to. If you were dealing with the socialists there was nothing like you find in Latin America, but there was a kind of mild anti-Americanism. With the exception of the head of the socialist party and the former prime minister of Spain who was a great fan of the United States in his own way, Felipe Gonzalez. He's one of the most brilliant politicians in modern European history. This guy is really something. We had quite a bit of dealings with him. Not many with the fellow who ended up taking over later as prime minister, Zapatero. So you had a mild anti-Americanism among the socialists. You had almost an embarrassing pro-American stance among many of the members of the PP party which was the Aznar party, the one in government. And then amongst Spaniards generally they were largely uninterested because they were focusing on their newfound Europeanism. Spain, while it's geographically part of Europe, the attitude of other Europeans toward the Spanish.. you know there was an old saw they used to quote all the time in France: Africa begins at the Pyrenees. And that's how they viewed the Spanish. The days of the Spanish empire were centuries old and these people were viewed as backward. And now, Spain was not

backward and they were enjoying being Europeans again. So their focus was more to Europe than it was to the U.S.

Q: This is tape six side one with Jim Walsh. Yeah?

WALSH: The socialist party was more like the center left of the American Democratic party. And that was more popularly based and could get itself elected, and did. Whereas the communists at that point were really the remnants of what survived after the Spanish Civil War because they had stayed so far out of the Spanish mainstream. The Spanish people as a people are pretty conservative, even those that have problems with the church, they're still a conservative bunch of folks. They're not really like northern Europeans in that regard. The state isn't considered, even among socialists, the center of society. The family is the center of society. Whereas in Sweden they look at it a little differently.

Q: How about relations with Portugal?

WALSH: They were good. In a way, the Spanish treated the Portuguese the way the rest of Europe treated the Spanish. Kind of as a stepchild. They viewed it as a backward country on the fringes of Europe, which was really unfair. You know Portugal better than I do. It's come a long way. I remember visiting Portugal back in the sixties and it was like Spain, pretty rural. But not anymore.

Q: What about France? You had the two big parties, the socialists and the Gaullists and all. Were they involved in Spain relations at all?

WALSH: Not so much on the political front. They were very involved commercially, because they saw opportunities, particularly for contracts in the infrastructure areas. The Germans were there as well. A lot of the money that Paris and Bonn and ultimately Berlin were sending to Brussels was finding its way into Spain. It was available to be used for infrastructure and development. Of course, French firms like German and other firms, were saying, let's see if we can get some of that money back by having our firms do the contract work. There was obviously a lot of pressure on the Spanish government to give it to Spanish firms, but some of them just couldn't handle it because they weren't big enough. So they had to do deals with foreign companies like us, like the French and so forth. So there was a lot of French involvement that way, but not particularly on a political level, no.

Q: How about Catalonia? Did you have to treat it almost as a separate country?

WALSH: We better not. That would tick people off in Madrid. But it was almost like a separate country. We had only one surviving consulate when I got there. We used to have a whole bunch of consulates around Spain. Back in I think it was the eighties we closed the consulate in Seville which meant that we only had one consulate general left and that was in Barcelona.

Q: We couldn't give that one up.

WALSH: No. Well it's too important a part of the country. I mean, along with the Basque country it's the industrial heartland of Spain. We kept consular agents, we still have them. We had them in Galicia, we had a couple out on the Costa del Sol, we still have one in Seville, we have one in Majorca, we have one in Valencia. I think we had six altogether. But they're consular agents. We don't have any professionals out there, so it was accepting in Catalonia. And the CG in Barcelona treated Catalonia as a whole separate country because he liked the idea that he was running his own. And you know who was there? The guy who worked for you in Naples.

Q: Oh, Ruth Davis. She'd had a wonderful time.

WALSH: Ruth was CG there, but she had left by then. Doug Smith was consul general at the time.

Q: I'm just wondering, did we go through a careful song and dance to make sure we did things right with the ambassador visiting there or not? Make sure it didn't upset the Madrid government and made the Catalan government happy, or not?

WALSH: It wasn't as though we had some conscious effort to make sure we visited x number of times. Ed Romero loved Barcelona and had a lot of friends there. So he traveled to Barcelona fairly frequently but not necessarily more than say to Seville or some of the other big cities. The government of Catalonia, when the ambassador came, treated him as though he were coming to a sovereign state and they loved that. The people in Madrid didn't like it, but there's no way that you could stop that from happening. It was like the same thing that would happen when the ambassador would visit Quebec when we were in Canada. The Quebecois loved to treat it as though this were a state visit even though Ottawa knew it wasn't.

Q: Was Gibraltar a problem?

WALSH: Yes. Good point. Gibraltar was a real issue because it was like the Malvinas or the Falklands issue later on when we were in Argentina. It was a real burr under the saddle of the Spanish. They had a real issue. You know they had the border closed for years and years. When I was a student there in '67 I visited Gibraltar and the way I got to Gibraltar was to go down to Cadiz, cross the bay, cross over into north Africa to Tangiers and come back into Gibraltar by ferry. So to cross that one mile I had to go onto another continent and back. It was a real sticking point for the Spanish. Of course that was a British issue for that matter. As we did with the Falklands we're supportive of the British position, British sovereignty over Gibraltar. And it's just like the Falklands and that is that any plebiscite that would be held on Gibraltar, the result's going to be to stay with Britain. Always has been. So the Spanish just kind of have to live with it. The Spanish government insisted that a warship visiting a Spanish port, we would have warships coming in from the bay all the time to Barcelona, Valencia, Malaga and so forth for R&R. Any warship of any flag visiting a Spanish port cannot have previously visited Gibraltar. Immediately previously. Let's say an American destroyer would pull into Gibraltar

because they loved it, English speaking and so forth, and then want to pull into Valencia. The Spanish government wouldn't permit that. They said you have to go to another foreign port before you could. And we would have that. What would happen is they'd go up to France and then come in. That was alright. The Spanish would accept that because you were coming from a French port.

Q: By the time you got there we had taken our planes out of the major airport hadn't we, up near Madrid.

WALSH: Yeah, we had closed down entirely there.

Q: Do we have Rota and all those..

WALSH: Rota is still there. Rota is not what it was. The airbase outside of Madrid, it's still open but it's a Spanish air force base now. And the naval base at Rota is a Spanish naval base on which we have a presence. But it used to be one of two European staging points for American boomers or missile carrying submarines. The other one was at Holy Loch in Scotland. When I worked with the Pentagon Rota was still used as a home port for nuclear submarines. This was in the early seventies. But by the time I got there the subs had all been brought back to the States. They're not in Holy Loch either. They're all back in the U.S.

Q: The Cold War is over.

WALSH: No need for them. Rota, we had a presence there. People would go down from the embassy in Madrid and shop at the PX. There was a PX on the base. There's a hospital which military personnel assigned to Madrid could use. We civilians couldn't.

Q: What was the Spanish attitude… I think during the Franco regime back in the sixties or something essentially they sold away their birthright along the coast. All these horrible looking summer homes were built by Brits and Germans and all that. Were they beginning to get those things back or not?

WALSH: They don't have the regulations that the Mexicans do. You can't have fee simple ownership of property along the coast of Mexico. You have to be a Mexican citizen or cut a deal with a Mexican citizen to do it. In Spain, of course, citizenship's not an issue. You can own property on the Spanish coast. That wasn't an issue when I was there. Occasionally you'd hear a Spaniard say I can't travel to Majorca and operate in Spanish because everybody speaks German. You go into restaurants in Majorca during high season and the menus are in two languages, English and German. But they bring a lot of money into the economy. Even today, with all that's been happening with the membership in the EU, even today the largest source of foreign income in Spain is tourism. So they don't want to bite the hand that feeds them.

Q: Can you talk a bit about the commercial side, promoting business and all. Any particular issues or deals that you got involved with?

WALSH: We did a joint venture between an American defense contractor and a Spanish ship builder up in Galicia to deliver Arleigh Burke-class destroyers. Almost state-of-the-art destroyers to the Norwegian government. Norwegian navy came to Spain and said, look, you guys are great shipbuilders and we want you to build the platform but we want the American technology, so how are we going to do this? And the Spanish came to the U.S. and said why don't we do a deal with the two of us. Put together a quality warship and sell it to the Norwegians. And we did. So we won the contract.

Q: How about road building, dams, nuclear… by the way were they using nuclear power?

WALSH: Yes.

Q: Because the French were in Spain…

WALSH: I'm trying to think if it was the major source of energy, it may have been. Because the problem with that kind of contract is that you've got to have the equipment nearby and we were at a geographic disadvantage. We had to bring all that stuff in and we couldn't compete with even the local Spanish or French.

Q: What was our impression of the Spanish armed forces at this time?

WALSH: High quality.

Q: Had they gone to a volunteer?

WALSH: They were a volunteer force and they were good. Our own military people at the embassy thought that they were first class. Basically they were headed in the same direction as the U.S. armed forces. It made more sense, financially, for them to go into smaller units, lightly armored, basically rapid reaction-type arrangement. The same sort of thing that Kerry is talking about doing with the two divisions of the U.S. Army.

Q: How about the embassy? I would think Madrid would be a place where you would end up a lot of odds and sods as the British would say. Different Department of Energy, federal aviation, I mean an awful lot of people want to be based in Madrid won't they? One was this true, did you have to sort of ride herd on them?

WALSH: It was sort of true. It wasn't as true as it was in Ottawa. I had every agency in the government in Ottawa with at least one person. It wasn't quite that bad, but we did have a battle monuments commission person whose job was to cut the grass out of a cemetery.

Q: I'm trying to think of a battle that happened there.

WALSH: Well, we had a guy, and we had some dead, they were buried in the area. I don't know what it was. We never saw the guy. I didn't have to ride herd. It wasn't that

sort of thing. We weren't as big as Paris or London. The mission was medium-sized. How many people were we? I guess including the consulate we must have been around 350. Americans and FSNs both. So it wasn't as big a management job as Canada was.

Q: How did you find the FSN staff?

WALSH: First class. And they'd been there forever. People that had been there for 25, 30 years. Part of the problem though was they were excellent, very professional, but they all had been there 20, 25 years, so there's going to be a huge turnover of FSN employees, could be happening right now. And that's going to be a problem from a managerial standpoint.

Q: And also we are not that competitive I guess as an employer. It used to be prestigious.

WALSH: We're alright. We were pretty good about making sure that our salaries and benefits were right up there. We're never the top, as you know, unfortunately. We're not the top payer anywhere, but we're not the lowest. We never had any trouble. There was still some prestige associated with working at the American embassy. It was still true.

Q: Did you find that you had a problem with officers or staff assigned from Latin America who spoke Spanish, but Spain was sort of the reward for having served in Ascension and Guatemala, some not so very nice places. Did this cause a problem of being an R&R spot for ARA people?

WALSH: Not as much as you might think. You would think because of the language connection an awful lot of Latin America hands wanted to serve in Spain. I was one of them. But since Spain belonged to the EUR bureau it was pretty hard to break into that bureaucracy because this was also a place to send people who had served in the northern climes and it was an opportunity to send them someplace that was more comfortable as well. So it wasn't that easy to break into Spain because it belonged to EUR. Those who did had to reorient their thinking. Particularly those who had come from small Latin American assignments. Those who had served in Brazil and Mexico and Argentina and Chile and so forth, those folks were used to treating with Spanish speaking governments as peers. Whereas those that were coming from small, particularly Central American countries where the American ambassador was kind of a pro-consul and very powerful within the political environment of the country, had to have radical surgery done to their attitude when they came to Spain. If you treated the Spanish that way, they would let you know that they weren't going to be treated that way. Real quick. But there were a few people who had trouble. They had to get used to dealing with it.

Q: What about the university students at this time. I would think that Spain would have quite a radical student body. Sort of Marxist anti-American leanings and all of that. Or did you find this.

WALSH: I found that when I was a student in the '60s. Those who were brave enough to speak out. I think they were more similar to the attitude of other European students in the

late '90s in that they had become very conservative, they were more focused on their own careers, more focused on their own futures. It wasn't the seed bed of political activism that American universities were when I was growing up in the '60s and '70s. I was very active in the anti-war movement. You didn't get that sense at the University of Madrid as much as you did even some years back.

Q: As the European Union solidified were you observing a drainage of some of the best and the brightest breaking the business community off to Paris or London, or not?

WALSH: No, because the money was coming in the other direction. The money was coming from Brussels and being invested in Spain. So the money that would put those people to work, the French and German and other funds, was finding its way to Spain. Now that will probably change if it hasn't already, when Spain crosses that threshold of per capita GDP where they become net contributors to the European Union instead of net recipients. So at some point that's going to change.

Q: Particularly with the new members coming in who are relatively poor and less developed, Spain will move up. What about the Catalan language? There was a wonderful movie about, it was a French movie, about a young French student at one of the higher schools went to Barcelona on a scholarship to learn Spanish and found that everything was being taught in Catalan, and there were other kids there and they're all learning Catalan. Was this a problem for you?

WALSH: No, because in their dealings the folks at the consulate, the Americans, some spoke Catalan, some didn't. They all tried to learn some. But the fact is you could do business with the Catalan government and anybody else in Spanish. It was a little like the Quebeckers toward Anglo Canadians. If you're an Anglo Canadian, you travel to Quebec City, they may make you suffer if you're not a French speaker by just continuing to respond to you in French. But the minute they find out you're an American and not Anglo Canadian, because they can tell the difference, that's alright, you're not expected to know French. But an Anglo Canadian is. It's the same thing with the Catalan. In other words, if you come up from Madrid you should make an effort to learn Catalan. But if you're a non-Spaniard you're not expected to. So we never had any problem, but the Spanish did.

Q: Any big consular cases or problems you had while you were there?

WALSH: No, although we had a lot of consular activity as you can imagine because at any given moment we had hundreds of thousands of American tourists traveling in Spain. We had somebody who worked for the Social Security Administration full time because there were a large number of Spaniards, particularly from the poorer regions of Galicia and Asturias in northwest Spain, who had gone as young people to the U.S. to make a life for themselves because they were so poor in Spain. And they did, they became American citizens, they raised their families in the United States, their children are now Americans, have no ties to Spain at all, they view it as just a foreign country they could visit. But many of these, like so many Italians, wanted to go home to die. And they went back, some of them very wealthy, some of them not so wealthy. But certainly they went back

and bought that little farm or whatever in Galicia and then retired and received their social security checks. But there was a lot of fraud going on in Galicia because what would happen is these people would die, the social security checks would continue to come, they'd go into the bank account, the son or the daughter or the cousin or whoever would continue to cash these things. And we had a lot of that fraud. Evidently it ran into I'm told millions of dollars a year where they sent investigators out to find out if Jose was really still alive because their records show that he'd have to be 102 and still receiving his social security check. It reminded me a little about that movie *Waking Ned Devine*.

Q: Yeah the man who won the lottery ticket…

WALSH: But he was dead and they wanted to pretend he was still alive. That's what happened. There were a lot of Ned Devines up there. They were really dead but they were still cashing their social security checks.

Q: Well you were there until 2000 and then what happened?

WALSH: And then I had a real surprise. I got a call from the Director General of the Foreign Service asking if I'd be interested in being ambassador to Argentina. Well actually not that simple. I was supposed to be in Madrid for three years. And at the end of a year and a half I decided that I'd had enough and I was ready to leave. The DG, Skip Gnehm, was visiting at that time. I said, look, I'm going to hang up after two years. You won't have any trouble filling this position because when I got the job there were 50 bidders I think.

Q: Why did you want to hang up?

WALSH: I think I had had enough. I had been a DCM three times and I was ready to try something else. I had 30 years in the government and I decided that the stars were all in alignment for me to move on. So I decided to leave and told him that. And he said I'd like to see you stay but obviously that's your choice. And I started the process of sending in my papers. I got a call from him saying that the Secretary, Madeleine Albright, had had all of the bitching and moaning from the Argentines that she was prepared to take. We had gone at this point for three or four years without an ambassador in Argentina. There were a number of political appointees that were offered up by the Clinton administration. One of them was an Iranian American businessman in New York who didn't make it through the vetting process. Another was a former congressman from Connecticut who decided to drop out because the process was taking too damn long and he had kids and he had to worry about their schooling. One was a career guy who had been at the NSC for a number of years, Jim Dobbins, who was being supported by Vice President Gore. But he had some issues with Jesse Helms who was chairman of the Foreign Relations Committee. So this process went on and on. It was a full three years without an ambassador and the Argentine government was getting upset and they were giving Albright a hard time about it. So Skip said she is prepared now to go to the President and say we need to send a career officer to Argentina as ambassador and we need to do it now. And the indications they had from the White House was that they were prepared to drop

the preference to send a political appointee and they would go. Skip said if you will stay you're my candidate. And I said for Argentina I certainly will stay. And I stayed, and went to Argentina as ambassador in 2000.

Q: Did you have any problem with confirmation?

WALSH: None.

Q: In a way, did you have the feeling of let's get this over with and let's get on with it? I take it the process had gotten so clogged up that you were a clean candidate, let's just get him there. Helms didn't give you a hard time?

WALSH: Not only did he not give me a hard time, but his chief of staff, Roger Noriega, who is now Assistant Secretary for Western Hemisphere Affairs in the Bush administration, and who came to visit me in various places where I had been DCM, Canada, Spain, was supporting my nomination. They wanted a career person there and somebody with some background in the country. So not only was it not a problem, I got some help from the Foreign Relations Committee.

Q: Did you have any doubts about going out and year 2000 being an election year. Always being a post that attracted political appointees?

WALSH: It occurred to me that because I was technically a Clinton appointee, even though I'm a career guy, that I could end up being there less than a year; but I hoped somebody would note that we had been without an ambassador for three years and that if they were going to do that they would wait until they got somebody really through the process. And so it occurred to me, but it wasn't enough to have me rethink taking the nomination.

Q: So you went from Argentina from when to when?

WALSH: 2000 to 2003.

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

WALSH: The president, De La Rúa, is someone that I had known when I had been DCM there in the early '90s. He had been a senator and subsequently mayor of the city of Buenos Aires and he was the radical party president. Radical party being the party of Alfonsin who was the first president after the military dictatorship of the mid-'70s. He was a very straight guy, very honest. He had been president at that point for a year. His foreign minister was an old friend, Rodriguez Giavarini, somebody that I worked with who was the head of a think tank operation when I'd been there before. So I fell into a terrific situation where I knew the president, I knew the foreign minister, knew a lot of the cabinet officers. The economy was in rough shape, and, of course, as is always the case in Latin America, the people lay that at the foot of the government. And things weren't going very well. In the three years I was ambassador I had to deal with five

separate presidents. In a country where a president is supposed to last for four years, I had five of them in three years.

Q: In Argentina now the president is a powerful figure, or some countries he's more of a figurehead in other places he sort of runs the government. What was he in Argentina?

WALSH: Very powerful figure. The Argentine system is a very centralized system. It is more like the U.S. than the Canadian system where the individual provinces have premiers that are little kings in their own right, and the prime minister of Canada is only the first among equals. This is even more so in the U.S. system where the president is significantly more powerful than the governors are. In Argentina the president is at least as strong as the American president is in their context. So it was all the more reason to blame the central government for the state of the economy. De La Rúa basically resigned not that long after I got there. There were riots in the streets in Buenos Aires in which people were killed by the police. And there was a tremendous public outcry. Because the public had been dealing with the military for all of those years, the idea of violence on the part of the government was something they weren't going to take. And they started to attack the government palace and the president left by helicopter, got out of there in a hurry, and resigned the presidency. And that started a constitutional crisis in which a whole series of people ended up being president for short periods of time. One was the president of the senate, two days. One was the speaker of the house, one day. The vice president had resigned earlier so he wasn't available to take over the line of succession over a dispute of principle with the president. He wasn't around. So they went through the whole line of succession for presidency. They finally ended up with the former governor of the province of Buenos Aires which in the Argentine context is like being the governor of California, New York, Florida and Texas all rolled into one. About 80% of the economy industry is in that province.

Q: Alright, you're there dealing with this rolling set of presidents. What does the American ambassador do?

WALSH: Try to maintain some semblance of, how should I put it. There was an article in the paper one time. I had to come back to Washington, obviously, to get a letter from the president that recognized the new government of Argentina. And I did that five times.

Q: I think this coming up, the government would have changed before you came back.

WALSH: In one case it did. By the time I got it there was somebody else. In fact, they used to kid in the papers about I must have had a printer at the embassy that cranked these things out with a fill-in-the-blank line. One day I went over with a letter of recognition of the new government on a Saturday. Rather than a suit which is what I would normally wear, on a Saturday I was wearing a pair of loafers and a pair of slacks and a jacket with an open neck shirt. The papers were there and they took a picture right on the front page and said it's become such a frequent occurrence that the American ambassador doesn't bother to even put a tie on anymore. It was a real challenge to keep up. What would happen is these people would come in and the first thing they would do

is name a new cabinet. In some cases, the cabinet didn't even have time to get into their offices before there was a new president and therefore a new cabinet. The main challenge was to keep things going when you really didn't have a government to deal with. During that transition period, this is in December of 2000, January, February of 2001. It was a mess. And once things finally did settle down and President Duhalde was in office we had 9/11. Al Qaeda hit New York and the Pentagon and Pennsylvania and it became a whole different kind of relationship with the Argentines and everybody else.

Q: Prior to this, what was causing the turmoil? Was it the economy? We've talked about this before, had things changed? With everything seeming to go for it, by the year 2000 and 2001 were the Argentines getting their act together? They've got all these riches and a population that should be able to manage them and they don't.

WALSH: Actually they had started to get their act together in the mid-nineties. The mid-nineties was a very prosperous time in Argentina. When I was there from '89 to '93 that was the beginning of a very prosperous time in Argentina during the Menem years. The government had sold off a lot of the state owned enterprises to private sector. Unemployment had dropped off. Per capita income had increased dramatically. Argentina was engaged in the world. It was a good time. But I think one of the real issues was corruption and has always been one of the real issues. People got too comfortable in the late nineties and siphoned off a little more than they usually siphon off. As a result the economy started to fall into the way economies generally cycle anyway. There wasn't the kind of fiscal nest egg you'd expect to have for an economy that was doing as well as the Argentine economy. Because the stuff was being siphoned off. When it started to bottom out in late '98, '99, 2000 there wasn't the nest egg to draw on. What should have happened is there should have been a huge fiscal surplus and there wasn't, and that would have protected them. And so what happened is basically a combination of hyper-inflation and devaluation of the currency. The currency had been pegged to the dollar during the nineties. Artificially pegged to the dollar. So the Argentine peso was worth a U.S. dollar regardless of what the state of the economy backing that currency was. And it was not sustainable. And then finally it was in 2001 when the government decided that they just couldn't sustain it and they were going to allow the currency to float. And when they did it went to almost four to one within a matter of days, and then settled back in at about three to the dollar, where it still is, even now it's at three to the dollar, which is more reasonable. The good side of that is it makes Argentine exports more competitive. They weren't competitive at one to one. They couldn't sell. But most of their exports are natural resources anyway.

Q: They've always been great grain and beef producers along with Australia and the United States and competitors and this. Let's talk about the business side of this. I would have thought while you were there, you've come from Spain where we were pushing business to come in and take opportunities, I would think one would be a little bit cautious in Argentina about getting Americans in there.

WALSH: Not at the beginning. There was still a lot of interest. We were still the number one foreign investors in the country. Our banks for example, Citicorp and Bank of Boston

were among the oldest banks in the country. They were there since prior to World War I in the beginning of the century. Anytime you have a banking operation in a country you'll find investors from that country following because they have somebody that will finance their operation. And you had still a lot of interest, particularly because this process of privatizing government owned entities was still continuing, reaching further down into smaller utilities and things like that. Utilities that were owned at the provincial level and so forth. There were a lot of opportunities for U.S. investors. Plus we saw competition from the Spanish. The Spanish by this time were plowing more money into the Argentine economy than we were. So it was still a time when there was a lot of interest on the part of the U.S. of A. And plus, even later when things bottomed out speculative capital came in. People who said for the same reason you enter the stock market and buy low and sell high we're going to buy this stuff while it's a bargain with the hope that ultimately it will be more valuable. Because when you look at it, and you made the point just now, it's not the Sudan. It's a rich country. It's a country with 35 million people and 50 million head of cattle. This is a rich country. It's an oil exporting country. It's a gold mining country. It's one of the largest cereal and other grain producers in the world. It's probably the largest soy producer in the world. And it has or has had the largest middle class in Latin America. That's changing.

Q: What's happening to the middle class?

WALSH: It's slowly disappearing. It's disappearing underneath the poverty line. Unemployment up, the official number is 18%, the real number is probably close to double that. And Argentines that are professional, a very well-educated population, very high percentage of college graduates, probably approaching some European countries. It's a homogenous country racially, so you don't have that issue to deal with.

The Spanish were interested in the big ticket items. BBVA and the Banco Santander, the two biggest Spanish banks, came in and bought the oil company, YPF, which was the Argentine owned oil company. One of the biggest oil companies in the world. They bought it. Repsol bought it lock stock and barrel, the whole thing. They came in and bought half the telephone company. When I say half of the company, they divided the telephone service in the country between two groups and sold it off that way. Hopefully with the idea that they'd develop some kind of competition. Of course they didn't. What they did was created two monopolies that operated one in the north, one in the south. But the French won the bid for the one and the Spanish won the other. Same thing with the electric utility. They split it and the Spanish and French were the successful bidders.

Q: Were we in the game?

WALSH: We were in the game but we didn't win bids. Now there are those that argue that the reason why we didn't win the bids is because we have something called the Foreign Corrupt Practices Act and that American companies ever since Lockheed executives in Japan got themselves… did they get jailed or not?

Q: I don't remember. It certainly put a crimp on things. Japan's Prime Minister Tanaka got ousted. As soon as you say the French were in there bidding, I don't know about the Spanish practice, but one has a certain feeling about French business practice.

WALSH: You bet. Isn't it still true that bribe payments are considered tax deductible in France?

Q: They're supposedly changing things, but stuff is coming out about Iraq now that was strongly suspected. When you say corruption was beginning to gnaw at the vitals of this economy earlier on, did this make American business shy away?

WALSH: Well if it involved a payment yeah, because it was not worth taking a chance. Obviously they wouldn't share anything with me if they were playing games, but I had no credible information about any bribe payments by American companies while I was down there. Mainly because the ones that would be bidding were already present in the country in some fashion or another. The big three were there, GM, Ford, Chrysler, all manufacturing in Argentina. General Electric was there in a big way. If you look at the Fortune 500 all those firms are operating in Argentina and they have been many of them for decades and decades. So they would have been bidding from the basis of their domestic operations that they already had there.

Q: Were you getting complaints that the French or the Spanish we hear reliable news that they're offering bribes and can you do something? What would you do?

WALSH: No, I wasn't asked if I could do something. Because they knew that there was very little you could do, except to say that if you want to be a serious country, and this I would do on a regular basis in conversations with Argentine leaders. If you want to be a serious country and taken seriously, then you can't behave like countries that aren't taken seriously. And that is that this has to be all above board. And of course I would get assurances that it all was above board. And to this day I don't know that it wasn't. But I heard the same rumors that these people came in with. And the fact of the matter is that corruption is an issue; it always has been an issue in Argentina.

Q: How did you see Menem as a political figure?

WALSH: He was an interesting guy first of all. He was a fascinating guy. When he won the presidency back in '89 he was the governor of a small, remote province. He was a strange looking figure with his mutton chop sideburns and hair down to his shoulders. He fashioned himself after one of the early caudillos in Argentine history. He looked like a revolutionary and that's how he got elected, as the heir apparent to Peron. But in fact, when he got the job he snookered everybody because they expected him to follow the traditional statist policies of Peron, and he didn't. He did just the opposite. He started selling off all of these government owned entities in the early '90s and basically he's the guy that instigated the economic renewal of Argentina finance. Problem was that people close to him, and conceivably he also, took too much of the action.

Q: Was he a player when you were there?

WALSH: Yes. He was definitely a player. He had been president in '89 at a time when Argentina had a system like the Mexican system. That is you're elected president for six years with no opportunity for re-election. At the end of the six years he was able to change the constitution to provide for a system like the American system which was four years with one re-election. So he served four more years. Six plus four is 10 and still argued that he was eligible to run for the next four because the first six didn't count. So he wanted 14. Of course they weren't willing to go that extra step and bend the constitution to allow him so he didn't. He finished up in 10. But he was still a political player in Argentina and was up until the time that he took self-imposed exile and moved to Chile where he is right now.

Q: What about on the political side? You were there when the Bush-two administration came in. Did this cause any change or not early on in the Bush administration?

WALSH: Not really. I don't think the change here in Washington affected our policy vis-à-vis Latin America one iota. I think it was and continues to be what people here might consider benign neglect to quote Patrick Moynihan. But people in Argentina don't consider it so benign.

Q: What about the Malvinas with Falklands. Was this rankle or had it died away?

WALSH: It hasn't died away because it's still fresh. The war was only 1982 so it was only 20 years ago and you still had families who were missing kids who had died in that war. So it hadn't been that long. But it was still an issue the Argentines would bring up at the UN at the General Assembly every September. It was still an issue with the Brits because even to this day there's no regular service between the Argentine mainland and the islands. And the U.S. role is still thrown up in our face from time to time. Back in the early '80s we were sending mixed signals to the Argentines. We had Secretary of State Haig on the one hand making very clear that our ties to Britain were the most important and we had Jeane Kirkpatrick at the United Nations talking about the importance of the Monroe Doctrine and supporting our allies in the hemisphere. So these guys didn't know which way to turn. They had the American government with two voices about how it was going to come down on this conflict when in fact everybody with a brain knew we were going to support the Brits which is what we did. The Argentines have ever since thrown that back in our face and said, "The Monroe Doctrine is something that you guys exercise when it's convenient and ignore when it's convenient."

Q: What about relations with Chile?

WALSH: They had improved by the time I got back in 2000. During the '90s they were pretty edgy. Particularly over border disputes. I think we talked about the glaciers, what they call the continental ices, which is silly because they were arguing about uninhabited ice, not even land. This was moving, these glaciers. But that had settled down pretty much by then. The Argentines always looked at the Chileans as kind of their poor cousins

on the other side of the Andes. Smaller country, similar in makeup, largely European stock. The economies were similar in that they were resource based economies. It was a lot smaller country and it was never the object of envy on the part of the Argentines. But in 2000 the Argentine economy started down into its slump. The Chilean economy was on a roll and they were negotiating a free trade agreement with the United States on a bilateral basis and we completed that agreement. So they had a status in Latin America that nobody else had except for Mexico, and the Argentines were a long way from having. So the attitude toward Chile changed. I think there was a kind of newfound respect for Chile.

Q: Was there any push on the part of the Argentines, at this time it would have been ill-founded, but a push to say we should have a free trade agreement with the United States.

WALSH: There was a generally widely held assumption on the part of the Argentine government that they'd be next. That we would probably do some kind of a bilateral deal. But there was a lot of internal battling between the radical party that was in government and the Peronist party that was out of government as to whether or not they wanted to do this. And they go back to the old arguments about sovereignty and falling under the influence of the United States, and this would be a sell out of national sovereignty. So the Argentine government never really was able to get the kind of support it needed to be able to pursue that kind of a deal with us.

Q: But on your part, just looking at the problems with the Argentine economy, were you able to say don't even think about it now for the next 10 years?

WALSH: I think that the kinds of things that they would have had to have done they were already in the process of doing. For example the privatization of a lot of the national industries, things that wouldn't work in free trade agreement. There were still some major outstanding issues. One of them was intellectual property rights. That was a real sticky point with the Argentines. I viewed a free trade agreement as the impetus for the Argentines to fix the problem that they had with intellectual property, particularly in the pharmaceutical area. Because pharmaceutical companies in Argentina, this I am certain of, were bribing politicians to ensure that the laws of Argentina protected their bootleg operations in Argentina. They were manufacturing medications, for use in Argentina and export to third countries, that were protected by patents in the United States. So they were making the same sorts of things that Eli Lilly and Merck and these folks had patent protection for in the United States and in the rest of the world. And that had to stop if we were going to have any kind of free trade agreement. And like Pharma in this country the pharmaceutical lobby in Argentina was very powerful. But unlike American Pharma they were also crooked.

Q: What about nuclear developments in Argentina. Were there any going on while you were there?

WALSH: There were a couple of nuclear power plants, but they had some problems with their nuclear industry in terms of technical issues, keeping them running. Atucha I and

Atucha II were the name of the plants. The focus by the time I came back in 2000 was away from the nuclear industry and toward fully developing hydroelectric because they had huge hydroelectric potential. Not only potential but it was realized, up on the Brazilian border.

Q: Tremendous falls up there aren't there.

WALSH: Yeah. In fact, one Brazilian, they called is Sete Quedas, seven falls, something like that, disappeared under one of the big dams. But the one that's right on the border between Brazil and Argentina, that was completed and it's a huge operation.

Q: Do we get a piece of that action?

WALSH: Yeah, we did. In fact, there were some issues. I'm trying to remember what exactly they were, but there were some lawsuits surrounding our involvement in that dam.

Q: Had the cyber revolution hit Argentina by this time? Every kid had a laptop? Was this having an effect, did you see?

WALSH: It was having an effect in the sense that people who were in that business were doing very well. People who were selling cell phones and palm pilots and PCs were doing very well. And there was a domestic industry in all of that, but the attempts by the government to get into the telecom business and do the sorts of things that would obviate their geographic disadvantage didn't do as well as they could have. Argentina is at the end of the world. But if you're in cyberspace it doesn't matter where you are. You could be in Uzbekistan. All of this stuff is done over fiberoptics. It doesn't matter where on the globe you happen to be, you can operate in real time. And I would have thought, for example, it would have been a great place to have call centers. I would have expected more of that sort of thing, for the Spanish speaking world. Because with the unemployment being as high as it was and the economy in the shape that it was, the cost of quality educated labor in Argentina was very low. You could always get cheap labor in Latin America, but you don't get good cheap labor in Latin America, whereas in Argentina you did. You had people with Ph.D.s driving cabs. So you could get people to do call center, that sort of thing, for not only the rest of Latin America, but for the Hispanic community in the United States. When you call and ask for tech support at Dell and you get somebody on the phone here with an Indian accent. That's because you're talking to somebody in India. It could have been the same thing in Argentina.

Q: They usually ask do you want this in English or in Spanish?

WALSH: Exactly. In other words, press one for English press two for Spanish. You press two and all of a sudden you could have been talking to somebody in Buenos Aires.

Q: Well was it happening?

WALSH: It wasn't. I don't know why. It would have been one of the areas that I would have spent time looking.

Q: How about relations with Cuba. Was Cuba an issue?

WALSH: Cuba was an issue, but it's more of an issue now with this new government than it was with the governments that I worked with.

Q: Let's talk about the governments you worked with.

WALSH: The position the Argentines took, the De La Rúa government, the radical party, and the subsequent Peronist party was that we disagree with the U.S. embargo, we disagree with U.S. policy vis-à-vis Cuba. We think the best way to effect change on that island is to engage this government. It's been too long, 1959. It hasn't worked, it's not going to work, you guys ought to change your policy, don't ask us to change our policy. That was true of the Duhalde government as well. Basically, the attitude was let's agree to disagree on Cuba. The only thing where I tried to make some headway was in asking the Argentine government to be a little more even handed in the sense that when they visited the island or dealt with the Cuban government they should also deal with the dissidents on the island to get the other side of the story. But that's about as far as I was able to get.

Q: What about developments, I realize we're talking about one end of the continent to the other, with Chavez in Venezuela and all that. Chavez has certainly Peronist leanings, maybe not Peron…

WALSH: Well, his style. And also he thinks of himself as the great Bolivar, he's Simon Bolivar reincarnated. Peronism in Argentina had evolved away from that sort of thinking. Peronists didn't look at him as representing the Peronism of the 1990s. But the main position the Argentine government took was you may not like him and you may not like his style, but he is the legitimately elected head of the Venezuelan government, and as a result we are going to deal with him. And they did. The De La Rúa government dealt with him. The Duhalde government dealt with him. Their attitude was it wasn't our choice, it was the Venezuelans' choice and we'll deal with this guy.

Q: With Bush-two there was a series of steps after he came in that served to alienate a very large segment of Europe and some other places, but particularly in Europe. Not following through on the Kyoto Accords and with the World Court, and just a general attitude that go it alone seemed to be much more, almost an imperial policy of the United States is going to do it. Did you find yourself feeling any of the impact of that?

WALSH: Yeah, sure. Let's back up a little bit. First there was a huge reservoir of good will toward the U.S. after 9/11. Where were we when this thing started to erode? And that is after 9/11 the attitude of not just the government, but the people in Argentina. It didn't last very long, but it was one of support for the U.S. and what we're dealing with. Also a shared experience because Argentina had had two major terrorist attacks during the 1990s directed at Argentine Jewry. One was the bombing of the Israeli embassy and the other

was the Jewish community center in Buenos Aires in which hundreds were killed. So there was a sense of we're in this together, and there was a real sense of good will toward the U.S. That didn't last too long. When the U.S. started to take what the Argentines considered to be unilateral decisions and only gave lip service to trying to get support from the international community for the war against terror, then the attitude in Argentina started to change, and it started to be anti-U.S. I would argue that their claim that the U.S. didn't try the multi-lateral route is not accurate, because I went in personally and met with presidents and foreign ministers in Argentina trying to convince them to join us. To no avail. They would have none of it. The argument they made was it's not their fight. If it is their fight, we're going about it the wrong way.

Q: You're talking about Iraq?

WALSH: We're talking about both Iraq and Afghanistan. But basically the political will wasn't there to join us. So the argument that we didn't try the multi-lateral route is not true. We did. The question is did we try hard enough and long enough, particularly with regard to Iraq. That's for somebody else to say. But the argument that we didn't try is inaccurate. On the other hand at the end of the day, coalition of the willing notwithstanding, we pretty much decided to go our own way. That caused a change in attitude among the Argentines at the government level and at the public level. Argentina has over the last several years had very high anti-American polling numbers. When Gallup and others do polling in Argentina as to the attitude of Argentines vis-à-vis the U.S. the attitude is pretty negative. But it's at an historic low now. The Pew research people did something within the last month that showed that the attitude five years ago among Argentines when asked the question do you consider the United States a friend, 30% said yes. Now you would think, gee, that's not very good. That means 70% said no. But 30% is pretty good in Argentina. They just asked the same question this month. 3% said yes. Which means 97% didn't. When you get that low, something's wrong.

Q: What was causing this? Was this just the United States has always been a wealthy country and it's nice to be able to kick it when you can or something?

WALSH: There's always an element of that. There's the envy thing. And then of course the history of the U.S. in Latin America which people always throw up at you. But you know, I mean the run up Chapultepec Castle was in 1840?

Q: '45, '46 something.

WALSH: Give me a break. I mean, that's a long time ago. I think the attitude more recently is we could have been more helpful in their negotiations with the IMF over debt relief. On the other hand, I talked to people in Argentina and they say why should you? We're not Nicaragua. We're a rich country. We should pay our debts. We wasted those funds. There's no reason why you should pull our chestnuts out of the fire. It's up to us to work it out. But the average guy on the street doesn't feel that way because they are being bombarded by all sorts of propaganda basically that says the U.S. got you into this situation and now it won't help you get out. I would argue, how did we get into this

situation in the first place? You overextended because the U.S. lent you money. That's like going to the credit card company and saying it's your fault that I bought all of this stuff. But the polling is pretty sad.

Q: Was there a sizeable Islamic community, or any Islamic community? Because Menem of course came from Lebanon, I was wondering whether after 9/11 and all were there concerns on your part about the safety of the embassy and all that?

WALSH: There was, but not from the local Islamic community. Argentina has the largest Jewish community in Latin America and the fourth largest Jewish community in the world. But it also has one of the largest Islamic communities and the numbers are in the hundreds of thousands. Menem comes from that. Menem converted to Catholicism because when he was in politics you had to be Catholic to be president of Argentina so he converted to Catholicism. His wife never did. She's still a Muslim. His first wife. But the community is a long established community. It's not people who have come in the last several decades. These are people who have been around in Argentina, many of them since the late 1800s, that are in the wine industry, the leather industry.

Q: None of the new Islamic radicalism.

WALSH: No. So I never had any sense that those people were a concern. There was a concern though about activity up in the tri-border area of Paraguay, Brazil and Argentina. Particularly on the Paraguay side. Place called Ciudad del Este. Used to be called Puerto Flor de Lis when Stroessner was the dictator in Paraguay. In that area there are a lot of newly arrived radical Islamics from the Middle East who have settled, and it's an area that is used to finance terrorists. That we know from our own and other intelligence sources. A lot of money is collected in that community to support Al Qaeda and some of the others. There's no indication yet that there's any active cells in the area, but it's a source of funding. And so in that sense I worried about that part of the country a lot. But the Argentine Islamic community, no.

Q: Is there any other issue you dealt with before we finish your time in Argentina?

WALSH: There was one huge consular issue. You asked me about the consular issues in all the other places. This was the biggest consular issue that I had to deal with in 33 years. When I left Argentina in '93, there was a visa requirement for Argentines. They had to get visas to travel to the United States. Between that time and the time I returned in the year 2000, Argentina came under the visa waiver program. So Argentines didn't need visas to travel to the United States. The visa section in the embassy was cut by 70% in those intervening seven years because we didn't need all those people to process visas. All we needed really were the IVs which was kind of a standard number, and third country nationals that were coming in. But the biggest operation as in any consular operation, except for places where you have lots and lots of Americans, and we didn't have that many in Argentina, so the American citizens services side wasn't that big, is your NIV operation. So our NIV operation went away. And after 9/11 Argentina was one of those countries that was targeted to have the visa waiver program eliminated and

Argentines were going to have to travel to the United States on visas. But the decision to do that kept flipping back and forth between Homeland Security and State and INS and would we do it and wouldn't we do it and when we do it how will we announce it. And this went on and on and on. And it became a real concern because of the political implications of our basically saying to the Argentine government we used to think you were trustworthy, we no longer think you're trustworthy. It's a slap in the face. There's no way you can play that we're doing it to everybody, you're not alone, we're doing it to Uruguay. Their attitude is Uruguay, who cares about Uruguay? Little country next door. This is a slap, we're your friend, we're your neighbor, an ally, la da da. But aside from that, the logistics of doing this thing were a nightmare. I was told once we finally picked a date that I was embargoed against advising the Argentine government when this would take effect. And of course I argued hot and heavy with Washington that that was irresponsible. That we had to give people time because people were buying tickets, making travel plans.

Q: I can't believe that they would…

WALSH: I'm telling you Stu, this was an absolute zoo. This was an embarrassment. I was told that I could tell the Argentine government, this was about six weeks before we actually made it effective, that I could tell the Argentine government but that I was not allowed to announce it publicly, and that I was to do with them on the QT. So I met with the Argentine foreign minister and I told him. And he said we have to get out to the press right away and make a joint press statement, you and I, so that people can plan their lives. People that had business trips, things like that. And I said I can't do that. I'm precluded by my government from making any kind of a public statement about this thing. And he said, well, this is crazy. You can't stop me. I said of course I can't stop you. You're the foreign minister, you can say whatever you want. But he said if I go out and make a statement, are you going to then come out and gainsay me. Are you going to go out and make a statement that this isn't true? I said I have no instructions along those lines. So the answer is no, I'm not going to go out and say what you say is untrue. So he made a statement that he has been informed by the American government that as of such an such a date Argentines will require visas; we think this a mistake. But the fact is people were forewarned. Of course the phone rang off the hook for us to confirm or deny and we did neither. And then when someone asked me if I knew the Argentine foreign minister to be untruthful I said no, I've never known him to be untruthful. So we got the message out but it's not satisfactory because people didn't know… here's how bad it got. Finally we were allowed to make the announcement. I think it was less than a week before the effective date, formally, matter of days. We said as of midnight Thursday all Argentine citizens traveling to the United States are required to have visas. And, of course, we had lines you wouldn't believe because by that time all of the Argentines that had had visas, or most of them, those had expired. So now everybody's trying to get one. We couldn't handle the crush. We had TDYers coming in from neighboring posts, we had TDYers coming in from Washington, we just couldn't meet the demands. But here's how bad it got. Think about this when you want to work for Uncle Sam. We said all flights from Argentina to the United States leave in the evening and they all arrive in the morning, all of them. American, United, Delta, Argentine Airlines, all of them. It's a night flight. You

leave at night, you sleep on the plane, you arrive in the morning. The question I had for State Department and to the INS; is an Argentine getting on a plane at nine o'clock at night who does not require a visa to get on the plane and cannot be denied boarding because this comes into effect at midnight. But that same person arriving in Miami or New York the next morning does have to have a visa, true or false? And we were talking about two United flights, one American, one Delta, these were all big airplanes. We were talking about 2,000 people would show up that very next morning and you couldn't require or deny them boarding at nine o'clock, because the regulation was not in effect, but it came into effect while they were in the air. Do you know that it got so bad, they couldn't give me an answer? And what they finally decided was the INS office in one city said we will parole them in and the one in the other city said, no, we'll turn them all back. Finally they did get in, but it was a total zoo. It was the most embarrassing thing you can imagine, and we suffered editorials and press commentary. They said this is the so-called organized American government that we're supposed to emulate? These guys couldn't organize a two car motorcade.

Q: Did you have any idea of where the problem was? First the embargo and not saying anything, and then the inability to…

WALSH: INS. It was INS. Because I talked to people, they would not allow it. State, I think, and Mary Ryan the consular head, I still had arguments with them, but they were basically carrying their boss's water on this. There was nothing they could do about it. But at least they were reasonable and said look we need to give these guys some kind of a reasonable answer. But INS just kept sitting on it. They couldn't figure it out. They were confused. They never thought they'd have to deal with an issue where somebody getting on a plane was in one sort of legal limbo and came off on the other end. That was an absolute zoo and it was a public relations nightmare for us. I mean we took a beating and we should have. Of course, then came the problem of logistics, of building up the consular section. All of the people that we had let go, the people with expertise in these things, we reached out and tried to hire them back and they were all happily working elsewhere.

Q: Oh boy. Well then you left when?

WALSH: I left July of 2003, just over a year ago.

Q: Who replaced you?

WALSH: Lino Gutierrez.

Q: And what's his background?

WALSH: Lino was ambassador to Nicaragua. He was principal deputy assistant secretary for Latin America and acting assistant secretary during my last year in Argentina. An old Latin American hand, spent almost all of his career in Latin America. So in terms of experiencing Latin America he has more profound experience than I do. I was spread out

over Europe, Africa and Latin America. He was more focused on Latin America. And he's there now.

Q: It's interesting that you were also replaced by a professional, because that's usually a place where they… How did you find life there?

WALSH: Life was wonderful there. Ambassador to Argentina is without a doubt the number one quality of life job in Latin America. It's a great city. Like living in Paris, only cheaper. Now it's cheaper.

Q: What did you do when you got out? What were your plans?

WALSH: Basically to take a year off because I'd had 33 years with Uncle Sam, that was enough, and I wanted to take a year off and reassess, relax, read. And largely because of the ethics in government regulation that you have to spend a year cooling off before you start doing anything that involved dealing with your home agency. My plan was then to do something in the consulting area which is what I'm doing now. And I didn't expect to have anything to do with State. I didn't want to have to sit down and say well now does this one fall under the one year cooling off period or does this one not? I thought the best thing to do was to do nothing along those lines until one year had elapsed, and one year elapsed last month. So I set up a consulting business with my wife and we've now done a mailing to people.

Q: What is your consulting going to be?

WALSH: Basically it's going to be focused on the three areas: Argentina, Canada, and Spain and it will have to do with U.S. firms looking to invest in those areas, help them to find joint venture partners, helping them get settled in. And in the case of Argentina where there is still a lot of interest in that direction, help to find a home for Argentine capital that's looking for something a little safer.

Q: Jim I'd like to ask you, you were one of those ambassadors who's joined an anti-Bush group or something like that of ambassadors. I wonder if you could explain a bit about it. We're now eight days away from election day and feelings are running very high, but I'd like to get somebody before it's too late. Here you are professionally, you've dealt with all different things and you worked for the Bush administration. What do you see as your own personal driving force for being in this position, and how about your colleagues?

WALSH: Let me just mention what you alluded to. The group is called Ambassadors for John Kerry. We're 188 right now. 100 are former political appointees which is no surprise, and largely from the two Clinton administrations, and 88 of us are career Foreign Service officers.

Q: This is tape seven side one with Jim Walsh. You were saying..

WALSH: Of this group of 188 ambassadors, I was looking at our service records. Of 188, only two of us actually have worked for the Bush administration. The others never did, so the two of us have a different perspective. And I worked for two and a half years. I was named by Clinton but only worked for six months under the Clinton administration. I worked for two and a half years under the Bush administration and had a chance to meet with the president on at least two if not three occasions. On a personal level I found him to be the nicest guy you'd ever want to meet. And also on a professional level he was very interested when he met with at least the heads of state that I sat in with which were the two presidents of Argentina that I accompanied to the White House. He was interested in being well-briefed. He took a brief well, he was smart, and he used the time well. On a personal level he's a very impressive guy. And from the standpoint of foreign affairs vis-à-vis Argentina at least, well-read, some would argue well-scripted but so what. The fact is that he took a brief well and handled himself very well. My issues with this administration don't really have to do with its policy vis-à-vis Latin America. It's not dramatically different than the Clinton administration's policy toward Latin America. To be very candid, there's been a continuum over the last several administrations. Benign neglect. My issue has to do with the war in Iraq. I feel it was a mistake and I think we're now stuck. I think if we're going to find a way out of that morass we need somebody else in the job to do it, because there's really no incentive for this administration to do it. And I feel that we need a change and that's why I'm working for Kerry.

Q: What is your impression of how things are going?

WALSH: You mean the election? Several weeks ago I was pretty pessimistic prior to the debates. Things are looking better, the polls are looking better, I think this is the best we could hope for. It looks like a real horse race. It's going to be very, very tight. And it's going to be decided in not 10 swing states but in three or four. One is my own, Pennsylvania. I'm from Pennsylvania too. I wouldn't put the family jewels on the outcome of this election one way or the other, it's too tight. But I think Kerry could win.

Q: Was Florida, when you were there as ambassador, sort of a center for Argentines, or they went elsewhere?

WALSH: They've gone all over the country. There are Argentines here, New York. But the largest concentration of Argentines is in north Miami Beach. There's an area that some people refer to as Little Buenos Aires. But a lot of the Argentines who have come to the U.S. are different than some of the other immigrants that have come from parts of Latin America. These are professional people, architects, lawyers, doctors, you can find them everywhere. I know for a fact that there are Argentine doctors practicing at the Mayo Clinic in Rochester, Minnesota for example.

Q: One last thing. Did narcotics play much of a role when you were there?

WALSH: We had a DEA (Drug Enforcement Agency) operation and Argentina has always been a flow-through country and that's why it's been of most concern to us. As we closed up the ability of Colombia and Bolivia to be able to exit north into the Caribbean,

like everything else, water finds its own level and as that became more difficult drugs started to flow down through northern Argentina and out through the port of Buenos Aires to both Europe and to the United States. And as time went on we started to find some drug labs inside Argentina in the northern part of the country. So it became not just a conduit country but it became a producer. It's nowhere near what Peru used to be and what Bolivia and Colombia and Afghanistan are today, but it's a country of interest. This is an area where we work pretty well with the government of Argentina no matter who happens to be in the presidency. The police forces have been cooperative on the drug side no matter who happened to be in there.

Q: How about the DEA? Was that a problem? Because sometimes the DEA as you know can get cowboyish.

WALSH: No. I'd have to say that the DEA operation in BA was one of the most professional of all of the ones that I had on the staff. Both when I was there as DCM and as ambassador. I had a very good bunch of guys in DEA in both instances. Unlike some other places where that's a real challenge for an ambassador, for me it was opposite. They were a pleasure to deal with, these guys.

Q: Ok well Jim I guess this brings us to an end.

End of interview