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

AMBASSADOR CURTIN WINSOR, JR.

Interviewed by: Charles Stuart Kennedy
Initial interview date: February 29, 1988
Copyright 1998 ADST

TABLE OF CONTENTS

Background
- Education and early career with State Department
- U.S. Arms Control and Disarmament Agency 1967-1970
- Congressional Relations
- Foreign Policy Advisor, Republican National Committee
- Chase Manhattan Bank
- Near East Bureau
- Problems with American Republics Affairs
- Transition report for Oceans, Environment and Science Bureau
- Bankruptcy

Ambassador to Costa Rica 1983-1985
- Appointment
- Economic situation
- U.S. "two-track" policy in Central America
- Costa Ricans perception of political ambassadors
- Evolution of Costa Rica's economic problems
- Embassy Staff
- World Bank and IMF in Costa Rica
- AID and U.S. economic support
- Withholding aid
- Economics vs. politics in State Department policy
- Costa Rica's political situation
- Costa Rica's history
- Drug activity in Costa Rica
- Military in Costa Rica
- Nicaraguan political situation and relations with Costa Rican labor unions
- CIA and USIA
- Congressmen in Costa Rica
- National Security Council, Oliver North, Tony Motley and political problems

Removal from post

Embassy support and problems with DCM
Backing Jesse Helms
Fate of other ambassadors to Latin America

Conclusion
Greatest accomplishment
Disappointments
State of Foreign Service

INTERVIEW

Q: Ambassador Winsor has been Ambassador to Costa Rica, and was a former Foreign Service Officer. This interview is taking place on behalf of the Association for Diplomatic Studies, and of the Foreign Affairs Oral History Program.

Mr. Ambassador, what attracted you to the Foreign Service as a young man?

WINSOR: I entered the Foreign Service in 1967, largely out of an interest in foreign policy. I began my career by getting a master's degree in Latin American History, and following it up with a doctorate later on while I was in the Service. I had a job working as a research assistant in a small "think tank", the Special Operations Research Office at American University. The idea of serving abroad and of working abroad appealed to me enormously. So I took the exam--in fact, I had to take it twice. I failed the written exam the first time, and I entered the Service in February 1967 just as the BALPA-2 exercise hit.

Q: This is the balancing of officers to make sure they did not concentrate in one area?

WINSOR: No, that was the "GLOP" thing and came later, under Henry Kissinger.

Q: GLOP thing. Oh yes. BALPA was the . . . ?

WINSOR: Balance of Payments Problem.

Q: Oh, Balance of Payments Problem. Oh yes.

WINSOR: We cut down on overseas assignments. So I was detailed to the U. S. Arms Control and Disarmament Agency, in 1967. I worked there for the equivalent of about one-and-a-half tours, through 1970, I did back-up papers and research for the Nonproliferation Treaty and the Salt-One Agreement. I did position papers for our Geneva group; I was Contract Officer for a major research effort. It was a very good experience, although it had very little to do with Foreign Service.

Q: Being thrown into that, outside of bringing from your academic background an ability to write and knowledge of foreign affairs, it would seem to be rather difficult for anybody to bring themselves up-to-snuff on the particular expertise of arms control?

WINSOR: Well, I was in the perfect part of the agency to do it, and I educated myself very well. I made some lasting friendships there. I did a tremendous amount of reading. I wrote an article, in fact, on the Nonproliferation Treaty, that was published in Orbis magazine, as a very young man, which was heady stuff.

For my next assignment in the State Department I was requested as the Special Assistant or Special Projects Officer, to the Assistant Secretary of State for Congressional Relations, who was then David Abshire. This was during the heyday of the Vietnam War. I spent the better part of a year-and-a-half, maybe a little less than that, with David Abshire in that position, and got a strong dose of foreign policy as opposed to foreign relations. Abshire was probably one of our most effective H people, and working with him got me very interested in the policy structure. The office was on the 7th floor; we dealt with 7th floor people. As his Special Assistant I sat in on meetings that a junior FSO normally would never see. As an FSO it was very bad for me because it spoiled me. After a year-and-a-half, they asked me to take Spanish and consider going out as a vice consul, ironically to Costa Rica. There's a real irony in that.

Q: I'd say so.

WINSOR: I thought about it and I finally came to the conclusion that I preferred foreign policy to foreign relations. So I made a shift, I resigned from the Foreign Service and I went to work for Senator Robert Dole, as his foreign policy adviser in the Republican National Committee.

Q: Senator Dole, at that time, we're talking about . . .

WINSOR: He was Chairman of the Republican National Committee.

Q: This was 1971 to 1973?

WINSOR: That's correct.

Q: So, what was his International Relations responsibility at that time?

WINSOR: He was really one of the prime spokesmen, for the Nixon Administration, on the Vietnam War, in the debate that was going on in the Congress. I went into the Republican National Committee, but I spent much time in his Senatorial office serving as a speech writer for him in the debates that were going on during that period. I also did some work at the National Committee in the area of minority politics, and I wrote speeches on a number of other subjects. The main issue in those days, of course, was the Vietnam War.

Q: I'd like to return, for just a minute, when you were with the Arms Control Agency, what was your impression from your particular viewpoint as a junior officer there--of its effectiveness and where it was going?

WINSOR: I became convinced that the Arms Control Agency plays a role but that arms control itself is a very derivative discipline. Arms control in the American experience tends to be looked at with too much emphasis on technicalities and what today is called "bean counting," and not enough emphasis on political realities on the political motivations or non-motivations that can lead countries to sense or to see advantage in accumulating armaments; or to see advantage in stabilizing, or indeed hopefully eliminating categories of armaments.

My concern is that we have looked too much at the outward manifestations the armaments themselves and negotiated on their relative positions, and not looked at the underlying political motivations; and that this has created a problem for us and an advantage for the Soviets, who are consummately political in everything they look at having to do with this field.

Q: When you were with the Agency, again as a junior officer this is 1967 to ...?

WINSOR: '70.

Q: . . . about '70, did you observe this factor going at that time, too?

WINSOR: Yes, one could. I became good friends with William Foster later on, who was at the time of my initial appointment--the director of the Agency. And I had a chance, through personal friendships, to get a very real sense of the philosophies and the underlying strategies that lay behind our arms control thinking. Not just the Nonproliferation Treaty and Salt, but such other areas as MBFR, and the ABM Treaty, which of course was debated during the period that I was in that area.

Q: Well, moving over to the time you were with the H, which is--for the record?

WINSOR: Congressional Relations.

Q: Congressional Relations. You were there, obviously, at a particularly difficult time, during the Vietnam War. How effective did you find the State Department?

WINSOR: For a change, at that particular point, incredibly effective. Dave Abshire, I would say next to Dean Acheson, was probably the most effective Congressional Relations man that they had had. This was largely because he was trusted by both Rogers, who was then Secretary of State, and Henry Kissinger; and was able to work with the Congress, and to, in fact, maneuver in a way that his predecessors haven't been able to;

because we see tremendous breakdowns in recent administrations, and in that I include the Carter Administration.

This administration has failed to utilize its friends in Congress, and has managed to antagonize its adversaries needlessly to the extent that problems have been created that adversely affect the interests of the United States. The Central American policy is a classic example in point, where the administration, in effect, lied to the Congress--or shall we say, told partial truths to the Congress--and where the resulting breakdown in credibility has, I believe, adversely affected American interests; because American interests are very much involved in what's happening in Central America.

Q: What were you doing as a Special Assistant?

WINSOR: My work was largely to represent the Assistant Secretary at departmental meetings; it was to get to know staffers--key staffers--on the Hill, and work with them at levels, let's say, under the levels of the principals. Let's say, Dave Abshire would talk to Senator Javits, I would talk to Pete Lakeland who was Senator Javits' primary foreign policy adviser. I would talk to Jon Marks, who then worked for Senator Case of New Jersey. There were staff people on Capitol Hill who, although not themselves powerful, were tremendously influential because they tended to advise their Senators. Senators are into 15, 20 different things and they tend to, as a result, listen to the advice of their special staff people in these fields.

Q: Today there's been a criticism that the staff has become all-powerful. Looking at it at the time that you were doing it and dealing with it, in foreign relations did you find that the staff was more in an advisory role, or was it sort of running with the ball?

WINSOR: Any staffer, even today, who thinks that he's more than an adviser is in deep "doodoo", as George Bush puts it. But, the truth of the matter is, one could see the pattern developing where the staff was becoming much more powerful, much more pervasive. The reason for this is that Senators, again, tend to run in overload anyway. The Senate has gotten far more involved in oversight of foreign policy and intelligence areas since the breakdown of trust during the Vietnam period. I might say this has even gone to the House as well. And the proliferation of staff, particularly experienced and technically knowledgeable staff, has created an alternative power center of foreign policy thinking, on the Hill.

I was one of the first people, when I left the Foreign Service and went upon the Hill, one of the first five Foreign Service people to resign and go to work for Congress. Pete Lakeland who was an FSO went to work for Jake Javits. I believe that Marks had been with the CIA, and he went to work for Case. If I thought for a few minutes I could come up with several other names of people, but there were very few in those days. Today there are probably 20, 30, 50 former Foreign Service Officers working as staffers in the foreign policy field.

Q: You saw this as a way to get much closer to policy than a career in the Foreign Service?

WINSOR: I did, and I felt that when I joined the Foreign Service I did it with a mistaken notion; that was I had confused foreign policy and foreign relations. Foreign policy, of course, is very heady stuff, and it's generally not the place where young people realistically should aspire to cut their teeth in the foreign relations area. On the other hand, I must admit that I had been spoiled. I had gotten very quickly into a job that exposed me to it, which is not usually the case for a junior FSO. Having had a taste of it, I must say, that I was willing then to sacrifice my Foreign Service career for it, when a good alternative route popped up.

Now what I hadn't calculated on, of course, in my own career planning, was that Richard Nixon would get into trouble and then fire Bob Dole as chairman of the Republican National Committee in 1973. That necessitated my looking for honest work in the private sector, as opposed to what I hoped would be a trip back into government through the political route, as in fact one of my friends did accomplish.

Q: How, in the time between when Senator Dole let you go and you became Ambassador to Costa Rica, did you keep your hand in foreign relations?

WINSOR: Well, Bob Dole was relieved as chairman of the Republican National Committee, I believe in the first part of 1973. He asked me to go on to his personal staff at that time. I made an assessment and felt that I'd worked for Bob for two-and-a-half years and I didn't see that much gain for myself in another tour doing that sort of work. I went out and found a job with the Washington office at the Chase Manhattan Bank, as their international man. I would be doing lobbying work on international financial interests and issues. I'd be doing some political risk analysis for the bank. I'd would be doing a lot of work with the officers and leaders of the Chase Bank, when they came to Washington and did business on the Hill and elsewhere. It turned out to have been a fascinating experience and one that very heavily contributed to my own knowledge and resource in the financial crisis period that we're in today. And it gave me a better look at how the financial underpinnings of both the foreign policy and the reality of international finance function. In a word, it was, for me, a tremendous job. It was difficult, in a sense, because of some personalities I had to deal with, but that was not a major problem. I stayed in the job for six-and-a-half years.

Q: Then you . . .

WINSOR: In 1979 David Rockefeller asked me to move out of the Washington office of Chase, and to become Associate Director--of a group called The Alliance for Free Enterprise. The Alliance for Free Enterprise was set-up by a combination of David Rockefeller and about ten other heavyweight CEOs of large corporations.

Q: Chief Executive Officers.

WINSOR: Right. And then Senator Russell Long of Louisiana had urged them to set up a strong and very, very technically effective organization to work for free enterprise legislation within a Senate, that in the period of 1979, 1980, '81, was threatening to do some very negative stuff. We set the organization up, but the electorate beat us to it and turned the Senate around to the point where it didn't do what we were afraid it was going to do.

Q: Well, this is the election of 1980, in which Ronald Reagan became President.

WINSOR: Changed the complexion.

Q: And the Senate became Republican.

WINSOR: That's correct, and it changed the complexion the thrust of the Senate very radically. During this period, and I might say during the '70s, I remained active in terms of my foreign policy interests as a trustee of the Pan-American Development Foundation. I was a director of AFRICARE; I still am a board member of these boards. Because of my interests at Chase, and my Donner Foundation connections, I became very much involved in Egypt and the Middle East. I made, in fact, three trips to Egypt over a period of a year-and-a-half, always as a guest of the Egyptian government, twice as a guest of the Ministry of Health, and once as a guest of the Ministry of Defense. Working with Chase I wrote several contingency papers and strategy papers having to do with petroleum problems and Middle Eastern problems. As a result, when Bill Brock--then chairman of the RNC (the Republican National Committee)--set-up a foreign policy task force, rather than do the obvious thing where I had my doctorate, which was the Latin American area, they asked me to chair the Middle East area because nobody could accuse me of being either a Zionist or an Arabist?

Q: Arabist?

WINSOR: Arabist. I was as neutral, while still being knowledgeable in the field, as one could get. This, as it turned out, would lead to my doing the transition on the NEA Bureau for the Reagan administration. It was a very successful experience as it turned out, unlike the case with the ARA bureau, where they botched it very badly. The people went in and did everything wrong.

Q: Well, there was a lot of blood in the corridors, as I recall, during that.

WINSOR: On the ARA business.

Q: During the ARA.

WINSOR: NEA went beautifully.

Q: We're speaking about the Near-Eastern Bureau, which is NEA, as opposed to ARA which is the American Republic Affairs.

WINSOR: So there was a tremendous differential in the way both were treated.

Q: I wonder if I could ask you here: since you were on the transitional team, what was the problem with the transition in the American Republics side? Because, I speak as a professional Foreign Service Officer who had no involvement in this, except it was from all accounts a very unpleasant experience, and one that still has polarized the situation. Certainly in the professional corps.

WINSOR: The problem was basically people. The two people who did the transition, or were primarily responsible for it, had thoroughly despised the Foreign Service, and looked at the Bureau from a purely adversarial point of view. These were John Carbaugh and Pedro San Juan. I had been asked to serve on that, and having--I felt that the Middle East Bureau was more than I needed to handle, and that Richard Perle, who was supposed to do that with me, abandoned me after the first day to do it by myself. So I opted out of being involved in the ARA experience, and it's probably just as well.

I feel that the breakdown was because, again, of people who had a wholly negative attitude toward the Bureau. And I might add that the Bureau itself should not be held blameless, for reasons that I'd like to get into later. I feel that the ARA Bureau has the least amount of cohesion, loyalty, back-up, and internal satisfaction with itself, of all the regional bureaus in the Department.

We had a reunion--this jumps way ahead of the time-frame--we had a reunion a year ago, of my Foreign Service class--the class of '67. I think it was the 77th class--I forget the number. We had, in the reunion, a long discussion by those who were in and those who were out--of which were the better bureaus; who would stay in the Department; who was not planning to stay in the Department. It turned out that none of the members of my class are looking to stay in the Department more than three to four years, which I found shocking. A lot of them were members--a disproportionate number of them--were in the ARA Bureau, and they blamed the ARA Bureau's tendency to not listen to field reporting, and in effect, to not have the sense of collegiality and comity that exists in the NEA Bureau, as a major factor in it.

Q: I'd like to get back to that, but I think we might weave that in as we move.

WINSOR: Anyway, the ARA Bureau was, I'd say--not only was the ARA Bureau heavy-hit by two heavy-handed characters in the transition--they had left themselves wide open, in effect invited the hitting that occurred, by the nature of positions they had met the transition team with. So that the bad experience was not just inflicted on them, it was to some extent--I'd say also invited by them.

Q: Off the record, I have avoided the ARA Bureau in the career of 30 years with passion.

WINSOR: Well, you and a number of other good Foreign Service Officers. And it's very unfortunate because it's resulted in the Bureau, I believe, being--within the Department--a weak sister bureau, which we can ill afford today.

Q: You're absolutely right. How did you become appointed Ambassador to Costa Rica?

WINSOR: Well, that grows out of my experience in the transition. While I was in the transition I did NEA, then the guy who supposed to do Oceans, Environment, and Science--who I notice you'd interviewed--Marion Smoak, just dropped out. And I got a frantic call to do the Oceans, Environment, and Science Bureau; and that's possibly one of the most complex bureaus in the Department of State. I did it working with my good friend, from my previous incarnation at State, Tom Pickering, who was then the Assistant Secretary.

Tom and I spent a late-nighter working with a tape recorder, and we put out what I think was one of the best of all the transition reports. And I must say, although I signed it, Tom should have gotten the credit for it. That's when we concentrated all of the non-proliferation functions into that particular bureau, from other elements of the Department and the U.S. Government.

Q: This transitional time is a time when the marbles are sort of all on the table, and you can do a certain amount of grabbing.

WINSOR: It depends on your will and the extent to which you're willing to cooperate with the good people in the Department. Not necessarily partisan people, but the good people who will see things as they should be. Pickering is such a person, and I would say--knowing Tom and I relied on him--I let him guide me in writing that transition report, which I was not qualified to write under the best of circumstances.

Q: But did you see this as a time to take certain functions from one bureau and put it under another?

WINSOR: Oh yes. Pickering saw it as a tremendous opportunity to capture things that he knew very well. He had run the Political Military Bureau and had a tremendous knowledge of a lot of the key areas. He felt that if they were to be unified within the OES Bureau, it would help the function of the Bureau considerably. He also egged me on to write the first report from the Reagan Administration arguing against implementation of some of the minerals provisions of the Law of the Sea Treaty, which was to then create quite a ruckus although somebody else wrote the Legal Bureau opinion on it. I wrote the first one which may have sparked it with, again, the strong input of Tom Pickering.

Q: I might add, Tom Pickering is presently Ambassador to Israel.

WINSOR: And I believe one of the finest career Foreign Service Officers around. On top of that he's a personal friend. That's, I believe, one of the keys to making this sort of thing work well. I viewed the NEA Bureau from not only personal friendships--it turned out three or four of my classmates from the Foreign Service were in it, including Wat Cluverius up at the executive area, who was very helpful--but I got along very well with the outgoing Assistant Secretary Saunders. The result was, I think a singularly successful transition report for that bureau.

Q: Well then why Costa Rica?

WINSOR: Long story. Shortly before the transition I made a quick trip out to the Middle East as an emissary of President Reagan. They asked me to take a major European embassy, one where I did not have the language, or the interest, or the experience, but where they wanted a "Reagan loyalist."

Q: Which embassy was this?

WINSOR: I don't feel that I should say.

Q: Ah, no problem.

WINSOR: Because it was not a matter of record, and the Ambassador who's been out there has done a superb job.

Q: Okay.

WINSOR: But suffice it to say that, between that and one of my companies having tremendous problems--after I had left Chase--I had invested in coal just at the point where the coal industry turned and began to dive--and I found myself looking at a Chapter 11 situation.

Q: Chapter 11 being a bankruptcy?

WINSOR: Reorganization, bankruptcy. I had to turn that embassy down, much to the rage of my former colleagues. And, in fact, they offered me two--three at the time, including a very prestigious Middle East embassy. So I had to go back and lick my wounds in the business field for about a year-and-a-half. However, in later 1982, I wrote a sarcastic note to one of my roommates during the transition, Bud McFarlane, about our Central American policy, which I felt was making no sense at all. McFarlane responded with an angry phone call suggesting I put my life where my mouth was. He suggested that I be considered for the embassy in Costa Rica. This was in late '82.

My appointment was resisted stoutly by the careerists in ARA, but I finally prevailed and went out in July of 1983.

Q: How could the careerists resist?

WINSOR: By putting up arguments, by delaying tactics, by putting up their own people, by--frankly, I don't--one doesn't know. I just know that I was--my name was moved forward in September of 1982, and I didn't go to post until July of '83.

I didn't rush out to post because I wanted to spent an extra month to perfect my Spanish language. I had survival Spanish, but I wanted to be sure I went out with at least 3/3 Spanish.

Q: 3/3 being the State Department fluency grading.

WINSOR: For which I'm very glad. The Department did a tremendous job. FSI (Foreign Service Institute) did a tremendous job of preparing me for that.

Q: Well, when you went out there--let's take several things. What ideas did you have that you-- at the time, not today, but at the time--what did you see that would be your major job? Then we'll come to instructions and all. But let's say, what ideas you had?

WINSOR: I went out with a rather unique preparation for a United States ambassador, and indeed that was in, I think, both McFarlane and Bill Clark, and several of my friends . . .

Q: McFarlane, by the way, was at that time . . . ?

WINSOR: Deputy at the NSC . . .

Q: National Security Council.

WINSOR: Bill Clark was then the National Security Adviser. I had a unique combination of business experience, mixed. I had a background in international banking with six years at Chase, and they were sending me to a country that was the bellwether regional democracy and in terrible economic trouble.
Q: All its debts were coming home at that point.

WINSOR: That's right. The country was functionally bankrupt. I went out, really, with as much an economic mission as a political mission.

Q: What type of instructions did you get before you went out?

WINSOR: They did not give me any instructions when I went out. At that point we were generally following what I considered to be the disastrous--the unthought out--two track policy, which has us wanting to negotiate with the Sandinistas, on the one hand, and to hit them with a weak stick if they don't negotiate, on the other. That's the idea of negotiating Communists into becoming good democrats--Tom Enders' masterpiece--then sending a

group of non-politically rooted, CIA controlled, commandoes to blow up bridges if they don't do it. I consider that to be one of the dumbest policies the United States government has ever pursued, or at least since Vietnam. It's a lose, lose proposition.

Q: When you went out, who was the head of ARA?

WINSOR: Enders was just going out . . .

Q: Thomas Enders.

WINSOR: . . . and Motley was just coming in.

Q: Now Thomas Enders was a Foreign Service Officer . . .

WINSOR: He was a Foreign Service Officer.

Q: . . . and Motley had been Ambassador to Brazil at the time.

WINSOR: Correct. He was a political appointee, Ambassador to Brazil.

I came in then, basically, with the idea primarily of helping Costa Rica get its economic house in order. We had a very strong AID mission, we had a huge AID program; however, for all of that, the country was having no luck in getting its debts arranged or set-up in such a way that they could pay them with the commercial banks. It was in disarray with the IMF (International Monetary Fund). It was not even talking to the World Bank, which required certain trade-related concessions from them. In a word, the country was in bad shape.

Q: Were you given any, sort of ammunition, to take with you on the economics set-up. Often it is said, that a political ambassador can bring something that a professional officer can't.

WINSOR: He can bring it, but not from the Department. I received nothing from the Department in that sense at all, except for trouble, my entire period there.

What I did bring was--being a political ambassador, and an articulate one who spoke Spanish--the Costa Ricans perceived that I had more clout than my predecessor, who was a careerist. I became--because of my willingness to be outspoken, through the point of view of the Costa Ricans--a spokesman not for the Department of State but for the White House, as they saw it. And this gave me tremendously more effective input than I would have had if I had just been a quiet Department of State ambassador. For me the high profile was very successful in Costa Rica.

The problem that I faced was how to get an incredible tangle untangled. I had one major factor to play with, and that was a huge AID program, and a very, very good AID

director--who has since, by the way, had a lot of unjust opprobrium laid on him by an IG's (inspector general) report that was politically inspired.

Q: Who was the AID director?

WINSOR: Daniel Chaij. And interestingly, both Frank McNeil, myself, and Lew Tambs, who were as politically disparate as any three men could be, have risen to his defense.

But, the key was, early on, to sit down with the government of Costa Rica and start talking about quiet conditionality--nothing written down--but understandings. We would do such and such if they would do such and such with so and so.

Q: I wonder if you could describe their problem and a little bit of how they got into it, as you saw it at the time?

WINSOR: How they got into their mess? It was rather simple. They borrowed a lot of money for nonproductive uses--public sector uses--at a time when the commercial banks were throwing money out their windows, to recycle the so-called "petrodollar debt"--or "petrodollar problem," influx, glut. The big banks could not imagine that there would be anything but a strong OPEC cartel in charge of the oil price scene, through the millennium. So they felt it was their duty, and indeed their duty to their shareholders, to recycle as much of this money, as loans on which they could get as good a spread, as they could; because they didn't see how they would lose, because this money would always be available from the OPEC recycling. This led them to make loans to Costa Rica, to Brazil, to Mexico, to Argentina, which they never would have made if they had been using their own conventional, high-cost money.

Well, a funny think happened in 1979, 1980. The petrodollar loans dried up. Petrodollar flow dried up as the West economized and as the OPEC and oil-producing countries got greedy and flooded the market. The petrodollar overhang disappeared overnight, like mist on the mountain. The banks were left holding an awful mess.

Q: And Costa Rica?

WINSOR: Costa Rica being one of the smaller ones actually, although the Costa Ricans have a horrendous debt, relative to their gross domestic product.

Q: Well, did they turn to the United States as the source of assistance?

WINSOR: Well, they figured that since they were the United States' great exemplar of democracy, that they were owed assistance. And indeed, we responded very nicely; we gave them a huge AID program, made up from ESF--Emergency--well, it's funding, it's cash.

Q: In other words, we gave them cash to help them out of their debt problem.

WINSOR: Which then, in effect, kept the bubble of their standard of living up, through a steady influx of U.S. cash to subsidize them. As a Reagan appointee, as a conservative who believes that political democracy requires free economies as a topsoil in which to grow, I was horrified with what I saw in Costa Rica.

There was a nationalized banking system that was not working well. Sixty percent of the economy was in the hands of government. Government was actively interfering with free trade patterns. They were doing, as I saw it, a lot of things very wrong, given the climate of the world today. And I might add, by the way, that the crash in Costa Rica was caused not only by the drying up of the loan money--the easy loan money--but by the collapse of all--and this is not just Costa Rica--but all of their traditional exports.

Countries in Africa began to export coffee and Brazil expanded its production, so the coffee market collapsed just as the OPEC oil collapsed. And on top of that, sugar collapsed; meat prices collapsed; and banana prices collapsed. So the Costa Ricans were just in terrible shape.

Q: All this also represented a dietary change in some of the major markets.

WINSOR: In the U.S. there was less red meat eaten, yes.

Q: Sugar.

WINSOR: And most of the beef goes to McDonalds and the fast-food chains. Sugar has come off a bit. Of course that was always a scandalous mess, and still is at best, anyway. Bananas were going through a cyclical down trough. So at that particular point, the Costa Ricans were desperately talking about new, nontraditional exports. And that became one of the major thrusts of our AID program, to help them get into that.

Q: Well, you say the AID program . . . Before we go to the AID program . . .

WINSOR: It's a pretty complex web.

Q: It is, but fascinating. When you went out there, how did you find the embassy staff? I mean, as an effective instrument?

WINSOR: I found that I had a disaster for an Economic Officer; I had a guy who was a functional illiterate a FSO-1 in economics. So I had to work around him. I won't mention his name, but believe it or not he's still in the Service as an FSO-1, and doing economic work. But, I had to ask my AID mission to do the economic reporting, and a junior officer who was fairly good to do the Department of State inter-face.
I found that my Foreign Service Contingent was somewhat understaffed. I would say I could have used either one junior and one mid-level FSO--to do the work that was required. They were understaffed.

Q: How about your DCM? Were you supported by him, or her?

WINSOR: My DCM was a problem, and it would be a problem I would say that contributed to my early departure from Costa Rica. That was my own fault for reasons I'll get into later.

On the whole, though, my relationship with the Foreign Service people and even with certain levels of people in ARA was good; because, as a former FSO, I found that there was a collegiality extended to me that was not extended to a lot of the other political appointees. I had not been involved in the bad side--the dark side of the transition team, and that too was favorably remembered.

My problems were to come from my objection to the "two-track" policy, and resulting political fights with Tony Motley over that. And one real clash with Motley and the ARA Bureau over my withholding aid when we were at the key point of getting the Costa Ricans to do what they needed to do to get the banks on line, the IMF on line, and the World Bank on line. Because what we created was a cascading conditionality where we got the Costa Ricans to agree to do what the World Bank wanted, with what the IMF wanted, and with what the commercial banks wanted, and then with what we wanted. And we coordinated the whole thing so that they got a loan package that did what they had to have done. And they in turn did what was necessary to make what all of us wanted to see done, work. In other words, to get the economy functioning again in the private sector, to get nontraditional exports up, and to get them to the point where they could begin to repay the loans that were being advanced to them.

Q: Were you able to work with--drawing on your experience with Chase--with the banks?

WINSOR: Yes. I was the first American ambassador I think in history, at least so they told me, to sit in on steering committee meetings with the commercial banks, for the country, and actually to turn the steering committee around and get them to agree to give Costa Rica a breather on loan interest rates, and indeed to give them an additional $75,000,000 in monies. And this was done because we had the IMF on board, and the Costa Ricans on board with the IMF, to agree to changes in the technical management of the Costa Rican economy. We had the World Bank on board in terms of the Costa Ricans agreeing to freeing up their trade patterns, so that, again, the non-traditional exports and marketing strategies that were needed to make the Costa Ricans competitive again would work. And our main AID quiet conditionality was that they begin to open up the banking sector to, again, to non-government credit suppliers; which we saw as being absolutely crucial to the economy beginning to grow again. And that's what the fight erupted over.

Q: Well, why did you find that AID could supply you with good solid economic support, and that the Foreign Service couldn't?

WINSOR: Because basically I had a--the guy was a dead head. My senior FSO Economic Officer was incompetent as the Chief of the Economic Sect. Everybody agreed, but it took me six months to get rid of him. I finally then went up and recruited a superb Economic Officer in Bonnie Lincoln, who's still at the embassy, who turned that situation around very quickly. But I had to put up with eight months, functionally, of having nobody in my key economic slot, in an understaffed Foreign Service mission.

Q: And you saw this as being the key section?

WINSOR: Yes, it was one of two key sections.

Q: In Costa Rica?

WINSOR: Yes, that's right. And I had to use a very good writer in the AID mission to do my economic reporting work, a fellow who just died of cancer last year named Owen Lustig. Owen--working with a junior FSO--worked around this guy, who was hopeless. Yet he's still in the Service I understand.

Q: Well, what about the support you got from the State Department for this type of restructuring?

WINSOR: None. Because it was alien to the Department's thinking, and I ended up in a terrible fight with the Department, particularly over my conditionality on opening up the banking system. The Costa Rican left screamed, and a fight broke out because the President of the country, with whom I had my informal deal, had gone to Europe for about a month to try to convince the Europeans that the Sandinistas were bad guys and the Costa Ricans were good guys. And in that period, elements of the left attempted to double-cross me on the conditionality we had agreed to with the government.

Q: Let me stop here for a second; let's switch over. [Tape interrupted]
How competent did you find the Costa Rican side, on the economic side, bankers, economists?

WINSOR: Very competent. They were very well prepared. The Costa Ricans, I would say, had a team of very, very good people. The problems we ran into, however, were not the technocrats. They were the politicians. The left-wing of the Partido de Liberacion Nacional--which is the European Socialist type party that was the government party at that point in Costa Rica--had nationalized banking as one of their sacred cows. And they saw me, correctly, as attempting to undermine them.

On the other hand, I saw U.S. aid--all $300,000,000 bucks worth of it at that point, a year--going down a rat hole, if the credit sector would not support what we were trying to rebuild. This was an export economy which would require a certain amount of credit flexibility, as opposed to political flexibility, in dealing with the investors who were going to put together the export products, which were going to be mainly agricultural and

in some cases commercial. So the battle grew over that. It was called the Ley de Moneda, which was put forward by the government itself ironically, and would have, in fact, opened the money law. Ley de la Moneda. "The law of the money," would be the literal translation. There was a terrible fight over it within the PLN, which controlled the congress, because some of the most left-wing elements were aware of our deal and were supporting us because they were decent people. Some of the slimier elements in the country were attempting to block it because they did not, for their own reasons, want that to go through.

I ended up withholding aid--something no ambassador had done in Costa Rica--for a month. To the point where, literally, the country was on the brink of problems. And the resulting battle forced me, in fact, to have to take a position of disobeying instructions from the Department of State to disburse the aid.

Motley and the ARA Bureau, looking at the uproar over my nondisbursal and getting uninformed assurances from Europe--from Monge, the President--ordered me to disburse it, at a point where if I had disbursed it I would have lost credibility and our deal with the international financial institutions wouldn't have worked. I refused to disburse it, and I stood on that position for about two weeks. The only person in Washington who supported me, and who turned it around for me, was Pete McPherson, administrator of AID, because his AID mission had been keeping him personally briefed and he interceded with Secretary of State Shultz. And in fact, Shultz then did turn the pressure off me.

Secretary Shultz, by the way, alluded to this in his speech at Pete McPherson's retirement as being an example of Pete McPherson's courage and ability, when in fact the courage and the stake was on my head. Because, I was in effect, standing for the credibility of the U.S. government, against the Department of State which was backing a statist cave in.

Q: Well now, you received instructions and what did you do?

WINSOR: I said that, "It is my position, and the position of the country team, absolutely unanimously, that we cannot do this and retain credibility." I refused to disburse the funds. The cables, of course, were signed by Shultz, but were written by Motley and the ARA people. And at that point, fortunately for me, I think, I got some friends of mine from the White House to get into the picture or I would have lost my head then and there.

Q: I was going to ask, how did this work?

WINSOR: Well, the White House people initially saved my scalp. Then Pete McPherson moved in and . . .

Q: He was the Director of AID?

WINSOR: Yes, he was the Administrator of AID. And he reasoned with George Shultz, who is not a slouch on economic matters. And Secretary Shultz realized that the

Department had, in effect, been giving me the wrong instructions, and backed off. Right about that time, the President arrived back in the country, saw what was going on, and pulled what is still known in Costa Rica as the "Mongazo." He fired half his government, including the ones who were giving us a problem. He called me over to the Presidential Palace, gave me a great public abrazzo for having done a public service. The aid was released and everything went well.

But it was an adventure and a half, and a interesting example of dysfunction by the ARA Bureau, which failed to note the economic arguments in their anxiousness to placate the leftist political status quo in Costa Rica.

Q: We were talking before this interview began about the problem within the State Department, about the dysfunction, as you say, between economic and political. I wonder if you'd care to talk a little about how you saw it at the time?

WINSOR: Well, I see it kept going to people. The Department lacks enough good people with thorough economic training, and who look at politics from an economic point of view. I believe that you can have no democracy without a free economy. What avails you, if you can vote four times a year, or once every four years, and your freedom of choice in terms of what you do in the economy which affects your everyday liberty is curtailed to the point where it's to be meaningless. This is, how do you say, an overstated point but the point nevertheless is valid. The United States has, in my view, tended to dote over free elections, and perhaps freedom of speech. But we do not, I believe, and I think the Department of State is where this omission exists, give equal attention to the question of whether a person can exercise their freedom in the marketplace. Whether a person can get credit without having to bow to government requirements, and government credit rationing; whether a person can sell their produce for what it's worth as opposed to what the government says it's worth. This is a fundamental issue and I believe an area in which the Department of State has not come to grips with political reality, partly because it is badly understaffed and badly under-represented.

Q: But does this sort of reflect the United States, the media, the political system?

WINSOR: No, I can't blame the media in that at all. I think it's purely an internal aberration of the Department of State, which is looking at politics in too narrow a band. The light band of politics has got to include the economic dimension to a far greater extent than it does. And that's one of the reasons why you see such idiocy as giving GSP [General Sales Preference], and tax preferences to countries like Romania. It is a huge blind spot.

Q: How would you describe the political situation in Costa Rica when you came there, and some of the personalities?

WINSOR: Costa Rica is as stable as the United States is politically. It runs on a two party system. Both parties now have been more or less institutionalized. The political spectrum

is considerably to the left of the United States, in Costa Rica, and up to a point that's okay.

Where I had my big fight was when I was trying to open it back up to the point where at least some market forces were playing in the area of credit. Because if you have credit frozen politically, the potential for not only mischief but for non-development is enormous. And we were investing $300,000,000 a year in the development of the Costa Rican economy, and I saw the non-functioning of the credit area as being the fatal bottleneck to that. So that's why the tremendous fight.

If I had lost that fight all of my efforts would have fallen apart. The conditionality that the IMF wanted would have had no meaning, because the IMF wanted this credit loosening just as much as we did. The same with the World Bank; we would have lost a $500,000,000 package, of which the aid allocation--actually it was more than that, it was a $900,000,000--package of which the aid allocation was only a part.

We were picked to do, for our conditionality, the bank issue, where the IMF picked the trade issue--or the World Bank picked the trade issue--the IMF picked the bureaucratic issues, and the commercial banks went with the whole package. They then rolled over and accepted a reduced pay out and gave the Costa Ricans an additional allocation of $75,000,000.

Q: So while you were there this package was put together?

WINSOR: We put Humpty Dumpty together, and it stayed together until literally a couple months after I left. Then again, the same people who we had to beat down in the Ley de Moneda fight undermined our conditionality and, let's say, the coalition fell apart because the chap--who was George Jones, the DCM--was not willing to fight it.

My successor, Lew Tambs, also did not look at things economically and I would say the Costa Rican situation lapsed into a crisis that is now very serious again. The new ambassador there, Dean Hinton, is an excellent career FSO, one of the very few career FSOs who thinks in economic terms and I believe that he will do what I did. In other words, I think he will get the economic thing back on track. I have every confidence he will.

But it's been a dangerous lapse, and the lapse itself again speaks of the unevenness in the Department of State's or at least the ARA Bureau's capabilities in this field.

Q: The political leadership, when you were there, was . . . ?

WINSOR: Luis Alberto Monge had been elected President in 1982. He was a labor leader and a lot of people were very afraid of him, but he turned out to be a staunch democrat and anticommunist. He recognized the spot Costa Rica was in, and that Costa Rica had to become more productive in order to maintain its highly developed social program. So he

was willing to tradeoff some of the--what he himself would privately admit were out of control programs of the state.

Q: Such as?

WINSOR: Such as, for example, the organization of parastatal industries, called Codesa, which accounted for 50% of the public sector deficit every year and only employed 1.7% of the work force. One of my final contributions, before Motley got me, was to get from the AID mission and my friends in the PLN government--all my socialist friends--an agreement to abolish that and to, in effect sell off all the parastatal enterprises. And it went through.

Q: What sort of thing were these enterprises doing?

WINSOR: Well, they owned a cement plant which was one-third as efficient as the private sector cement plant. They owned an aluminum factory which was totally nonfunctional because it had been based, again, on pre-OPEC concepts of fuel, but which was fully employed or fully staffed and was a total drain on the economy. They included a vast number of smaller enterprises, all of which had been failed enterprises that had been bought in by the state rather than let them go bankrupt. And I saw this as a great bloated sump taking all of the assets out of the economy of Costa Rica.

The President and the man who is now the Vice President, in fact Oscar Arias himself, fully agrees with this position. I put together the program for reducing and eliminating it and signed it just before I departed. I consider that to be my greatest gift to Costa Rica.

Q: Why is Costa Rica so different from the other countries? I mean, you say it's as stable as the United States, politically, yet it's surrounded by some of the most venal, militaristic, elitist governments.

WINSOR: Oh, you can use a lot of other adjectives.

Q: You can use any adjective you want and they all apply.

WINSOR: It's fairly simple to explain; and as a Latin American scholar, it's very inviting. Costa Rica's the only country in Latin America, really--not just Central America--that evolved very much as the American colonies did, or the majority of them. They had no Indians to enslave, to speak of. It was sort of an underpopulated area, from the point of view of the Indian peoples, at the time of the Spanish exploration. It was not rich in minerals, in spite of its name. The name came from the fact that Columbus noticed gold pieces that were worn by the chiefs. These things had been inherited and largely imported from elsewhere. It was a country that was only fit for agriculture, and small agriculture at that, because it was quite hilly.

So the result was the settlers of Costa Rica came largely from Galicia [Spain]. They were small farmers. They settled in the higher central valley area. They, like the colonists in New England, came together with and in effect managed themselves. They developed a history of self-government. In the late or mid-19th century, coffee came in and it allowed people who owned modest amounts of land to make a reasonable income.

The result was that the country developed a strong middle class. With the development of the middle class came a tremendous topsoil for the country's democracy. The country had its share of strongmen and dictators, but they were never out of line because they never had the prodigious wealth to expend, and they were at the mercy of the populace; because they did not have big armies or the wealth to create big armies.

The result was that Costa Rica evolved into a true Hispanic democracy.

Q: Did you feel that we treated Costa Rica in a different manner than we do the other countries? Because I'm thinking here's a democracy and one can upset a democracy whereas you can ride a little bit tougher with a country that has a military dictatorship.

WINSOR: Well, to some extent that's true. Yes, we did treat them a little differently. I always jokingly referred to Costa Rica as the Vestal Virgin of Latin America for that reason. But on the other hand, I think that doesn't mean you don't have thieves in Costa Rica, too, who would like to abuse the aid that we give them--or for that matter their own people.

You have a former President of Costa Rica right now who is a drug lord, who is the godfather of all the drug activity in the country. I can't say his name or I'd get my tail sued, because we only knew it through illegal but still very convincing means.

But Costa Rica has enormous problems. But it does have a history of true democracy that is flawed, in my view, only by the abuses of government that has become too perversive in its economy. We have changed that a bit, and I think that Oscar Arias is following very much in Monge's footsteps, in terms of what he's doing for the economy. He's privatizing it to the point not where you lose the social justice and the safety net but we lose the really bloated, inefficiency and thievery that had been occurring at the level of the parastatal enterprises and at the level of government bureaucracy at the extent of service. Mexico, of course, is the ultimate example of where you have a country evolve into a true kleptocracy, as one of my friends calls it. Costa Rica could evolve into a kleptocracy very easily. And that is the great danger to the country, particularly with the narco-traffickers being in there to the extent that they are.

Q: Did you have trouble with corruption?

WINSOR: Not overly. There is venality in Costa Rica, especially through this one former President, who's Vice President of the Socialist International and fairly well known. But, I would say that Costa Rican corruption was within manageable bounds while I was there.

Now, I've heard that it's gotten worse, but again, I don't believe that you have anything like the kleptocracy that you have in Mexico. And I think one has to make certain cultural--at the risk of sounding more righteous than I feel--you have to make certain cultural allowances for that kind of thing. But, having said that, I would say also that because it is a rather egalitarian democracy and the Costa Rican people don't put up with corruption beyond a certain point. They have a vigilant media and they're fully prepared to ride a would-be Lopez Portillo [former President of Mexico] out of town on a rail.

Q: Moving, again, to a different field, what were your relations with our military attaché?

WINSOR: We didn't have a military attaché in Costa Rica.

Q: Really?

WINSOR: We had what we call an Office of Defense Cooperation, because Costa Rica had no military. Although they have, in effect, a civil guard or militia. We did, in fact, try to help them built up a capacity to protect themselves, particularly from the point of view of the Nicaraguans on the border, and dealing with the ever-rising flood of narco-trafficking.

This led me to bring in the idea of a semi---they use the term elite, but very advisedly, within the Costa Rican's function these would be trained as opposed to the presently, relatively untrained Costa Rican draftees who served in the Guardia Civil and Guardia Rural. We trained about 800 of them in techniques that would enable them to preserve and hold the border short of an outright attack by the Sandinistas. There's an awful lot of Sandinista incursions, Sandinista abuse of the border area.

Then Oscar Arias was elected, and when I was not in there, that was discarded and the Costa Ricans have gone back, probably, to a weaker posture than they had before. We also tried to develop an intelligence net for the Costa Ricans. We trained 30 college graduates, young people, to become intelligence evaluators, arguing and the argument being accepted, then by Arias and by his opponent as well as the government that a disarmed country ought to at least know what's going on. Well, they've abolished that as well. So they really are disarmed now, both from the point of view of intelligence and the border. Those were my two principal thrusts in the defense and intelligence areas; and I have to regard those as having failed.

The third area was to try to get the [U.S.] National Guard into the country to do some roadwork that I couldn't get done with my aid budget. They're now building roads in Panama--or they have built roads in Panama, and in Honduras. I wanted to get them in to build some roads in the northern zone of Costa Rica, which is relatively undeveloped, which would help get some of the tremendous rich land up there opened to the Costa Rican marketplace, and more important, the export marketplace.

Well, this raised hell with the leftist politicians, who saw the U.S. Army people building roads as being a U.S. threat through Costa Rica to the Sandinistas. And it became quite a cause celebre and I lost, although I gather shortly after I left, the Costa Ricans allowed the U.S. military to build a very badly needed road in the south of the country. I saw this as being a tool for development, and given my own feelings about Nicaragua, a signal to Nicaragua. My only regret was that it didn't work.

Q: Could we move then to the Nicaraguan threat?

WINSOR: Sure.

Q: Again, we're speaking about the 1983 to '85 period.

WINSOR: That's right.

Q: And how did you perceive it at that time, and what were we doing?

WINSOR: What we were doing, and what we are still doing, is a wrong strategy. We viewed the Sandinistas as people who would be willing to negotiate, and we felt that we would force them to negotiate using the Contras as a fully CIA controlled commando.

Q: The Contras--you might explain for the record.

WINSOR: The Contras are the Nicaragua resistance, which had their history originally as disaffected members of the Sandinista Armed Forces, some relic elements of the Somoza National Guard, and a whole bunch of campesinos who'd been driven off their land by the policies of the Sandinista government.

The Sandinistas take all of the campesinos' production, give them a ration card, and only honor the ration card if the campesinos give their sons and their allegiance to the government, and give up going to church. When they don't obey all those functions they can be, in effect, starved, because they've had to give up their food. If they don't give up their food, they get shot, and their wives get raped, and it's very unpleasant. That's why you have approximately 1/8th, 1/9th of the population of Nicaragua right now in exile, or as refugees.

Anyway, these people were being used by the U.S.--the CIA-- as a stick to supposedly force the Sandinistas to negotiate and become good democrats, which they promised to become in 1979, when the OAS recognized them, instead of Somoza, as the legitimate government of Nicaragua. This was the conditionality for such recognition, and nobody has held them to it.

Q: Well, what was our role in Costa Rica at the time?

WINSOR: It was very secret, but at that point we were helping one of the Contra leaders, Eden Pastora, who was it turned out, singularly ineffective. The man is tremendous in front of the press, but as a guerrilla he lived up to his name, *Comandante Zero*. I found that singularly appropriate for him. He did nothing effective as a guerrilla whatsoever.

Q: What, again--this is unclassified--was happening?

WINSOR: It's out now, but at the time, of course, this was all very sensitive. But, Pastora--unlike the poor Contras in the north, who had no political root--had a political root. He had been part of the governing Sandinista body. His political element, headed by Alfonso Robelo, had claimed the real legitimacy of the Sandinista revolution. Robelo had been on the original junta, and had been one of the original leaders of the revolutions. So he had an organic claim to the Sandinista revolution himself. And indeed, it has always been Pastora's point that the Sandinistas have no right to call themselves Sandinistas because Sandinista was a nationalist and an anticommunist. He threw Farabundo Marti, the Salvadoran representative of the Comintern, out of his movement. And although he took some aid from the Comintern, for a few months, he then saw what it meant and stopped taking it well before he was killed.

Those of us who follow Nicaraguan history, find the Sandinistas' sanctification of Sandino a bit ironic.

Q: Well, what was the threat of Nicaragua to Costa Rica at the time?

WINSOR: Basically, the threat or the nature of the problem was constant border incursions, a growing refugee problem which is now huge in Costa Rica. There are 250,000 refugees in the country, which are straining its social net, and its medical and educational systems. But more importantly, they were threatening Costa Rica politically, and in the labor area.

Communist labor unions are really "sleeper" agents. The communists will move into a union, they'll run it honestly which often free labor won't and then when it becomes expedient, they will blow the union up if it would bring down the government or serve one of their objectives. And they did such a thing in Costa Rica in early 1984, when they forced a strike at the great banana plantation of United Brands in Gulfito.

The Gulfito plantation had been relatively marginal, because of the high cost of labor. And by, in effect, pulling off the strike, they both forced and enabled United Brands to shut it down. This denied the government $35,000,000 a year in tax revenues, it put 5,700 people out of jobs, and it was meant to create a crisis that would destabilize Costa Rica. We were able to avert that, but it was a classic example of how, in effect, terrorism can be used in unconventional ways.

Terrorism is not just bombs, it can be the abuse of social institutions in such a way to manipulate instability and to create uncertainty, just as effectively as a bomb in a supermarket would do.

Q: Were we aware of this as this progressed?

WINSOR: Oh, you're right we were. Certainly we were aware of it. It was the core of our reporting from the embassy, for two months. I was very much involved in the attempt to maintain the productivity of the land, and to avoid a total disaster for the Costa Rican government. We did help them, I believe, do a transition, but whatever occurred--at least 4,000 jobs were lost on the net, that, and in a small country like Costa Rica that's an enormous blow.

Costa Rica's population is 2.4 million--or it was at that time. Four thousand jobs in a population of that would be the equivalent in the United States to 50,000, 60,000 jobs; that would be--in the U.S.--a heavy blow.

Q: In this type of confrontation with--both internally and externally--how did you perceive the role--how well were you supported by the CIA? Again, I'm keeping this as an unclassified paper.

WINSOR: My CIA station initially was not very good because it was geared more to working with the Contras than with working on Costa Rica. I complained vigorously about this, and by mid-1984 I'd gotten the thing turned around so that it both did the Contras--and it also served internal needs. Because I wasn't so much worried about--I was a little bit worried about subversion with Gulfito, the banana plantation activity--but I was also concerned because Costa Rica had, at that time, paramilitary groups growing out of the increased tension, which happens in Costa Rica from time to time, from both the left and the right.

The communists had a thing called the Mora-Canas Brigade, which at any one time keeps 500 Costa Rican communists in Nicaragua, usually fighting with the EPS, and then returns them and rotates them into Costa Rica. But they come into Costa Rica, secretly, and they keep their automatic weapons and their training. I felt that, given the weakness of the Costa Rican military, this was something which required a much more sophisticated eye on our part than we were giving it. And ultimately, obviously, this was agreed to. And it led to the attempt to shore up the border patrol, and to develop the intelligence net, which Oscar Arias let go.

Q: Well, did you find that the CIA was sort of running its own show without coordinating with you, or did you feel that you were in charge?

WINSOR: No. While I was ambassador there was a great deal of coordination--very informal. I had country team meetings once a week. But I would usually see my chief of station once or twice--once a day--or every other day, informally. I kept an open door, and

I expected if there was anything of interest going on he would stroll in and tell me about it, or at least get an appointment and stroll in when I didn't have somebody with me. I think, by the way, he got a very rotten deal in the Iran-gate business. They made him a scapegoat. I think it speaks very badly of the Agency, that they would do that to him. Because he was a very, very careful man. And he did nothing that wasn't authorized, I'm quite certain, from higher up.

Q: Well, how about the use of the media, both your USIA, and media interest?

WINSOR: I used to call USIA "useless," instead of USIS. We had a very ineffective USIA operation for part of the time there. I started out, and I got spoiled by having a terrific PAO, which made all the difference. Then I ended up with a--I would say--a very ineffective one, which I would say--it didn't make our life as difficult as it would have in a different kind of country--but we, at that time, had very good relations--and still do--with the Costa Rican press.

But what this woman did was really antagonize--was minimize the naturally good relationship that existed and gave us no opportunity to build on it. She's out of there now, but she cost me, and she cost my successor, a great deal. I advised him to fire her, but he didn't listen to me on that. Also, it's hard to get rid of them. But she's now going into retirement.

But I must say that I was spoiled by the one I had up until December of '83. Her name was McCaffey, and she was superb. She's now in Chile. I'd say that she was good enough to be an ambassador. She had a great talent for dealing effectively with people politically, in the media, and in every way. I went from excellent to the worst, or to about as bad as you can get.

Q: Well, how about your relations with Congress?

WINSOR: In Costa Rica?

Q: In Costa Rica. I mean, the American Congress.

WINSOR: We had a tremendous number of Congressional visitors coming through. My own relations were excellent. I still regard, of all people, Steve Solarz as a personal friend, and I enjoy having a good fight with Steve over an issue.

Q: Steve Solarz is a Democratic Congressman from New York.

WINSOR: New York, yes, who's very abrasive, and who's very bright, but who's been a critic of the policy. I got along very well with him because at the end of my tenure I had become a critic of the policy myself. And we had great fun talking about it, from very different points of view. We were critics of it from different vantage points.

I must say that one of the most enjoyable evenings I had in my tour in Costa Rica was a dinner for Steve Solarz. Just my political counselor and I had him to dinner with three former foreign ministers of Costa Rica, all of whom spoke English. Fernando Volio, who is a brilliant man, Jorge Rossi and Gonzalo Facio.

At that time the Department of State was still attempting to defend the Contadora process, and the Department of State was attempting to continue to negotiate with the Sandinistas, unilaterally. And these chaps got loose on Steve Solarz, on this stuff. And Steve, because he, of course, would oppose anything that would confront the Sandinistas, found himself supporting the administration's position. Two hours later, with his jacket off and sweating profusely, Steve Solarz staggered out of the dinner and said, "Curt, only you could have set me up to defend the Reagan administration, for two-and-a-half hours, in Central America."

And I have to admit my only regret was that I didn't have a television camera, because Solarz put on one of the most spectacular defenses of an indefensible policy that I've seen in years. The man's a superb debater. I wish he were on my side.

But we had no problems with the Congress, except for one very bad visit by Rostenkowski, on the Ways and Means Committee, who came down to announce the Caribbean Basin Initiative as though they were God touching the hand of man; when in fact they were giving away nothing. And, you know, the arrogance of that particular individual was really the only really sour point in my otherwise very productive relations with visiting Congressmen, of both parties. The other marvelous visitor we had was Pat Moynihan, who I always admired. And getting to know him compounded that, even though, of course, he's a critic.

Q: That's Pat Moynihan of New York?

WINSOR: Senator Pat Moynihan, yes, of New York, who consumed--from cork to bottom--one entire bottle of brandy in three hours, sitting in our living room, I couldn't believe it, and who never once lost his stride--he has an incredible intellect.

Q: Well, from the White House, were you getting any instructions from the White House?

WINSOR: No. In fact, I got into a lot--one of my main problems with Tony Motley, who was my nemesis at the Department--was that I kept in close touch with Constantine Menges, who was then the Latin American guy for the NSC staff. Particularly on the Nicaraguan geopolitical side of things. That annoyed Motley no end because he and Menges had been waging war on these issues; the internecine conflict of the Washington scene for well over a year. But I didn't get instructions from the White House, and nor was there anyone there who would have been dumb enough to try to give them to me. I mean, I knew Ollie North very well.

Q: Ollie North, being with . . .?

WINSOR: On the NSC staff--of great fame lately. If Ollie had something in mind, he would have asked me about it. And if I had survived, I'd like to think, that I would have at least talked him out of a few of the bad ideas he did put in motion in Costa Rica. But Ollie had in-- well, it doesn't pay to speak to ill of my successor--but let's say my successor, although he had great courage in front of narco-traffickers, had no courage at all when it came to politics. And he said, "Yes sir, no sir, yes sir." to some of Ollie's harebrained ideas, and got the thing into much deeper trouble than it should have been.

Q: Well, this comes to why your relations with Motley and all-what brought about your departure from Costa Rica?

WINSOR: Basically, I disagreed with the policy. I felt that the policy, with respect to Nicaragua, was wrong. At one point I came back with a memorandum, which stated flatly that the President had been lied to. I won't go into that because it was classified. But suffice it to say, that the President had in fact . . .

Q: You're speaking of the American President?

WINSOR: Of the United States, yes. That memorandum was then put into the hands of three members of the U.S. Cabinet, and the resulting debate almost caused another Cabinet member--you can imagine who it is--his job. At that point, however, a decision was made and that Cabinet member remained and the other two left. I would say the National Security Advisor was one of them. This was Bill Clark, Casey--well Bill Clark, Casey and Kirkpatrick were the three. Two of them left. At that point my tenure in Costa Rica became impossible, and I had to depart.

Q: I can't remember--this is . . .

WINSOR: That was, you know, putting yourself in harm's way. I put myself in harm's way, and one has to expect consequences from . . .

Q: But you felt that the issue was sufficient to . . .

WINSOR: Yes, I felt that we were playing to lose, and that the Department--not the Secretary, but an element that the Secretary respected apparently--had lied, or had written papers that had lied, and that I could demonstrate that they had lied to the President. This is Motley. Motley was dismissed a couple of months after I left, but it never really became public what he had done. And the United States' policy and credibility had been endangered there.

Now this had nothing to do with Iran-gate, at that point. I was talking strictly about the way we were supporting--not supporting--or dealing with the Central American problem, the Contras.

Q: What were your relations with the other ambassadors there, because this was a very politicized group, if I recall?

WINSOR: Uniformly excellent. I got along with everybody except for Bergold, who I felt was a . . .

Q: Who was . . . ?

WINSOR: Bergold was the relatively new ambassador in Nicaragua, just as I was leaving. Tony Quainton was an old friend of mine from the Foreign Service. And although we disagreed on a lot of things we got along very well personally. John Negroponte and I got along very well.

Q: Did you consult quite frequently, to sit down and get together?

WINSOR: My friend Tom Pickering was up at Salvador. Yes, we talked rather frequently. Motley went out of his way to try to prevent us from getting together, for obvious reasons, that would become known at the end. But we did talk quite frequently. And when there were problems we would exchange information, usually on the classified telephone, which works marginally, but it usually works just enough for you to get the gist.

Q: Do you have to shout over it?

WINSOR: Ted Briggs, I got along also very well with. In fact, I still keep in touch with him. Bergold I felt, by the way, did a very dishonest job as U.S. Ambassador in Nicaragua, in that he felt and treated that embassy as if it were an Eastern European embassy, where we're dealing with comfortable communist states that we have more or less reconciled ourselves to. And his attitude in Nicaragua was along the same line. And I felt that was extremely destructive of the marginal U.S. presence there, and its justification. I believe that I am joined in that feeling by a lot of the--by some people in ARA even today.

Q: Well how did your removal from office come about? If you want to call it that?

WINSOR: Well, I fully expected it when I heard that George Shultz had survived the fight at the Cabinet level. I was a chicken hawk messing in a fight amongst eagles. You don't keep your feathers that way. I was notified by Ron Spiers that . . .

Q: He was the Under Secretary for Management, I think, in the State Department.

WINSOR: Yes. I was removed within a very short period of time. And they did it, you know, attempting to give me the minimum amount of grace that I could, for getting out. I ended up leaving on the 28th of February, as I recall. They did it in a fairly ugly way, although I had a lot of support both from my embassy and from--particularly the Costa

Ricans, who were fully aware of what was going on. And the result, in fact, was really rather sad. Because there was a tremendous wave of letters from people in the government of Costa Rica to the President to try to change things around. Even before the axe fell they knew what I was up against.

Q: During this crisis how well did you feel supported by your embassy?

WINSOR: Well, the embassy as a whole, very well indeed. By my DCM, not at all. That was the one mistake in my tour, which I would never make again if I ever get another embassy. I think a DCM should be, above all, loyal to his ambassador as long as it doesn't require his going against the policy of the United States. And it turned out that he had been, in effect, ratting on an open line to Motley's people about everything that I had done which they might take exception to, in terms of any conversations that I had held. And I included him in all of my conversations. He had released speeches that I had given, and I speak extemporaneously without my clearance, to the press and to the Department. He did a number of things along that line that should have, in my view now, warranted my dismissing him as DCM. And I didn't. I was too proud to do it. I felt I could work with him. He was a good administrative type. I don't think it cost me my job, but it cost me, I would say, a lot it may have exacerbated the problems I had with State far more than they needed to be. He was my largest mistake, and really the only major personnel problem other than the ineffectiveness of my economic fellow, and my PAO, for different reasons. He was the only really negative thing that ran against the performance of my mission.

Q: I can't remember exactly, but there was something about during the election of 1984 about Jesse Helms? What was behind this thing? I'm not clear about that.

WINSOR: I was a political appointee. I was very active in Republican Party politics, and he asked for my endorsement. I liked Jesse Helms and his people. I would rather have seen a Republican in that Senate seat than a Democrat, and why should I pretend otherwise? I serve the President of the United States. So I endorsed Jesse Helms, and I'd do it again with no apologies.

Q: What was Jesse Helms' role in this? Because he's taken a very strong--we're speaking of the major Republican figure in the Foreign Relations Committee--he's taken quite a strong role in policies, particularly with Latin America.

WINSOR: He's the ranking minority member now. Well, he has an interest in it. I was never close to Helms per se. Except, of course, he did preside over my confirmation hearing. I've never been--unlike some of the other political ambassadors, one of Helms' staffers or of his camp. But by the same token, I don't generally have too many disagreements with Helms' positions. And I felt very comfortable, when asked, endorsing Helms' for re-election, as opposed to a Democrat who presumably would have voted against the administration's policies in the area.

Q: But there was not a close relationship? You weren't sort of one of Jesse Helms' boys?

WINSOR: No, that's generally well known. I mean, there are some other people like, say, Dick McCormack and Lew Tambs, who were. But I was not. And indeed, to pacify Helms, Shultz very cleverly put Lew Tambs in as my replacement when he removed me.

Q: When you came back, did you play any role in discussing what you felt was our failure or our misconceived policy?

WINSOR: Yes, but of course, at that point the tide was running very much against all of my friends. Constantine Menages was having problems, as were most of my fellow ambassadors, who were in the area and who shared my views. John Negroponte was removed and put into OES, ironically. Whenever John gets into trouble they throw him into "tuna." They did that after in Southeast Asia; they made him the tuna negotiator. And now in Central America they put him over the OES Bureau. Now, of course, John's in a catbird seat at the NSC, and I hope maybe he'll do some good. He's about the only one who can.

Ted Briggs was a good friend, and I kept in touch with him in Panama. Pickering, of course, had gone out to the Middle East. They had moved him out a little more quickly than originally had been planned. Because I think he was too strong an ambassador for the ARA Bureau, which was intent on doing a policy with yes men in the embassies, which is not unheard of for them. And this was, I think, one of their motivations for clearing things out.

My own particular problem I brought on myself, because of getting involved in that other issue, which is high politics. But there was also a general change away from the stronger Reaganaut, or hard-line U.S. ambassadors in the area, with the exception of Briggs, who was finally put back into Honduras. I think the result has been chaotic perceptions of U.S. consistency in policy.

Q: Looking back on this, what would you say, in your assignment there, was probably your greatest accomplishment and then the reverse, the greatest disappointment?

WINSOR: There are two great accomplishments, that I view. One is the dismantlement of the parastatal enterprises; I put that project together and got the government to agree to it, and it is underway and I think will be effective within the next year it'll be completed. That was a major move and it got the Costa Ricans to do what they had to do to help themselves.

And the other one, which is more strategic, the one that was more tactical was the getting the arranging of Costa Rica's refinancing. That was, I thought, a singularly notable accomplishment given the handicaps, the opposition that we faced. The fact that we actually got it done made the difference between success and failure for Monge's administration, and I think, gave Costa Rica a tremendous lift. During that period she was able to get her exports--non-traditional exports--up from about $70,000,000 a year to over

$400,000,000 a day or $380,000,000 a day. I think a lot of that is because of the financial burden we lifted off the Costa Ricans at just the right time. And opening up her credit.

Q: And the reverse side, the disappointment?

WINSOR: My biggest disappointment came after I left, with the dissolution of the defense element on the frontier and the intelligence element within the country, which I felt would have enabled Costa Rica to protect herself without having an army.

In terms of my own mistakes, the only mistake that I really fault myself for was not firing my DCM.

Q: You had considered this at the time?

WINSOR: I considered it in April of '84, and I thought I could live with it. I caught him leaking, to the people in the Department, stuff he shouldn't have, and letting out unauthorized speeches, which he had no business doing. And that shall we say, one of my fellow career ambassadors, not a political ambassador, came all the way down from post to tell me to fire the guy, in December of 1983, and I was too proud to do it.

Q: You said December of 1983 or '84?

WINSOR: December '83.

Q: Well, because this interview is being conducted, in part, for the training of Foreign Service Officers as they come into understand how the policy works, what was your evaluation having seen it both from within and out of the Foreign Service when you were at Costa Rica?

WINSOR: I am, unlike many conservatives, a fan of the Foreign Service. I was an FSO. I feel good about FSOs. I feel that in many cases the very fine Foreign Service Officers are pearls thrown before swine. But unfortunately, a lot of the swine are of their own making. I look at elements in the leadership of the Department of State as having created a system in there, which take the best and the brightest and reduce them to, in many cases, yes-men or people who go along with the flow. This is a terrible contradiction. Because on the one hand you have in the Foreign Service and the Department the elite of the United States Civil Service, the finest people that the United States has to offer. And by the very structure of the Department we then, in effect, undercut a system which should, in effect, bring the foremost upward and bring their thinking to the fore.

Today I would say the way the Department works is totally contrary to that. And it favors the interests of the relatively small, entrenched, old boy network. I won't say they're not fast trackers who get up into it quickly, but which I believe has undercut what should be the effectiveness of the Department by creating a sense of fear, of retribution for original thinking, for boat rockers, for people who do not fit a smooth norm.

The John Negropontes, Tom Pickerings still make it, and that's a good sign. But there are too few of them now.

Q: Okay, well I thank you very much.

End of interview