

CHILE

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Carl F. Norden	1947-1949	Second Secretary and Vice Consul, Santiago
Milton Barall	1948-1950 1950-1954	Administrative Officer, Santiago Officer in Charge, Chile/Bolivia/Peru
Richard G. Cushing	1949-1952	Information Officer, USIS, Santiago
William Belton	1954-1955 1955-1956 1956-1960	Officer in Charge of West Coast Affairs, Washington, DC Deputy Director, Office of South American Affairs, Washington, DC Deputy Chief of Mission, Santiago
William Lowenthal	1954-1956	Program Officer, USAID, Santiago
Hewson Ryan	1956-1961 1961-1962 1974-1976	Information Officer, Public Affairs Officer, USIS, Santiago Assistant Director, Latin American Operations, USIS, Washington, DC Deputy Assistant Secretary, Latin America Bureau
John J. Harter	1957-1959	General Services Officer, Economic Officer, Santiago
Jean Mary Wilkowski	1957-1960	Economic Officer, Santiago
Dale M. Povenmire	1958-1960	Vice Consul, Santiago
Thomas D. Boyatt	1960-1962	Vice Consul, Antofagasta

Robert F. Woodward	1961-1962	Ambassador, Chile
Joseph John Jova	1961-1965	Deputy Chief of Mission, Santiago
Dorothy Jester	1962-1964	Economic Officer, Santiago
Robert A. Stevenson	1962-1965	Political Counselor, Santiago
Thomas L. Hughes	1963-1969	Director, Bureau of Intelligence and Research, Washington, DC
Aurelius “Aury” Fernandex	1963-1967	Director of University Operations, USIA-Bi-National Center
	1967-1970	Aide to Ambassador Ed Kory
Thomas B. Killeen	1964-1966	Peace Corps, Santiago
Patrick F. Morris	1965-1967	Director, Office of Bolivian-Chilean Affairs, Washington, DC
Reuben Lev	1965-1970	Administrative/Personnel Officer, Santiago
Joseph A. B. Winder	1966-1968	Economic, Consular and Political Officer, Santiago
Kenneth A. Guenther	1966-1968	Junior Officer, Assistant Labor Attaché, Santiago
Sidney Weintraub	1966-1969	Economic Counselor, Deputy Director-AID, Santiago
Harry Haven Kendall	1967-1970	Information Officer, USIS, Santiago
Frederic L. Chapin	1968-1970	Country Director for Bolivia/Chile, Washington, DC
Robert C. Amerson	1968-1971	Assistant Director, Latin America Bureau, USIS, Washington, DC
James R. Meenan	1969-1972	Mission Auditor, USAID, Santiago
Harry W. Shlaudeman	1969-1973	Deputy Chief of Mission, Santiago
William Lowenthal	1970-1974	Director of Advisory Services, Latin American Institute for Economic and

	1974-1976	Social Planning, Santiago Deputy Country Director, Bolivian and Chilean Affairs, Washington, DC (USAID and State Department)
James J. Halsema	1971-1975	Public Affairs Officer, USIS, Santiago
Samuel F. Hart	1971-1975	Economist, Santiago
Paul Good	1972-1974	USIS Officer, Santiago
Jack B Kubisch	1973-1974	Assistant Secretary, Latin America Bureau, Washington, DC
Herbert Thompson	1973-1975	Deputy Chief of Mission, Santiago
Park D. Massey	1973-1975	Deputy Director and Acting Director, USAID, Santiago
Victor Niemeyer	1973-1976	USIS Officer, Instituto Chileno-Norteamericano de Cultura, Santiago
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Thomas D. Boyatt	1975-1978	Deputy Chief of Mission, Santiago
Robert S. Steven	1977-1979	Chile Desk Officer, Washington, DC
Robert E. Service	1977-1980	Political Counselor, Santiago
John A. Bushnell	1977-1982	Deputy Assistant Secretary of State, ARA, Washington, DC
George W. Landau	1977-1982	Ambassador, Chile
Charles W. Grover	1978-1982	Deputy Chief of Mission, Santiago
Wade Matthews	1982-1985	Deputy Chief of Mission, Santiago
Langhorne A. Motley	1983-1985	Assistant Secretary, Latin American Affairs
Harry G. Barnes, Jr.	1985-1988	Ambassador, Chile
George F. Jones	1985-1989	Deputy Chief of Mission, Santiago

Richard T. McCormack	1985-1989	U.S. Ambassador to the Organization of American States, Washington, DC
Charlotte Roe	1985-1989	Political Officer, Santiago
Janey Dea Cole	1987-1989	Andean Desk Officer, USIA, Washington, DC
Charles Anthony Gillespie Jr.	1988-1991	Ambassador, Chile
Ronald D. Godard	1988-1991	Political Counselor, Santiago
David N. Greenlee	1989-1992	Deputy Chief of Mission, Santiago
J. Phillip McLean	1990-1993	Deputy Assistant Secretary for South America, Washington, DC
Barbara H. Nielsen	1990-1994	Press Officer, Santiago
Michael W. Cotter	1992-1995	Deputy Chief of Mission, Santiago
Robin White	1996-1998	Director, Bilateral Trade, Economic Bureau, Washington, DC

RICHARD P. BUTRICK
Consular Officer
Valparaiso (1921-1922)

Economic Counselor
Santiago (1942-1944)

Richard P. Butrick was born in Lockport, New York in 1894. He joined the Consular Service in 1921. His career included assignments in Chile, Ecuador, Canada, China, and Brazil. Mr. Butrick was the director general of the Foreign Service from 1949 to 1952. He was interviewed by Charles Stuart Kennedy in 1993.

BUTRICK: My first post was in Valparaiso, Chile.

Q: *You were there from 1921-22.*

BUTRICK: Well, not that long. It was a "break-in" post for me and I learned a lot of practical matters there. As an example, I acquired a hand gun and it was necessary to register it in the mayoralty. There were seven men and three women in the secretariat waiting in the reception room.

I strode up to the receptionist and explained what I wanted. He arose and said loudly, "El señor Vice Consul Americano desea permiso para llevar su pistola." The 7 men broke out in raucous laughter. The three women bowed their heads and smiled. I asked the Secretary, "Enrique, what in the world did I say?" He replied, "You asked for a permit to carry your penis." He then issued me a "certificado para cargar revolver." After about six months, I was transferred to Iquique to take over from the consul who was going on home leave.

At Iquique, which was an active seaport, the climate was mild year 'round. It never rained, but often clouded up as though it was about to rain. Often passengers on British ships would come ashore with their umbrellas. The children would look at them and say: "esta lloviendo en Londres."

I had a room in the consulate but ate all meals at the local hotel. Often, I would call the waiter and have him change my soup because it had a fly in it which he always gracefully did. After many such occasions, I finally decided it was simpler to flick the fly out myself and enjoy the soup. In other ways I found it simpler and more effective to adjust to local customs and habits and this stood me in good stead throughout my career.

One of my friends was a Swiss who worked for W.R. Grace & Co. He was fluent in five languages. One day I lauded him for this accomplishment. He replied, "Dick, it is much less worse to be a fool in one language than in five." I never forgot that, which reminds me of a remark attributed to President Truman who characterized the State Department as being "a bunch of over-educated fools".

Q: You were sent to Santiago for a little while weren't you?

BUTRICK: I was assigned to Santiago as counselor. I was economic counselor, the political counselor outranked me at the post, although I outranked him in the Service. It was not a very happy arrangement. He tried to interfere in my economic affairs and I wouldn't allow him to. Of course, we had been carrying on economic warfare and all that sort of stuff.

Q: Could you explain a bit for somebody who wouldn't understand "economic warfare?"

BUTRICK: Well, we blacklisted some people who were still transacting with the Germans, etc.. Chile hadn't broken with the Germans at that time. We also didn't allow them to import things from the United States. We made sure that the German bank was in trouble as much as possible. As a matter of fact, some of our FBI got into their German bank and ransacked it one night.

Then all of a sudden...I think the Department or the Ambassador decided that the political counselor and I were just too much and decided to let me go and keep the political counselor. I can't think of his name right now but I got to know him very well. We became friends. While I was Director General I assisted him in getting an ambassadorship out in the Far East.

CECIL B. LYON
Second Secretary

Santiago (1938-1943)

**Ambassador
Chile (1956-1958)**

Cecil B. Lyon was born in New York in 1903. He graduated from Harvard University in 1927. He joined the Foreign Service in 1930, serving in Cuba, Hong Kong, Japan, China, Chile, Egypt, Poland, Germany, France, and Ceylon. Mr. Lyon was interviewed in 1988 by John Bovey.

Q: Okay. Well should we move on to Chile?

LYON: Yes, let's move on to Chile.

Q: You were there from 1938 to 1943, right?

Q: You mean the first time you met him was in Santiago?

LYON: Yes, when I got to Santiago.

Q: Did you go direct from Peking?

LYON: No, we went home because we had to go on consultation. In those days you had to go by ship, of course, both ways.

Q: The good old days as far as I'm concerned.

LYON: ...the good old days. As I mentioned, my father had died and my brother and I had to sort of divvy up his belongings. I did it very hastily, he had an apartment in New York and my brother would say, "If you don't want this, I do" and I'd say, "If you don't want that, I do."

Q: So then you arrived in Santiago together in '38?

LYON: Yes, with the two children. We got to Chile as quickly as possible but in those days you had to go by Grace Line which took us about, I think, 18 days if I'm not mistaken...

Q: Oh, how wonderful!

LYON: The reason they wanted me to get down there quickly, there was an election going on for the president. The conservative was Don Gustavo Ross, who was a brilliant economist. It was he who had saved the Chilean nitrate industry by reorganizing it, he was very conservative. The leftist opponent was Don Pedro Aguirre Cerda, whom they called Don Tinto, and he won.

We got there just about two days after the election and as I walked into the office Norman Armour said, "But my goodness, you got here so quickly. We didn't expect you for quite a while." And here we'd rushed through my father's estate and belongings and everything. But anyway, you asked

about Norman Armour.

A man asked me the other day in New York -- he knew of Norman Armour -- and he asked me also about him, and he asked me about Mr. Grew, and he asked me about other diplomatic people. He was very interested in our Service, and apparently twice I said, "He was a kind man," and this man, who is a Wall Street broker said, "Twice you've said 'kind' in relation to people you've worked for. That word is unknown where I work. We're all stabbing each other in the back." Well, Norman Armour was kind. He looked like Abraham Lincoln, incidentally, and he had the most lined face. Somebody remarked in Chile while I was there, "I've never seen a man with more lines in his face." And the Brazilian ambassador, Mauricio Nabuco, quickly spoke up and said, "And every one a kind one." What a nice thing to say about someone! I think he was probably one of the most beloved men in the Service. He was thoughtful, he was a wonderful man to work for, he was understanding, he was able. He was terribly modest. I'd go around with him in Chile and, most Ambassadors when they breezed in on somebody they didn't know, they'd say, "I'm the American Ambassador." Norman would say, "My name is Armour and aha-aha, I'm connected with the American Embassy." He was really wonderful and it was such a pleasure to work for him.

Q: Was he there all the time you were there?

LYON: No, no, no. Unfortunately only about a year. He was transferred; he went to the Argentine, and then came Claude Bowers. But Norman had a wife whom he'd met when he was in Russia, only in those days it was St. Petersburg -- which is now Leningrad, isn't it?

Q: Yes.

LYON: St. Petersburg. She was called Princess Koudacheff, and he and Whitehouse, his cousin, in the Embassy, helped the family get out of Russia and they got to Norway where eventually Norman married her. She was witty, and she was a great help to him, and although she was Russian she was 100% American in her reactions. She used to say, "I do all the dirty work so Norman can always be charming." We'd go to parties and when leaving some other person's house I'd see her to the door and to their car and whatnot and I'd stand waiting with her while he was being polite leaving, and she'd sort of tap her foot and say, "Les departes des diplomates sont tres constipes, n'est-ce pas?" But she was a great help to him. They were a wonderful pair and one was so proud to have them as one's boss and to have him as American Ambassador.

Q: Yes, I'd forgotten. He went to the Argentine and then there was the difficult period during the war.

LYON: He was with us only about a year. I was terribly disappointed because I thought I was in heaven. I remember coming home one night after I'd only been there a short time, and I said, "Elsie, this is too good to be true, it can't last," and sure enough, he was transferred to the Argentine. And then we got Mr. Bowers, but I don't know if you want to go to him right away or whether you want...

Q: Well, Mr. Bowers came after you had come back to the Department and then gone back again, didn't he? Tell me first about Don Tinto. What interests me here is whether it was really a Popular

Front? Did it really make any difference, or was it kind of a semi-socialist government that really didn't change anything much?

LYON: It didn't change much and then Don Tinto (Cerdeña) died quite soon. I mean he was only president for about a year. The reason they called him Don Tinto was that his wife had a vineyard and, as you know, red wine in Chile is vino tinto. So they called him Don Tinto -- a Chilean comic reference to his being leftist. It was very funny after his election because all the conservatives were furious; they were sure that Gustavo Ross was going to win. They said, "We paid those inquilinos (their workers, you see) to vote for Ross, and they took the money but they didn't vote for Ross." Well, anyway, it was the first Popular Front government in Latin America at that time.

Q: But I gather from what you say about Ross that the influence of -- I don't know, what would you call them, of the conservative-liberal opposition, the copper and nitrate people, was very strong even during this period?

LYON: It is still very strong. And then the man that succeeded Don Tinto was called Juan Antonio Ríos, who was a socialist, but not a very violent socialist, I mean fairly conservative.

Q: Was there any real Marxist party that was under the thumb of Moscow at this time?

LYON: I don't think so, no. I'll tell you though, we went to the inauguration of Don Tinto, and there was a fellow called Ina Indelicio Prieto -- I think he was the representative of the Spanish leftist people -- he was the great hero of the Populistas. Also, the outgoing president was Arturo Alessandri, who had been president twice, and he'd been the father of all the social laws. I don't know if you know, but Chile had the most advanced social laws of any Latin American country up to that time. Well, they still have. But they were more often observed in the breach.

Q: So Alessandri was not terribly conservative then?

LYON: No, but he was respected because, as I say, he was the father of the social laws and then president twice. And I was horrified at that inauguration as he walked up the aisle to go to the podium for this transmision del mando, as they call it -- they have a big sash they change from the outgoing to the incoming president -- people spat on him. I'd never seen anything so horrible. And I felt so sorry for him: here was this man who was a hero, adored by the people. At one point he, Alessandri, was walking with Mrs. Edwards, who is the mother of a great friend of mine in Chile; in fact, my closest friends there were the Edwards. He was walking with this lady -- she, of course, was very conservative, and he came to three workmen in the street smoking and he said to them, "Have you a cigarette?" "No, señor. Only Chilean tobacco." "Oh, I never smoke anything else. Have you got a light?" And they handed him a cigarette and gave him a light, and they were all tickled to please the ex-president. They walked on a little way and Mrs. Edwards said, "But you don't smoke." He said, "Three votes."

Another time he was at some review, standing in the box at the parade, and some roto (peasant) called up to him, "Don Antonio, I'm cold, I'm cold, I'm cold." And he reached over to one of his friends or a minister standing next to him: "Give me your overcoat." And he took the man's overcoat and threw it down to the roto.

Q: How would you compare the sort of Rooseveltian hands-off attitude towards all this type of thing -- if that's really what it was -- with later activist intervention in these matters, not only in Chile but in Latin America generally?

LYON: Well, of course, you must remember, that at this time the Under Secretary of State was Sumner Welles who really knew his Latin America. He was the one, I think, who encouraged Roosevelt to adopt the good neighbor policy. I think it was more easy-going, but then the times were more easy-going. You didn't have the tremendous influence of the Soviets in those days, they were nothing compared to what they are now. What we had in Chile, was a terrible time trying to persuade the Chileans to break relations with the Axis. In the south of Chile they hardly speak Spanish, there are so many German settlers there, and they had a great influence on the policy. Also the Chilean was ruled for many, many years by an upper class; they had control of things and they rather liked the idea that they would maintain their control. I said to one Chilean woman once, "You have two voices. You have a nice gentle voice when you talk with your friends, and us, and your children, and your family. Then when you speak to your servants a harshness comes into it. Like a lash -- sort of 'gimme that'. You never sound pleased, nothing like that." It was really discouraging because the differences were so great. And you'd stay with people in the country and your heart would almost bleed at the misery all around the comfortable house where you were staying. It might be a little down at the heel -- because even though there were people with wealth in Chile it wasn't tremendous wealth, it was nothing compared to our country.

Q: These were the Fundo? It sounds almost medieval.

LYON: Well, it was almost.

Q: And that didn't change very much.

LYON: No, that didn't change at all. The women would all have Paris gowns, and then you'd go out twelve feet from the house and the inguilinos (farm workers) were living in utter misery. What was it I said to one of them? something about "You ought to give them some heat." "Or give them some doors or something for shelter." "Well, if we give them those they'd just burn them." And I said, "Well wouldn't you, if you were cold?" They really have an extraordinary attitude, and so I think all this contributed to Allende's coming into power which was justified.

Q: So there really was no real land or peasant reform during this period at all?

LYON: Nothing. When Elsie and I were there as Third Secretary, as I say, the peasants all lived in squalor. In Chile they call peasants rotos, they lived in these miserable little hutches. When we went back 15 years later we were driving up from the port of Valparaiso and we looked out and I said to Elsie, "My God, they are the same houses, they haven't done anything to them, they're just as bad as ever, only 15 years older." It was really very, very sad.

I had one funny experience when Mr. Armour was away shortly after I got there. His secretary was called Lucy Lentz -- I don't know if you ever ran into her, she was quite a character in the Service -- she came rushing into my office one day and said, "There's a man out here and I can't get rid of

him, he insists on seeing the Ambassador. I told him the Ambassador was away, he doesn't believe me. Will you talk to him?" I said, "Yes, I'm the Third Secretary, I take on all odd jobs. Bring him in, I'll talk to him." And he came in, and he was sort of a nice looking man, but he was shabby and he had safety pins instead of cufflinks, and he looked as if he had slept in his suit, and I thought he was an old drunk. But he spoke very nice Oxford English and he wanted to see the Ambassador. I finally convinced him the Ambassador really was away, and as he got up to leave, he said, "You've been very kind, what is your name?" I said, "Cecil Lyon." And he reeled back and said, "You're not pulling my leg are you?" I said, "No, why?" He said, "But my dear chap, my name is Claude Lyon." And he was my cousin. I discovered that he wasn't as much of a bum as I thought. He turned out to be just eccentric. But the place was full of Lyons and they all spoke hardly any English and all the time we were trying to get Chile to break with the Axis I'd have these most terrible arguments with them, and Elsie would say, "But Cecil, Cecil, you're going too far." I'd say, "Oh, they're my cousins. I can talk frankly with them."

Q: Not to editorialize, but I would say that the Roosevelt policy paid off. Every single member of the OAS declared war finally, didn't they?

LYON: Oh, yes. Chile and Argentina were the last. In fact, Roosevelt sent delegates down there trying to encourage them to break with the Axis. One of them being Douglas Fairbanks, Junior, and that was great fun. He was awfully good and he was very brave. He'd made a lot of speeches and then one day they said they wanted him to talk -- just before he was leaving -- they wanted him to talk to the students at the Santiago College and he said, "Oh, I can't. I've said everything, I don't have any more." Bowers said, "How long do they want you to talk?" "20 minutes." "Twenty minutes at my typewriter," said Bowers, so he sat down and wrote it, his speech. Then we got to the University and here were all the students shouting, "Fairbank, vaya, vaya, or Yankee go home, go home." Doug said, "Throw back your shoulders Cecil," and we plunged through the yelling crowd.

Q: We were talking about Douglas Fairbanks and the students.

LYON: Yes. He did a splendid job. He won them over and by the time we left he was being cheered.

Q: Now tell me something about the Bowers embassy. I know you went back to the Department briefly, but let's keep the Chilean thing together here. Can you contrast the Bowers embassy to the Armour embassy without going off the tape?

LYON: Yes, I can because I got to like the Bowers very much. Naturally it was a sad moment for me when Mr. Armour was transferred. Yes, I did go on home leave before Bowers arrived and then I had a brief stint in the Department in what we called the Bring 'em Back Alive Division -- a special section for repatriating Americans after the outbreak of World War II. And then since the Department was out of money, as always, the only way they could get me back to Chile was to send me to a conference in Rio. So I went down with Ellis Briggs to a conference of -- I think it was the Chiefs of Missions in Latin America but Bowers wasn't there. I eventually got to Santiago and I immediately went to the Embassy -- the Residence. I walked in and here was this little man, all crumpled up, lying on the sofa with a cigar hanging out of his mouth. The cigar was not lit but it was chewed. His doctor apparently stopped his smoking but he went on chewing cigars, and he'd

chew a little bit and get it all slimy, and then he'd take a pair of scissors and cut it down and chew the rest of it. And he lay there with a sort of twinkle in his eye. He said, "Well, you've been in Rio. Then you met that fun-loving joker, playboy, Jeff Caffery didn't you?" Which, as you know, was absolutely the opposite of everything that Caffery was.

Q: Caffery was in Rio? Oh, yes, of course, yes.

LYON: But anyway, you couldn't help liking Bowers. He was the most un-Ambassadorial man you've ever known. He was always in rumpled suits and he sort of walked around, not limping but flat-footed. He had an old shoe that he used to bring to the office because he had a splayed little toe and he'd cut a hole in the shoe with a pair of scissors and he would change shoes when he got to the office and put on this old shoe. One day I was accompanying him to call on the Foreign Minister -- oh, and when he'd leave the office he'd wrap this old shoe up in a newspaper and stick it under his arm -- and I suddenly noticed, just as we were going in to the Foreign Minister, that his old shoe was under his arm and I quick got it away. He was really quite charming.

Q: He'd come there from Spain, hadn't he? Was he in Madrid all during the civil war?

LYON: No, he was up in the north. He spent most of the war at Biarritz, out of Spain and just went back from time to time.

Q: That's right, the diplomats were evacuated from Madrid, of course.

LYON: Of course. But because of that, all the Chileans thought he was going to be red as Stalin. They didn't want to receive him, and they all felt badly losing Norman Armour. It took Bowers an awfully long time to win them over.

Q: So the Chilean upper classes were absolutely solid Franco?

LYON: Oh, solid, absolutely. But at the end Bowers became beloved. He couldn't speak a word of Spanish. He never did. He had a Spanish chauffeur that he'd brought from Spain called Pepe and when I went down later in a more exalted position I inherited Pepe and I said, "Pepe, they used to tell me Ambassador Bowers understood more Spanish than he let on." Pepe said, "No, señor. He couldn't tell the difference between si and non." And every time I'd go to the Foreign Minister he would say, "Tell the Foreign Minister this," and then he'd tell some corny joke such as, "The policeman found the body on Wissahickon Avenue and he didn't know how to spell Wissahickon so he moved it to 33rd Street." I'd try and put this into Spanish and finally I got in a way that I'd say, "Es un Chispe" -- I'd warn the Foreign Minister its a joke that's coming. The Foreign Minister would often laugh before we got to the important point. But still you couldn't help liking Bowers.

The funny thing was that he started out by being a little wary of the Chileans, that is the conservatives. And there was a fellow called Don Miguel Cruchaga, who was president of the senate, and we got him and Bowers together. First of all, Bowers had brought with him from Spain a fellow called Biddle Garrison, who'd been a sort of private secretary of Bowers in Spain, and at first Bowers didn't want any of the conservatives to be invited to the parties and things at the Embassy. But little by little Biddle and I infiltrated a few of the more conservative people.

Q: This was still during the Popular Front?

LYON: Yes. It was the Popular Front but it wasn't Pedro Aguirre Cerda, it was Juan Antonio Rios, as I told you, the Socialist who succeeded him.

Q: That must have been a delicate line to tread between the pro-Franco conservative land-owning people and the officials of the government.

LYON: He didn't want to have anything to do with that, but little by little we sneaked them in -- Biddle and I. And, as I say, the president of the conservative party and the president of the senate was Don Miguel Cruchaga. Of course Bowers would say, "That fellow Cac-sha-hacha," he couldn't say Cruchaga. "He's no conservative, he's a liberal," and they became buddies. Once he met them he was so human he couldn't help but like them. And you can't: Chileans have tremendous charm and they're very intelligent and they're nice, so little by little we got him to meet all factions as I believe Ambassadors should.

Q: How long was Bowers there actually?

LYON: Nine years, because I was with him about three or four and then he stayed on, and on, and on. I didn't succeed him. There was at least one more Ambassador, Beaulac, whom I succeeded...yes, and that was an easy succession.

Q: You must have been in Chile at the time of Pearl Harbor then?

LYON: You bet I was!

Q: Tell me about that.

LYON: Well, from our point of view it was rather disturbing because Elsie's family were in Tokyo, you see. As a matter of fact, we'd gone off to the south of Chile, fishing, with a man who was the head of Anaconda Copper, and he had a fishing place on the Tolten River in the south of Chile. I've never fished much. Elsie and I had been down in the south of Chile -- Magallanes. We stopped off at Graham's coming back, and he turned on the radio after we'd been out on the river one day -- the first day, I think -- and he got the news of Pearl Harbor. And, of course, it was a terrible shock to Elsie. Graham had his only daughter living in Hawaii at the time. So we were about the only people in Chile that really had personal touch with Pearl Harbor. The next day we hopped on a train and got back to Santiago as fast as we could. But it didn't make a tremendous difference in Chile. We had taken a Japanese nurse with us to Chile and fortunately I had persuaded her to go home about a year before that because I said, "If things go bad, it would be very bad for you here."

Q: What was the effect on the conservative pro-Axis element in Chile of Pearl Harbor? Any?

LYON: I don't think anything particularly.

Q: Really? That's amazing.

LYON: I don't remember any, there must have been but I don't...

Q: They must have seen this was going to be big trouble.

LYON: I suppose so but honestly by now I can't remember anything outstanding.

Q: Chile was one of the last to get on the band wagon, wasn't it?

LYON: The second to last.

Q: ...tug of war between -- wait a minute, there was a problem with Argentina too, wasn't there?

LYON: I think Chile got on just before Argentine. Do you want to go into the visit of Vice President Wallace?

Q: Oh, yes, tell me about Wallace.

LYON: I said that the President sent down various people, including Douglas Fairbanks, to try and persuade the Latin American countries to break relations with the Axis. He also sent down an American sculptor who did the heads of all the presidents of Latin America, Joe Davidson, who lived in Paris. You probable know him?

Q: No, but we lived in Calder's house three summers ago near Azay-le-Rideau, where Davidson had worked.

LYON: I had to interpret while Davidson sculpted the head of Pedro Aguirre Cerda because he couldn't speak Spanish. He was really remarkable and he did subtly get over ideas that Chile ought to break with the Axis. He was a wonderful sculptor because Pedro Aguirre had funny eyes, it seemed to me he had a sort of a mist in front of him, and somehow, in bronze, Joe Davidson was able to produce that sort of mist as though it were outside of his head.

Q: Well, what about Wallace?

LYON: Oh, that was almost my downfall in the Foreign Service. Wallace came and the government had laid out -- this was during the Presidency of Juan Antonio Rios, after Aguirre Cerda -- a very elaborate program for him. They were going to take him to the south of Chile and every minute was taken. And I said to the Ambassador, "I think he ought to see Alessandri," because, as I have said, he'd been president of Chile twice, he was the father of all their social legislation. And I thought he should see him and Bowers agreed. But the way the Chileans were feeling, you couldn't have him included in anything where the official Chileans were present. Bowers agreed with me, but he didn't do much about it. The day before Wallace was to go on his tour of southern Chile they were having a luncheon for him at the Sociedad Nacional de Agricultura out in the country. And Bowers telephoned and said, "Cecil, there's about an hour between the time we get back and the time we catch the train to the south. If you want to get ahold of Alessandri he could see him." So I immediately called President Alessandri and he was

enchanted to see the Vice President, and he immediately said, "Will he call on me, or will I come to him?" Well Alessandri was an older man and I made a mistake, but I'd been brought up to respect older people, so I said, "Of course, he'll come to you." Alessandri immediately went to the press and told them that the Vice President had asked to call on him. That word got back to the government, so immediately they got after me and said, "We have to cancel it, its impossible." They said they wouldn't allow it and they would have to cancel everything else if this were not resolved. So I had to call the ex-president and tell him the thing was canceled. Well he was furious, needless to say, and I said, "There's just not time." I put it on that score, "He's catching the train, there's just definitely not time." "Will he see me when he comes back?" And I said, "I think he's awfully busy but we'll see what we can do," hoping that something would save me. Well, we went off to the south of Chile and all hell broke loose while we were away.

Q: On account of this?

LYON: Yes. I mean it was in the press and Alessandri made a big to-do about it and everything. We got back and immediately he called me and said, "Is he going to see me?" I said, "I don't know. Its awfully tightly booked, everything is booked Mr. President." He really cursed me out, practically. It was just as if you had been in a foreign embassy and Roosevelt called you up and cursed you out, you know the ex-president cursing out a young secretary.

Then I got down to the Embassy and nobody had done the seating at the table; that was the night that Wallace was entertaining President Rios at the Embassy. I was quickly putting out the cards and all of a sudden the door flew open and everybody came in to the table. And I might say that there was a Foreign Service Inspector in Chile at that time. Well, anyway, it had been arranged that after dinner the President and Mr. Wallace would go to a little sitting room upstairs -- they'd take the elevator up. Before the dinner was over, all the people who'd been invited to the reception arrived -- not all, but crowds -- and the hall was packed and Wallace and President Rios had to sort of push their way through the crowd to get to the elevator. They got to the elevator and it wasn't there. It was stuck on the floor above. Finally I rushed upstairs and we got it down, and they got in, and we got upstairs, and the butler had locked the little sitting room and we couldn't get in. Bowers said, "God dammit Cecil, what's going on here? Nothing works. What's the matter?" And I just shrank, and the Inspector was standing in the background.

Well, anyway to make a long story short...

Q: This was in what building?

LYON: The Residence, after the dinner. I thought, "Everything is breaking over my head with an Inspector there -- oh, God, I'm ruined." And then they went off the next day to Valparaiso with Alessandri screaming and yelling, "Is he going to come and see me?" and I saying, "Well, there's just no time." "You can't do this to me, Lyon, you can't do this." After they got back from Valparaiso, Wallace took me aside and he said, "I think I know what you're going through." It was very nice of him. I was so glad because I took the fire instead of the Ambassador taking it, you see. And it went on and on and after they left...

Q: Alessandri never got to see Wallace then?

LYON: No, he never got to see him. The government wouldn't allow it, they were that furious, it was that tense a thing. I felt that Alessandri would hit me in the face if he ever saw me, but I used to see him quite a bit, not alone, but at other parties and things -- and he said to a Chilean friend, "Why don't Cecil and Elsie ever come and see me anymore?" Which was nice, so we made up.

Then just before I was leaving for the United States, he said, "Cecil, tell me the truth, didn't the government stop our interview?" I'd been transferred and I knew I'd be safe to tell him and I was just about to, but I said to myself, "No, God dammit, you've stuck it out this long." So I said, "You know, Don Arturo, there just wasn't time," and I went off and never did tell him the truth.

Q: Do you have anything that you remember, or that you'd like to comment about Allende and the later developments?

LYON: Oh, yes, I certainly do. In the Pedro Aguirre Cerda government, Allende was the Minister of Health and I used to know him quite well when I was the Third Secretary. He would come to the house for dinner and everything. Then when I went back in the more exalted position, I asked him for dinner. He wouldn't come near me because he didn't want to have anything to do with that imperialismo del norte. I think he was a thorough Communist. Maybe not in name. But I said this once to Chip Bohlen, Bohlen said, "He's not a card-carrying Communist." I said, "I don't know whether he's a card-carrying Communist or not but I'm sure all his sympathies were with the Communists." After I retired I went back to Chile just after the fall of Allende and I talked to people like the son of Alessandri, and Frei who had been president. But they all said that Chile was just on the road to destruction under Allende. Frei said, "You ask me how I feel. I feel like a man who has been in the hospital living with tubes in his throat, and tubes in his arm, and he finally gets out, he so glad that he's not dead that he doesn't worry about how he's going to live for the next few years." This is the way those people felt in Chile.

I haven't much more to say about him but I'm quite convinced that he was thoroughly Communist.

Q: During this later phase, though, that you're talking about, what was the orientation of the man you were talking to? What was the politics of the man you were talking to?

LYON: Alessandri was liberal, and he was the head of a big paper mill outside of Santiago. So he was naturally a rightist. Frei was also a liberal.

Q: Were they unhappy or happy about the rather active role that the United States played in all this.

LYON: They were delighted. They wanted to get out of things brought about by Allende at any cost. And it was mostly the women, you know, who got rid of Allende. They all paraded. I talked to people like our former servants after this had happened and they were all relieved that they'd finally got rid of that government. So I think that Chile was in a very bad way. There was a sort of a blue book that they published which gave the list of all the people who were going to be liquidated under the Allende regime. They were all the sort of people that I knew, people that owned the Mercurio, the big newspaper which is the Times of Chile, and people like that so I think

they were well out of it. I know now people criticize Pinochet -- Elsie in particular is very critical of Pinochet -- but I think Chile had to have sort of a cleaning up after Allende and they had to get rid of all those people, or it would have gone totally leftist -- I mean totally Communist. So people that I trusted like Frei, Alessandri, Barros Jarpa, a leading Chilean barrister, and many others were convinced that Chile would have gone Commie.

Q: You mean like Cuba?

LYON: Yes, like Cuba. Of course, Castro and Allende were palsy-walsy -- so I think it was a good thing that they got rid of him...and I think certainly from the American point of view it was. He'd already nationalized the copper companies and things like that. Also he'd nationalized most of the banks.

Q: Was Chile in the late 1950s really any different much from the "underdeveloped" of the '80s? I mean wasn't there inflation, international debt, attempts to impose austerity and so on. It was a sort of forerunner, wasn't it, of the general problem in Latin America?

LYON: Yes, but you see, it was like so many Latin American countries were then. Chile has changed now. Chile was a two product country, nitrate and copper, and when the price of copper was up everything was hunky-dory, and when the price of nitrate was up everything was hunky-dory. When they went down, everything went to pot. And in addition to that, Chile was constantly being hit by earthquakes. Its a lovely country. I loved Chile and I loved the Chileans, almost my second country -- or third, I'll put France next. But they always seem to have some trouble; I don't know whether I talked to you about when they had the great earthquake about a year after I got there...

Q: That was during your first assignment, wasn't it?

LYON: Oh, yes, that's right. Before that earthquake Ambassador Armour had made plans to go to the States to see his doctor, as he had not been feeling well. When the earthquake struck he didn't feel he ought to leave Chile but his wife insisted that he should go to the States. There he made several speeches and the U.S. sent plane loads of supplies, Red Cross etc. to help Chile. Later when he was transferred to the Argentine the Chilean papers said that without a thought for himself, he had dashed up to Washington and got help. So you never know how things are going to work out in your life.

One thing was a little amusing: my presentation of credentials, when I arrived in Chile.

Q: This is on the second round.

LYON: This is the second round when I was the botschafte. They had horse drawn carriages that picked you up and drove you to the Moneda, which was the presidential palace. It wasn't very far from the Chancery, where they picked me up, but there's a big square to go through, and as I drove around the square I heard someone yelling, "Viva Ambassador, viva Ambassador de Los Estados

Unidos!" And I thought, "Aha, I'm quite a fellow here, I'm pretty well liked." It was a friend of mine called Hernan Prieto. And I went on a little further and another one yelled out, "Ya, Yankee, viva, viva Embajador Leon," and it was another friend in the crowd; they were just pulling my leg.

Q: Carefully planned.

LYON: But then, I guess, we talked about the inflation. We got this Klein-Sachs Mission to come to Chile. We got the inflation from 168% to 98% the first year and to 68% the next year. And then I left.

Q: Was the U.S. Government giving aid to Chile or was this a combination of private investment and government aid?

LYON: Well, we were holding off giving aid. They wanted aid and they thought, as I told you, that I could just wave a wand and get it because I was an "old boy". But we were holding off because, until Chile straightened out its financial situation under instructions from the Export-Import Bank and the International Bank for Settlements and all those things, they wouldn't give aid. Then when inflation came down, we started giving aid again, not nearly as much as they wanted but probably enough under the circumstances.

It was very hard to get the Chileans to tighten their belts. Physically parts of Chile had prospered during it. For example, Santiago had grown enormously in the fifteen years between my assignments to Chile. On my return I was struck by the entirely new areas of suburbs surrounding the capital. Hundreds and hundreds of attractive new houses but far too much of the progress and population centered in Santiago.

You mentioned something about Bill Bullitt. He came down to Chile while I was there and I had him stay with me, but I won't go into that. I'll tell you later if you think its worth recording. It was, at times, unpleasant, because he'd become a very bitter man by that time, but always interesting.

DANIEL L. HOROWITZ
Labor Attaché
Santiago (1943-1944)

Dr. Daniel L. Horowitz graduated from New York University, completing a Masters Degree in Political Science and Labor Economics. He served as the first Labor Attaché in the American Foreign Service. This interview was conducted on May 27, 1994 by Herbert Weiner.

Q: This was about when, in 1943?

HOROWITZ: Yes. As I had mentioned, about the time I was going to Santiago. And so, the answers came in, I was not on the Washington end of this, I didn't follow it nor learn much about it until later, but the most systematic effort to respond to the instruction was done out of Buenos

Aires, where an economic analyst, who had been appointed from outside as an economist to the embassy, had volunteered to respond to the instruction and had spent a good deal of time getting up the material for it.

Q: His name?

HOROWITZ: His name was John Fishburn, who, because he developed an interest or had an interest already, in the labor field, did continue occasional reporting from the labor field, though his principal responsibility in Buenos Aires was other things. He did, however, if I remember correctly, later in 1945 go on to other assignments. In any event, he later served as a Labor Attaché in many other places. But while in Buenos Aires, he was simply an economic officer who did occasional reporting after this instruction.

My arrival in Santiago was rather interesting. As we arrived by plane, the usual thing, someone from the Embassy was sent out to the airport to welcome us, and this Foreign Service officer's first words were, "So you are the Communist who has been sent down from Washington." While said in jest, it did reflect the kind of skepticism and uncertainties felt in the Foreign Service, that Washington suddenly had become interested in the labor field, and that someone who was a labor specialist could be other than someone from the far left.

The atmosphere in the Foreign Service at the time, one must remember, was still that which had characterized the 1920s, 1930s and earlier, an elite service made up of people who, by and large, came from elite universities, who regarded their service in the Foreign Service as an opportunity to be involved in foreign affairs without specializing in any particular area, but being able to do all the work required. They were quite skeptical about many of the officers who had been appointed during the war to do special tasks, and having the labor field covered in this way sounded like a rather strange operation to them. The fact is that my early experience in the embassy was not all that negative in that the Ambassador, of course, set a certain tone to welcome this kind of activity, and I simply went about my business rapidly developing contacts around the country, first with the government. I did a lot of traveling, and of course Chile was important to the United States at that stage in the war for two reasons.

First, the country was a principal source of nitrate, which was important for war production. Nitrate mines were run by American companies, Anglo-American companies. The other was the fact that Chile had a fairly substantial immigrant population from Germany, largely the result of the mid-19th Century economic and political conditions in Germany which resulted in large scale emigration from Germany both to the United States and also to Chile. In Chile the German population had settled in one particular region of the country, had maintained their language as the ordinary language spoken in the home and in the schools. Their schools were maintained as German schools. In a strange way, they had not been absorbed into the country enough to have taken on the culture of the country, but rather maintained nostalgically their relationship to Germany.

This did represent, in some regards, security problems which were of concern to the United States because Chile, having a long coastline into the Pacific with the concern as well for the mining exports. The United States had assigned a number of FBI officers to Santiago to concern

themselves together with the Chilean Government with this type of security problem. This was, of course, before the days of the CIA, and the FBI had been assigned this kind of responsibility in Latin America while the OSS, of course, carried on in the war areas.

Nonetheless, as far as I was concerned, the focus was mainly in developing systematically the kind of reporting program and representation program which would be meaningful from the point of view of U.S. interest.

In terms of reporting, what I gradually. . .

Q: May I interrupt? What sort of reception did you get from the local [population] in terms of this is a strange operation for an embassy to be involved in?

HOROWITZ: Yes. That's an interesting point. I think that by and large my experience was a good one in this regard. First, I should mention that Chile was a country with a long democratic history. It had democratic institutions which had existed since the late last century. It had trade unions which were developed over the years, it had left political parties. It was the only popular front government in the Western Hemisphere during the 1930's and into the late 1930s, and the government which was in power at the time that I was there was a center-left coalition, which did not include the Communists, who had been dropped from the popular front government in the very late 1930s. Nonetheless, it was a government which was sympathetic to labor, which had representation from political parties which had strong influence among wage earners; it was accustomed to dealing with the trade union movement, and so government officials were both interested, surprised and welcomed the fact that the United States Government would send someone to specialize in this area. And so my relationships with government officials became quite close and easy.

In the trade union field there was a single trade union movement at the time which combined the very strong influence of Socialists and Communists. The Socialists were the stronger of the two groups, and the head of the trade union movement, Bernardo Ibanez, was a Socialist. His deputy, Salvadore O. Compo, was a Communist, and also a Senator.

I should note that the political party structure and the whole political culture was very much in the tradition of France. By and large, people who could afford to be educated beyond local universities were educated in France before the war. And there had been this long cultural affinity with things French. So too in the political field. The parties mimicked the parties of France. There was a strong radical party, which was, in fact, the major party in power in the coalition at the time that I was there; a radical party which, in French terms, was not radical at all, but rather more center than left. But it included the Socialist Party, the Liberal Party and other parties.

The party which later became so important, the Christian-Democratic Party, did not exist during the time I was there. Its predecessor, which interestingly was called the "Falange," had no relationship with Franco Spain, but rather was a kind of Catholic-oriented group which had relatively little representation in Parliament. It was just starting out at that time.

The trade union leadership, both at the top and in the various regions as I traveled around the country, were friendly, and while I didn't make a point of exclusively having contact with the Socialist trade union officials, it turned out by and large to be the case that these were the ones I had most contact with, but not exclusively. It's interesting that when I returned to Washington from Chile some years later in 1946, I discovered that there had been, on the basis of an anonymous letter, an accusation against me as a security risk, because I had been seen in Parliament, in the Parliament dining room, with Communist deputies and senators. Apparently when this anonymous letter was sent to Washington, Washington sent a copy to the Embassy to inquire what the Ambassador's reaction to it was. There was a second accusation that my wife Loucele had been very friendly with a principal Communist woman in Chile, Graciella Mandujano, who was not a Communist, but was head of the consumer movement in Chile, and Loucele having had some experience in the United States, had advised Mandujano with respect to organizational problems.

CARL F. NORDEN
Second Secretary and Vice Consul
Santiago (1947-1949)

Carl F. Norden entered the Foreign Service in 1938. In addition to serving in Chile, Mr. Norden served in Germany, Poland, Suriname, Cuba, Santiago, Yugoslavia, Argentina, Spain, Iran, France, and Venezuela. He was interviewed by Horace G. Torbert in 1991.

Q: You by this time were pretty well committed to Latin America, you went to Santiago in 1947.

NORDEN: What happened was that there was a job in Buenos Aires, it was really a Commerce job. What had happened that was significant to me in Cuba was that my banking background kept coming out. I remember that Al Neuper - I wrote a little voluntary despatch which touched on some financial things - and he said "where did you learn to write stuff like that? That is pretty good in that field." I said, "I spent six or seven years in a bank, what did you expect?" "OK, from now on I want you to concentrate on financial matters and see if you can get a commendation. I have been trying to get a decent financial report out of this office for years and I have never succeeded in getting a commendation." An "excellent," we called it. So I worked very hard to get an "excellent". Every time I went up to Washington I would find somebody I had cultivated and work on them.

Q: "Please write a favorable evaluation" and that sort of thing?

NORDEN: I got to know the people in the Federal Reserve and so forth. And then I got to have a reputation for writing the best damned international financial reports in the Foreign Service. The way I did it - they were good too, by God - because they were not just plain financial reports, but sort of touched on things people were putting under the rug. I had wonderful relations in Chile with the Central Bank, in Chile they were forever busting the currency. [...]

NORDEN: I was sent to Argentina from Chile. When I went to Chile, I knew that I was not going to remain there, but was going to Argentina, that Chile was a stopgap and I was to use my strong

points, which were finance, in Chile, because Chile was having inflation problems. I was working on that. And I had a hell of a good time.

NORDEN: And from Cuba's informality, I had to do a transformation, instantaneous, so to speak, into Chile, which is stiff-necked as hell, very European. I mean, anything like that is incredible, it couldn't possibly happen there. They have other ways of cheating, you know.

Q: Well, everybody has ways of cheating.

NORDEN: Yes, but I'm just trying to tell you, you have to be very adaptable. Very adaptable, you know.

MILTON BARALL
Administrative Officer
Santiago (1948-1950)

Officer in Charge of Chile/Peru/Bolivia
Washington, DC (1950-1954)

Milton Barall was born in New York in 1911. He entered the Foreign Service in 1948 and served in Chile, Haiti, Spain, and Argentina. He was interviewed by Charles Stuart Kennedy in 1990.

Q: Well, now, your first post, I have you being in Santiago from 1948 to '50. What were you doing?

BARALL: I was administrative officer there. I was pleased to be a section chief, as a low-ranking Class Five officer. I thought it was an excellent way to start in the Foreign Service, because if you're going to learn what an embassy does, being the administrative officer is a very good way to do it.

Q: Also, this was playing to your skills, too, wasn't it?

BARALL: Yes, that was easy for me.

Q: How did you find, say, military administration and State Department?

BARALL: It's a little different. That was the time when you could write your own vouchers and things like that in the Foreign Service. I had been an expert in squadron administration in the Air Corps. Also, I was made Executive Officer of the airbase without being a flying officer, but that was because I could read regulations; see that they were followed precisely, and check up on people. I enjoyed the administrative assignment in the Foreign Service.

Q: What was the situation in Chile when you were there?

BARALL: Chile was a great country at that time. It had an elected president [Gonzalez Videla], who happened to be a very decent man, middle-of-the-road, nice wife who was selected internationally as "Mother of the World." They changed the government by elections. Chile was one of the few countries of Latin America that was considered to be a real democracy. I think the democracy lasted all of thirty years. That was a good record at the time, compared with the overthrows in other countries. So that was a good time, and we had a real good democrat, Claude G. Bowers, as the ambassador.

Q: He'd been there a long time, hadn't he?

BARALL: Yes. With his service as Ambassador to Spain, followed by Chile, he was able to retire, the same as a Foreign Service Officer, with over 20 years of service. After my assignment to Chile, when I was desk officer, I heard that the head of the FBI, J. Edgar Hoover, thought that Bowers was too much of a liberal, and he tried to have President Truman fire him. I understand the memo went back to Hoover saying: "Mr. Bowers will remain as ambassador to Chile as long as Mr. Bowers desires. H.S.T!"

Q: Well, Claude Bowers, if I recall, has written several books, hasn't he?

BARALL: Yes, he was a major American historian.

Q: A very well-known figure. Well, what was your impression of how he dealt with the Chileans and the embassy and all this?

BARALL: I had a very funny experience due to my military training. I had been at the Embassy about a week when a message came from the Secretary of State saying that the Ambassador's locally employed social secretary was the wife of a Japanese collaborator, and she was to be fired immediately. As administrative officer, I was in charge of personnel and could hire and fire local employees. So, I obeyed the orders signed SECSTATE and fired her!

Soon, I was called into the office of Ambassador Bowers, who said to me, "Young man, I want you to know I am the Ambassador, not you!" Later, he explained that an Ambassador who was a friend of the President (as he was) didn't have to follow orders from the Secretary and sometimes had other alternatives. But he never held it against me. We became very good friends. He used to call on me to do some translating for him. He deliberately didn't try to speak Spanish. He said, "I'm a lousy linguist. I can understand a lot. I don't want to speak it. I don't want to appear to be foolish." And he would occasionally tell me, "You don't have to translate this, I understand what they're saying." And after I became Chile desk officer and officer in charge of Chile, Peru, and Bolivia, we had a lot of correspondence. At that time the "Official Informal Letter" was a means of regular correspondence between the Department and our embassies. The desk officer used them to give the Ambassador advance information on problems being discussed and to transmit the mood of Washington. With respect to Chileans, he was not a "hands-on" Ambassador. He didn't want to do everything in the embassy. He allowed Eddie Trueblood, a career officer and a competent DCM (Deputy Chief of Mission), to run the meetings and to keep the embassy moving, which I think is the way that a political ambassador ought to work. I think they all have good career deputies. I was in that job twice, and I felt honored that I was selected to serve with political ambassadors.

In Chile, Ambassador Bowers knew the important people. And though he was not a Catholic and sometimes made fun of Catholics, he was a good friend of the Cardinal, a natural-born leader and a very important figure in Chile. He got along well with President Gonzalez Videla, of Chile. He also got along well with ex-presidents, whom he knew, regardless of their political coloration. In turn, he was highly regarded and the people of Chile considered him a friend. You must remember, Claude Bowers was a very experienced politician. He was editor of the old New York World, a very good paper in its day. And in that job, he got to know Franklin Roosevelt quite well. He was at two conventions. At one, he made the keynote address for Roosevelt, and at the other, he made the nominating address. He was not interested in economics, nor interested in my sideline reporting on the Antarctic. I didn't want to be typed exclusively as an administrative officer, so I asked Eddie Trueblood to give me some kind of reporting responsibilities. So he gave me Antarctic, with all its overlapping chains, saying: "Nobody's in charge of that, so you do all the reporting on it." And I did.

Q: Well, I can't help but remark that, I think while he was a professor at Harvard, Henry Kissinger is reported to have said, "South America is a dagger pointed at the heart of Antarctica," showing how people regarded South America. What was our interest at the time that you were reporting on Antarctica?

BARALL: Well, we were just interested. The United States has never set forth a claim, though we and the Russians both go back to 1820 and were the first two nations that did any real exploring in the area. There's a sea named for the Russian explorer, and the United States has legitimate claims to much of the area. Though we don't have a claim, we have bases there, and if we did set forth a claim, we would overlap with the Chileans, the Argentines, the British and a number of other countries. My interest at that time was just reporting on the activity. Both Chile and Argentina were very active in trying to push their claims, and even arguing with each other about who controlled what. That argument is still going on, although they have recently settled ownership of three islands near Cape Horn. For me, it was just a matter of keeping in touch and reporting anything that was happening, if anything.

Q: But you found Chile at that time, with a pro... democracy, quite open and easy to get to?

BARALL: Yes, yes, the legislature and elections and cabinet members, all relatively honest and open and aboveboard.

Q: Well, now, you came back to Washington from 1950 to '54, where you were, what, the desk officer?

BARALL: I was desk officer to start with.

Q: For Chile.

BARALL: Yes. They had six countries then, in what was called West Coast Affairs, and I soon became Maury Bernbaum's deputy for those six countries.

Q: Maurice Bernbaum.

BARALL: Yes, he's on the list of officers you interviewed. After a while it was decided to split the six countries and give him the three northern countries and give me the three southern countries. I had Chile, Peru, and Bolivia, as an officer-in-charge. I was acting officer-in-charge, because I didn't have enough rank to carry this job. They gave me a little differential in pay. The heady part of the job was authority to send outgoing telegrams to three embassies without reference to higher authority. The telegrams ended with the typed name "Acheson" but I was authorized to initial them and send them out. I was still in Class IV of six classes.

Q: We're talking about the '50 to '54 period. Of course, we were very much absorbed in what was happening to the development of NATO, the Korean War, all this. And these were three countries which were about as far as you can get, in a way, from the United States, in the Latin American sphere.

BARALL: Geographically they're far away. Not economically and politically.

Q: All right, well then what was our interest down there, as you saw it at that time?

BARALL: In Chile, we had economic interests, because the biggest copper mine in the world was in the hands of an American company, Anaconda. Kennecott was also there. Chile was, and is, a major copper producer in the world. And those companies were in talking to us all the time. They didn't want to be nationalized, and they didn't want to be taxed out of business. There were always issues like that.

We wanted Chile on our side because, even though it's a small country of maybe ten million (sic) people, it has a lot of influence and is frequently grouped among the leaders. Like Argentina, it has a lot of well-educated people, and thus had influence in Latin America. For example, there is not much leadership coming out of Ecuador or Bolivia, that is, with respect to other countries. But Chile produces people who talk up and exercise leadership. So we wanted them to be on our side.

We had no interest in nitrate, which was the principal product of Chile up until World War I, when it tried to monopolize the world market. The Germans invented a synthetic, and that was the end of that. Chile has the biggest natural deposits of nitrate in the world, used for gunpowder and as a fertilizer, that Chile tried to have us recognize as superior to the synthetic product. So Chile tried to keep us from helping to build plants that would produce nitrogen chemically, because they thought we were interfering with their natural market. They still had some natural market for nitrate as a fertilizer, not as gunpowder any more. This was an issue they would raise regularly with us. Every time we made an Export-Import Bank loan, for example, for someone to produce nitrogen to be used as a fertilizer, we'd get a complaint from the Chileans.

Q: Well, how would we deal with that?

BARALL: We'd tell them that we have interests, too, and you can't just bend for everything. But we did on some things. For example, when there was a glut of copper on the market, the Chileans and the copper companies both came to us in a joint effort and asked the United States if we would

buy copper for the U.S. stockpile. Well, the stockpile happened to be full, and it was a difficult problem for us. But because we had these friendly feelings toward Chile, we took steps and got authority to negotiate with them. Working with the Department of Interior and getting Congressional approval (because Congress has to approve overfilling the stockpile), we got all the approvals necessary to help buy more than was needed for the stockpile and to overfill it. This was after a long and difficult negotiation. When we subsequently sold off some copper from the stockpile we received complaints that we were forcing down the international price of copper. Anyway, the U.S. made lots of money buying copper in a distressed market and selling off the surplus when demand and prices were high.

Q: Was this one of these things where at the end of this you sort of looked at the Chileans and said: Now you owe us one?

BARALL: Well, we felt that way at the time. And they were very grateful, both the copper companies and the Chilean government. They were on the same negotiating team, and the United States government was on the other. They were very grateful to us.

Q: Well, you know, one of the things that is said again and again, and particularly this is for historians, we're looking very much at the role of American economic interests, and here you have, say, major copper companies which are American-owned. How did they deal with you? I mean, how influential were the copper companies?

BARALL: Oh, the chairman of the board would come into my office and say: "Call me by my first name." They wanted to know me. They had a suite at the Hay-Adams and a couple of elegant gentlemen whose job was to entertain you and tell you what the copper company interests were. They were full-time public relations employees, and when the chairman of the board came to town, he really wanted to know the desk officer. It was an amazing experience for a junior officer.

I also had an interesting role in this negotiation, because I acted as secretary of the U.S. committee, which included some high- ranking people. But nobody seemed to be in charge of it. I would write up the minutes and circulate them, and arrange committee meetings or sessions with the special Chilean negotiating team. Yet nobody seemed to be able to decide the time had come for us to go ahead. I believe I settled the issue with a few phone calls and memos.

Q: Well, you're saying that the chairman of the board would come and see you and all. In the first place, what was the situation at the time? Were there any sort of restrictions on you, or were people saying: Now, watch it?

BARALL: If there were restrictions, no one ever told me what they were. As a matter of fact, I was surprised at how much leeway I had as a desk officer, and this is something that I think doesn't exist any more. But a desk officer at that time was one man and one secretary, or one man and half a secretary, and you did everything. You did political work, you wrote the national intelligence estimates and policy papers, handled economic negotiations, kept the Assistant Secretary informed, met frequently with Chileans who considered you the principal contact in the U.S. government, etc. You could initiate actions or kill them off. You were the focal point for all actions concerning your country, and people listened to you. As a matter of fact, the Assistant Secretary...

Q: *Who was that?*

BARALL: Eddie Miller, a man who knew Latin America very well. I think he was born or lived many years in Cuba, spoke Spanish beautifully, had been a vice president in Dulles's law firm in New York. He was interested in Latin America, and he got interested in Chile. He would drop in and sit on my desk sometimes and say, "Mike, tell me all about this." I would say, "Well, Mr. Miller..." He'd say, "Call me Eddie." This was like a captain in the Army talking with a four-star general -- call me Eddie, let your hair down and talk -- and this astonished me. I'm sure that doesn't happen now. I think desk officers in the department now perhaps have never met with the assistant secretaries. In my day, it was possible to do all of this work because you were alone on the job and your bosses were few and very busy. No, with expanded staffs, I believe there are too many people getting into the act and it must be very difficult.

Q: *I think so many people have been routed in between. They sort of over-staff things.*

BARALL: At that time, when I was an officer in charge, my superiors were one office director, one Deputy Assistant Secretary, and one Assistant Secretary. You didn't have all those other guys in between. And you didn't need so many clearances.

Q: *Well, not to belabor it, but to go back because of the interest. How did you see the role of these copper companies, that this was beneficial to both, that this was a good deal for the United States?*

BARALL: Oh, absolutely. I thought it was beneficial to both. And I thought it was part of my job to protect American industry. It's so easy for a foreign government to set up special taxes, especially since the industry is virtually controlled by foreign companies. You're not going to lose any votes domestically if you give them a different tax schedule, for example. I thought it was certainly clearly in the interest of both companies, because we were starting to run out of copper. I don't think we produce much copper at all now -- if any. The major companies have gone out of business producing here. Eventually Chile did nationalize, but apparently they worked out a deal that was satisfactory to the companies. That would be one of our responsibilities, to try to make sure that they are given national treatment, that they are not treated worse than national...

Q: *Did we have any leverage? What was the tool?*

BARALL: The United States always has leverage. They wanted Ex-Im Bank loans, they wanted access to markets, they wanted exports to the United States. One of our sayings was: Well, if they're being difficult, you put a slower man on the desk.

Q: *As these issues would come up, could you go over and talk within what was then a much smaller department, to sort of get this together?*

BARALL: I had a lot to do with the economic area, which is perhaps one of the reasons I ended up in economics. I got good training in international economics in the jobs I had. Some of it came from discussing common problems with officers in the Bureau of Economic Affairs or the Department of Commerce. I could not only talk with other people in the Department, but I could

also talk with the Chilean government, through the ambassador, Felix Nieto del Río. He had been foreign minister. He was a man of prestige, carried some weight in the diplomatic community, and would listen to me. Sometimes he would drop in at the office, which was rather unusual. Normally Ambassadors would see the Assistant Secretary or the Deputy Assistant Secretary or the office director. But we became quite friendly, the ambassador and I, and he would invite me to lunch and talk things over at the embassy. Since he was an influential man with his own government, that was another way to send clear messages to the Chilean government. But nobody ever told me what to say, or checked on what I said. It was assumed that I knew what the policies were and that I was transmitting them. As far as I know, I was.

RICHARD G. CUSHING
Information Officer, USIS
Santiago (1949-1952)

Richard G. Cushing joined USIS in 1949. In addition to serving in Chile, Mr. Cushing served in Cuba, Mexico, Venezuela, Kenya, and Washington DC. This is a self-interview from 1988.

CUSHING: Chile was my first post, at a time when USIA was part of the State Department. At that time it was not a career service, and USIA (USIS overseas) officers were looked down upon by the self-considered elite in State. Yet, having made a name for myself in journalism as a foreign correspondent for Associated Press, I was accepted in Santiago even though I was new to the business and a bit apprehensive about engaging in propaganda -- let's face it, that has to be the right word for it -- when 15 years as a journalist had conditioned me to resist publicists and ad men.

At this point, I confess that all through the 25 years of my career with the USIA I had some lingering misgivings about propaganda except in situations where I was convinced that US policy was exactly right and that foreign audiences should be brought around, if at all possible, to see things our way. But often I had an unpleasant feeling in the pit of my stomach that our foreign policy was faulty, and that I was in error, in the larger scheme of things, to be involved in propagandizing it. However, the foreign environment in which my wife and I worked was invariably pleasant, the hours and pay were good (considerably better than what I was with AP), and generally speaking we found Embassy people intelligent and active colleagues.

The Chileans under Gabriel Gonzalez Videla were quite pro-US, very simpatico, and seemed content with their democratic regime, even though there were pockets of terrible poverty. There was a small communist element, but it presented no threat to the government. Even so, we decided in USIS that one of our roles was to keep communism from increasing, so we issued news releases to the press and radio about the failures of communist movements in various countries, and how it suffocates the very freedom of which Chileans were so proud. We also showed films around the countryside, films supporting democracy and critical of communism, but also informative about the United States and its institutions.

One of the most effective pieces of work I did as Information Officer in Chile, in my judgement,

was to design and have published a comic book, "Juan Verdejo y Sueño de Utopia" (Joe Everybody and the Dream of Utopia), describing how the little man may be attracted by the utopia promised by the communists but winds up worse off than before. The project was praised by Washington as one of the best projects done in years anywhere. The comic book was eagerly grabbed up by youngsters and taken home, and we had the feeling that it was successful in planting seeds of doubt about communist movements. For one thing, it explained what communist was, and we felt that few Chileans, except the elite, had the vaguest idea. (Later, there was new thinking in Washington headquarters that aiming for the masses was next to useless, that propaganda should be targeted primarily at the educated elite, the potential leadership in any country.)

WILLIAM BELTON
Officer in Charge of West Coast Affairs
Washington, DC (1954-1955)

Deputy Director, Office of South American Affairs
Washington, DC (1955-1956)

Deputy Chief of Mission
Santiago (1956-1960)

William Belton was born in Portland, Oregon in 1914. He entered the Foreign Service in 1938. His career included assignments in the Dominican Republic, Chile, Australia, and Brazil, where he acted as deputy chief of mission. He was interviewed by Charles Stuart Kennedy in 1992.

Q: After you were requested to leave as Mexican desk officer by the ambassador, what did you do?

BELTON: I wasn't requested by the ambassador to leave. I was told by the Bureau of Inter-American Affairs that I was being transferred to be officer-in-charge of West Coast Affairs, which included Peru, Bolivia, and Chile.

Q: You were there from '54 to '56. What were our major issues with those three countries?

BELTON: I was in that job until the end of 1955. Then I was appointed Deputy Director of the Office of South American Affairs, where I served until my departure for Chile in the middle of 1956. One of the big problems during those years was the twelve mile limit, or the two hundred mile limit, according to which way you looked at it. Peru and Chile had officially declared that their territorial waters went out to two hundred miles while we still adhered strictly to the twelve mile limit. We had a great many fishing boats from the west coast, particularly from southern California, that exploited the tuna fisheries in between twelve and two hundred miles. Every now and then the Chileans or Peruvians would go out and haul some of those fellows in and fine them heavily. That of course caused lots of trouble.

Q: I know, particularly with Ecuador, that the tuna war went on until the 1970s and 1980s. In

those days with Peru and Chile were we able to come to any understanding?

BELTON: We never reached any solution, to the best of my knowledge. Because I went from Washington to be DCM in Santiago, there is a little bit of confusion in my mind, with regard to Chilean affairs as to where I was at the time of a specific incident in our relations. In addition to being officer-in-charge for those three countries, I also served as Chilean desk officer. So I had a two-fold job, I had my own desk and I had supervisory responsibility for the other two desks.

Q: What type of governments did these countries have? I assume Bolivia was going through its normal coup routine, but what about Chile and Peru?

BELTON: Chile was under Carlos Ibañez; in the late 1920s he had taken over as a dictator but was thrown out a few years later. He was legally elected in 1952 and this time governed democratically. The Congress was functional so it was a working democracy. That was the essence of the Chilean situation. As you say, Bolivia has always been revolving merry-go-round, although during the period I was working with it, it was quite stable. Paz Estenssoro was president and he stayed in for quite a while and managed to govern reasonably well. The problems with Bolivia were essentially economic during that period. We tried to assist them in one way or another to find some basis on which they could become economically viable. Nothing was found. I do remember talking one time to one of the lobbyists from W. R. Grace & Co., who were constant presences in our field at that time, telling him that things looked so stable in Bolivia I thought it was a pity they didn't take some risks and do some investment there. He said, "Yes, but we want to watch it a little further". Of course he'd had a lot more experience in that field than I had and he was undoubtedly right.

Q: Well did we have, outside of this running tuna war problem, problems with...these were places where we were taking out large amounts of crude minerals, weren't we?

BELTON: Copper; copper was the big issue there because the price of copper on the world market made all the difference whether Chile was economically viable or not. Everything we did up here that might affect the price of copper by one cent a pound one way or other was of major interest to the Chileans. That was something the State Department had no control over whatsoever, so the best we could do was watch and try to pat the Chileans on the back when things were difficult.

Q: This was the solid Cold War period. Did the east-west confrontation intrude at all on Latin American affairs?

BELTON: Oh yes, it was always a major issue and I guess we were more concerned in Bolivia because of the instability; but this was prior to the insurgency period so there wasn't any thing of great significance. Chile and Peru seemed so far from the Cold War itself that while there were always things at issue, we never had anything of great moment. We were, of course, always looking to get their votes in the United Nations. There were often times when we would go around to tell them about how important it was that they support us on some Cold War issue or other, and where we needed them to vote with us rather than with the so-called third world countries. We had pretty good luck in getting their support, though it wasn't 100%.

Q: You had no particular problems with the ambassadors down in those areas?

BELTON: No, we had good ambassadors. During the time I was on the Chilean desk Willard Beaulac was the ambassador. He was a first class professional. He was reputed to be a hard guy to get along with, but in contrast to my previous experience, I got along very well with him. He tended to talk tough and look you in the eye while saying something provocative. I managed to look him in the eye too and see that there was a twinkle back in there, so I lost any fear, if that's the word, of him. I talked back to him and we got along fine; the end result was that he invited me to be his DCM. It turned out that he was transferred to Argentina just about that time, so I never served at the post with him.

Q: That often happens; but you did go down to Santiago from 1956 to 1958.

BELTON: Cecil Lyon was the ambassador, who arrived just before I did.

Q: He was a professional too. How did you find Cecil Lyon as an ambassador? How did he run his embassy?

BELTON: He was a delightful guy, and very good. He kept his finger on everything. The characteristic that I most remember about Cecil was that he just used to bubble over with ideas about things we might do, either in the embassy or vis-à-vis the Chileans. He was a fountain of ideas, but a large percentage of them didn't add up. He would realize they hadn't added up and then would be discouraged and say, "Oh, I have all these screwy ideas." I would constantly say to him, "Cecil, you have ten times more ideas than anyone I know of; if only ten percent of them work out you are still a long way ahead of everybody else, so stop fussing about it and keep on bubbling." That to me is the best characterization of him. To ask what kind of an idea, I can't tell you, but he would come up with all sorts of notions of one kind or another; some of them were big ideas and some of them were on tiny details. Vis-a-vis the Chileans, he was very popular. He had served in Santiago years before as a very junior officer and still had many friends from that time, some of them by then in high places, which was helpful.

Q: How were relations in this 1956 to 1958 period with the Chileans?

BELTON: Very good, we had good relations with the Chileans at that time. As I said, Chile at that time was a practicing democracy. Their congress had some thirty parties represented in it, which was the ultimate in democracy -- far too much. Over the couple of years I was there, they managed to consolidate and the important parties got down to six or eight. I took particular interest in the Congress and made friends with a lot of congressmen. I eventually devised a program for inviting Chilean congressmen to come up here on official visits to the United States. We put together one group of eight who represented all the parties -- not all the parties, but each one represented a different party. There were both senators and members of the House of Representatives in the group. They came up and had a very useful visit. One of the most important features of it, from my point of view, was that they got to know each other; because they were each from a different party they had been sort of standoffish with each other but they learned during the trip to know and respect each other. I always felt this was a significant contribution to Chilean democracy. That was one of the high points, from my point of view, of the things we did while I was down there.

We had an incident, on one occasion while I was temporarily in charge of the Embassy, that I think some people in the State Department tended to blame me for but which I was totally innocent. I should say they blamed me for not preventing what happened. The Department of Commerce passed a regulation that had an effect on copper imports, again I am hazy on exactly what the details were, and announced it one afternoon. The State Department didn't even tell us about it promptly; we received a cable the next morning about it. It had the effect of impeding the flow of Chilean copper to the United States, either by raising the price slightly or putting a tariff on it, I don't remember exactly what the detail was. The Chileans got word of this before the Embassy did, and were so outraged by it that President Ibañez, who had been invited to come to the United States as an official visitor, announced that morning that he was canceling his visit because of this outrage the United States committed toward Chile. They were on the telephone to me from Washington asking me why I hadn't prevented Ibañez from canceling his trip. The Embassy didn't even know we had done anything to make him want to cancel until after it was all over. I explained all of this; I think I put it over but I never was sure that everybody was convinced there wasn't something I could have done. That was one little flap we had in our relationship, but it blew over and didn't have any long-range significance except as an example of how casual we can be up here regarding things that make a large difference elsewhere.

Q: How did we view the Chilean military at that time?

BELTON: The Chilean military at that time were a very well respected outfit. They had, in times past, showed their muscle -- that's how Ibañez got in the first time. But at that time they were very much confined to barracks and were not interfering with the way the government ran, at all. I shouldn't say at all, they probably had the same influence

Q: Back to the time when you were in Santiago, were there any other crises, coups, problems of that nature?

BELTON: The two hundred mile limit was a constant problem. It was getting more difficult for us in many respects. Because of the cold war we were anxious to have the freest passage possible everywhere in the world. The two hundred mile limit, if applied literally, meant that in the East Indies, for instance, you couldn't navigate at all without being in someone's territorial waters. We were trying to get the Chileans to come around on this. I remember going to talk to the deputy foreign minister regarding their position at a meeting on the whole issue of the high seas in the United Nations. I had much better luck than I anticipated, to the extent that instructions were sent to their delegate at the meeting for him to accede to our positions, at least in some aspects - the details I no longer remember. However, the delegate was a much harder nut to crack and threatened to resign his post if the Foreign Ministry insisted, so they backed down and the problem remained unresolved.

Another approach I took was with the owner of the leading newspaper in Santiago, *El Mercurio*, Augustin (Doonie) Edwards. The Edwards family was big in all sorts of activities. One of the things they had was a shore-based whaling industry. They were among the original promoters of the two hundred mile limit. They wanted it so they could have the offshore whaling all for themselves. They didn't want any other countries coming in and catching whales in this immediate area of the Humboldt current, which was a good whaling area. I was very friendly with Doonie -- I

didn't become friends because of this -- and used our friendship to talk to him a great deal about this issue. As a result, I think, *El Mercurio* came out with some fairly reasonable editorials on the subject. It never, however, at least during my time there, resulted in any change in their basic stance. Now we are the ones who have expanded our view of what territorial waters should be.

WILLIAM LOWENTHAL
Program Officer, USAID
Santiago (1954-1956)

William Lowenthal was born in 1920 in New York. He received a bachelor's degree from Dartmouth College in 1942; a master's degree in Latin American economics and history from Columbia University; and a Ph.D. from Georgetown University, where his thesis was on Argentine economics and social development. Later he was a U.S. Navy pilot and a textile mill executive dealing with labor unions. He served with USAID in Washington DC, Chile, and Argentina. He also served with UNESCO in Paris and the Economic Commission for Latin America. Mr. Lowenthal was interviewed by James D. Williams in 1981.

LOWENTHAL: I think perhaps I should talk about experiences in Chile.

Q: Yes. Program Officer in Santiago, Chile March '54 to May '56, right?

LOWENTHAL: Yes. When I got to Chile a program had been going there since the 40's and where there were three servicios. Servicios were jointly financed and jointly manned programs in various areas of economic development. In Chile there was a servicio for agriculture, and servicio for health and later a servicio of industry. The whole idea of the servicio was beginning to be questioned in Washington because while the servicios were very effective and were truly cooperative organizations, in that they had both Chilean and American people working in there and Chilean and American contributions. The contributions from the Chilean side were far greater than the contributions on the American side. In Washington, the thought was that some day this kind of American input would have to stop and the country itself would have to absorb the whole project and all of the expense and all of the people who had been trained and prepared in the United States and therefore the U.S. assistance stop. They did not realize that the United States' contribution was a very small amount but allowed the Chilean Government to make great exceptions in the sense that specially qualified people would be able to earn a little more money than when they were working for in the regular ministries and therefore they would stay. They would not be subject to the political vacillations that take place in a typical ministry in a Latin American country. When I got to Chile there was a new idea established by Albion Patterson who was the Mission Director at that time. His idea was to concentrate all of the U.S. assistance in a relatively small area of the country so that it could become a demonstration as to how economic and technical assistance could affect an area and in this way there would be a model for other parts of the country.

Q: This would put the three servicios working in the same geographical area together?

LOWENTHAL: Yes, the three servicios did work in the same geographical area though some of them also worked in other areas because there were programs that had been started long before and couldn't be cut off at that time. Most of them, both the personnel and funds, were concentrated in three provinces, relatively poor provinces in Chile -- Maule, Nuble and Concepcion. The main emphasis was on agriculture, although there were some projects in small industry development, public roads, mostly farm to market roads, and health. The agricultural aspect of the servicio was the biggest and the broadest because it involved development of forestry to control sand dunes which were coming in from the western coast and beginning to make a desert in some parts of those provinces. Then there were the more regular kind of agricultural projects such as livestock and crop production. The program was extremely popular in Chile. There was a great deal written about it in the local press. The co-chairman of it was a man called José Suarez who had gotten an agronomy degree from the University of Minnesota. He spoke some English and was located in Chillan, the capital of one of those provinces, and the whole plan was called Plan Chillan. We had a sub-office with Americans and Chileans working in this rural area. Now some of the lessons and some of the experiences from that are quite interesting because the American technicians.

Q: Let me see, you were talking about some of the interesting aspects of things with the three servicios in Chile.

LOWENTHAL: Yes, I thought I would mention one instance, which is a very important instance for me anyway. It had to do with the cultural and sociological relations between the Americans and the Chileans working in an outskirts of Chile, in the country in a rural area. We had approximately six or seven Americans working in the town of Chillan with perhaps twenty-five or thirty Chileans. I was in Santiago having just come back from a visit to Chillan when at three in the morning I got a telephone call from José Suarez, the co-chairman of the program. He called me to say that he couldn't stand it any longer, that all the Americans had to leave, that it was an impossible situation and that he wanted me to know this right away. He had to call me at three in the morning because he couldn't sleep.

Q: Hm.

LOWENTHAL: So I said to José to please calm down and that I'd take the first train and go to see him and we'd discuss it and find out what the problem was, that he shouldn't fire anybody and he should keep this between us until I got there to find out what was happening. The Mission Director was away in Washington at the time so I was in charge. Well, I took the first train down to Chillan and had discussions with Suarez and he complained about the Americans wanting to have a higher standard of living which was flaunting and causing all kinds of tensions among the Chilean staff. Well, I tried to pin it down as to which ones because I went and saw many of them and they were not living in any kind of ostentatious way. They all, most of them spoke excellent Spanish and they had very good relations. Well it turned out that all of this problem had turned about one American. One American economist who was there from the State of Montana and who spoke Spanish with a very heavy accent and who used to come into the Director's office every morning with his cowboy hat on, sit in a chair and put his cowboy boots up on a table and say "It's a good day, José, and then try to talk to him about the program. This so enraged José Suarez, who was used to being treated with a little more respect and decorum, and that it was this that had got under his skin and caused

this great eruption.

Q: So this was really a cultural shock then. The dignity of the Spanish was against the informality of the Montana cowboy?

LOWENTHAL: Absolutely right and I spoke to the economist and explained to him that this was causing a great deal of difficulty and that he was rather hard-nosed about it, but he eventually did modify his way and the program did continue and nobody was sent home and it worked out very well, though the particular person eventually did leave and went back to Montana. Eventually, I understand -- I followed his career just for interest -- he finally went to the program in Vietnam and then went back to Montana where he is still living.

Q: He probably was a fairly young person at the time?

LOWENTHAL: He was a young person who had gotten a Masters in Economics, had been out of the university a couple of years and he came from a ranching family.

Q: I wouldn't imagine there would be too many economists from any kind of system in Montana, or am I wrong?

LOWENTHAL: Well, I don't remember where he got his degree. It didn't come from Montana.

Q: But he must have been kind of a maverick even education-wise.

LOWENTHAL: He was a maverick. But at any rate it's just an illustration of the kind of problems one has to look for in selecting people and preparing them to work in a different culture.

Q: How many people were in those three servicios in this coordinated activity in this area, more or less?

LOWENTHAL: I would say there were, in the three servicios, perhaps fifty Americans and a couple of hundred Chileans at least.

Q: And these were in the three fields of health, agriculture and economics?

LOWENTHAL: Health, agriculture and industry. I was only in Chile three years but I've followed what's happened in that country down to the present time. I went back to Chile in a completely different capacity in 1970. I went there on loan to the U.N. to work in the Economic Commission for Latin America (ECLA) which has its regional headquarters there. I was able to look and see what had happened to our programs for all these years and to see what kind of institutions had lasted because the servicios were abolished -- I can't remember exactly when -- but they eventually were phased out. The three institutions that really remained and grew and prospered based on the work that we did in those early days were; 1. A School of Forestry that was established and that had been started in the Plan Chillan in the agricultural servicio. The School of Forestry was established as part of the University of Chile in Chillan itself. The School of Forestry is now located in Chillan. Chile, which is an exporter of forest products never had any kind of university

that dealt with forestry and we were the ones that provided the idea and got the people started and got the training going and that institutions a going institution to this day; 2. Another institution that has lasted in Chile is the School of Geology. Chile's foreign exchange earnings came 85% from copper, but the country had no School of Geology. And we were able to, through the industrial servicio and through direct contact with the University of Chile and the Catholic University, help establish a School of Geology which is still functioning to this day; 3. The other institution had to do with the industrial servicio. Chilean industrialists had a strange outlook and, in fact, in most of Latin America they do, they, they don't talk to each other about their own problems...

Q: OK, that should get us past the leader, so lead on.

LOWENTHAL: The concept of competition in Latin America seemed to me and to many of us to be very primitive, that is, the heads of industries, while they knew each other socially and were friends socially, intermarried and within their own group, they played golf and they went camping and they did things together but they never discussed business things together. They never discussed problems that ran through and across all of their industries. They always felt that they'd be telling secrets or they would be giving away aspects of their business which would lose some benefits. Well, the people in the industrial servicio brought a lot of these industrialists together and had joint meetings and got them interested in talking about problems that ran across the board, about how to deal with labor unions, personnel problems, archives, all kinds of things that ran across the board in all industries and they began to find that this was a very useful kind of organization and it has lasted to this day. It's called ICARE, which is alphabet soup for Chilean Industrial Management Institute. When I went to visit Chile recently, after I had retired from the Foreign Service, I think it was in 1984. My wife and I were walking down the street and a man slapped me on the back and I turned around and it was an old friend called Patricio Ugarte and he said, "You should come and see what's happened. ICARE is still running and has more members than ever." So in spite of all the problems that exist in Latin America and the disillusionments that we all have from our work that kind of an encounter was very helpful to me and made me feel that our input really made a difference in that country.

Q: Well, that's good. Well, let's see.

LOWENTHAL: I think that concludes all I really want to say about my experiences in Chile.

HEWSON RYAN
Information Officer, Public Affairs Officer, USIS
Santiago (1956-1961)

Assistant Director, Latin American Operations, USIA
Washington, DC (1961-1962)

Deputy Assistant Secretary, Latin America Bureau
(1974-1976)

Ambassador Hewson Ryan entered the USIA in 1951. His career included posts in Washington, DC, Colombia, Bolivia, Chile, and was ambassador to Honduras. Ambassador Ryan was interviewed by Richard Nethercut in 1988.

RYAN: And the same thing happened in Chile. My next assignment was in Chile where, after having been Cultural Attaché in Bolivia, I was sent as Press Attaché or Information Officer. I went on a direct transfer to Santiago and that was an exciting time because Chile was in the full flower of democracy as perhaps the model democracy of Latin America. There was a functioning parliament and thirteen daily newspapers. I think there were about fifteen different political parties represented in the Congress. And a rather exciting time for me to be the Information Officer, because I would do a lot of spade work for the Ambassador and for the Political Section because I had better Spanish than anyone else in the Embassy. I would go to the newspapers and pick up the gossip on what was going on in the parliament and so forth. It was probably bad for my liver because the Chileans are great red wine drinkers, and going around to the newspapers in the evening -- most of the newspapers went to bed around 9:00 or 10:00 -- and then after that the staff would go off to the nearest grog shop and drink red wine and talk politics. So I got to know a good bit about the whole inner workings of the Chilean political system.

As a result of that, when the first group of Chilean parliamentarians were invited under the Group Leader Program -- this was, I think, the first Latin American parliamentarian group to be invited to the United States in late '56 or early '57 -- I guess it was early '57 -- I was tapped to be the escort officer. I traveled with these seven Chilean senators representing the full political spectrum. There was a Socialist there -- the Socialist Party of Chile which was to the left of Allende's party -- and there was a man from the party of Atilla of the Hun, the extreme right, and several intermediate groups. As a result of this, I had extremely close relations with the Chilean parliament, and when we came back I was the main contact with the political parties because I had spent seven weeks with these people. We traveled all around the United States, a fascinating experience in itself to see your own country through the eyes of six or seven people with very different political and ethnic -- well, not really ethnic although one had a Yugoslav background, one was Jewish, the rest were Chilean. One was a Mapuche Indian from the south. So it was a very hybrid group and we got to see a lot of the United States, and I learned a lot about the United States.

When I got back to Chile I was Press Attaché, but I was also doing all these other errands, and then the Public Affairs Officer left -- I've forgotten under what circumstances -- and the Ambassador, over the objections of the Agency, USIA, insisted I be made the PAO there. That's why I had a very extensive tour there. The Ambassador was a political appointee with considerable leverage in Washington, and although I was a very junior officer, he insisted I be made the PAO. And I was, and that meant I moved up rather rapidly. And I spent three more years in Chile through 1961 as the PAO [Public Affairs Officer]; and I was very much connected to the Country Team because I'd been there longer and in many ways was more knowledgeable of the Chilean political scene than the political officers.

I did a lot of traveling in Chile and a lot of public speaking. I covered Chile from the frontier with Peru down to Puerto Williams which is about 40 miles west of Cape Horn, so I really knew the country much better than I know my own country and better than most Chileans did. I came to be known as Mr. Chile there.

And then came the change in administration due to the Kennedy victory, in 1961. I had a good number of acquaintances among the New Frontier group and I was pulled out of Chile to become the Assistant Director of USIA in charge of the Latin American operations, which meant the Alliance for Progress. I came up in the fall of 1961 to Washington where I became the Assistant Director under Edward R. Murrow. That's when I first met Murrow. He had sent his deputy down to talk to me in Chile.

We had an exciting time trying to put the psychological underpinnings under the Alliance, attempting to do the impossible which was to mobilize public opinion in Latin America in support of a program which was really in many ways imposed on Latin America by the Kennedy Administration. Although the administration was very aware of the need for Latin participation, our efforts suffered from the impatience of the Kennedy brothers, and the political reality of the United States. Kennedy felt the need to show immediate results from the Alliance -- results which just weren't in the cards. It can't be done that fast. Social engineering takes time and there was a great deal of frustration in Washington over the information program. We expanded very rapidly. We did a lot of interesting things and we were frustrated in many ways with the pressures from the U.S. political scene. The fact that the election for the House and Senate -- the Congressional elections, were coming up in '62 and the Kennedys seemed to feel this strongly. I speak of the Kennedys because Bobby Kennedy had been designated by his brother to keep a very careful eye on Latin America. He used to come to the Latin America Policy Committee meetings. I was also the USIA representative on Operation Mongoose which was the General Lansdale operation designed to get rid of Fidel Castro, and Bobby Kennedy would chair occasional meetings of that group.

Now, as far as the other things that I did in the ARA Bureau, I also handled South America, and in this I was very much involved in the human rights problems. The pressures from human rights organizations in the United States on the U.S. Government to intervene in Argentina, Uruguay, Brazil and Chile, were very strong. Secretary Kissinger was adamant in that we would do this by quiet diplomacy and not public statements or public diplomacy. Therefore, we did a great deal, some of which is slowly coming out into the public domain, in bringing pressure on the governments of Argentina, Uruguay, Paraguay to some extent, and certainly Chile, by calling in ambassadors, by sending private groups down and sending officials to talk to these governments about their miserable human rights image in the United States. I personally went to Argentine and Uruguay, Brazil, on this. We were able to successfully arrange the release of a good number of intellectuals and scientists during this period. Usually when we would get word from an American group we would immediately go to the post and ask them to go in and talk privately to the people. But I think that we were remiss in some ways.

I know of one case, which has never come to public attention, of the fact that we knew fairly early on that the governments of the Southern Cone countries were planning, or at least talking about, some assassinations abroad in the summer of 1976. I was Acting Assistant Secretary at the time and I tried to get a cable cleared with the 7th Floor instructing our ambassadors to go in to the Chiefs of State, or the highest possible level in these governments to let them know that we were

aware of these conversations and to warn them that this was a violation of the very basic fundamentals of civilized society. Unfortunately that cable never got out and about a month later former Chilean Ambassador Letelier was assassinated on the streets of Washington. Whether there was a direct relationship or not, I don't know. Whether if we had gone in, we might have prevented this, I don't know. But we didn't. We were extremely reticent about taking a strong forward public posture, and even a private posture in certain cases, as was this case in the Chilean assassination.

JOHN J. HARTER
General Services Officer, Economic Officer
Santiago (1957-1959)

John J. Harter was born in Texas in 1926. Harter served in the US Air Force during WWII before graduating from the University of Southern California and joining the Foreign Service. Overseas, Harter served in South Africa, Chile, Thailand and Switzerland. He also worked in the Bureau of Inter-American Affairs, for USIA and after retirement on Oral Histories. Harter was interviewed by Charles Stuart Kennedy in 1997.

Q: What was your next assignment?

HARTER: I went to Chile as General Services Officer, meaning I was responsible for the commissary, the motor pool, buildings and grounds maintenance, the custodial staff, and all other administrative operations except for personnel and budget and fiscal matters. The Embassy wanted me to arrive immediately after the FSI course because my predecessor had already left and Reed Robinson, the Administrative Officer, planned to leave Chile as soon as he could. My assignment to Chile was confirmed before I left Port Elizabeth, and en route to the United States I lunched with Brewster Morris in London. Brewster told me he knew Robinson and considered him one of the best administrative officers in the Foreign Service. He said Robinson requested an early transfer from Chile, because he had repeatedly clashed with Bill Belton, the DCM [Deputy Chief of Mission, the Ambassador's alter ego]. Robinson left a few days after I arrived, and I was Acting Administrative Officer *and* General Services Officer for several months - and that was just after Mickie and I were married.

Q: What problems did you encounter as Acting Administrative Officer?

HARTER: The toughest part of the job was the renovation of the DCM residence the U.S. government purchased shortly before I arrived. Ultimately it was a splendid place to live in, but when I arrived it was a dilapidated shell that needed extensive carpentry, plumbing repairs, electrical work, painting, and landscaping. Belton and his wife, Judy, were sticklers: They wanted everything precise and perfect, right away! It wasn't easy to meet their meticulous requirements efficiently and within the tight budget parameters set by the State Department. The Department also acquired a beautiful site for a new residence for the Ambassador shortly before I arrived, and I worked with FBO [Foreign Buildings Operations, the office that oversees the acquisition and maintenance of State Department properties outside the United States. The title of the office was

later changed.] on architectural plans for the building that was to be erected. Belton and the Ambassador disliked the original FBO design, and I was the uncomfortable intermediary between them and FBO in reformulating it.

By the way, Claude Bowers' book about Chile was published in 1958, while I was in Santiago: Bowers had been the U.S. Ambassador to Chile for 13 years, and he wrote nostalgically about the charming old mansion that was his residence there. Belton, the Ambassador, and FBO disagreed: They thought that structure was an anachronistic monster.

Q: Did you wrestle with those problems throughout your tour in Chile?

HARTER: Only through my first year. The new Administrative Officer, Norvelle Sannebeck, absorbed those responsibilities when he arrived a few months after Reid Robinson left. When Norvelle settled in, he, too, found it difficult to work with Belton. In mid-1958, Cecil Lyon, the Ambassador, knowing I was uncomfortable in the administrative position, asked if I would like to transfer to the Economic Section. I immediately replied in the affirmative. As a consequence, during my second year I filled a catch-all job that required reports on Chile's transportation, communications, and utilities industries. I inherited a backlog of standing Washington requests for detailed analyses of the Chilean railway system, the highway network, the merchant marine, air transportation, and electric power generation and distribution facilities. I prepared detailed analytical reports in each of those areas in addition to countless spot reports.

Q: I guess that was fairly routine.

HARTER: Actually, I enjoyed that job. Transportation poses unusual challenges for Chile because of its geography: It's one long ribbon of a country alongside the Pacific, and the interactions between infrastructure and the overall economy are complex and vital. I received considerable help from Patricio Huneus, the Minister of Transportation, who asked his staff to translate some of my unclassified reports into Spanish to distribute among his colleagues and advisors. Incidentally, the Department of Commerce strongly commended those reports, which were more comprehensive and analytical than the superficial responses it characteristically receives to its requests. I don't know how this works today, but I believe governments, international agencies, independent researchers, and various periodicals publish more of this kind of information today than they did in the 1950s.

Q: What was the political-economic situation in Chile in the late 1950s?

HARTER: Carlos Ibanez, then in his 80s, was President when I arrived. He was a career military man who had been Chile's President many years earlier. The head of our Political Section was Don Zook, who had been a senior aide to Loy Henderson when Henderson was State's top management officer. Don was an astute analyst, and he recognized that economic issues were central to Chile's political problems, especially since chronic - and sometimes galloping - inflation had distorted national politics in Chile for several generations.

Incidentally, I have read your country collection of excerpts from your interviews with officers who served in Chile, and I think they generally underplayed the acute impact of inflation. Also, the

Claude Bowers book touched only lightly on inflation, and I thought that was a flawed perspective. Chile was in a God-awful hopeless mess in every conceivable way in the late 1950s. Geographically, the middle third of the country has a temperate climate and fertile soil. Anything can grow there. Chile has rich deposits of copper, nitrates, iron, coal, and several other minerals. But the principal obstacle to economic stability and growth was the chronic inflation. The country had undeveloped potential for tourism and manufacturing; and its population included many well-educated, skilled, and sophisticated individuals; but it was not performing well!

Q: Was there a serious effort to get inflation under control?

HARTER: Not really. Have you interviewed Jean Wilkowski? She was the Embassy's financial reporting officer, and she well understood the Chilean economy. The general sense was that Chile's inflation simply could not be tamed. Several generations of Chileans had lived with it, and it was deep in the bones of the society. The underlying problem was that Chile had developed an excessively generous welfare system, and entrenched interests, including the U.S. corporations doing business in Chile, resisted paying their share of taxes to pay for it. The short-term, politically acceptable solution was to close the revenue gap by printing more money - a classic recipe for exacerbating inflation! Furthermore, more than a little corruption was both cause and effect of the inflation.

Q: How about the multi-national corporations?

HARTER: Anaconda and Kennecott operated large copper mining complexes in Chile, and they were quite influential. ITT ran the telephone system, and ITT also had other interests in Chile. W. R. Grace and Company ran a shipping line and the Panagra airline, as well as extensive rice and sugar plantations. ITT, Grace, and others owned big chunks of Chile and Peru. Of course, Salvador Allende and his colleagues fulminated against all this as Yankee imperialism.

Q: Did you know the executives of those companies?

HARTER: I knew some of them. A fellow named Rawlings, for example, was the local CEO for ITT, and Mickie and I exchanged dinner parties with him and his wife. Rawlings was quite knowledgeable about Chile. When I left he asked me to call on his counterpart in Brazil on my way home, and I did.

Q: Did the American executives exhibit a neo-colonialist attitude toward the Chileans?

HARTER: No. They interacted well within Chilean society. They weren't overbearing. Most of them had been in Chile for many years. The Panagra representative was a Chilean named Carlos Bronson. However, Chile's society was rigidly divided into three strata: The elite, a struggling middle class, and the poor, who believed the nasty propaganda put out by *El Siglo*, the Communist newspaper, including its attacks on American businessmen. I don't think that reflected the majority view in Chile.

JEAN MARY WILKOWSKI
Economic Officer
Santiago (1957-1960)

Ambassador Jean Wilkowski entered the Foreign Service in 1944. Her career included assignments in Trinidad, Colombia, Italy, France, Chile, Switzerland, Honduras, and an ambassadorship to Zambia. Ambassador Wilkowski was interviewed by Willis Armstrong in 1989.

WILKOWSKI: So the Department kindly switched me to Santiago, Chile. Santiago was very interesting. I did monetary and fiscal policy work in the economic section of the Embassy. It was kind of heady stuff, you know, recommending on \$40 million development loans and dealing with the Minister of Finance, and the Manager of the Central Bank, Felipe Herrera -- now here in D.C. with the Inter-American Development Bank, I believe. Also I dealt with Enrique Iglesias of the UN Economic Commission for Latin America.

Q: *Were you Economic Counselor then?*

WILKOWSKI: No, I was Second Secretary, Economic. It was highly educational and I developed some very good relationships. I enjoyed it very, very much. The Klein-Sachs people were there as advisors, also Kenneth Galbraith of Harvard.

Q: *The Chilean officials always had a better understanding of economics than almost anybody in Latin America, in my experience.*

WILKOWSKI: Yes, they did. They really did.

Q: *I used to go to inter-American meetings. The only guys you could really talk to were the Chileans.*

WILKOWSKI: They were indeed very savvy. And there was an interesting sidelight to my experience there. A lot of the young men at the Central Bank, the head of statistics and the head of research whom I dealt with, were Communists who later bolted and went up to help Fidel Castro in Cuba. The Department asked me what I knew about these people and I suddenly had an extensive bio-reporting job on my hands as these young men had become some of the leading economic advisors to Castro.

Q: *That's a real derogation from their economics education, isn't it?*

WILKOWSKI: Yes. Besides a good-sized AID mission in Santiago we had an impressive Economic/Commercial Section headed by Bob Eakens of Texas and Bob Dorr, also Ralph Richardson, Minerals Attaché and 3-4 others of us.

Q: *Bob Eakens was an old friend. He worked with me before that when he headed a petroleum division for the Embassy. I'm still in touch with him.*

WILKOWSKI: He was very savvy in the economic field. I always thought Bob was a little awkward though because he was not brought up in the Foreign Service. He was a specialist who came in as a senior officer.

Q: That's right. He's a very domesticated Texan.

WILKOWSKI: Yes. And he always was a bit on guard with the old Foreign Service types, but he was fair and reasonable. Not terribly imaginative, but a pleasant guy to work with.

DALE M. POVENMIRE
Vice Consul
Santiago (1958-1960)

Dale Povenmire was born in Ohio in 1930. He received a bachelor's degree from Baldwin-Wallace College and also attended the Fletcher School of Law and Diplomacy and the University of Hawaii. Mr. Povenmire served in the U.S. Navy from 1953 to 1957 and then joined the Foreign Service. He served in Mexico City, Santiago, Zanzibar, Asuncion, Oporto, Caracas, Lisbon, Sao Paulo, Rome, and Washington, DC. Mr. Povenmire was interviewed by Morris Weisz on January 29, 1994.

Q: Did you seek a Spanish speaking post?

POVENMIRE: No. It was one of those accidents of life. I took Spanish in high school and that evolved into something that affected my whole life's direction. From January 1958 until January 1960 we were in Santiago, Chile. It was my first post and I did all kinds of work there on rotational assignments.

Q: You had labor responsibilities at some posts before your first assignment as labor attaché?

POVENMIRE: My exposure to labor in the Foreign Service began at my very first post, Santiago. Our labor attaché there was Norm Pearson. Norm took his job very seriously. He was a little uptight perhaps but he worked hard and seemed to be effective. I think that subsequent events in Chile proved that labor was an important sector and the labor attaché's role was needed by the Embassy.

Q: You were not there when Allende was president?

POVENMIRE: When we were there Allende was still a candidate. Alessandri was president. Eduardo Frei followed Alessandri and then there was the Allende period.

Q: You covered labor-political or labor-economic affairs there on occasion?

POVENMIRE: I did minerals reporting for a time and the Copper Workers' Unions were very

important. One of my contacts was Orlando Letelier, who worked in the Chilean Copper Department. He later became Foreign Minister under Allende and was eventually assassinated in Washington by a Chilean agent. The repercussions of that event are still in the news with the pending imprisonment of the former chief of the Chilean intelligence agency who ordered his murder.

THOMAS D. BOYATT
Vice Consul
Antofagasta (1960-1962)

Ambassador Thomas D. Boyatt was born in Ohio. He joined the Foreign Service in 1959. In addition to serving in Chile, Ambassador Boyatt served in Luxembourg, Cyprus, and was ambassador to Upper Volta and Colombia. He was interviewed by Charles Stuart Kennedy in 1990.

Q: *Moving on, your first post was where? And could you give the dates, and then what were you doing?*

BOYATT: My first post was Antofagasta, Chile. I was vice consul. I wound up running the consulate, it was a two-man consulate and the consul went away and never came back, and I did everything.

Q: *This was from 1960 to 1962?*

BOYATT: '60 to '62. I performed all the consular functions, including shipping and seamen in those days, and did the economic reporting, and did the political reporting, and did the representation in that part of the world.

Q: *What were we doing? In your particular place. . .*

BOYATT: Why were we there?

Q: *Why were we there?*

BOYATT: There's a simple answer to that. Originally we had put consulates up and down both coasts of South America because of the German threat to penetrating South America in the late '30s and early '40s. But we also had a huge American citizen presence in the copper mines in the interior, so the consulate was sort of there for the care and feeding of Anaconda Copper Company, and Anglo-Nitrate Company, and Grace Lines. It was kind of a U.S. citizen/commercial type post. There wasn't a lot of visa activity.

Q: *How did you find your work related to the Chilean authorities?*

BOYATT: Well, it was great fun for me because I was a big fish in a small pond. The provincial

society, there are people who were invited to things by title, so I got to attend as the representative of the United States virtually every national day given by the consular corps, all the parties given by the authorities. You'd be interested to know that while I was there I met then Senator Allende, the socialist; then Senator Frei, the Christian Democrat; and then major, later promoted to lieutenant colonel, Augusto Pinochet. All three of the actors who played major roles in a later drama there in the north at that time, and contacts of mine.

Q: What was the Chilean attitude towards the American presence in Antofagasta?

BOYATT: It was the typical love-hate relationship that is so prevalent in Latin America. There was a lot of respect for the United States because of its victory in World War II, because of its progress, because of its dominance of world affairs. But there was also a great deal of resentment because of all of those things. Then you add to that the competition between Anglo and Hispanic culture in the western hemisphere which the Anglos have dominated for the last two and half-three centuries, and there was resentment. I think love-hate is a pretty good characterization of the attitude.

ROBERT F. WOODWARD
Ambassador
Chile (1961-1962)

Ambassador Robert F. Woodward was born and raised in Minneapolis, Minnesota. He entered the Foreign Service in 1932. Ambassador Woodward's career included Deputy Chief of Mission positions in Bolivia, Guatemala, Cuba, and Sweden. He was ambassador to Costa Rica, Uruguay, Chile, and Spain. Ambassador Woodward was interviewed by Charles Stuart Kennedy in 1987.

Q: [Amen!] I note that there was a rather busy time after you left Uruguay, where you were first assigned to Chile, and then you went back to Washington. How did this work out?

WOODWARD: Of course, I was delighted to be transferred to Chile. This was the very beginning of the Kennedy Administration, and I went there happily. I knew there were some very serious problems between the Chilean Government and the American mining companies, and I thought that perhaps my approach of burrowing into the detail of all of the pros and cons of the points of view of all parties concerned, might enable me to contribute to a better working relationship between the American mining companies and the Chilean Government, so I was eager to get into this.

When I was in Washington, en route to Chile, I happened to have an appointment with Chester Bowles, the new Under Secretary, just after he had learned of the failure of the Bay of Pigs invasion of Cuba. Bowles said, "What are we going to do about this Bay of Pigs thing? What are we going to do?"

I, of course, didn't have a very adequate answer. I said, "I think they're just going to have to tough

it out, just weather it." I went off to Chile, after some briefings in the State Department. I heard about the Alliance for Progress plans, and I knew there was going to be a group of experts coming down from Washington very soon, visiting all of the Latin American countries to discuss with the foreign government authorities various departments what we were proposing in our conception of an Alliance for Progress, trying to get their full cooperation and their contributions of ideas.

Q: This is at the beginning of the Kennedy Administration.

WOODWARD: It was the beginning of the Kennedy Administration. This was in April of 1961, and he'd come in on the 20th of January, and had this disastrous experience of the Bay of Pigs in the first week of April. The Alliance for Progress was doubly important then to show that we had a positive program, which was constructive. And we had something to compete with Castro's ideas other than a failed military operation.

When I went to Chile, I industriously tried to become acquainted with the people in every category of the goals and actions of the Alliance for Progress, and they were numerous. They covered everything of an economic or social nature that one could wish for the improvement of a nation. This would apply to all the other Latin American nations as well. We were going to obligate a considerable amount of resources.

I had an odd experience. Well, to me it was rather odd. When I presented my credentials to President Alessandri of Chile, he said, "What about this Alliance for Progress that your President is proposing? We're spending every bit of money we can get our hands on trying to improve this country and trying to improve the lot of the people who are badly off. We don't even allow television in this country, because we have decided that we don't want to expend a lot of money on this non-essential while we still have people who need little houses and need more food and clothing. Let's not get into this luxury operation until we get the more essential operations completed. So we have no television. We don't even give permits for construction of expensive houses. Who is going to provide the money for the Alliance for Progress?"

And I hesitated a bit and said, "Well, I guess there will be considerable contributions by the United States Government, and there will be private investments, if you encourage American firms to come in."

Well, anyhow, it wasn't long before I received word that this mission was arriving. I had developed acquaintances with all these various branches, with a very able staff there, a very good economic counselor and a very fine counselor of Embassy, a man named Bill Krieg, who was leaving. His wife was ill, and I was very sorry to see him go. But they were very able in arranging these committees in each category and getting all ready for the group.

The group was headed by Adlai Stevenson, and Ellis Briggs was accompanying him. There were some others. Ellis Briggs and Stevenson were the two highest ranking. I took them in to make a call on the president. The president delivered exactly the same speech to them that he had to me about, "Who's going to pay for this?" He said, "These are very fine goals you're talking about and so forth." They made the same reply I did. The amusing aspect of this was that while Stevenson and Briggs and I were sitting on a bench, and I was between these two gentlemen -- I'd known

Briggs for years, and I don't think I'd met Stevenson before this trip, but he was a very affable fellow, very amiable -- they were sitting on either side, and we were all on this little wooden bench. The president was sitting opposite us a few feet away, and there was an interpreter to interpret for Stevenson. Briggs knew Spanish quite well, and I knew it fairly well. Anyhow, as the president was talking to us, I heard someone snoring. I thought, "My God! Is Ellis Briggs asleep?" He had a cane and was leaning on a cane. I looked over at him, and he wasn't the least bit asleep. I could see Stevenson better, because I don't see out of my left eye. Yes, Stevenson was completely alert. I thought, "Now who in hell is snoring?" It was a rather long office, and there was a guard down at the remote end of the room, standing erectly at attention, in his hussar uniform; he couldn't possibly be asleep, because he wouldn't be able to stand up. Well, I was sort of agonizing about this, because I wondered if I was going nuts, hearing this snoring. Suddenly, there was a stirring under the president's desk nearby. The president wasn't sitting at his desk; it was behind him. A great big boxer dog woke up and stretched, so I was relieved of that embarrassment.

We had a series of meetings there for a couple of days, which worked out quite to the satisfaction of the American group, including Stevenson and Briggs. I went out to the airport to bid them goodbye when they were taking off for La Paz, Bolivia. They seemed to be satisfied with what had developed in Chile. Suddenly, I felt very definitely ill, you know, an intestinal problem.

I felt so woozy that once they were gone, I went back to the office. I was supposed to go to a farewell ceremony for the chief of the military mission in the office of the Minister of War. This was in an office building. I was supposed to go at 11:00 o'clock, as I recall, and the press attaché had very kindly organized a luncheon to introduce me to a few members of the press, because I'd only been there for about a month at this point. This was going to be held in a little club of retired naval officers in downtown Santiago. Anyhow, I pulled myself together, and I went to both of these things. I was feeling very, very sick.

I sat down at the luncheon table, at this little club, and was trying to get acquainted with these press people, when a waiter came in and said there was a call for me. The telephone was in the kitchen. I went to take the call. It was the Secretary of State Rusk. At the table, I'd been staring at some shrimp, and I thought, "My God, am I going to be able to eat those?" I knew Rusk quite well, because I'd been in the State Department several times when he'd been acting as a coordinating assistant chief for all of the geographical divisions when I had been in the Latin American division. I knew him well enough so I called him by his first name. He said, "Bob, I want you to come right back to Washington."

I said, "Dean, I know what you mean. You're scraping the bottom of the barrel."

He said, "I don't think so. We want you back here to be Assistant Secretary for Latin American Affairs."

I said, "I ought to consult my wife, shouldn't I?"

He said, "Call me back in the afternoon."

Of course, I was so sick then, I struggled through that luncheon, I went home, and I went to bed.

While I was in bed -- it was sort of "The House of Usher," an old embassy, a residence that had been used for years -- the telephone rang, and it was Chester Bowles, Under Secretary. He started giving me a sales talk on coming back to Washington. I said, "Chet, I've already talked to Dean Rusk about this."

He said, "Oh, I didn't know that. We both decided we'd try to get you." [Laughter] So they both had.

I said, "No question but I'll have to come."

He said, "You won't have to stay very long. If you don't like it, you can leave after two months. It's just because we're in kind of a bad spot now with the Bay of Pigs and all that stuff."

I said, "I think I ought to stay in Chile for two weeks more because of the Fourth of July. Naturally, we want to have a little reception for the government officials, but the important thing is that the Fourth of July is the 150th anniversary of the establishment of the Chilean Senate and the senate was established on that day because it was our Fourth of July. So I think probably I'd better stay til the Fourth of July." It was just about two weeks later.

He said, "Well, okay." I had already talked to my wife. She had, rather surprisingly, accepted an invitation to play bridge. She hadn't played bridge for a long time and really didn't encourage the idea much of using time on bridge, because she was always pretty busy. She told me afterwards, "I had a good bridge hand, and you spoiled it." [Laughter]

Anyhow, we went back. I discovered later that, in a telephone conversation from the hotel in Santiago, where the Alliance for Progress was staying, Stevenson had recommended me to be Assistant Secretary. The man who had been chosen had pulled out at the last minute; he was Carl Spathe, who had been in the Department years before and was then dean of the law school at Stanford University. The Bay of Pigs had occurred, and there had been another event that causes a lot of uneasiness. Trujillo had been killed, and there was an upheaval in the Dominican Republic. Anyhow, Carl decided he didn't want the job. As you've probably observed, the system has always been that if a non-career person rejects a job of any significance, the inclination is to turn to the career fellows, and vice versa. If the career fellow reigns, they'll turn to a non-career man.

So I went to Washington two weeks later, on the 7th of July, just after the Fourth of July, and started in immediately to try to work on the Alliance for Progress and the Dominican question, which was one of our most difficult things then.

Q: Looking at it now from the Washington point of view, having been an ambassador a number of times in Latin America, how well did you feel the United States was served by the people then in our embassies, by our chiefs of mission in Latin America? Was it a good body of ambassadors?

WOODWARD: We had an able group of career people as ambassadors. Most of the political appointees were inclined to flounder a bit for a while, and they were of varying temperaments. Some of them have, of course, been really top notch men, Bunker for example.

Q: This is Ellsworth Bunker.

WOODWARD: Yes. He was later our representative to the Organization of American States and in the subsequent developments in the Dominican Republic he did a marvelous job of helping to install a democratically orientated government in the Dominican Republic. He was a man of infinite patience and very good judgment, just a remarkably able fellow. He always worked very quietly and sensibly, no flamboyance of any kind. Of course, he had already been the manager of a big American sugar importing company when he received his first diplomatic appointment. He'd had quite a lot of experience abroad by that time. He'd been ambassador to Argentina and ambassador to Italy. Later, he was on the West Irian [New Guinea] problem, which was a very difficult one. He just had remarkable staying power.

And there have been other very able people, but from the viewpoint of our representation abroad, of course, most of the political appointees have not been as well qualified as career men. They clog up the ordinary procedure of developing career people by filling a considerable percentage of the chief of mission jobs. The great handicap, even if they may be able, is that they do have an effect of stultifying the ordinary progress of people in the Foreign Service, not in terms of the fortunes or selfish interests of the officers themselves, but in trying to keep up a flow of highly qualified and experienced people.

Q: To move up through a rational career ladder.

WOODWARD: Yes. . . For example, there was a delegation here from Chile at one point and we were trying, of course, to develop a closer relationship with the Chileans. They wanted a big development loan. They were creating a development organization in Chile for assisting new industries, and they wanted a very large Export-Import Bank commitment for equipment that would be brought in for various new projects. We were trying to help them with the application for a loan for this development corporation. It was one of the first times when a general loan had been made to such a foreign development corporation, and not to a particular shipment of machinery, or equipment, or airplanes, because usually the Export- Import Bank was simply a method by which credit would be available to the buyers so the sellers could make a sale.

Anyhow, we were going to help them get this loan through the Export - Import Bank. I was on the Chilean desk at that time, and was asked to go over to the meeting at the Export-Import Bank with the Counselor of the State Department, his name was Judge Walton Moore. He was an elderly judge from Virginia. I had all the papers ready and I was going to brief Judge Walton Moore for an appropriate length of time before we went over to the meeting. The day came around for the meeting and I went to Judge Walton Moore's office, and was told by his secretary that he wasn't coming in that day. Well, the meeting at the Export-Import Bank was about 10:30 and this was let's say 9:30 in the morning, or maybe a little earlier. I was first perplexed and then frantic. Who is going to represent the State Department on this rather important matter? So I went to Miss Clarkson, Summer Welles' secretary, and explained the situation, and she immediately opened the door into Welles' office and explained to him what it was and he called me right in. He picked up the phone and called Adolf Berle, and said, "Berle, there's a situation here where I'd like to have you help out on this application for a Chilean loan, and Woodward will come in and explain it to you and go over to the Export-Import Bank with you." I was rather interested in the way in which

Welles did not ask Berle to do it, he told him to do it.

Q: *Berle's position at that time?*

WOODWARD: He was Assistant Secretary in a kind of a general capacity working on miscellaneous topics that came up. He was always ready to show his ingenuity, a very smart fellow. So I explained the situation to Berle, and we walked over the two blocks to the corner of 19th and Pennsylvania where the Export-Import Bank then had its offices, and Berle very briefly made a pitch in favor of the Chilean application.

I remember a very funny incident -- who was the Texas banker who was then the head of Export-Import Bank?--Jesse Jones. He was a very well known man in the New Deal government. But anyhow, this old gentleman, the banker, was chairing the meeting. He asked for comments from the various officers -- six or eight officers sitting around in a circle -- and one of them was the Secretary of Commerce -- I don't remember whether he was fairly new, but he was the man who was the head of the company that makes Life Savers, the candies. The gentleman was sitting there looking as though he were paying attention. The proposition of the Chileans, endorsed by Adolf Berle, seemed to be accepted by the group in general, but Jesse Jones was going, as a matter of routine, around the group to ask their opinion. He came to the man who was the Secretary of Commerce and said, "Mr. so- and-so, what do you think of this risk?" And the man said, "You know I just got it." He thought he was saying, "What do you think of this wrist watch?" I thought this was the pinnacle of the bureaucratic consideration of a serious problem.

JOSEPH JOHN JOVA
Deputy Chief of Mission
Santiago (1961-1965)

Ambassador Joseph J. Jova was born in New York in 1916. He joined the Foreign Service in 1947. In addition to serving in Chile, Ambassador Jova served in Iraq, Morocco, Portugal, and was ambassador to Honduras, the Organization of American States, and Mexico. Ambassador Jova was interviewed by Charles Stuart Kennedy in 1991.

Q: *Then you went off to Santiago, as Deputy Chief of Mission.*

JOVA: I was assigned originally to be DCM in Beirut.

Q: *No, we didn't get that.*

JOVA: When this assignment was made there was a little bit of a discussion, and although I couldn't get into my own assignment, I could at least discuss it with my colleagues. There was the possibility of going to Bogota as DCM, or Beirut, Lebanon. I said, "Oh, I think that Beirut would be more interesting for me. I can always go to Latin America, I'm bilingual. I'm surprised I haven't been sent there before. But unless I solidify my Arabic background, it's gone forever." Well, now

I'm still known a bit in the NE Bureau; and I still remember a little of the spoken Arabic that I had, and knew things about the area, so I thought this would give me a much better professional grounding. And, of course, Beirut was the prize assignment in those days, it was sort of the Paris of the Middle East. So we had all our clothing designed for Beirut, our car was bought for that sort of thing, and suddenly the need arose for a DCM in Chile.

There was a new ambassador, Bob Woodward, a veteran ambassador who had been an ambassador several times. Later on he became Assistant Secretary of State for Latin America, and then ambassador to Spain, only there a short time. He got there and found a problem. The DCM, who is a fine person, had a very interesting wife, but she was ill. She was very ill, a nervous condition I believe, and Bob Woodward thought it wasn't fair to her, or to that family, for them to stay there, and it wasn't fair to the post, a decision that probably the individuals themselves wouldn't have made because they were contributing professionally, and enjoying it. But he felt there should be a change, and he asked for an immediate transfer, and a new DCM. And he asked for me. We told him no, I'm already assigned elsewhere, but as still Chief of Personnel Operations we'll send you a list of options. He wasn't satisfied with any of them, and he knew the Foreign Service too well. Some of them were perhaps hard to place, been on the list for some time. And he said, "No, you guys are cheating me. I want something better." We sent him better lists, and he insisted, "No, this is very important here." He had to have somebody that he was at ease with, that he considered good, and he wanted John Jova. I said, "This is something that I have to stay out of. Let Mr. Henderson decide which is easier to fill, Beirut or Santiago, Chile." Without me he heard evidence, and decided they'd break that assignment, that it was easier to find somebody else for Beirut.

Which shows you how inbred, and sort of bad the Latin American specialists group had become. It was really amazing because, after all, historically that was our main interest since the 19th century. To find that they didn't have somebody they considered of a calibre to go to Santiago. And it was easier to get somebody to go to Beirut of that calibre.

Q: It was almost basically a small cadre. I came into the Foreign Service in 1955, and immediately I knew nothing about this. I was told to stay away from Latin America because it has the reputation of being (1) somewhat second rate, and (2) once you go in there it's like a black hole; you never get out again. Did you have this impression when you were in Personnel?

JOVA: Latin America was often like, for the reasons you've just said, and certainly had less prestige, and less sought after by the younger people, or for the people seeking assignments other than the specialists. Mind you, the situation had changed. Castro had just come in, so that everybody was on their toes. This is one of the things that made it important. They had some fine people, and continue to have fine people. And some of that reputation is not merited. On the other hand, it is true. I give this anecdote to show you that a small cadre was able to come up with a good DCM for Beirut, while ARA was not able to come up with an equally good DCM for Santiago.

So that assignment was broken to the disgust, dismay, of NEA which left scars. I don't think I could ever serve there again, although I understand they forgave me eventually, but they were very mad at Personnel for having broken this assignment. Off we went, but I did find that we were (strangely enough although having a Latin background, and having lived in Cuba as a child, and having worked in Guatemala, and having served in the Navy in Panama, having been involved in

Spanish affairs) I was regarded as an intruder, and an outsider that really couldn't fully-well, be trusted, is not quite the word-but didn't merit full trust, I'll put it that way, as a real ARA expert.

Q: That's interesting. How did this manifest when you first got there?

JOVA: We were in the Bureau here before I left. I did find the Chilean desk much less good than I expected, for instance, and relatively somnolent. Of course, coming from PER/POD where you never stopped working, where the telephones never stopped ringing, you were always being sent for on the top floor, or calling somebody overseas. I transferred my base to the desk over there; it was very relaxed I found, but less hospitable in general. People are amazed at this. I found it less hospitable than the other two or three bureaus that I had been in, NEA, then NEA became AF while I was in Tangier, but then I was in EUR, both in Portugal and on the desk. There I found the people more welcoming, perhaps because I wasn't regarded as an intruder. NEA had a particularly strong tradition of hospitality. I think we talked about that; you never stayed in a hotel if it was at all possible for a colleague to put you up.

Then, mind you (a key point later on), they felt it was necessary to send not one person, but two people to obtain satisfaction that I was handling things well when I was Chargé, and when the elections were approaching. In both cases-one of them was Bob Hurwitch who came later, and he was a hard driver-he came down and said, "I wasted my time. John is handling this beautifully, but I'll help him," and he became a team member and we're still intimate friends. And then later on he went off to Bolivia but he first came down with the thought that this was too much for an outsider, this election business. And then they also sent Tom Mann, another person who had served in Chile, but two administrations before. He was again a fine person, and he came in and surveyed, but all his friends were pre-Alessandri.

Q: By the time you arrived had Bob Woodward left?

JOVA: By the time we got ready to leave, and my predecessor was ready to depart -- it hadn't been planned that we'd go the next week or something, but suddenly it did become...

...[Woodward was] named Assistant Secretary of State for ARA, American Republics Affairs. There was a question of getting down within ten days so we could have at least some overlap. Bob was, oh!, so compassionate, and so thoughtful, pointing out that it would be great if we were to have an overlap and arrive by the Fourth of July because they were giving a combination Fourth of July and farewell, a reception. That would give us a chance to start meeting people right away. So we got ready, awfully quickly, I remember that.

In those days, it was not that long ago, but it was a much longer flight than one thinks: to go to Panama, change planes there, then go again to Lima where beyond that you couldn't go by jet. They already had jets but you couldn't go by jet because Santiago was not prepared to receive jets, so they had prop driven planes. And after Lima, a terrible stop, the plane landed in Antofagasta on Chilean soil, and the young man in charge of the consulate came out to receive us at the plane, and to accompany us during our half hour stop. That was Tom Boyatt. He was already very inspiring, he looked like an eagle scout type. He had organized a baseball team there, and also played soccer with the local military commander who was Pinochet who later became the dictator. And then on

to Santiago, and mind you, when I said it was cliches, we were received like kings. Bob Woodward himself came out to the airport to greet us along with some of the staff. We were put up in the Carrera Hotel which is the best hotel. So it was a very short assignment together.

And then I was left as Chargé and we were able to move into the residence at Bob's suggestion. So here we were living in this beaux arts 1890 or 1905 building that could have been in Paris. We lived there for a month or so while they were fixing the DCM residence, and until they named a new ambassador, Charles W. Cole. He was non-career, but a wonderful person.

Q: Was he president of Amherst?

JOVA: He had had 14 years at Amherst, and before that he was a professor of history at Columbia University, and at Harvard. After Amherst he had been vice president of the Rockefeller Foundation and then he was asked by the Kennedy administration to take this job.

Q: Before we move to him, what was the political situation in Chile when you first arrived there?

JOVA: Effervescent, but tranquil -- or tranquil but effervescent. The president was Jorge Alessandri, and was known up here as the "businessman's president," and it's true that he had been in business. He was head of the paper company -- cardboard and paper company -- which is a very big corporation in Chile; an old bachelor. One of the many children of the old president Alessandri who was known as "The Lion," and the children were known as the "Lion's Cubs" in political parlance. Two of his brothers were also in the Senate. He had been elected from business, but had been elected as president replacing a military government.

I hope people realize how well he ran it. With the new wave of the Alliance for Progress, this was all looked on as very reactionary. He had been Eisenhower's favorite president on his trip through Latin America, one struck a responsive chord, he thought. That was enough, I suppose, to give him the kiss of death for the New Frontier people that had come in with Kennedy.

Q: You were saying that he was Eisenhower's favorite president, but when the Kennedys came in...after all he wasn't a military dictator. Why would we look with some disfavor on him?

JOVA: Perhaps disfavor is too strong, but there was a little bit of that atmosphere, and we were critical because Chile had the traditional social problems of Latin America, and viewed from up here it was run by an oligarchy, and the land owners were still strong. The few manufacturers were strong, and they had controlled inflation but still they had inflation, and they had an artificially high currency. But looking back people didn't appreciate enough the fact that it was a democracy, with all parties represented including the communists, freely represented in the congress -- the socialists, etc., as well as the radicals who were sort of middle of the road despite the name, and the liberals, and the conservatives to the right.

Alessandri was brought into power by a combination of the liberals and the conservatives, a union of the two parties. But all in perfect tranquility. It was peaceful. Sure, there were occasional strikes and that sort of thing. He was very proud of being a citizen president. He could walk back and forth from his apartment to the presidential palace without guards, and people came in and out of the

palace. They could come and “go as if it were a mass,” is the way he put it. He was an old eccentric, a real bachelor, with an old housekeeper, Maria, who prepared his simple foods -- he would be up to date now because it was vegetables, a bit of fish, no animal fats, no liquor, maybe a thimble full of wine from time to time but otherwise mineral water, cream soda crackers. Those were endearing qualities. He was really loved by the Chileans because they thought those were kind of funny, eccentric, but endearing qualities. The fact that he was cranky and bad-tempered, but still good, really endeared him to the Chilean people. And when he turned over the government, when he left, there were cheering throngs all the way to his apartment. I think they regretted him afterwards. The Chileans themselves said, “Oh, we can't have him do this or that anymore because this is austerity now, those good times are past.” Now they look back on those times as really *la belle epoch*, and certainly for us it was a wonderful experience from all points of view.

The Castro threat, the fact that eventually they'd be facing an election and we were already worried about that, if the socialists and communists came in to power through a free election, would be a terrible blow to our system. It would show that Castro could do it by force, but if they did it through the ballot box it would be legitimate. So everything was done to really shore this up and to advance loans, etc., and at the same time pressuring them to do something about the currency and exchange rates. And that, for someone as old fashioned as Alessandri, he was not willing to do. He said, “Look, our income from copper is fixed. The market is limited, we're not going to get more money by lowering the thing (exchange rate). On the other hand, what we have to buy, we're going to have to spend a lot more money if we lower the exchange rates.” And all these things are true in the short run. But the longer this lasted, the distortions, I think the economists call it, the economy grew ever bigger. So eventually he did with an IMF team, a monetary team, but headed by a rather understanding person. But that took an awful lot of negotiating back home with the IMF for them to recognize the Chilean problems, and the strengths that existed, along with negotiating with Alessandri and his government to see the light as far as devaluation. It finally happened, and it was a good thing because as long as they didn't devalue, as one my economic counselor used to say, it will be like drops of water on a hot skillet, any loan we give goes away in no time. But then it created, on the other hand, devaluation which also brings other hardships as we're seeing in Russia and everywhere else.

But the fact is that it was a free democratic political system; it was like being in Europe in many ways following the politics; the parties you could have access to anyone; the communists if you wished. You could see the communists, perhaps less friendly, but certainly the socialists were friendly. Chile considered itself a leader, particularly as it was democratic. And then with a very active reform movement headed largely by the Christian Democrats, which was a new wave headed by Eduardo Frei and eventually he became the president. Well, that again started to take place while we were there.

Q: *The reform of the Catholic church?*

JOVA: Exactly. The reform of the Catholic church, and the liturgy, and its activities; but also therefore support for reform movements that were apt to be Christian inspired. The Jesuits had a study center that was in the forefront in Latin America, perhaps elsewhere, spreading Christian Democrat principles of reform, which included land reform, unions, participation by workers, as well as advance church reform. And Ambassador Cole was a very inspiring and good leader. He

was a wonderful person.

Q: How did he use you as the DCM?

JOVA: He used me with the greatest freedom possible. You see, too often there's that little spirit of jealousy, or envy, or fear, between a political appointee and the career people. And, of course, what we in our Service used to say, "Oh, that's wonderful. He's going to have a seasoned DCM to break him in." Just think how offensive that word is, "break him in," to the new ambassador. But in the case of Ambassador Cole, he was certainly a broad-minded person, and knew nothing about Latin America, and didn't speak a word of Spanish, but he spoke very good French. No, he was a pleasure to work with and I learned so much from him.

Also, as a member of the Rockefeller Foundation, and being a trustee of the Merrill Charitable Trust, he was also in a position to obtain grants for worthy causes in Chile. Even after he left I obtained grants there, and later on, thanks to those connections, I obtained grants in Honduras for peasant training centers, binational centers, which gave him, and therefore me, a little bit of freedom from the more bureaucratic aid grants. Although perhaps patterned on that the aid created something called the Ambassador's Fund, or Impact Fund, for impact projects particularly as these elections drew nearer. So a great deal of money was spent on things that would show soon to have the Chilean people recognize the benefits that came from the American way of life -- a new dam here, a little irrigation project there, technical assistance on land reform. That was a way you might say of fighting the socialist, Allende, the pre-candidate at that time.

Q: Later, of course, Allende came in during the Nixon administration. There have been substantiated allegations of the CIA getting very much involved. Did you have the feeling we were behaving ourselves? We were concerned about this election coming up, but did you have the feeling we were working, as you mentioned, the overt type of aid, and trying to show being a friend of the United States is good. Did you have the feeling that we were paying it off, or doing things we shouldn't?

JOVA: I think we (USG Agencies) worked pretty well as a team, which isn't true everywhere, or at all times. But there was a pretty coordinated effort towards the same goals. There is a rivalry between (agencies) and that came from the political cults, and there certainly was rivalry always. But there it went off particularly well, I think, and we were working for a common goal. We have to remind ourselves they're Americans too, and that's an asset. Sometimes they do foolish things. But later on the covert activities became more intense, if you will, as we tried to help defeat Allende.

Q: This is after your time?

JOVA: No, no. Remember that we defeated him once. I know that we helped the Christian Democrats, I mean helped fund them.

The U.S. and the embassy, and Ambassador Cole particularly, wasn't 100% certain that Christian Democracy was the best thing for the United States. After all, the Chilean brand of Christian Democracy was considerably more leftist, and more show-off in that way, than the traditional

European, frequently taking anti-American stances at the UN, the OAS, and the press.

So at first, I would say, the embassy tried to be judicious. We wanted to prevent Allende from coming, but without supporting necessarily the Christian Democrats, but trying perhaps just by being anti-Allende, helping everybody, but not identifying ourselves with anyone. And Ambassador Cole, who was an older person then, was more conservative than the younger ones, including myself. Even I had my hesitations sometimes about the Christian Democrats' attitudes. But obviously they had a better chance at winning, and it was a much more appealing doctrine that they had than the more traditional things of the liberals, the conservatives, the radicals. I, myself, a Catholic, was also involved a little bit in the sort of reform movements, so it was appealing. But at the same time I didn't lose my head over it. It took a while until we could say institutionally as an embassy, this side, the Christian Democrats, was the realistic thing to support, and a long-run benefit. You just have to have a little bit thick skin sometimes, like I used to later on in Mexico, for instance.

Then, how to help them? And this was with the blessings of Frei. Should they be the only candidate against Frei, Allende, or was it healthy to have a third candidate, or fourth candidate running? And little by little the candidates dropped out. The Conservatives, and the Liberals, had three candidates, but they dropped out. The Radicals had a candidate. And it was the Frei opinion, and the opinion of his advisers, that it was better for him to have the Radicals running because there were a great many Radicals who were very anti-clerical, very traditional. They'd vote for the left rather than voting with a party that was considered, while Christian, they were associating to one degree or another with the Church. It was important to give them an option so they wouldn't go fully left, and stay with their Radical party. Radicalism is really a party of bureaucrats; they service the bureaucrats, and the bureaucrats service them. Their symbol is a big soup spoon because their whole idea was pay off, and participate in the benefits of politics...not their whole idea. But their radicalism had been rather diluted, it was sort of a middle way. So we worked quite hard to keep the radical candidate, Senator Julio Duran, in the race. It worked, and Frei won handily.

Q: This election was when?

JOVA: (September) 1964. Then there was the feeling (of Frei and the Christian Democrats): "Ah. We made a big mistake, we could have won anyway. We shouldn't have taken U.S. help." And this, of course, was embarrassing to be filtered out as it has been over the years, that there was U.S. help for Frei. I think we could be quite open, and I always am, about saying yes, but it was more impact projects, and helping the Radicals at his request. Helping the Radicals to stay in the race to dilute the trend leftward. But I think we gave more help than that. Certainly there were people trained in running election campaigns. Some of the things were rather silly. The Chileans knew more about elections, and about campaigning, about politics, than anyone in New Jersey did.

Q: This anti-Americanism. How would this manifest itself? Was this one of these things that was endemic within the Latin American culture?

JOVA: Yes, to different degrees in different countries. We're the great big partner, we're in the same hemisphere, even these that are far away. And Chile, it was a surprise to me -- I didn't know that much history -- there was always some resentment because there was a feeling that we were

pro-Peruvian. Don't forget that there had been the War of the Pacific, and that we had favored the Peruvians back then, and we always had (favored them) because of our interest in Peru. We also had big interests in Chile -- the Andaconda, and other copper mining interests.

The Argentines also are very anti-American although we couldn't be further away in miles at the other end of the spectrum. And many times they feel they are more cultivated than we are because they are more European, or because they have a more sophisticated political system. They have such a free political system that they can laugh at Americans being McCarthyites, or worrying about communist behind every bush. No, our system is strong enough that we don't have to worry. We are able to have relations with these parties, and with Moscow, but out of deference to you we're not doing it yet, but we want to do it. They also got their comeuppance because it turned out that they played it that way but later on, after Frei, Allende came in.

Q: One other thing I wonder if you could talk about, because it's so important in some places in our Latin America policy. That was our military to their military relationship. How did you see that at the time we're talking about?

JOVA: Oh, it was good and positive. And in those days the Chilean armed forces were considered to be guardians of democracy, and wonderful. Mind you, they had had a general as president but everybody seemed to have forgotten that, and said, "No, our system is great, and the armed forces are great, they are the biggest supporters of the constitution, and of civilian government." And they were a good armed forces, and they got along well with ours. They were interested in the election. They also were fearful of Allende getting in. I'm talking about the second time. He had run once before. And, of course, this was one of the things we were interested in, "Would they do something to stop him if he were to come in?"

Q: What was the concern about Allende at the time we're talking about, within our embassy, and up here in Washington?

JOVA: Grave concern.

Q: Why?

JOVA: Just the fact of winning through the ballot box would be terrible. Would he have his allies, the communists. He was a Marxist, but he was a Socialist Marxist, but still he was a Marxist, and here we were doing the Alliance for Progress and spending all this money. First Kennedy, who loved the Christian Democrats, and the people around them, and Johnson who hated anything...well, the Kennedys also, they're the ones who invented counter-terrorism. Later on they sort of washed it a bit, and laundered it and made counter-terrorism mean doing good things like impact projects. But originally it meant doing the real thing.

This was given the highest priority, to beat Allende democratically, but the fallback was that we were already exploring with the armed forces; if there was a run-off election, would they stand back of it? I must say, I had no trouble at all with our military. I know in some places the embassy and the ambassadors had great trouble with the head of the MAAG, the military mission, the attachés. No, (they were) good collaborators; CIA also was upset, but as I say, they too are

Americans helping the nation, but still there is a little rivalry between us, and they have been taught to lie, and they don't come clean all the way. But I think you have to respect the fact that they did perform a useful role.

Q: You were saying the story continued. But again, we're talking about your term in Chile when you were looking at it. How did this play out?

JOVA: Poor Julio Duran, he perhaps helped, but they (the Christian Democrats) won handily, and there was great euphoria at home, and in the embassy. I remember we were in constant touch with the State Department, and when the election returns were in we finally said, "We've broken all the rules, we've opened champagne, we're toasting it down here too." And at home, by that time Kennedy had been killed, and at that time it was a Johnson thing and he was concentrating on Vietnam more and more, but still he wanted a tranquil Latin America, and no horsing around about it.

Again, (it was) a most interesting experience, the opportunity to work with Frei, and that government for nine months. Once we had won the election, Ambassador Cole felt that his job was done, and he was increasingly eager to get back to his own life, so he offered his resignation. Strangely enough I had been sounded out, would I accept being ambassador to El Salvador? And I was very enthusiastic about that. With Ambassador Cole resigning I got word, "That's off, we need an orderly transition there, you're going to be Chargé until they select a new guy, and you have to break the new guy in, assist the new guy as much as possible. We're withdrawing your name." I said, "Opportunity knocks but once." "No, no, you're well thought of, and this will be your contribution. You'll get it again." But you know, it doesn't happen.

Q: All these promises mean nothing.

JOVA: So Ambassador Cole left and he didn't even wait for the new term to begin. He said, "The election is the important thing, I want to get back and do my own thing, go to our house in Amherst, his interest in fly fishing, and the two foundations he was on." They went back and she died shortly thereafter. Mrs. Cole was an equally nice person. I was Chargé d'Affaires again at a most interesting time for the turnover; for the assumption of power by the new government; for the inauguration which is a big thing. People came from all over the world because this was a historic event, Christian Democracy winning through the ballot box. That was an inauguration to beat all inaugurations from the local point of view, great popular enthusiasm, and we named a very high level mission headed by Adlai Stevenson, with his dear friend Marietta Tree, and several others; the president of Cornell University -- a mixed bag -- the woman who translated Gabriela Mistral, the Chilean Nobel Prize winner, David Lloyd Krieger and his wife. We had to work awfully hard on that. Again, it was a successful participation, and I treasure the memory of Governor Stevenson, and of Marietta Tree, who is beautiful. It's easy to forget that, but right there in Chile they knew about him and crowds would go wild applauding every time he stepped outside, partly because he was a U.S. representative, but the fact that it was Adlai Stevenson.

Q: Bob Woodward mentioned that he was astounded at his popularity when he came in, very early on, in Chile when he first arrived.

JOVA: One terrible thing happened, and I quote Frei on this. It was a bad thing. A few months after the presidential election they had the other elections to fill seats in the congress and the senate, and the Christian Democrats swept that too. He said, "This is very bad for me because now we have absolute majority in the congress, and we have the presidency, and that's a most difficult situation to maintain party discipline." And there you found the Christian Democrats vying for being -- one more leftist than the other -- for power, looking for their own futures. And I saw what he meant. Of course, they paid for this later.

But I became quite friendly (with Frei). I knew him so well during the times we were helping him in the campaign. Naturally as president he was a little bit more remote, but I continued to see him whenever I wished, and talked informally with him. His wife was homely as sin strangely enough, but a very good and wonderful person, and most of the people in his cabinet.

Eventually they named a new ambassador, and then what had been paradise with Ambassador Cole, became hell you might say, with Ralph Dungan, who really was the most difficult person for Foreign Service people.

Q: Where did he come from? What was his background?

JOVA: (He came from the) White House, and from New Jersey originally, that part that adjoins Philadelphia, and had been a political operative, and had never really run anything. The only time he had to run people was when he was in the Marine Corps, had ran the Officer's Club, or something of that sort. The rest of the time he was a lone operator, with sharp elbows -- smart as could be, but jealous of anybody else, not accustomed to working as a team member. And I did my best to tell him, look, this is a wonderful machine that you have inherited, it's just a question... (of whether you)... instinctively want the American ambassador to be a success. Yes, we're whores, yes we are whores -- that is what he would call us -- we're accustomed to serving whatever party, whatever president is in office, but certainly we serve the one who is in office, he is our president and therefore you are his representative. He, of course, one of those with intense animal energy which I admired, quick witted, but very emotional, and just Christian Democracy and here was God's gift to the world, anything that was Catholic, and anything that was leftist was it. Let's make friends with the communists, let's play tennis with the newest ambassador. Well, I think, as the Latins say, the first rule of politics is don't divide and subtract, but add and multiply. [The Christian Democrats in 1970] lost because Allende got a third of the vote and there were three candidates, but he got 33%. It's very minor, and they could have avoided that I think if they had been encouraged, "Look, work together," like we did the time before (in the 1964 election).

Q: Were you there?

JOVA: No, I wasn't there. I was gone but I was ambassador to the OAS.

Q: Why would he have come this way? I mean this sounds very personal with him, rather than the infatuation with the left and putting down others. This wasn't really our Dungan policy, the Johnson Administration policy.

JOVA: Not the Johnson. That's one of the reasons he left the White House.

Q: *They just wanted to get rid of him?*

JOVA: I think they did.

Q: *Would you describe him as being kind of a left-wing radical or something like this?*

JOVA: (Dungan was)...an idealist. No question, an egomaniac and took things very personally. He was a reformist, idealist, ideologist, that sort of thing, with his attraction to reform, and specifically to Christian Catholic reform, and a hatred for the business class. Right there he alienated the whole American community. And I remember when they came to ask him, "Would you and Mrs. Dungan be the chairmen of the American Ball"...a charity thing that raised money. And the response was, "We haven't come down here to dance." You get the picture, I mean that's a little tiny thing. Hated the business interests at home, and there in Chile even more so. Anyway, I think if you talked to anybody that served there they found him very difficult to work with, and me, the DCM, attempting to be a little bit of a cushion, and the staff in the middle was not successful.

Fortunately, I say, "How did I miss that second term? Opportunity knocks but once." And who knows what would have happened. If another cycle of efficiency reports came, who knows what would have happened to me then? I know my wife, who was not Catholic, made a vow like a good Latin to visit our Lady of Fatima at the local church parish twice a week and said a prayer, "Dear Lord, dear Lady, help us, get us out of here alive." And it worked, I guess, because they suddenly offered me the ambassadorship in Honduras. And who knows if that would have happened after a cycle of efficiency reports.

Q: *Let me ask, before we finish with Chile: Here you've got an ambassador, I mean this guy is in diplomatic parlance, a son of a bitch to work for, but he is also alienating the American business community which is extremely important. He is cutting us off from contacts with the other parties which traditionally we're supposed to be...here you are, a professional. Obviously you're supposed to support your ambassador but at the same time your greater loyalty is not to the ambassador but to American policy. How did you work in this situation? I'm talking about communication with the (Chilean) desk (in the Department) and other places. How did you operate under this situation?*

JOVA: I used to think I could get along with anybody. I was wrong. I had to speak my mind. On politics, of course, he (Dungan) had a lot of direct experience, therefore he thought he knew. And opinions to the contrary he considered striped pants, deals of cookie pushers, not to use those terms necessarily, but that attitude. And then, of course, from an ego point of view for him to say, "Oh, isn't that wonderful. I've a DCM who already knows everybody, who is bilingual in Spanish." All those things were daggers in his heart. Whereas Ambassador Cole was broad minded enough to forgive me (for); the fact that I spoke Spanish; the fact that I already knew people there; that I could have access. Dungan couldn't, and by that time I was much more important than when Ambassador Cole [was there]. I had been Chargé so many times, I had lived through the elections, etc., and it was most annoying to Dungan. He could forgive the fact that we had friends in the Conservative and Liberal parties, but the fact that we had friends in the Christian Democrats -- that we knew them, that was unforgivable. Because, of course, while he was in the White House all those people were going up to see him, so he knew a lot of them well before he came down.

Q: What happened to him? I mean did he last much longer? Was he there very long in Chile?

JOVA: Well, he lasted enough time, I think, to do some damage, and then he was succeeded by another person equally dangerous, equally egomaniac or more, Edward Korry, but I was already gone. We'll come to him later, if you like, when I was at the OAS.

Q: We'll pick it up then.

JOVA: I'll just give you an anecdote. As one Chilean said, "Yes, he'll put up with any criticism of the United States, but he won't put up with any criticism of Edward Korry."

And years later I was ambassador to the OAS and named to head the American delegation to a UN conference, actually the United Nations Economic Commission for Latin America, and it had its headquarters in Chile. But this was going to be the UN from all over, a conference on Latin America. He (Korry) took that as an affront that I was going to be in the country. I didn't know this, but Charlie Meyer, who was our (ARA) Assistant Secretary, told me that afterwards. He was jealous of me, and here I had already been gone several years, and I was coming for something specialized. I wasn't going to be mingling with the Latins; he even went to the point of -- he sounded out, "Would you give a reception?" I didn't realize the feelings were so strong, "Yes, if you bring your own funds. This embassy is too poor to host a reception for you." So we had a reception in the Polo Club that I used to belong to, which was near where we were meeting anyway. And he didn't come, but his wife came. They (the Korrays) were already under pressure, they knew that they were not looked on with favor at home by then.

Q: It isn't surprising. This is what can happen. It can happen with career people too.

JOVA: It can happen with career people, we're not exempt from it, but we're a little more realistic.

Q: ...sort of been through the mill, but at the same time this ambassadorship can do things to people.

JOVA: And to those first ladies, because when they get an ambassador, its like, "Hey, you're criticizing the ejido system, or the plantation system." Here is the same thing, when they get the plantation, they get the serfs on it, they get the laborers on it, completely in the old days. I don't know what it's like now, but the political appointees, they had everybody, the wife had all the women, and riding roughshod over everybody.

Q: One last question before we finish this section. In Chile, and God knows some distance removed, but how did we view Cuba from there? Because this was at the height of Castro, and he was going to exploit his revolution.

JOVA: This is why this was so important to us.

Q: I mean did we have the feeling that the Cubans were messing around there at all?

JOVA: Cuba, of course, isn't a member of the OAS, but is a member of the United Nations, so they were represented there. I found there was a fatal attraction, Latin to Latin, and also just because it was like a little element of danger, an excitement to be friendly with the Cubans, and I found there were people around them all the time. And in spite of our blockade, or perhaps because of it -- not a blockade, but an embargo -- they meant something. I was polite to them, talked to them a bit -- not at length, but talked to them -- but I did see how difficult the United States' position is. The instinct is to go the other way with the Latins.

I can't remember whether Frei opened the embassy with Cuba, or not. I don't think so. No, they continued to obey, fight against it in the OAS, but always skirting it, trying to have trade, but did not open the embassy. They opened an embassy with the Russians, and that we made a big thing about when they said they were going to do that. I had to pull the stops at the highest levels, and Frei got quite mad. He said, "Look, this is ridiculous. I have to be independent. I'm respecting your country in regard to China. I realize that is a very emotional thing for you on China, and I'm not doing it with China although I'm under pressure to do so. But with the Soviet Union, I'm under great pressure to do so. Also you have relations with them. You don't have it with China. Several other Latin countries have, how can I, coming in a new wave, not have relations with the Soviet Union? Naturally we'll try to make it at arm's length, but I must have it." Well, he did, although Stevenson and his delegation were under instruction to pull out the same stops, and they got the same reply, with increased annoyance.

And locally he had the Soviets in, and of course, Ralph Dungan played tennis with the new Soviet ambassador, so it was a big event. On the other hand, while he was there, they didn't open the thing with Red China.

Q: Well, Dungan was there, and doing this stuff, I'm surprised there wasn't somebody coming out and spanking him from the White House or the State Department.

JOVA: Well, eventually he lost his position. Not because he was playing tennis with the Soviets, but just in general. I'm telling you about the way he treated us, our people, his staff. This was common knowledge at home. They knew it every day more and more. And, of course, bad news always gets back. At all levels people were writing, not in the cables, but there is a telephone. People in Washington would come down. He may have stayed all through the Johnson years, I don't think so. They kept him there because of the delicacy of the Chilean situation. And he was a smart person, he had already been head of Time, or something of that sort. But anyway, Ralph got his comeuppance, and when he left he became Commissioner of Education for New Jersey. And it was the same way there, and at the end of a year they raised a lot of money and bought out his contract. Then he was without anything until the Democrats came back again. They made him our representative to the Inter-American Development Bank. And then at the bank he became unpopular, but the bank takes care of its own, and when he lost that job, and he did lose it, they named him to a special post that had been created, located in Barbados to foment private enterprise, and private investment in the Caribbean region. I thought that was ironic. Here is somebody who hated the business community so much and that was what he was sent to do.

Q: Well, I want to thank you very much. This is fine.

Today is December 12, 1991. This is a continuing interview with Ambassador John Jova. John, we've reached the point now where you went to Honduras. How did that appointment as ambassador come about? This is always the big step when you're first appointed ambassador.

JOVA: I was told, "There'll be other opportunities." One can't help but wonder because not for nothing they have that old saying, "Opportunity seldom knocks twice." But you can just hope for the best. Circumstances change, and certainly if I had been there much longer with Dungan, I might have been completely unsaleable, who knows.

I had gone with the Air Attaché on this boondoggle, if you will, to the southern most regions of Chile and Argentina. We spent a day or night in some of these sheep ranches, and then we were in Punta del Lajos, which is right by the Straits of Magellan, and we were at dinner with the Naval Commander of the region who was an admiral. And while we were at dinner the aide interrupted, and said, "We have the embassy in Santiago calling Mr. Jova." Sure enough, the embassy in Santiago was on the phone and the duty officer said, "We have this cable that just arrived from the Department which says "The President is thinking seriously of naming you as ambassador to Honduras, but before proceeding with this determination wishes to know if you would accept such a nomination, if indeed it is offered." So that was a great thrill. I went back to the table, and the admiral at once said, "Break out the champagne." So we had a champagne toast at this good news. That's how I learned, but it was rather dramatic.

We went back to Santiago a couple of days later. Sure enough, I read it, and I said, "Reply affirmatively." It takes a little while, but it was eventually announced. I remember that the Chileans were such snobs in some ways and think Santiago is heaven, and it is in many ways. The reaction was, "Poor Jova." I think even the newspapers, "What has he done to be assigned to Honduras?" I explained, "Yes, but you have to start somewhere." It was a wonderful thing, it was my first embassy.

Q: *What was the year?*

JOVA: This was the summer of 1965.

Q: *So this was the Johnson administration. Who was the head of ARA? What was the atmosphere of ARA when you got back there, because this has always been such a volatile place. Sometimes its rather placid, and other times its got some personalities that have very strong ideas about our policy there, and I was just wondering how you found it at that time. Was Tom Mann there at the time?*

JOVA: I believe he was. Tom Mann, Lincoln Gordon...

Q: *And Bob Woodward at one point, just for a short period.*

JOVA: Oh, he was already in Spain.

Q: *He had been yanked out, and he was only in ARA for a few months.*

JOVA: Chile was only a few weeks (for Woodward), and then in ARA for a year or so. It wasn't very long, and then (he) was given that very important job as ambassador to Spain.

In Chile we had trouble with AID. I know the ambassador was instrumental in changing one, and we got another who turned out to be even worse as far as relationships with the embassy.

The other trouble was with CIA, the station chief. And I want to tell that story because not often does this happen. This was more with the person, rather than with the organization. I had had traditionally rather good relationships and in Chile we fought the battle together on the campaign to promote the election of president Frei. Only once did I have trouble there as you don't know everything they're doing. But this station chief was also a Latin American, and a Latin Hispanic background. We were friends and collaborated a lot, and I knew more than usual. I'll put it that way. But his boss came with the head of Latin American Affairs, or even higher in the home office, and they brought him to me.

Q: *This is in Chile?*

JOVA: In Chile. And I remember suddenly I found myself sitting in my chair and being hectored and questioned. I finally said, "Hey now, wait a minute. Are we having a conversation, or is this an interrogation?" He reacted right away and changed his tone, and we started talking normally.

Wherever I've been, in all those countries, we've had lots of access to the local White House, the presidential house. Certainly in Chile that was the case. In Portugal, it wasn't. Salazar was rather remote.

Q: *The Foreign Minister.*

JOVA: The Foreign Minister, or the appropriate opposite. But certainly in Chile one could go see the president quite readily, either the ambassador or the Chargé, and certainly the Foreign Minister or any other minister.

Q: *The US National Security Adviser. (Kissinger)*

JOVA: Exactly, had other things on his mind. It was difficult to get him to focus, and he would apt to be rather flippant on this. I remember him saying, "What is Chile?" "Well, we're having trouble with Chile, as the result of the Allende election." "Chile is a dagger point right at the heart of Antarctica."

Q: *I used to use this when I was with the Board of Examiners, and taking new candidates. I used to quote this, but using not Chile but Latin America, and say, "What does this reflect?" and let people develop that one.*

JOVA: He (Kissinger) became somewhat more interested when he became Secretary of State. But he had something blow up on him when he said, "What we want is the Latin Americans to get together and establish unified positions and then we can negotiate with them." So that happened,

unfortunately, and he found that even more difficult. But at least the Central American thing was, in a way, good because it involved everybody, ourselves included, in a common purpose; at least on that subject.

There were other things that divided us, such as the fishing rights. You know, some things the Latins had been fighting for, we were adamant on...three mile limit, no fishing rights beyond that, control of another 12 mile limit. When the Latins started...because the Latins are really addicted to doctrines. I think that was one of their inventions, whether it was 100 miles or the continental shelf, I can't recall right now, but by golly that has become accepted now. And that was a source of great quarrels and battles, and we were actually accused by Ecuador in this case of all sorts of violations, and brought up, I think, under the Rio Treaty. Accusations of violating their sovereign rights because of the tuna boats, and of course our tuna boat lobby in Los Angeles, or in San Diego, is very important. But strangely enough, we've come to recognize that, and now we push it.

Q: I think an important thing about this relationship in the OAS, I don't want to over- characterize it and please correct me, the United States obviously had its policy because of our size, and might, but was Mexico as a major country the leader of the other side in most cases where we weren't all together?

JOVA: Yes, except that the Chilean delegation...Allende was still in. That would be the leader on some of the leftist ideas, and if Mexico were to join in with the judiciousness of the Mexican ambassador, and the judiciousness on many things of Mexican state policy, well then that became very formidable. Now if the Mexican, and people like that didn't join the Chilean, why then, as Don Quixote said, "The dogs bark when the caravan is leaving." You know it doesn't matter too much. It might mean something but people would do their telegrams, I suppose, and there wasn't that much sympathy when he had gotten into an extreme mood.

Q: Were you there when Allende was overthrown?

JOVA: Yes, I was.

Q: How did that play in the OAS? It was a very controversial thing. Even today the role of the United States is a matter of great debate.

JOVA: Yes. There again there were legalistic positions. It was a change in government, therefore an internal matter. Chile promptly named an elderly, respected person as the Chargé d'affaires to their mission to the OAS.

Q: What were you getting from the State Department, any other issues that they felt you'd be concentrating on when you went out?

JOVA: It seems to me that I'm always charged with some frivolous matters -- that's a terrible word to use. When I went to Chile to be Chargé, it was to persuade the Country Club to cut down the pine trees that obstructed the view because a mistake had been made in the plan for the very important embassy, and the land was two meters lower, but anyway this was a big thing. When I was going to Honduras as ambassador, it was also some little inconsequential thing.

DOROTHY JESTER
Economic Officer
Santiago (1962-1964)

Dorothy Jester was born in 1914 in Mesa, Arizona and majored in Spanish at Stanford University. She was posted in Lima, Mexico City, Munich, Mexicali, Bonn, Santiago, and Santo Domingo. Ms. Jester was interviewed in 1998 by Laurin Askew.

Q: Well, Chile.

JESTER: In the embassy in Santiago, I was number two in the Economic Section under a nice fellow named Tom Favel. The work generally involved reporting on local business conditions, trade, the mining industry and agriculture. About a year after my arrival, we had a visit from the Foreign Service inspectors. As I may have mentioned, I had recently been promoted to Class Two. The inspectors decided I was too high ranking for the position in Santiago, and so they recommended a transfer to a post where I would have my own economic section. This turned out to be Santo Domingo, Dominican Republic.

ROBERT A. STEVENSON
Political Counselor
Santiago (1962-1965)

Ambassador Robert A. Stevenson joined the Foreign Service in 1947. His career included posts in Costa Rica, Ecuador, Germany, Chile, Colombia, and an ambassadorship to Malawi. Ambassador Stevenson was interviewed by Charles Stuart Kennedy in 1989.

Q: Then your next assignment, you were there from 1962 to '65 as Political Counselor in Santiago, Chile. What was the situation in Chile at that time when you went there in '62?

STEVENSON: I'll come back to that right away, but before we leave the Cuban situation, there's one thing I'd like to tell you about. In the summer of '62, after I had left the War College and before I went to Chile, I was asked to sit in on a National Intelligence Estimate (NIE). I was assigned back to INR just temporarily, to fill in until time to leave for Chile. In INR they said I would sit in on an NIE on whether or not missiles were going into Cuba. I always enjoyed working on National Intelligence Estimates, and I said, "Sure."

So we worked on that, and I think it was in early August of 1962, we had our final session. It was chaired by an Agency (CIA) fellow. I think it was (someone named) Montgomery, a very impressive guy. Anyway, we all concluded, except one -- the Air Force member took a footnote on

it -- we all concluded that the Soviets would not put missiles into Cuba. (Laughter) We just couldn't believe that they would be that stupid, is what it amounted to, and that the evidence was not conclusive. We concluded that they would not do it, except for that one member's footnote, which I still think was emotional rather than reasoned or based on fact. I just wanted to get that in here, to show how wrong we were.

Q: Again, this is the hard thing. When you are sitting down with a group of experts on a place, you look at the political reality and what you should do. But then in a way, if somebody such as Khrushchev decides, "By God, I'm going to do this," going against his experts, perhaps, you're always going to be wrong if you try to figure out how essentially an eccentric leader will see things.

STEVENSON: Yes. That was just before I went to Chile that I did that. Then when I got to Chile, Jorge Alessandri was the president. He was a middle-of-the-road *radical*. *Radicales* weren't at all radical; they were very much a middle-class party, not even social democrats, although sometimes they pretended to that coloration. The Christian Democrats were coming along strong. I got to meet Eduardo Frei, as a Senator, and got to know him and had him out to the house one time for lunch with Ambassador Bonsal. He was a very nice fellow. I have a lot of respect for him. Frei, who is now dead, was a very decent man. Radomiro Tomic I got to know, too, but I never trusted Tomic, and I still wouldn't. He does, however, have a most charming wife.

It was a very active country politically, because democracy had flourished pretty much in Chile, and Congress was very much a going concern. To be invited to high tea with a senator at the Congress was really something. I was impressed -- this happened (to me) a couple of times -- and you'd see a Conservative senator say "Hi" to a Communist senator, and he'd say, "Como está, Pedro?" or something. So there was some nice contact there in the democratic sense, even with those to whom you were strongly opposed politically. I was really impressed with Chilean democracy, and I followed that (1964) campaign very closely.

Q: This is when Frei --

STEVENSON: When Frei defeated Allende and Duran -- Duran ran under a coalition called Frente Democratico, I think it was, which was *Radicales* and *Conservadores* and *Liberales* banded together; and then the Christian Democrats ran Frei, and the Socialists and Communists ran Allende under FRAP (Frente Democratics Popular).

Allende made approaches to the Embassy. I still think we were right not to respond, because he was only trying to use us, in my opinion. He wanted to use contacts with the Embassy to show that he was just another ordinary politician, no foe of the United States and so forth. At any rate, in that election, in 1964, Frei won an absolute majority. I was lucky; I predicted the exact vote for each candidate and won the embassy pool, and I had the satisfaction of my Ambassador saying he was very proud of his Political Counselor because he'd won the pool. (Laughter) I was lucky.

Q: The Ambassador was Phillip Bonsal at that time?

STEVENSON: No, this was Charles Cole.

Q: *Yes. Charles W. Cole, a non-career.*

STEVENSON: Ex-president of Amherst, member of the Fly Fishermen's Club of NYC and ardent fly fisherman. John J. Jova was the DCM, an extremely able DCM. You haven't interviewed John Jova, have you?

Q: *No, we're planning to.*

STEVENSON: I learned much from John. He was a very able guy, a skillful negotiator. He used to take me with him on some of the high-level stuff. I remember when Duran talked about pulling out of the election, and this concerned us because we thought many of Duran's votes then might go to Allende. So I went with John when he dió la cuerda a Don Julio, he wound Duran's clock. (Laughter) And he did it very well, and Duran stayed in the race and drew his five or six percent of the vote.

Q: *What were American interests in Chile when you were there?*

STEVENSON: Politically, we wanted democracy to stay in power. We were skeptical of Allende and his crowd, and I think rightly so. It's not accurate to say we didn't take sides, because just as they're talking about Nicaragua, whether we should try to help the democratic crowd down there, when the '64 election loomed on the horizon and the FRAP socialist candidate won a congressional by-election in Curico Province, a very close one (in Chile), and we didn't call it right -- I didn't call it right. The FRAP did win it by a few hundred votes over a Christian Democrat, and the Frente Democratico candidate was third. Tom Mann was Assistant Secretary, and he got very concerned. He sent down -- what was his name from the Agency? He's dead now. A very sharp guy, brilliant, really, to talk about the situation with us. Marietta Tree's first husband, the father of the girl who wrote *Fire in the Ashes*. What was her name?

Q: *Fitzgerald.*

STEVENSON: Yes. Des Fitzgerald came down. So everybody was very concerned. We discussed (whether we) would we help Frei and the Christian Democrat crowd. He was getting some help, but the Communists (FRAP) were obviously getting much more help. They really were financing a very strong campaign for Allende. The decision was that we would not help unless Frei wanted us to help. If Frei indicated he wanted our help, we would. I happened to be the one that they came to when they decided they did want help. They came to me, these two fellows, and asked to meet me at my house, a couple of politicians that I knew. Rudy Fimbres was with me. They said, "We come from the Senator, and he really would like your help." So then we did help in that campaign.

Q: *By "help," what do you mean?*

STEVENSON: We supplied money. We helped him.

Q: *Were we having reports that the Soviets were giving money to Allende?*

STEVENSON: We felt that they were. We had plenty of reports that they were. There was no other source. There was no other way they could have run the expensive campaign they were running without outside resources. There was just no way they could have done it. It included radio time. Chile was a democratic country, and Allende was allowed to campaign freely.

I still think -- of course, I guess I was in Colombia when Allende came to power -- but I still think that if he had run a social democratic government and had not tampered with the Congress and pressed for revision of the Constitution he could have done his seven years. But he just went too far for the Chileans.

Q: In Chile, what did you do as a political counselor?

STEVENSON: Since it was a very active country politically, maybe too much so, a president gets elected and the political shenanigans begin the next month.

Q: It's a seven-year term, but one term.

STEVENSON: Right. Well, I was very busy there getting to know the different politicians, getting to know how they thought, how they felt. As I say, I met many, many of them, and my job was to cover the campaign. I went out to campaign rallies, and Rudy (Fumbres) would cover some. Then we had a third officer. We covered the rallies. We covered the campaign very well and reported how we saw the thing developing.

Again, the whole thrust was we hoped that the democratic forces would win.

Q: How much was the American business interest in Chile wagging your tail?

STEVENSON: They were there, but I would say not at all, not that we really felt that factor. The copper companies were there. Kennecott copper and Anaconda were real big. There were two or three other big American outfits down there. They were progressive, in that their wages were higher than anybody else's. I went up to the dedication of a big housing project up in the north one time, sponsored by Bethlehem Steel. They had done a real good job of housing for their workers. Nothing we had to be ashamed of in the way the American business was operating in Chile, nothing at all.

I suppose later there was the thought that even the Christian Democrats were not uncritical of American interests. They had their left fringe, too, pretty strong, Padre Vekemans and others. And it was Frei who nationalized the copper. But they had this thing that we, I guess, had imposed. They sold their copper at a fixed price to the U.S. and the world price might be quite different, but all the big copper from Anaconda and Kennecott had to be sold in the U.S. at, say, 30 cents, whereas the world price might be 50 or 60. If you were in the pequeña minería, the small producers, you could sell at the world price. There weren't more than three or four big ones that had to sell at this fixed lower price. This used to annoy the Chileans, though they had gone along with it because it was a good deal when they first got it. Then the world price went up and, of course, they would have liked to have been out of that arrangement. Of course, this was the big source of their foreign exchange.

I liked Chile and the Chileans. An interesting place to be. I found it hard to believe, after the overthrow of Allende, some of the atrocities that took place. It was very hard for me to believe. It just didn't seem to fit the Chilean mold as I had known it. But Rudy Fimbres went back down there, and I trust Rudy, and Rudy told me, "I'm sorry to say it's all too true, that some of this horrible stuff did go on."

Q: How about the Chilean military at that time? How did you view it?

STEVENSON: Very impressive. Very impressive. Very professional. I met a number of them. I negotiated the new Naval Agreement for a Naval Mission with the chief of staff, General Otto. I found him an extremely able guy, very balanced and level headed. I didn't know Pinochet. I never met him that I recall.

Q: But you didn't feel that here was a group of military people, hard right-wingers, sitting there glowering, waiting for their chance?

STEVENSON: No, I didn't get that feeling at all. And I still think -- and I've read Pinochet's book -- and I still think that if Allende hadn't pressed it so hard -- he was pressed by his left wing -- I would have to say, but if he hadn't gone so hard with the thing, I still think they would have let him do his seven-year term. Of course, as you know, he was a minority president. He had 36 or 37% of the vote, and the other vote was anti-Marxist. But Frei went along in the Congress with voting for Allende. That had been the tradition.

Q: You were there when Frei was elected, is that right?

STEVENSON: Yes, in 1964, and I was there for the Frei inauguration.

Q: Then you left.

STEVENSON: Ralph Dungan came down from the Kennedy crowd, one of the ex-Irish mafia from the White House, a very able, very smart -- but I guess I'd qualify that -- not so able as an ambassador, although I'm sure he learned and got better in the process, but when he first came, he was pretty hard to take and not all that sharp on how to run a good Embassy. But he learned. I always got along with him. He asked me to stay on there as his DCM, but Tom Mann wanted me to come back to replace Jack Crimmins as Cuban Coordinator.

Q: You went back to Cuban affairs.

STEVENSON: Kicking and screaming, yes.

Q: In 1965. I would imagine that you could have seen your heel marks all the way from Santiago up to Foggy Bottom.

STEVENSON: Dungan asked me, before he went up to Washington on a consultation, if I would be willing to be his DCM, and I said, "Yes." He went up and made the pitch and was turned down

by Tom Mann, who said they needed me up here.

Q: Mann, at that point, was Assistant Secretary for Latin American Affairs.

STEVENSON: Yes. Jack Crimmins went to the Dominican Republic as Ambassador [to the D.R.]. Bill Bowdler was in the office as deputy, and he went over to the White House as Latin American man on the NSC. So the years in Chile were very interesting years. I thoroughly enjoyed them.

Q: You mentioned something that I think would be interesting to talk about. You say Jack Vaughn did not get overly involved or sympathetic to the upper class in Latin America. I have never served in Latin America, but I understand that in many of these places, the upper class often controls things and is very powerful, particularly because of its wealth, and there is little relationship with the people down below. From your impression, looking at the Foreign Service, do we get captured by this class, because of their social abilities and all this? Or is it a problem?

STEVENSON: I think it's a problem you have to watch. I think it can happen, because many times they are very attractive people, very well educated, just attractive in every way, a lot of them. It was certainly true in Chile, that Chilean upper classes are delightful people, very cosmopolitan, witty, and bright. But I think the thing is changing in Latin America. For example, many of these people in Chile had become Christian Democrats and were working fervently to try to change things, to better the lot of the inquilinos and the poor, rotos (urban poor), in Chile, the very poor elements. They were working hard.

I think in Colombia, an increasing number of upper class Colombians were concerned about the social and economic situation, so that you did have a good many upper class people who were working hard for social programs, a lot of times with the Catholic Church. You still had real reactionary business types, you know. I shouldn't say just the business types, because there were many reactionary landowners, too -- really throwbacks. But this social ferment of raising the standard of living and bettering the lot of the lower class has really bubbled a lot in Latin America.

When I was in Chile in 1980, I saw there were big changes in the rural countryside, and I didn't see any more of the barefooted inquilinos that I remembered from my time in Chile, which was '62 to '65. In 1980, I didn't see any of them. They were wearing their blue jeans and sneakers, but they were better off, no doubt about it. They used to look so miserable in their rags and bare feet, standing in the cold mud, because it gets cold down there in the wintertime.

Eduardo Frei, the Christian Democrat who was elected in 1964, had a big program to try and help the rural poor, and, I think, with a lot of success.

What I see now, however, despite the success, and there has been growth in Latin America and there has been betterment of the living standards of little people, is that the gap has widened because we've grown so much more. A lot of their progress has been overwhelmed by population growth. They've had such a rapid increase in their population that it's very hard for the per capita standard of living to grow very much.

Q: Governor Rockefeller made a visit?

STEVENSON: Yes.

Q: Could you tell what happened? This was in 1969.

STEVENSON: Oh, God, yes! That fiasco when President Nixon asked him to go down, and a group of distinguished people to go down.

Q: At the time he was the governor of New York.

STEVENSON: Yes, and President Nixon had just come in. He appointed this high-level group to take a survey of Latin America and tell him what should be done about our Latin America policy. God, it was a high-powered proposition. Advance men came down and told us just where they wanted the lectern placed and all that kind of crap. They are miserable people to deal with. Rockefeller himself was very pleasant.

But this was set up so that Governor Rockefeller and some of the key people would talk to the president of the country without the presence of the ambassador. Now, some ambassadors wouldn't stand for it. They said, "Nothing doing. If he goes in to see the president, I'm going with him, and I insist," and should have, and did insist. I don't think Ray Carlson insisted, and I don't criticize him for it, because I don't think I myself pressed him. But the GOC indicated to us that it wanted him present, so I think he was always there.

So they came in and the head of IBM was along. I've forgotten his name. It was a high-powered group with their own plane, who toured around. They got a lot of good suggestions, I think, and not one damn thing came of it. Not one thing. It was a complete waste of money and time.

Q: There wasn't a mob attack or something like that at that time?

STEVENSON: No, not that I recall. I found Governor Rockefeller -- I met him two or three times, and my wife and I took him out to the plane. Again, I don't know why that happened, but we did. He and his wife were very nice, very pleasant. I would have liked to have seen the report. I think it was probably a pretty good report.

Q: Did you have the feeling that everything was focused on Vietnam? Because Nixon obviously came in with probably as much expertise and self-learned knowledge of world affairs as any president in history.

STEVENSON: Yes. And some firsthand knowledge of Latin America, too.

Q: Yes.

STEVENSON: Latin America was distinctly back burner, and continues to be, except for the -- well, look at the OAS: We haven't even paid our quota in the OAS for years now.

Q: What was the situation with Jack Vaughn? Did he leave the post?

STEVENSON: He was there only a year, and then he resigned from the Foreign Service.

Q: *Why?*

STEVENSON: I think personal problems. I think he was getting a divorce. He resigned on his own accord.

Q: *Oh, I see. This wasn't because of policy.*

STEVENSON: He wasn't too happy with policy. I will have to say that. But it was no big crisis. I think it was largely the problem of the forthcoming divorce.

Then Len Saccio came down. He had been DCM in Buenos Aires, a very competent guy, a lawyer, had been DCM in El Salvador, DCM in Buenos Aires. I respected him very much. He was a good ambassador. I only served under him for about six months, but he was good.

Chile was a lot of fun, Political Counselor in Chile with the stuff that was going on there. Eduardo Frei and his campaign to win the presidency. In terms of living, Chile was the best place I lived in the Foreign Service abroad as for the climate, and the people, too, were extremely interesting and friendly.

THOMAS L. HUGHES
Director, Bureau of Intelligence and Research
Washington, DC (1963-1969)

Mr. Hughes was born and raised in Minnesota and was educated at Carleton College, Oxford University and Yale University. After service with the US Air Force he worked on Capitol Hill and became active in Democratic Party politics. He later joined the Department of State, first as Assistant to Under Secretary Chester Bowles and subsequently as Deputy Director, then as Director of the Bureau of Intelligence and Research, where he served during the event filled period 1961 to 1969. His assignments brought him in close contact with the major political figures of that era. His final government assignment was to Embassy London as Deputy Chief of Mission. Mr. Hughes was interviewed by Charles Stuart Kennedy in 1999.

Q: *What was Project Camelot?*

HUGHES: Beginning in the Kennedy administration and continuing under Johnson, extensive covert CIA funding for political action in Chile had been approved. It was designed to undermine Salvador Allende, who was alleged to have Communist sympathies, and to support Eduardo Frei and his Christian Democratic party. Important members of the Kennedy family, some White House staffers, prominent Catholic church officials here and in Chile, and Frei himself were

“witting” of this enormous subsidy. In fact the amount “invested” by the CIA in the Chilean elections in 1964 exceeded the joint cost per favorable voter spent by the US Republican and Democratic parties in the US presidential election that same year. Arguably these covert arrangements, which often involved siphoning US government funds through religious channels, violated the US constitutional separation of church and state, but such legal niceties were brushed aside as they had been since the 1948 Italian elections. Politicians in Santiago, of course, could not help but be aware of this huge outlay. Once again, liberals in the Kennedy-Johnson administration, who knew about it, appeared to be reassured that the CIA was occasionally doing something besides supporting dictators around the world.

President Kennedy’s brother Bobby and, I believe, his brother-in-law, Sargent Shriver, were prominent among the supporters of this venture into Chilean politics. So was my old friend from the Kennedy office on Capitol Hill, Ralph Dungan, who was now an assistant to the President. Ralph’s sympathies were known to be enthusiastically with the Christian Democrats. Indeed soon after Frei was elected President, Ralph became the US ambassador to Chile.

Meanwhile also in 1964, and presumably independently of all the above, the US Army’s Special Operations Research Office (SORO) got to work on the largest single grant ever provided for a social science project. They named it “Project Camelot”, one hopes not mocking Jackie Kennedy’s contemporaneous effort to memorialize the Kennedy administration. It turned out to be the biggest public relations disaster for government-academic relations in American history up to that time. 140 man years of work were contemplated with on- site investigations in Latin America to assess the “potential for internal war”. Publicly supported by the US army with the “cooperation of other agencies”, it was announced as a 3-4 year effort funded at \$1.5 million annually.

Project Camelot’s timing in the spring of 1965 could not have been improved upon to guarantee a maximum uproar. President Kennedy’s interest in counter-insurgency had been well known, President Johnson had just unleashed Rolling Thunder in Vietnam, the US had just intervened with troops in the Dominican Republic, and Latin Americans had been sensitized once more to Yankee imperialism.

Suddenly, in May, the Camelot story broke in Chile. The press was full of accusations of US spying, possibly hidden US and Chilean army collaboration, and academics exploring a potential coup. There were howls of protest from the Chilean academic community, the legislature, and ultimately from President Frei himself. Ralph Dungan, now ambassador, fired off a protest to Washington demanding Camelot’s immediate cancellation. He must have had his own private thoughts, “witting” as he was of other recent US covert activity in Chile.

Dean Rusk found the uproar particularly unsettling. The US Army sponsorship of the project had been proclaimed to scholars around the world as though it was the most normal and accepted behavior. This was a personal embarrassment for Rusk. As an old army man himself, he had always given the army the benefit of the doubt. This time he had to admit the adverse effects on US foreign policy. The perception of the US army paying for a gigantic study on potential internal war, possibly governed by a “know your enemy” mentality, to be pursued by scholars on the ground in Latin America, invited some obviously adverse political repercussions abroad. Ironically this Chilean fiasco proved to be a precursor of the real thing a decade later when Nixon, Kissinger, and

the CIA were instrumental in toppling Salvador Allende who meanwhile had taken the presidential office in a democratic election.

Q. What finally happened to Camelot?

HUGHES: After official protests from both Frei and Dungan, McNamara cancelled the program. In August, 1965, LBJ ordered the State Department to review US government sponsored research abroad for its possible negative effects on US foreign policy. Rusk then asked INR to create a board of review which I was to chair. We set up a "Foreign Research Council" with fifteen members, supported by a review staff of six professionals in INR working full time. We concentrated on examining research proposals for foreign work, travel, and contacts sponsored by military and foreign affairs agencies—chiefly Defense, USIA, AID, ACDA, CIA, and State. Subsequently in 1966-68 a good many proposals were vetoed or modified.

Rusk himself had to testify on the Hill. Federal budgetary anomalies again came to the fore. He stressed that \$30 million was then being spent each year by the US government on research in behavioral and social sciences, but that the State Department accounted for less than 1% of this annual outlay.

AURELIUS "AURY" FERNANDEZ
Director of University Operations,
USIA- Bi- National Center
Santiago (1963-1967)

Aide to Ambassador Ed Kory
Santiago (1967-1970)

Aurelius Fernandez was born in New York in 1931. He graduated from Bowling Green University, received an M.I.A. from Columbia University and served in the U.S. Army from 1953 to 1956. His postings abroad have included Bucharest, Vienna, London and Paris. Mr. Fernandez was interviewed in 1997 by Charles Stuart Kennedy.

Q: Let's stick to the Binational Center. What were you doing? What was the Binational Center doing?

FERNANDEZ: This is a period, you know we had the Kennedy years right, even though Kennedy had been assassinated. It was early, probably January of 1964, that I went to Chile, because my son Mark had been born in 1963. What was going on, was still the momentum that was behind youth programs, as they called them.

In the Binational Center, my title was Director of University Relations. I had this little office and had all kinds of students in there all the time. The idea was to get access to the students and to put across our point of view. It was a well-financed program. In the beginning it had considerable

amount of autonomy and I really took the fullest advantage of it and had a lot of fun. I worked very hard at it and I got to know a great number of students. The idea was to bring them in touch with the embassy, with the ambassador, with visitors. If you had a senator visiting you could go out to the university and had the contacts already. We would let people [visit] the U.S. ships that [participated in the UNITAS military exercises. These ships] would go up and down the west coast of South America and you'd come and you'd see the [ships and I] would be the one who would program all these trips.

That was the thrust of that work. There were exchanges involved to some extent and I worked on those. Basically, it was to be in touch with university student leaders. There was at the time the thing called the "potential leader biographic reporting list." At any rate, we were really interested in getting to these people. Among the programs that I organized, for example, I came to the United States at the time, with five student leaders of student federations, and there was money to do all this.

[I recall the presidential] elections of 1964 [between] Frei vs. Allende. There was concern to get out particularly the Christian Democrats. We're speaking of 1964, speaking about an idea called the "revolution in liberty." It was really sort of the second answer of the Cold War in Latin America. The first one having been in Colombia, trying to get some kind of stability and progress and democratization [down there] at the time. At any rate in the election of '64 there were the few contacts that I had been sent out to make with students. I was able to help some of them with some of the community development projects to help support the Frei government, in effect.

That election, of course, came out with Frei on top and there was great optimism and belief that we finally have an answer to Fidel Castro. The Christian Democrats of course, were great philosophers, great believers in a lot of the theology of politics and were an exciting group of people, but a difficult [group] to work with. They liked to distance [themselves] at the same time. They wanted their own identity and their own independence. In a few student programs we were trying to keep them on the path to a democratic system.

Q: What was your impression at that time, during later 1960s, of universities? Because one always hears about the universities as being hotbeds of Marxism. Of course, Allende was coming from that particular wing of political thought. During this time what was your impression of these institutions?

FERNANDEZ: The universities were highly, highly politicized. Of course, the people that I used to see, the students I used to see, were all one-thousand percent full-time politicians. As for the activity on the campuses, they were fought out along political party lines. People ran for office in the student federations, and down in the lower levels of the student organizations within the universities, with party affiliations that were very clearly known. Which made it kind of interesting because I got to know communists during that period. Young people that I would have into my home with these discussions with these visitors and such.

Universities were in considerable disarray. [Although they were] not as bad as [in] other Latin American universities, there was the business of the autonomy of the university so that the police couldn't go on to the university [campus]. Some [groups] became more radical than others. As for

the extremes, to the nightmare of the communists, there was always the MIR, the *Movimiento de Izquierdo de Visionario*, which was a Cuban, Castro-oriented operation. That was a constant thorn in the sides of everyone, particularly the communists, because they hated to be outflanked on the left, but also for the Christian Democrats who felt they had to be responsive for some of these things, and had to respect the opinion of the communists. The charges would always come back to this, "You guys are just too intolerant of communists. You don't understand the Chilean communist [movement]."

Q: How did we respond? Were you under any restrictions as far as dealing with those identified as communists?

FERNANDEZ: No. In the programs I had at the time, no. There were actually people within the Christian Democratic Movement who were far enough to the left to be even to the left of communists. As much as I could deal with them, these were not people who were standing there with open arms just dying to see me. It took a lot of work to gain their confidence and [to] do things of interest to them. We had the resources to do it. Like books, for example. [We gave out] hundreds of copies of Paul Samuelson's important economic textbook. I never would go out to lunch to a university without doing this. We would set up libraries within dormitories and in departments and in the schools of journalism with books that would come from USIA and also from USAID.

Q: Was there much of an Indian or indigenous population in Chile?

FERNANDEZ: There is. Chile is, in a way one of the least Indian countries of the area. Of the Andean region, compared to Bolivia or Peru, certainly, very, very clearly. But the Chileans were very, very brutal with their Indians. The Auracians as they were called. They were just plain executed. There still tended to be, within Chile, very strong racial-based prejudice. There were several Indian artists that I remember, who were sort of descendent of Auracians. But there tended to be, depending on the color of your skin, prejudice about this. At the top it's a very Europeanized country in terms of its leadership. There is a great German minority brought over in the 1930s to develop agriculture. There was the sort of Yugoslav minority. Among the sort of Spanish types, the Basques had their own thing. They had enormous enterprises, they had their own social clubs and such. There was a small Asturian circle. But, basically, Frei was a Swiss German, Tomich was really Yugoslav, or whatever Yugoslav was, Serbo-Croatian back then. Well, that's the sort of immersion, I wouldn't call it a melting pot.

Q: Turning to the time you were the ambassador's aide, this was about '68 to when?

FERNANDEZ: 1968 to 1970. Maybe 1967 to 1970...

... We had specific numbers. There are great electoral roles in Chile. There was a lot of electoral data to work with from way back, volumes of material that you go to try to trace patterns of voting and such. At any rate, that was a miscall on Kory's part. Kissinger, who was then up in Chicago the day after the election made the comment about it that the outcome was not to the U.S.' liking because the communist coalition, communist-supported coalition, had won. Well, the rest became history. I left shortly after that election. I left in December and the election was in September. Things sort of lumbered along. I think Nat Davis was the next ambassador who went down there.

Ed Kory came back and went to the UN, US-UN and I have forgotten where else he went after that. At any rate, he is, I was telling you, one who certainly helped me and gave me a great experience in the front office.

Q: What was the feeling about...we're moving up to, now, the election of '70, actually a sort of a mano a mano, a split vote. This was how Allende got in. Was there concern on our part about Allende and prior to the election were we trying to get the people to the right of Allende to sort of get it together so you wouldn't sneak in with a...?

FERNANDEZ: I think in our chatter it was clear we could see some of these dangers from the prognostication that we made, you know, four political officers. It was clear from that. But I wouldn't know how to describe what was at work here other than there were several explanations. I think one of them was that we said that the right, which couldn't stand Tomich, and Allende won by a very small margin. Part of it was attributable to the right, that would say, "I can't stand Tomich. I know Alexandre won't win, I'm going to vote for him, anyway." Of course, in that close election Tomich came in, I think he came in third, but it was really 20,000 votes that cost him. As I recall, our explanation in part was that the right had [perhaps] yawed away without realizing that this by default electing Allende. That just did it. Tomich came in third trying to be very radical, trying to make sure he wasn't identified with the right, that he wasn't saying things that Allende [said to] the right. Unless somebody said, "If we don't get this guy, we're going to get Allende."

Q: What was the feeling after Allende was elected prior to your departure? What was he going to do or was the feeling that he might have won, but it was by such a margin that he really didn't have much power. How did you feel?

FERNANDEZ: One of the other pieces of what I would call the conventional wisdom at the time was that the Allende coalition with the near radicals or the communists, that this really did not have a possibility of working out based on the traditional system of sort of patronage politics. The pie was going to be sliced up too thinly. It was just too diffuse a coalition. There were always obstacles to carrying out whatever policy or there was a thrust in carrying out policy that wasn't favorable to strengthening the coalition. It was all sort of individualistic sort of party-oriented positions that were taken. Well, after a lot of that, then the coalition of course, just fell apart and that's why Pinochet took over. Was it March of 1973? I'm not sure of the date anymore. I was back here by then. At any rate, the coalition that Allende won with was not a very coherent one and it would have been very, very difficult to govern with that.

THOMAS B. KILLEEN
Peace Corps
Santiago (1964-1966)

Thomas B. Killeen was born in Wilkes-Barre, Pennsylvania in 1940. He joined the Peace Corps in 1964 and was posted to Chile. He entered into the Foreign Service in 1967, serving in Israel, Bolivia, Thailand, Ghana, Venezuela, and Somalia. Mr. Killeen was interviewed by Charles Stuart Kennedy in 1992.

Q: Where did you serve in Chile and what were you doing in the Peace Corps?

KILLEEN: I was in Santiago and I was part of an experimental program. It was a very interesting thing: the experiment was a success, the program was a failure. The Peace Corps Director for Latin America at the time was a fellow by the name of Frank Mankiewicz, from the movie-making family, who subsequently was an aide to Bobby Kennedy and these days he's a lobbyist around Washington. He had a lot of ideas and some of them rather ..(?).. Our particular project -- a two-group project -- was to do urban community development and that was, more specifically, pre-political organization of poor people, little people, to try to bring them into the political process. I was the first group and after I had been in Chile for about a year another group came behind us to do the same thing. The two groups clearly demonstrated, the way I saw it and others did too, that foreigners just couldn't do that kind of stuff, (that is) go into a place and try to organize people. No matter how much in fact we were trying to stay away from anything that was overtly political, we were in fact foreigners. We didn't know what the hell was going on, we didn't know how to even perceive local problems let alone start to resolve them. And I am talking about the people, the volunteers, who were oriented to do something like that. The trauma, the culture shock or whatever you want to call it, is of taking somebody fresh out of university and putting him into not just a slum, but a foreign slum, where nobody spoke English, where there was considerable hostility in the environment. I speak of a natural hostility -- angry dogs, an astronomical death rate, infantile mortality rate.

A couple of people in my group literally couldn't get out of the house. There was one guy who, he was a nice enough fellow, could only keep house for his roommate. There was nothing homosexual about the relationship, he just couldn't bring himself to get out of the house. A couple of times a week during the height of the day he would walk two blocks and go shopping at a supermarket kind of arrangement and once a week he would go into town to take a bath. Other than that he stayed in the house, stayed in bed a fair amount of the time sleeping and reading. Another guy divorced himself from the community in which he was living and supposed to be working and got himself in with the country club set. He was very gifted athletically and he was on all the teams of the country club. Nice enough fellows in every case but they couldn't get any further into the local community than that; they couldn't do this kind of pre-political organization that we were supposed to do. Very few of us could do any of it. It demonstrated pretty clearly, both my group and the following group, that it couldn't be done. To the best of my knowledge the Peace Corps has never even attempted to do it again. Now obviously it would take a certain amount of real gumption on the part of an administrator to try to get together a group of people to do that. Your administrator would have to be somebody like a Frank Mankiewicz. Your ordinary bureaucrat would not think of anything that could be so explosive in the local situation. The U.S. Ambassador at the time was a fellow by the name of Ralph Dungan, who was not a Kennedy appointee but a Johnson appointee because he was one of the Kennedy -- I don't want to say inner circle -- speechwriters. Johnson sent him off to Chile -- not entirely in exile, but sort of -- and he was sympathetic to the kinds of things we were trying to do. He even came out to the particular Chilean slum in which I was working to have a meal and see what the place was like.

PATRICK F. MORRIS
Director, Office of Bolivian-Chilean Affairs
Washington, DC (1965-1968)

Mr. Morris was born and raised in Montana. Educated at Georgetown University, Mexico City College, and San Marcos College, Lima, Peru, Mr. Morris served in the US Army in Europe during World War II, where he was captured and imprisoned by the German Army. He joined the newly established Point IV program in 1950 and worked with that agency and its successors in various senior level capacities in Washington, D.C., in Paris and throughout Latin America. His final posting was in the Dominican Republic, where he served as Director of the US AID Mission. Mr. Morris was interviewed by Charles Stuart Kennedy in 2007.

Q: Okay, where did you go then?

MORRIS: Sixty-five. I came back to Washington and by that time the- in the Latin American area the State Department and the Alliance for Progress, which of course was part of AID, but the Alliance for Progress was incorporated into the State Department. We became part of the State Department and I was given a State Department job. I became office director for Bolivia-Chilean affairs. And we integrated all of the AID offices and the State offices and so I had under me a Bolivia desk office and a political desk officer and an AID desk officer and a Chile political desk office, a political desk officer and an AID desk officer. And so I was in that job from 1965 to 1968 and during - well, during that time there were two - in Chile, this was the time of a populist movement, Christian Democratic populist movement in Chile that resulted in the election of Eduardo Frei. That party was a new party in Chile that became very popular and came to have a great influence and again, from the point of view of the Kennedy Administration, was another sign of great change.

Q: Well, let us take Chile first. I would have thought that Chile would be somewhat like Venezuela. It did not have oil but it was a fairly well run, sort of democratic country.

MORRIS: That is correct.

Q: As opposed to Bolivia. And did it need help?

MORRIS: Well, unlike Venezuela, Chile had copper. This was one of the primary sources of government revenue. But overall it did not have any- it did not even come close to Venezuela in terms of prosperity. The price of copper fluctuated and the revenues to the government from copper fluctuated with the price of copper. The arrangements that they had with Anaconda Copper and Kennecott were modest in terms of the amount of money coming in to the treasury from copper. Chile was an agricultural country really; had good agricultural practices and had therefore had a standard of living that was higher than Peru and Bolivia but not as high as Argentina and not as high as Venezuela in terms of- I say Venezuela, that is those prospering under the oil economy. But Chile had a long democratic tradition, interrupted one or two times by military coups but for the most part it was one of the countries in Latin America that had a better record of freely elected democratic governments than most.

But the Institute of Inter-American Affairs had had programs in Chile, I think beginning, well beginning during World War II; just it had in the other countries. They were not large programs, I think it was mainly in public health and maybe something in agriculture but they were not large programs. So the Institute had been there and the Chileans, like the Argentines had never really declared themselves one way or the other with regard to the Second World War and were not too cooperative with the United States on many things. They had a large German population in the south and so the U.S.-Chilean relations were proper but not too warm. When Frei came in, this, in a way, was revolutionary in the sense that this was a very reform minded government and there was talk of agrarian reform and there was talk of redistribution of income and so forth and this frightened a lot of people. But again, the Kennedy Administration saw this as the beginnings of the kind of change that ought to be taking place in Latin America and so we gave strong support to Frei. So when I came on Chilean affairs in the State Department we had already established large loan programs; we called them program loans. Now, these were different from the kind of support that we gave to Bolivia, had been giving to Bolivia before when I was in Bolivia, in the sense that the loan money that we gave - were grants, they were not loans. We gave large grants to the Bolivian government for budget support. The program loans that we gave to Chile were loans, first of all, and secondly they were to support general areas of economic activity within the country. But those areas were identified so the loan money was dispersed to specific areas of development; agriculture, port building, whatever. And at that time, when I took over Chilean affairs, the two largest programs in the hemisphere, new Alliance for Progress programs were Chile and Colombia. The program that I had started in Venezuela in the early years before the program loan started was the largest in the hemisphere but by the time I took over Chilean affairs there were large program loans going to Chile. Really this was monetary support for a democratic government, is what it was.

Q: How did they handle it?

MORRIS: For the most part there were never any scandals on how the money was used. From my point of view as office director I was not convinced that our accounting systems were all that good in following where the money was going but since there were no scandals that ever came to light I guess we have to assume that in general the money was used for what we had intended it to be used. And this support was very important for Frei because just like in Venezuela there were great doubts in the business community, that is the Chilean business community, and the conservative parties in Chile that Frei was just another communist in camouflage. But nevertheless we carried on a very active assistance program to Chile and we had a very good relationship during the time that I was there.

One of the things that I tell people, in my whole experience as a member of the U.S. foreign policy organization, I never ran into any other government that was so skillful at manipulating the United States. The Chileans were masters at knowing exactly what to say and how to say it and when to say it to get their way with the United States on practically every issue and I could do nothing but take off my hat to their skill.

Q: Were you aware of this game being played on you?

MORRIS: I was; I was. And of course they really were not playing the game on me because they were playing the game with the United States Government and I just admired how daft they were at it. But I will never forget, Radomiro Tomic was the Chilean ambassador and Radomiro was a prominent politician in the Christian Democratic Party with presidential ambitions. In fact, he did run for president after Frei left but he was the Chilean ambassador to the United States and I was the office director and Radomiro would call me and say I have to see Secretary Rusk. And I would say well okay, Radomiro, you know, I have got to write up a request to the secretary and what do you want to talk about? So he would go through the motions and I would say, Radomiro, that is not going to get you into the secretary's office. And he would insist; he would insist that he had very important business. One time he called me with one of these requests. He got in to see the secretary quite often, actually. I went along as a note taker. One time he called me and said I have instructions from the foreign ministry to see Secretary Rusk immediately. I said what is it about, Radomiro? And he said the Bolivians are mounting a military attack against Chile. He said our intelligence shows that the Bolivians have been moving troops to the border for two weeks now and I have got to talk to the secretary. And I said well, Radomiro, we have been following the same movements and we do not think that there is any danger of the Bolivians actually mounting an attack; we do not think they have the force. And he insisted and I said okay, Radomiro, I will do my best to get you in to see the secretary. He said look, I cannot go back to the foreign ministry saying Secretary Rusk refused to see me. And I said okay, Radomiro, I will do my best to get you in but I said, Secretary Rusk has probably even better information than I have and from what I see there is no threat whatsoever. And he insisted so I wrote up the memo and I called up, it was probably Larry Eagleburger because he was the aide to Rusk at that time, I am not sure that it was Larry.

Q: Yes.

MORRIS: Yes. But anyway, on the basis of my call to whoever the aide was, Radomiro got in to see Rusk and typical, he spent about two minutes on this threat. He wanted to talk to the secretary about Vietnam. And I am sure that he did it to be able to, on the diplomatic cocktail circuit, to say well, when I was talking to Secretary Rusk yesterday about this in Vietnam, just to burnish his own image. But anyway, Rusk was very friendly and tolerant of Radomiro; he called him Brother Tomic. He would say Brother Tomic, and then he would justify our presence in Vietnam. But from my point of view it was quite educational in the sense that I got to hear Rusk's speech on why we were in Vietnam and there is no doubt that it was heartfelt. I mean, Rusk believed, he probably believed to his death that we did the right thing. But Tomic was very good; a good- in the typical expert Chilean fashion knew how to get around and knew how to make himself known and to advance Chile's interests. And all the time I was head of the office we had excellent relations with Chile and the Chileans usually got what they wanted.

REUBEN LEV
Administrative/Personnel Officer
Santiago, Chile (1965-1970)

Mr. Lev was born and raised in Brooklyn, New York and educated at New York

University. After service in the US Navy in the Korean War, he joined the Foreign Service and was posted to Santiago, Chile as Administrative/Personnel Officer. Returning to the State Department, Mr. Lev was assigned to the Bureau of International Organizations working on UNESCO matters. He later served at the US Mission to NATO in Brussels, after which he rejoined the Bureau of International Affairs, again dealing with United Nations Affairs. He also served briefly with the Civil Service Commission. Mr. Lev was interviewed by Charles Stuart Kennedy in 1999.

Q: We'll talk about the time in Chile. You were there from '65 to '70. Who was the ambassador when you arrived?

LEV: Ralph Anthony Dungan was ambassador when I arrived, and he was followed by Ed Korry, who had been in Ethiopia at the time. And the DCM's were Bob Dean and Harry Shlaudeman, both excellent. My counselor for administration was Jim Keegan, he had worked with Roger Abraham in Mexico City where he had a heart attack, and they sent him to Santiago because it was a quiet post. And it was at that time the Movimiento Izquierda Radical (MIR), the radical leftists, started to really get involved, and the Frei government had legalized the Communist Party, so Santiago was far from being that quiet post where you can recuperate from your heart attack. Then we had Marty Martínez – his name was Manuel Martínez – he was also the executive officer of the AID mission. We were one of the first posts that integrated. We had a joint administrative staff, so we finally worked together as a mission. This was not what Dungan had wanted, but Korry did. Marty himself was an AID type; I was State; Ellis Glynn, the general services officer, was State; as well as the USIA man. It was the first successful joint administrative support (JAS) operation in Latin America I think.

Q: What were you doing?

LEV: I was the personnel officer and also filled in as administrative officer. The hard work was integrating all these various personalities, and each one protecting his turf. Sid Weintraub, who was the counselor for economic affairs was also director of the AID mission. So integration not only happened on the administrative side but also on the substantive side.

Q: This was a time when AID had its own empire, and State Department people were kind of annoyed because often AID got better benefits and that sort of thing. I would have thought that putting AID and State together would have been breaking a very big rice bowl, because AID would be losing, essentially.

LEV: Maybe because it was Santiago it worked out well and we all worked very closely. I think there was a personal element that was able to overcome the service rivalry. We had to for self-survival because at that time AID had the balance of payments and operation reduction. It was a reduction in force where you're going to have fewer men doing the same amount of work.

Q: How about Ambassador Korry? How would you describe his operation from your perspective?

LEV: Korry was a fascinating guy. My understanding is that he had been either a journalist or in

some other career with the old Look Magazine. He had his own way of dealing with things. I felt that Korry did not take professional advantage of the people he had around him. He had a solid team, whether it was the political or economic, but at times he just seemed to have his own agenda. It did lead to some problems, and after we had left Chile in '70 he was removed. I forgot who replaced him, but that was the time of the coup. And afterwards when he wrote his own story about what had happened in Chile the only place he could get it published was in one of those flesh magazines. I don't know if it was Hustler or some ridiculous place.

Mrs. LEV: Maybe it was Playboy.

LEV: No, it wasn't Playboy. It was, as I said, one of these back-bench magazines that you would read with a brown paper cover. But, he was professional; he was politically oriented; my own personal feeling is that he just did not know how to take advantage of his excellent staff.

Q: Particularly, when you think of Harry Shlaudeman.

LEV: There was Harry, there was Sam Moskowitz, who was his counselor for political affairs; there was Sid Weintraub. These guys went out to the grass roots and there was a young political officer named Keith Wheelock, who went out to the countryside to find out what is going on there. They really understood the situation while, for one reason or another, Korry either misread it or didn't put it all together or, again, he may have had his own agenda. It's my own personal view that when the balloon finally did go up and they threw Allende out, he was surprised. And we just couldn't understand it.

Q: When you first arrived in Chile, what did you think of it?

LEV: I think that we felt very little change. Having come from New York City, it was like going to another large urban center. Santiago at that time was about three and a half million people. The Chilean population is somewhat similar to the United States. About 85 per cent of European origin, and the other 15 per cent are of Indian background. It was very, very Westernized, except in the rural areas. It seemed that the only thing that changed was that we were speaking more Spanish than English. It was a very comfortable transition. Housing was excellent. The weather was phenomenal. The climate was like Los Angeles, smog and all and the same type of temperature. The people were highly educated; the literacy rate was about 90 per cent. And to the work itself – it was just a matter of moving my own background and expertise as an administrator and adapting it to the need of an overseas post with multiple responsibilities for the other agencies and people. We had at that time a staff, other than the Peace Corps, of about 60 or 70 Americans in the embassy. AID was a similar size. AID, State, and USIA employed about a hundred odd Foreign Service nationals. Plus there were almost 300 Peace Corps volunteers throughout the country.

Q: On the personnel side, did you run across particular Foreign Service type problems?

LEV: Well, I do remember that they sent down a junior officer trainee who had 40 weeks of French. When I asked why they had sent a highly qualified French speaker I was told that there were no francophone slots available. The only available JOT (Junior Officer Trainee) slot was in Santiago. His name was Jimmy Carter, believe it or not, but it wasn't the Carter. He was a sharp son of a gun.

He picked up Spanish [*snap*] like that. But other than that the operations were pretty basic and we always had the FAMs to fall back on.

Q: The Foreign Affairs Manuals.

LEV: Manuals. I always used them as a guideline. They were not my bible, but there were times when I could use them to clinch an agreement with some of the Foreign Service types. But those were very exceptional cases. Basically, it was a matter of being a human being, being a listener, being as objective as the system would permit. I also had an excellent support staff. My nationals were fantastic, and several are still there. They were truly bilingual, they understood English, slang expressions included..

Q: What about the political situation when you arrived, and how did it develop during your tour?

LEV: When we first got there all we knew was what had been in our area studies. I had no language study because there had been no time. I didn't pay much attention to what was going on for the first three months. I was just trying to settle in as a family, finding out where the right buttons were – finding housing, waiting for furniture to come down (which took about six months).

But by about December I became very aware of what was going on in the political arena. President Eduardo Frei, who had been elected in 1964, had legalized the Communist Party, and that led the other radical groups to become more active. At that time the Socialists were further to the left than the Communists because the Communists having just been legalized wanted to preserve a moderate image. The government itself was slightly left of center.

Things were going a little bit better for the country. As a result of the Vietnam War the copper prices were doing very nicely. They were going out of sight. But Chile had no real manufacturing capability so raw material would be exported. The finished product had to be imported at twice the price. Another problem – one that Frei was trying to address – was that only about 35 or 40 per cent of arable land was in agricultural use, and they were importing a tremendous amount of stuff. What Frei wanted to do was to get more of the large ranches, called *fundos*, under cultivation so as to minimize food imports. Now, in 1999, this is exactly what they're doing, and some of our fruit – grapes, apples, peaches and pears – is coming from Chile. But at that time, they were importing more than they were exporting. And that led to some political unrest, and then, of course, the extreme leftists took advantage of this thing and made a wedge and made it very difficult that the universities and particularly in the universities there was a lot of dissent and unhappiness on the part of the students.

Q: Mrs. Lev, what was your perspective on how things were there?

Mrs. LEV: For about the first two years that we were there, Chile was very pleasant. As a woman and as a wife, I didn't have any concerns about traveling by myself from where we lived to Santiago proper. I had no concerns about our son being at school or even leaving the baby with the maid for short periods. But after we were there about two years, toward the end of 1967, things began to change. One of the first signs for me of the change was Reuben coming home and saying that the home of one of the military attachés had had a firebomb thrown at it. That really sort of

began to signal changes.

An ambassador from another nation told me not to accept packages, and to tell the maid not to accept packages. And occasionally there were phone calls, if we were at a coffee or if we were doing something with the ambassador's wife, telling us, "Don't ask questions, go home and stay there," or "Go home, the kids are being sent home from school." And the environment began to change. An American friend and I had gone downtown shopping, and we were caught in a demonstration that was really very frightening. We hid in a store because it wasn't the crowd that was frightening, it was the water guns being used to control them. When that ended we got home as quickly as we could. Another time I was in a taxi and suddenly became aware of chanting and a mass of students, arms linked, walking up the street. I was really very frightened. I didn't know what would happen or where to go. But the driver turned around and said to me in Spanish that it was not a demonstration against America; it was over a student problem. It was a dramatically different environment. Social affairs with Chilean friends didn't change. But there was a different sense for me as an American woman and wife, that it was no longer this lovely peaceful place. One day we had gone to Viña del Mar with the children and when we came home that night the maid was frantic. We had passed through Santiago proper and seen a lot of tanks and army personnel but hadn't thought too much about it. But she was afraid that we had been caught in the demonstration that had involved a call-out of the military and several deaths, too.

And in Viña we hadn't known anything about it. So we didn't think to call her and tell her we were all right, and when we came in it was like a fiesta, "You're home! You're safe!" So the first two years was a different experience from our final almost three years from the perspective of making a home and living with your children and your family in a foreign country. I was certainly not terrified all the time, far from it. Chile was a beautiful place to live, and for the most part the people were wonderful, but there definitely was a change. And not having been politically aware earlier, it was very much a learning experience, albeit at times not comfortable. But that's part of the Foreign Service.

Q: Reuben, how was this translating in the embassy?

LEV: The government itself, and this may sound like heresy, was *too* democratic. It's difficult to explain, but there was too much leeway. There was very little control from the top vis-à-vis the heavy imports of foodstuffs and of finished products. The middle class was starting to become very strong, but there was still at the top those who had a tremendous amount and at the bottom those who had zilch, to put it bluntly. It just didn't work out the way he had hoped. It was almost like Hooverian economics. The idea that if you put it in at the top it will trickle down to the bottom didn't work. And people were angry about what was going on, plus they used the business with the Vietnam War – translated as the imperialistic Yankee chewing up those poor people in Asia. And of course, there's poor Cuba as the stalwart against the imperialistic Yankees. At the top there was just a tremendous amount of, maybe it was complacency, people at the top not listening to what was going on. This almost was the feeling that we had about thinking within the embassy. Marilyn and I had a tremendous number of informal contacts with the Chilean population, not only the people at the top, but the middle class and some of the people below, the families of the maids that we visited. They were telling us that there's too much complacency on the part of the government about the situation with the people at the grassroots. And this is what the political section with Sam

Moskowitz were trying to explain to Korry. In the elections in September, '69, there was a leaning toward the left. Between September of '69 until we left in about April of '70, many of the stories we were getting back from the field as well as through official and informal sources were saying that there's going to be a problem in the September 1970 elections. And as a result, for the first time in Chilean history, that's when Allende was elected on a plurality, and the rest, unfortunately, was history, until '73, when Pinochet threw him out, and everybody was saying *hurray hurray hurray*, and then there were the knee-jerk reactions, and I think we may very well see this in a Kosovo situation. First we banged on the Albanians; now the Albanian ethnics may start banging on the Serbians. So this was that was happening, where the leftists were banging on the rightists in '70, and then in '73, the rightists, who threw out the leftists, started to whack on them. But at that point, I think, unfortunately, it became rather negative. But they looked for Pinochet to come in.

Q: Were we thinking in terms of the Cold War, that the Communists have to be kept out no matter what, were the Socialists almost overlooked because we were concentrating on the Communists? What would you say?

LEV: I think it was the other side of the coin. Pretty much what I saw was that the Socialists were more leftist than the Communists, and, I think, our concentration, rightly so, was on the Socialist movement. The Communists were still feeling their way back. They had been underground all the way from about 1940, about 20-some-odd years. So now that they were legitimate I think they were just playing it cool – “Hey, we don't want to rattle the cage,” so to speak. But we had focused on the Socialists, and the extreme movements – the Izquierda Radical. We had an excellent political section; they had their thumbs right on the pulse.

Q: What were you getting from your local staff?

LEV: The local staff knew they could talk with me and my wife. But others, unfortunately, some of my colleagues, were aloof from the nationals. Their attitude was what did the nationals know – they only live here, they only work here, what information could they give us? We were one of the very few who were taken in by these people to their homes, to see their families. Some people in the embassy to whom we relayed what we learned were able to follow it up, and learned that it was accurate.

Q: Were you getting a feeling of disquiet from your nationals?

LEV: Yes. They had told us what was going on. We had a very politically oriented maid, she may have had a third-grade education, but Idesia was absolutely phenomenal. We'd have somebody at the house, and Idesia would serve dinner, and at the same time tell us whatever she thought of the political situation. She had lived in a *cayampa*, which was a slum area. I remember one time we had a bunch of clothing and mattresses and bedding that we took there. I nearly tore up my station wagon. And we spoke to the extended family living in this house maybe as big as the room we're in for the interview.

Q: We're talking about a 20-foot by 10-foot room.

LEV: It had a kitchen tucked into an alcove. They were very, very proud people. I remember the

grandmother took us into this little cubbyhole, where she had an old Singer sewing machine, and it was like the gods of Baal. We apologized because one of the mattresses had gotten a tear when I pushed it into the station wagon. And she chastised us, "It's only a tear. I can take care of it."

But they told us what was going on there, and they would say, "There's no reason for this. There's a lot of money, but it's stopping at the top. It's not coming down to us." And they said they don't want very much. What they wanted was a fair and equitable wage. Or give us the land; let us work the land. Or let us rent the land.

Mrs. LEV: They liked working for Americans. They didn't love Americans politically, but they liked working for them.

LEV: It's the old story, you know, "Yankee go home! (But take me with you)" kind of attitude. But they were very, very open, very honest about it, and they were excellent sources because they really represented the grassroots. And Idesia wasn't a Communist, she wasn't a Socialist, she was just trying to be a pragmatist; saying, we are the people – try to do something more for us than what's being done.

Q: This was your first go-round in the Foreign Service, how did it work?

LEV: Well, it was a fascinating period. I think I had more problems working with certain Americans than I had working with my nationals. What I found was that the nationals really knew the real world, where many of my American colleagues were ghettoized. They lived in the American area or the English-speaking area, and they just went from their home to the embassy and back to their home. The parties would be what I used to call "circularity." The counselor of administration would have a party, and then it would go to the economic counselor, and then they would reciprocate, and then an Anglophone embassy would have a party. You would go to them and you would reciprocate. But very, very few were invited to the homes of the Chilean middle class or the intelligentsia, the university professors and stuff. Sid Weintraub did get involved with the intelligentsia because he himself had a doctorate, and we met some wonderful people through some of our own nationals. And there was one national I had working for me, his father was a colonel in the *Carabineros*, which was the national police, and he invited us to his home, and it was just fantastic. But among the Americans themselves, it was just, "What do you know?" Especially with me; they were a little annoyed at me because I came in at the equivalent of a 5.

Q: About a major in the Foreign Service.

LEV: And all of a sudden these guys say, "Hey, I remember when I started out as a 7. How dare they bring you in at that level?" And I'm saying, "What the heck's the difference?"

Mrs. LEV: It was an old-boy network. It was very rigid and passed on to their wives as well. So it was a very stratified and that may very well have been true in other embassies as well, judging by what I heard from other people. Within the American community, your identity was your rank in the Foreign Service or your husband's rank in the Foreign Service.

LEV: In the pecking order of the foreign service list I outranked some of the guys that had been in

the Service eight and ten years, and there I was up in the top 15, and they were down in the bottom 20. But it didn't bother me. Rank never bothered me. It never bothered me when I was in the navy; it was just working with the individuals, how can we contribute. So there was a certain amount of naïveté because of my experience working with the State of New York had made me somewhat naive. I was lucky there because as a generalist I had cut across all sorts of ranks, so to speak, and all types of people with different types of experience and professional backgrounds. And I think it was the generalist in me that I carried to Santiago, and all in all I was successful with it, except for the few to whom the pecking order was all important. And some of the wives would say, "If I talk with her, what can she do for my husband?"

JOSEPH A. B. WINDER
Economic, Consular and Political Officer
Santiago (1966-1968)

Joseph A. B. Winder was born in New York in 1939. He received a BA from the University of Michigan in 1964 and his MBA in 1965. Mr. Winder served in the US Army from 1959 to 1962. Upon entering the Foreign Service in 1966, he was posted in Santiago, Bonn, Jakarta, Bangkok and Tokyo. In 1999 Mr. Winder was interviewed by Charles Stuart Kennedy.

Q: So, you went to Santiago, Chile from when to when?

WINDER: The summer of 1966 to November of 1968.

Q: What was the situation like in Chile at that time?

WINDER: The living situation wasn't real easy. The country was in some sort of financial difficulties. There was rationing and not much to buy in the stores. You could only buy meat on the weekends. Otherwise, Santiago was a pleasant place to live. Both my daughters were born there, so I have fond memories of the place. But, it wasn't a terribly easy assignment. There wasn't a lot of recreation, although you could play golf and tennis. It wasn't anything like Buenos Aires where we had a chance to visit from time to time. Argentina seemed like a rich cousin compared to the poor cousin of Chile.

Q: What type of work were you doing?

WINDER: I did the normal rotational work. Did six months consular and six months political. Then I went to the economic section which I really enjoyed. I was given the responsibility of following the agrarian reform program closely, which was a highly popular program in Washington. The Kennedy administration was a big supporter of land reforms.

Q: When you were doing political and economic work, how did you find the political situation in Chile?

WINDER: It was very polarized. The moderate Christian Democrats were in power and the conservatives on the right were attacking them, accusing them of being too liberal and the leftists were attacking them for being too conservative. Eventually the two poles of the country split which led to the tragic events under the Allende regime and the subsequent coup.

Q: Who was our ambassador at the time?

WINDER: Ralph Dungan was our ambassador when I arrived and Ed Korry was ambassador when I left.

Q: What was your impression of how they operated?

WINDER: They were both political appointees. Dungan had been very close to Kennedy and been selected by him. He was an activist, very much of a pro-Frei ambassador and there was absolutely no doubt in anybody else's mind that he was very supportive of the administration. Korry took a somewhat more distant view. He tried to be a bit more even handed in his approach towards the political scene in Chile. But, I thought both of them were very competent, able men.

Q: Were you as a young officer able to get out and talk with officials?

WINDER: I didn't see much in the way of officials. In those days we didn't have much in the way of diplomatic work that I had to do. It was mainly getting out and visiting the countryside. It was fine.

Q: Did you find the people receptive?

WINDER: Yes, although I must say in Santiago the younger students were very skeptical of contacts with American diplomats. It was clearly a leftist oriented student body and I think they felt that the American diplomats were serving conservative elements that they were not in harmony with. But, for the most part it was fine.

Q: Were we taking a hard look at the time at how the economy was being run in Chile?

WINDER: Sure. I was attached to the AID mission at the time. The economic section was combined with the AID mission and we had a huge AID program in Chile which involved large sums of money for program lending to try to support the Chilean government's efforts at stabilizing the economy. We provided additional support to the agricultural sector as well as to the overall economy in general.

KENNETH A. GUENTHER
Political Officer/Assistant Labor Attaché
Santiago (1966-1968)

Kenneth A. Guenther was born in New York in 1935. He attended the University of Rochester, and proceeded to study abroad at the Rangoon-Hopkins Center for

Southeast Asian Studies. Afterwards, he attended Yale University from 1959-1960. Guenther entered the Foreign Service in 1965. He has served in Chile as well as positions in Washington, including the State Department and the Federal Reserve System, which he retired from in 1979. Guenther was interviewed in 2000 by Charles Stuart Kennedy.

Q: You went to Santiago in...

GUENTHER: February 1966.

Q: '66, and you were there from when to when?

GUENTHER: I was there from February '66 to February 1968.

Q: What were you assigned to do there?

GUENTHER: I came in as a junior officer. The ambassador liked me, for whatever reason.

Q: Who was the ambassador?

GUENTHER: Ralph Dungan. One of the Kennedy mafia. When Kennedy was assassinated, Dungan was in the White House and was then moved to Chile. Young man, vigorous man, burned by the Bay of Pigs. Always told the political staff, when I became a member of the political staff, look, your job is to get me better intelligence than the CIA. I don't want to be dependent on the CIA. A very, very tough and challenging job for any FSO political officer.

Okay, started out as a typical junior officer. I started out in the commercial section, and then the minerals attache left and there was an opening there. Minerals attaché – interesting position, Chile is copper. Copper, the price of copper, played a major role, an important role in the Vietnam War. Keep the price of copper down, keep the price of the war down. The ambassador moved me into that position. I was there for 5-6 months. The Department insisted I didn't have the rank to fill that position so they got someone else in over the ambassador's objection.

I left there and became the assistant labor attaché, which was also very interesting because I could keep my hand in copper. I kept my hand in copper in a major way. Not only copper production, the companies, but copper labor strikes – production and keeping it flowing. There was also a very interesting program - Castro was in Cuba, and the United States was worried that Castro-like movements would spread through Latin America. Che Guevara was in Bolivia. There was a program where we organized a very successful peasant union. A fascinating former CIA program to build institutional structure in Chile. They had similar programs in Italy. The CIA chief was a former CIA operative in Italy, where they pioneered various concepts for building a democratic infrastructure. As assistant labor attaché, it was my assignment to build a peasant union in Chile.

Q: Go back just a touch. What were relations like from your perspective with Chile at this time?

GUENTHER: Absolutely fascinating country. Very beautiful country, very pretty country, small

country, a country that was being viewed as a showcase for an alternative way. The U.S. government was very much behind the government of President Eduardo Frei. Frei was elected in 1964, very tough race. Allende at that time had received one-third of the votes, more or less. Allende was the perennial candidate of the left. The U.S. at that time had supported the candidate of the center, who was Eduardo Frei. So Frei was elected in '64, I came there in '66, and the U.S. was interested in making this a showcase for democracy. To prove that something can be done in a context different from what Castro was doing in Cuba. Che Guevara was very much on everybody's horizon in a major way. Exciting time, dynamic ambassador, ambassador who loved the Foreign Service, distrusted the CIA.

Q: Let's talk about organizing unions in a country, I always thought this was full of political minefields, for us to get involved in something like this.

GUENTHER: Back to copper for one minute. I think what was interesting about copper was that to keep the price at 32 cents, to minimize the cost of the Vietnam War, whenever there was a move to raise the price, there was a high-level official coming in to sweeten the AID funding so that they would not raise the base copper price. Chile had a very large USAID (Agency for International Development) program. Chile also was opening a door to Communist China at that time. With the Russians also there, the embassy had a very, very large and active CIA contingent.

Q: Was there much contact between you in the political section and the CIA?

GUENTHER: Yes, yes, a lot. I was very close to the station chief; in fact, the station chief tried to recruit me. I ended up running a former CIA program, a beloved CIA program, which was the organization of the peasants' union. As labor attaché, our labor office also tracked the copper unions. Copper was one of the few organized sectors of Chile's economy. Very strong, very strong Communist-Socialist unions, and in a way we tried to subvert them. We tried to work with the union to get union leaders to AFL-CIO school. We went around and met with union leaders and watched what was happening with production, what was happening with strikes. The other major program, which was my program, was organizing the peasant union.

Q: What does it mean, a peasant union?

GUENTHER: You wouldn't touch something like that today, but the name of the game was we were trying to build democratic institutions in a very sensitive country. So the minister of labor, his name was Mr. Thayer, on the instructions of President Frei, signed an order moving the CIA program from the CIA to AID. And the program was then run out of the political section of the American embassy, out of the labor office. It was run through a front group. We were funding this program with AID money, there was a front group set up of two Americans. But it was above the board because the minister of labor signed the PIOP, the necessary paperwork form. It was a channeling of money to these two Americans who had set up this front group that then channeled the money to campesino labor leaders that were tied to the Christian Democratic Party.

Q: What was a peasant's union? Sounds like a cooperative more than anything else.

GUENTHER: It's a cooperative, but it gave them collective bargaining, it gave the Chilean

campesino a feeling of having a stake in the economy, having a stake in the democratic processes. The goal was that if you have the Chilean peasants tied into institutions that work for their betterment, in which they have a voice, democratic voices, they will be less inclined to take the radical alternative. The radical alternative out there was the example of what Castro had done in Cuba. I think there was great concern at that time as part of the Cold War that what happened in Cuba could sweep through South America. So we were fighting in Vietnam, Castro was in Cuba and Guevara in Bolivia, and you had concern throughout all South America that South America could conceivably blow up. So the name of the game was to work to build better democratic institutions.

Q: How effective do you think they were in the time you were there?

GUENTHER: Very stimulating program. When we left I think we had the largest campesino union in South America. I think there were some 40,000 people organized. A democratic union movement, a structure, and it worked.

Q: Was the American influence being felt at all at that time? Was it brought by Chileans going to universities in the United States and coming back or not. What about the Chicago economists that came later on? Was Chile looking more towards Europe at that point?

GUENTHER: Chile was an isolated country. It had a fairly established wealthy upper class that was educated elsewhere, be it U.S. or Europe or England. Chile's historical background, Bernardo O'Higgins and names like that, people whose ancestors came from England, or whose ancestors came from Germany – there were a lot of Germans there, a lot of Basques, Spanish Basques – they kept up with their previous home country. They liked to travel to Europe. Not that much of an Italian influence like the Argentines but I didn't get the feeling there were a lot of young Chileans coming to the United States. That wasn't the group I was connected with.

SIDNEY WEINTRAUB
Economic Counselor/ Deputy Director, AID
Santiago (1966-1969)

Sidney Weintraub was born in New York in 1922, and graduated from the City College of New York with a BBA in 1943. From the University of Missouri and Yale University he received an MA and in 1966 got his PhD from American University. He served overseas in the US Army from 1943 to 1946. His assignments abroad included Madagascar, Mexico City, Tokyo, Bangkok, and Santiago. Charles Stuart Kennedy interviewed Mr. Weintraub in 1996.

Q: Where did you go next?

WEINTRAUB: I went to Chile.

Q: You were in Chile from when to when?

WEINTRAUB: I was in Chile from '66 through '69.

Q: What was your position in going to Chile?

WEINTRAUB: I had two responsibilities. When I went there, I was Economic Counselor of the Embassy. In a sense, that was the less important of the two positions. Also, when I went, I was the Deputy Director of the AID Mission. I had both responsibilities. Chile was one of the big recipients of foreign aid at that stage in the Alliance for Progress. That was a far more important job, in a way, because the AID Mission had many more economists, had much more money, than the embassy. The aid program and all that went with that was my chief responsibility.

Q: First, to sort of set the stage, what was the political cum economic situation during these times in the Sixties?

WEINTRAUB: Chile had a Christian Democratic government. The president was Eduardo Frei, the father of the current president of Chile, who is also named Eduardo Frei. There were three big aid recipients in Latin America at the time, each getting program loans. Program lending is balance of payment support and is used to support policy change. Brazil, was the most important country. Colombia. Chile. Those were the three big recipients under the Alliance. Chile was a democracy. It was doing reasonably well economically, but not all that well. Economic performance varied when I was there, depending largely on the price of copper.

Q: Who was the Ambassador at that time?

WEINTRAUB: When I got there, it was a man named Ralph Dungan. Dungan had been in the Kennedy White House where he helped in making political appointments and therefore was well connected.

Q: How did your job work, as an economist dealing with this very large program?

WEINTRAUB: Well, remember, it changed. When I was Deputy Director, it took one form. A year later, I became Director of the AID program. We had a joint AID-Embassy economic mission at the time. Except for one person who acted as liaison, who was actually physically present in the Embassy, the rest of the economists were with me at the AID Mission. I mixed up the State and the AID economists. We largely brought together the AID analytical functions, the State reporting functions and the balance of payments function. I liked the operation because I could use the economists for functions in which they were most able, almost regardless of which agency they came from. I'm not sure all of them liked it, but I did.

Q: Was this problem, from our perspective, endemic within the Latin American scene, of too much government control, or was this Chile's problem?

WEINTRAUB: Are you referring to what the Chileans did or what we did? I'm not sure all the things I was suggesting were necessarily the same views that Washington had. I always had arguments with programs. At that time, State was much more concerned with the political side of

things. The fellow running the program lending was a State Department Officer, a man named Palmer. I was close to him. I wouldn't have taken the job if it were not for his doing. He was the dominant person in the Washington hierarchy at that time on economic issues. AID itself was sort of dominated by the planners. I remember, they wanted us to make plans based on a series of variables that were uncertain, such as the savings rate and what was the investment-output ratio, the so-called "ICORs:" incremental capital output ratios, and then build models of where things were going. They gave us the parameters, in fact many alternate parameters. I remember that one of the things we did at the time was to set up a model of the type now quite common, using computer facilities at the University of Chile. So, when we got requests from the key people in AID Washington, we could plug in the numbers and send them back the projection they wanted. In point of fact, it was just stuff on paper. It had nothing to do with the actual dialogue or the running of the programs at the time.

I think what interested the State Department most about Chile was democracy and a long-standing democracy. Frei had the right kinds of beliefs in terms of democratic institutions that pleased Washington. A belief in the kind of economics that the Chicago boys had was not necessarily the position of either AID Washington or State or the Mission itself. We would have liked them to have done more to open the economy, but, in our own mind we never dreamed they would take the kinds of drastic measures that the Chicago boys later took when they came into power. They operated in a dictatorship and we did so in a democracy.

I left Chile in '69. Allende was elected in 1970. The Pinochet coup came in 1973. All of the measures you're talking about, those of the Chicago boys, took place under the dictatorship.

Q: Just to get the atmosphere, at the time, was their concern about forces to the Left of Frei? Allende came in later on, but was there a concern that a more government-control type government might come in?

WEINTRAUB: By '68 there was. The presidential elections that took place in 1970 had three candidates. A Christian Democrat, a man named Radomiro Tomic, who has since died, he was on the left side of the Christian Democratic Party, more leftist than Frei. The second was a man named Alessandri, who had been president before. He was conservative, on the right, an older man by then. And there was Allende. When I left in 1969 - elections were going to take place a year later - we knew that there was going to be a three-way split. It was conceivable that any one of the three could win. There was some difference of opinion. I still remember writing a memorandum on that subject to Washington. The CIA analysis, and that was the one that Washington took most seriously, was that Alessandri, the right-wing candidate, would win. I wrote a dispatch saying that I thought the CIA analysis was wrong for a number of reasons, and I thought that the more likely winner would be Allende. I'm not sure that the Embassy had a strong position. But, whichever one was right, we knew that any one of the three could win.

Q: Did you have any contact with the three parties in talking about Chile as they were getting ready for this?

WEINTRAUB: Yes, we had a lot of contact, the Embassy did, the AID Mission in particular did. We knew all of the key persons in each of the three parties. The one group I personally did not

know, and I don't think the Embassy did either, were the military people. The tradition was that the Chilean military stayed out of politics. When Pinochet took over, what happened was that, except for the Army Attaché, who had some contact, the Embassy was caught flat-footed.

Q: How did you view Allende and the people around him as you were looking at this possible future leader for Chile?

WEINTRAUB: Remember, I left beforehand. Allende himself was a Socialist, nominally. There was a group within the Socialist Party that was more left wing than the Communist Party in Chile, which tended to be a more moderate party than parts of the so-called Socialist Party. Nobody in the Embassy or in the Mission had any illusions that, if Allende and his group came to power, that they would not try to impose a Communist or a statist society on Chile. That was the general assessment at the time.

I mentioned the difference between the CIA and the AID political analysis- Before I left, I tried to get a modest loan, which was intended to deal with import liberalization. I had long talks with the government. This was still the Frei government. I'm not sure whether the Chileans would have accepted what I was proposing. But it never came to that because Washington killed the loan proposal because the powers that be there had concluded that this - the Christian Democrats - was not going to be the future government of Chile. They thought the future government of Chile was going to be under Alessandri. I wrote in my memo that they were making a mistake. Would it have made any difference if I had prevailed? I doubt it.

Q: What about the Chilean bureaucracy with whom you dealt? What was your impression of the caliber and the outlook of this group?

WEINTRAUB: They were planners and they believed in protecting against imports, but they were a well-educated, qualified bureaucracy. Chile didn't lack qualified people to run things. As a matter of fact, my predecessor got into deep trouble with AID in Washington because he cut back, and I completed the job, a lot of the technical assistants we brought into the country. The reason we cut it back - not everything; for example, we had a big tax administration program - was because the advisors coming in were less well-equipped than the people they were advising.

Q: In many ways, did you find yourself thinking of dealing within a European environment, as opposed to a Latin American environment?

WEINTRAUB: Yes. It's part of Latin America, not Europe, but the environment was much more European than you would have gotten in places like Peru, Ecuador, or almost anywhere else other than Argentina at that time - maybe Colombia, too. Colombia was the exception in that it had a very sophisticated and solid economic decision-making process.

Q: What about the people within the private sector with whom you dealt? I'm thinking of the bankers, the academics at the University. How did you find that?

WEINTRAUB: Very good. The university community was very highly-respected. There were two main universities: the University of Chile and Catholic University of Chile. Of course, we dealt

with them. They were well-trained, well-educated people. Private sector businesspeople tended to be conservative, but they were well-qualified and knew what their businesses were. Chile was, in a way, a lovely place to have been - nice climate, sophisticated people, democratic government. The only trouble was that they weren't achieving as much as they should have.

Q: What was the situation with the copper business there at that time? Was that still in non-Chilean hands?

WEINTRAUB: For the most part, no. One promise Frei made in his campaign to become president was that he was going to Chileanize the copper industry, and that meant taking over a portion, not fully nationalizing. I forget all the terms of how much ownership shares went to each side. So, you had the beginning of a movement toward nationalization of the copper industry, not fully. Terms of payment and things of that type were worked out. This was done with a guarantee from, at that time, AID, and later OPIC. But the full nationalization didn't take place until Allende became President.

Q: Was it sort of assumed that everything was going that way, but it was being done in a rational basis?

WEINTRAUB: Not necessarily, no. Had the Christian Democrats won, that could have ended the whole process, as long as they got some more new investment. At the time, the big weakness of Chile was that its exports were not diversified. Copper made up the bulk of all exports. That was obviously a weakness because it led the country into booms and busts depending on world copper prices that were out of Chile's control..

Q: What about the private business? One thinks of Chilean wines and that's about it. Was that even-?

WEINTRAUB: Chilean wines existed, but it was not a big export product. Chilean fruits existed, but they were not big in the export market. Chilean seafood of one kind or another existed, at least the shellfish. The salmon industry, which has since become so big, did not then exist, at least not the cultured salmon. So, all of the developments in these areas that we now think of really began to take off in the latter part of the 1980s .

Q: Were we pushing any particular types of development of businesses there, as opposed to mainly concentrating on monetary policy?

WEINTRAUB: We were focusing on monetary and fiscal policy. We had some projects, like ports. The reason I argued for Chile to loosen up imports was that the country could then diversify its exports. We knew all of these nontraditional export possibilities existed. Colombia actually antedated Chile in developing some of those exports. But, no, beyond that, we weren't pushing any individual things, except the development model that should be followed.

HARRY HAVEN KENDALL

**Information Officer, USIS
Santiago (1967-1970)**

Harry Haven Kendall was born in Louisiana in 1920. He joined the Institute of International Education (IIE), a predecessor to USIS, in 1950. His career included posts in Venezuela, Japan, Panama, Chile, Vietnam, and Thailand. Mr. Kendall was interviewed by G. Lewis Schmidt in 1988.

Q: Who was your PAO in Santiago?

KENDALL: Jim Echols was there when I arrived. After about a year Carl Davis succeeded him. Do you remember Jim Echols?

Q: I never knew him. Was Halsema there anything that you were?

KENDALL: Jim Halsema had been there earlier, and I knew Jim from service in Washington rather than in Santiago. Jim Echols had come out of the English teaching program and he never felt quite at home with the political problems which confronted us in Santiago, a highly politicized society. He had a tough ambassador, Ralph Dungan, a Kennedy appointee. He left a couple of months after I arrived.

Q: So who was the ambassador then?

KENDALL: Ralph Dungan was succeeded by Ed Korry who had been ambassador in Ethiopia. He had been a correspondent for Look magazine when Kennedy appointed him to the post in Addis Ababa. Nixon appointed him to Santiago. He always liked to remind people that he was both a Kennedy and Nixon appointee. He was an excellent writer and his despatches were considered favorite reading in the State Department. I'm afraid his promising ambassadorial career ended in the bitterness engendered by prolonged Congressional investigations into U.S. involvement in the whole Allende affair.

My wife and I and our three daughters went to Santiago in July of '67, after home leave and transfer from Panama. Because Santiago is south of the equator it was in the middle of the school year and our children had difficult problems adjusting. I hope in some of your interviews you talk about the problems of families.

Q: I think it's perfectly all right. You don't want just a cut and dried discussion of programming, you want something that gives flavor to the whole experience.

KENDALL: In Chile we encountered a school problem similar to the one we had had in Panama where I had gone in the middle of the spring session. In retrospect I could have done that better. I should have left my family in Washington, D.C. and then brought them down to Panama after I had gotten established. But my family didn't want daddy to go off and leave them. They wanted to go with daddy. So we pulled them out of school in mid-spring and moved down to Panama City. The same thing happened to us again when we moved down to Santiago, Chile, except that we left Panama during the summer vacation and they entered the Chilean school system in the middle of

the school term, Chile being south of the equator. The children suffered in terms of their schooling and of adapting themselves. It's very hard on kids to move around that way. I think many Foreign Service families don't really understand how difficult it is on the children. They adapt because kids do, but they suffer.

. . . In any case we went down to Santiago in July. I was chief information officer with three IO's working under me, one exclusively on the AID program, one on the press, and a third on radio, TV and motion pictures. I also served as deputy PAO and in the PAO's absence, as acting PAO. I have many memories from Santiago, but I suppose that most interesting and lasting one was my brief experience as a television celebrity in the guise of a space man.

There was a NASA tracking station in Santiago operated jointly by the Chileans and Americans. The director was a genial, bilingual NASA scientist named Chester Shaddeau and known to all as Chet. At this time the Apollo flights were under way, and one of the TV stations was carrying satellite broadcasts, but they were all in English and the station didn't have anyone with sufficient knowledge of space exploration to tell the audience what was going on. So they asked Chet and me to help them out of explaining in Spanish what the moon landing program was all about. We put on what we jocularly called the Chet and Harry show, a take-off on Huntley and Brinkley.

I remember spending not just hours, but days in front of the TV cameras on Channel 13, the Catholic University Station, explaining with models what was happening with the rocket, with the Apollo capsule, what the astronauts were doing at any given time, and answering phoned in questions from the audience.

Q: How long at one time would you be on the air? Were you on live? I guess they didn't have tape programs then.

KENDALL: They were live programs.

Q: And how often were the programs and how long did they last?

KENDALL: Sometimes as long as three or four hours straight, particularly during the Apollo 11 moon landing. This was live television being broadcast in English from the moon. The Chilean audience doesn't understand very much English so we were asked to do a certain amount of voicing over, a certain amount of interpreting. We did that, and during the lulls between action -- there were many lulls between action -- there would be these phoned in questions. So I became a household figure to be trailed down the street by children seeking autographs.

Q: A real ego trip.

KENDALL: Boy it was an ego trip. I would meet people at receptions and they would say, "Oh, I know you. I had you in my living room. You've been in my house." I don't think I would really want to live that way for very long, but it was fun for awhile.

Q: It's a heady experience for awhile.

KENDALL: It was a very heady experience. On the basis of that experience, Bob Amerson, who was then area director for Latin America, asked me if I would escort the Apollo 11 moon rock exhibit on a tour of the Latin American Area. As you will recall, the Agency wanted to take full advantage of the favorable publicity generated by the Apollo 11 lunar landing, so working with NASA they put together an exhibit on the American lunar landing program. The centerpiece was a moon rock about the size of a walnut brought back by Apollo 11 mounted in a rotating jeweler's display case inside a large plastic globe. A spotlight on the rock and a continuous play tape recording explaining its origin (there) lent a bit of drama to the exhibit. A copy of this exhibit went to each of the major geographical areas. Since the rocks were considered priceless artifacts the Agency assigned USIS officers to accompany them to the various posts for display. I was a natural for the Latin American tour, and for six months I lugged that big exhibit and that tiny little moon rock all around Latin America. I went to 19 countries, setting it up and taking it down at each stop, sometimes several times in countries like Mexico and Brazil. I watched hundreds of thousands of people pass through the exhibit. I gave press conferences and lectures. I answered questions at the exhibit, and I appeared on innumerable radio and TV programs, answering questions from listeners. It all became very repetitive after a while, but it was an interesting experience.

In another aspect of the program, USIA, the Department of State, and NASA provided each of our ambassadors with a tiny speck of moon rock imbedded in lucite and mounted on a decorative stand for presentation to the chief of state in the name of the people of the United States. I am not sure what they did in other areas, but in Latin America most of our ambassadors chose to make the presentation in connection with the visit of my exhibit. And I was asked to go along and give a little spiel about the lunar exploration program. I have photographs of myself with the presidents of a number of countries, including Argentina, Brazil, Columbia, Chile, Ecuador, and even with Stroessner in Paraguay. It was an interesting experience, but after six months of that I was really beat.

Q: You were spaced out.

KENDALL: I was spaced out.

Q: What was your impression of the Chileans' attitude toward the United States at the time you were in Chile? Of course we haven't gotten to the point yet where we're seriously accused of doing what we said we didn't do, but actually did do in intervening in the elections of Chile. It hadn't all come out. What did you judge the feeling of the Chileans to be with regard to the U.S.?

KENDALL: Generally favorable but there was an awful lot of very strong communist movement there.

Q: Yes, I know there was and still is.

KENDALL: It was a highly politicized society. It was impossible to get into any conversation without it turning toward politics, mostly internal, but the Chileans were always aware of the two competing American and Soviet influences lurking on the sidelines. My contacts were primarily with the media people. They worked very hard and published their newspapers in a situation of almost complete freedom of the press. There was a communist newspaper, El Siglo, and there were

communist radio programs. I encountered the communist editors and journalists on frequent social occasions, and my name occasionally appeared in their columns identified as the "well known yankee imperialist." I'll never forget -- and I've repeated this story many times -- a communist editor asking me for an interview. "And how will you use this interview if I give it to you," I asked him.

"Oh," he said, "I'll use it against you, of course."

He was quite frank and open about it. If you didn't answer their questions they would still make up something and publish it anyway.

Q: Did you finally give him an interview?

KENDALL: I answered some very brief questions from him.

Q: I presume you had to take this up with the ambassador before you did the interview, or did you?

KENDALL: As I recall with Carl Davis, the PAO, took it up with him and he said, "Yes, but keep it brief."

Q: Do you think you got much of our point of view across in the non-communist press? Were they susceptible to placement of our materials?

KENDALL: Yes, to a certain extent, but I also found that our colleagues from the other agency were also very active, and I often wondered where some of this stuff was coming from, but it had its mark. The Chileans also had their journalists for sale.

Q: Yes, I know, that happened in every country.

KENDALL: It was difficult trying to conduct an out-front type of operation in a situation where you think you're getting something across, and you keep seeing commentaries appear in the press with outward appearances of being locally originated but you know is now written by local journalists. You could be fairly certain where the anti-American, pro-communist materials were coming from but would just have to guess who was placing the other kinds of material.

Yes, we managed to get our point of view across in the non-communist press, but it was hard work. However, I must say that at least during the third year of my Chilean assignment I spent far more time out of the country working on area wide programs than I did on the Chilean program. The press work was left pretty much up to Bob Cohoes who was my deputy. He was politically savvy and handled it very well. Last time I saw him he was in Mexico City as head of the regional publications center there, a very able man. So I would give Bob a lion's share of the credit for our work with the Chilean press. Ed Elly worked on the AID programs and deserves most of the credit for what we were able to achieve in that area. Bob Meyers handled radio, TV and motion pictures in a creative and imaginative fashion and had our programs on virtually every important radio and TV station in the country. I take a small amount of credit for his achievements because he had trained under me as a JOT in Panama, but most of it was due to his own native intelligence. After

Chile he attended a special State Department course in economics and went on to serve as the press spokesman for the U.S. delegation to the GATT conference in Geneva, among other things.

Q: Do you think, within reason, we were effective in Chile?

KENDALL: Within reason, but we certainly didn't succeed in countering the heavy communist influence. As I said before, the country was so highly politicized it was difficult to make any real mark. You couldn't open a conversation, any kind of conversation, whether it be about art and literature, or culture and travel abroad, anything, without local politics raising its ugly head. It sort of permeated everything, everything you did. Yet I was able to talk to many of the editors and news media people. We entertained a lot in our home. We had a large residence and plenty of space. Margaret did an awful lot of entertaining in those days. Fortunately the rate of exchange made it possible and we had a good staff of domestic help. But I never really felt that we achieved as much as we should have or could have in a less politicized situation.

After I returned from my six months' trip with the moon rock, I was acting PAO while Carl Davis went on home leave. I had been back at post for less than a month when I got a telegram from Washington telling me that my next assignment was Saigon -- without family. I wasn't very happy about that. I sat down to think it over for a while. This was in 1970 at the height of the Vietnam war.

Q: Before we go to your assignment in Vietnam, I think you had been speaking about another experience you had in Santiago. So why don't you cover that now before we go on to the Vietnamese assignment?

KENDALL: This concerned the Vietnam War. We talked of the anti-American, pro-American attitudes there. Talking about these things one begins to recall other things. Each little incident, each little conversation brings up new recollections. The Vietnam war was in full swing at the time. One of our major problems in the information program and getting across an image of an America knowing what it stands for, what it is doing, and where it is going revolved around the Vietnam war.

One of the programs we conducted in the effort to convince the Chileans America was on the right track in Vietnam was sending journalists as well as our own officers on visits to Vietnam to see for themselves. We sent our public affairs officers, we sent journalists, the ones who would go. Some of them wouldn't. I recall that Santiago's leading journalist at the time accepted our invitation and was really looking forward to the trip. To give him an advance orientation, I got hold of a prize winning combat film on the Vietnam war produced by a French team. It was really far too effective. He looked at that film and decided he didn't really want to go.

Q: Scared him to death?

KENDALL: Really scared him. I don't think he had any idea about the ferocity of the combat before seeing that film. But there were other aspects. One of the hotbeds of communism was in the University of Chile's Institute of International Studies. We had good contacts there and worked with their people. But they were one of the most articulate anti-U.S., particularly anti-U.S. action

in Vietnam, groups in the whole country. They were very articulate and very effective. They wrote prolifically, denouncing U.S. Vietnam policy as American imperialism on press, radio, and television, repeating the same theme over and over again, so that it would have been difficult for any ordinary listener not to question American motives for being in Vietnam. Of course, many of them were communists and were supporting the official communist line. How many of them were speaking out of their own convictions or simply parroting the communist line it's difficult to say.

As I said, we worked with the University of Chile and brought a number of visiting American professors there to lecture and to interact with the faculty at the Institute of International Studies. Jim Echols, our PAO before Carl Davis, went to Vietnam on the Agency's program designed to help our field officers to tell the Vietnam story and appeared before this group when he returned. I regret to say they tore him to bits. He had learned much but not nearly enough. Another much more effective presenter was Douglas Pike, whom you must certainly know.

Q: He's living right around here now.

KENDALL: Doug is now my colleague at U.C. Berkeley. In fact, he works with me in the Institute of East Asian Studies and heads up our program of Indochina Studies. He had been a USIS officer in Vietnam since 1964 and had published a definitive book on the Viet Cong, so USIS sent him on a world lecture tour meeting with groups like we had at the University of Chile. He had all the information at the tip of his tongue and could mobilize his facts and information into convincing arguments. So when he came to Santiago we took him to the Institute of International Studies. He answered all of their very emotional, heated questions in a factual, non-emotional manner. But even Doug Pike with his great ability didn't win anybody over. He gave them satisfaction because he answered their question, but he agreed later that he hadn't won any converts.

This was an example of the type of work we were trying to do. But we simply could not make any impression. So as a result we just had to withdraw from the arena. The essence of the whole thing is that we finally decided that Vietnam was a losing issue for us. We just had to stop talking about it in our official output because we got nowhere. Every time we said something they used it against us so we finally just responded to questions when asked. It was a definite decision on our part. Ambassador Korry agreed with Carl Davis and me that this was the best way to handle that particular issue. Just don't talk about it unless you absolutely have to. Don't deny it, but certainly don't volunteer to talk about it with the news media.

These are some of the factors that conditioned my response to my own assignment to Vietnam. I am ready to move over to that arena if you wish to do so.

FREDERIC L. CHAPIN
Country Director for Bolivia/Chile
Washington, DC (1968-1970)

Ambassador Frederic L. Chapin joined the Foreign Service in 1952. His career included posts in Austria, Nicaragua, Brazil, El Salvador, and ambassadorships to

Ethiopia and Guatemala. Ambassador Chapin was interviewed by Ambassador Horace G. Torbert in 1989.

CHAPIN: . . . So I asked if I could be given another assignment and I was assigned to be officer in charge of Bolivia/Chile which proved to be much more interesting. It was a combined operation in those days, State and AID, and my deputy was an AID officer and we had the Frei government in Chile, which we were supporting. Ambassador Ed Korry was a big advocate of President Frei and the Christian Democrats and was advocating loans which, we thought, were unsound in economic terms, had some political justification, but we were opposed to some of those in the transition to the Nixon Administration.

I remember going down with Pete Vaky and we argued with -- we didn't argue with him, he accepted our position -- with William Rogers who said that we could send out the message opposing the \$20 million loan to Chile and that he would square it that night with President Nixon. He, William Rogers, had not yet been sworn in as Secretary of State but he gave us full authority to proceed. There was, of course, a lot of traffic about support for the Christian Democrats and others in the election campaign and that's all been reviewed by the Congress, much of it highly classified. Ed Korry couldn't, in the final analysis, make up his mind which side he wanted to be on, which was confusing.

I was Country Director for Bolivia/Chile during both the nationalization of the Gulf Oil Company in Bolivia, which kept me in the office every day for 55 days, and the nationalization of the American copper companies in Chile. The Anaconda Copper Company had very stupidly failed to keep up its payments on its nationalization insurance policy under AID and sought to retroactively pay its insurance which was not permitted. My earlier experience in AID proved very helpful in that I knew the players and was trusted by the players in AID as someone who was sympathetic to AID's point of view. It was eventually worked out that we were not going to come to the rescue of the American copper companies.

Frei and the Chilean Christian Democrats only ever solicited the support of another political party on any issue during President Frei's tenure in Chile. On one occasion, and that was to pass a national wage law, the party whose support they sought was the equally autocratic Communist Party of Chile.

ROBERT C. AMERSON
Assistant Director, Latin America Bureau, USIS
Washington, DC (1968-1971)

Robert C. Amerson joined USIS in 1955. He served in Venezuela, Italy, Colombia, Spain, and in Washington, DC with both USIS and the State Department. Mr. Amerson was interviewed by Allen Hansen in 1988.

Q: Do you recall some of the major issues and concerns in that period? Of course, there was the Alliance for Progress. We were concerned about economic and social welfare.

AMERSON Well, there are several levels of answer to your question, I guess. One of the principal issues or political/policy issues of concern had to do with Chile, of course. In the late '60s, early '70s you remember what was happening there after the Allende victory gave Chile the only major "Marxist" government in South America. As we all know, this became a matter of considerable concern to high level people in the United States government. For us in USIA, it meant trying to function normally under circumstances that were becoming increasingly difficult in Chile.

JAMES R. MEENAN
Mission Auditor, USAID
Santiago (1969-1972)

Mr. Meenan was born in Rhode Island and raised in California. After graduating from Woodbury College he entered government service. Joining USAID in 1965, Mr. Meenan had a distinguished career with that Agency, serving as Mission and Program Auditor in USAID Missions throughout the world. His foreign postings include Liberia, Vietnam, Brazil, Chile, Panama, Sri Lanka and Philippines. Among his Washington assignments was Committee Staff Member in the Office of Senator Max Baucus. Mr. Meenan was interviewed by Charles Stuart Kennedy in 2007.

Q: You went to Chile when?

MEENAN: We arrived in Chile during 1969 and remained until the Audit Office commenced closing in 1972. This assignment was one of the most enlightening experiences in my career. When we arrived, everything was peaceful and quiet, before the presidential election process started. The Audit Office was under the USAID Comptroller, until about a year later, when an Auditor General operation was created with its South American regional headquarters based in Rio de Janeiro, Brazil. The Audit Office was initially staffed by one other American, and a group of about four Chilean auditors. The Chilean staff was mostly educated in the U.S., sharp, inquisitive and as good as an American auditor. After the first year, I was the sole American residential auditor in Chile.

Q: Did you get any feel for pressure on Allende?

MEENAN: Quite a bit! For example, in contrast to the local currency conversion policies in Vietnam that prohibited the use of black market exchange rates, I was surprised to learn that the U.S. Embassy was actively supporting money runs to Buenos Aires, Argentina to obtain Chilean currency at much enhanced rates for employee personal uses.

Q: Was there much discrepancy?

MEENAN: Oh, yes, due to the economic distortions in the economy, the unofficial exchange rate was running about double or more than the official rate applied for the U.S. dollar.

Much of the economic distortions are traceable to the Frei Administration that resisted opening the economy to the *campesinos*, poor rural farmers. In contrast, Allende campaigned on a platform that attracted many of the professional middle/upper class people, to open the economy and enhance participation for all Chileans. Unfortunately, his reformist objectives to open the economy including the *campesinos* did not last long, following the election.

Shortly after taking office, Allende appears to have lost control to his radical elements. The reformist agenda was scrapped for a radical course of action that included freezing prices, double-tripling wages, taking over companies, and seizing properties. Literally for that first year, we witnessed the country liquidate its national wealth. These actions lead to curtailment of most local goods production and rapid consumption of what little inventories existed. With the “enhanced” exchange rate we were receiving, a good meal out with entertainment became obscenely cheap.

Q: Did the audits reveal any significant issues?

MEENAN: Two audits, in particular, directly tied the misuse of USAID funds to the campaign against Allende before the election. One audit involved a Jesuit priest who had a USAID/Washington grant for family health promotion that was paid by the USAID comptroller’s office in Santiago. This strange arrangement did not provide the Agency with much oversight opportunities. We undertook the audit and ascertained that the grant had been poorly written and lacked most basic controls. The poor scope of work along with the lacking oversight called into question the activities that were taking place for encouraging population family planning amongst the heads of the countries in South America which appeared in conflict with overall USAID/Washington policy.

Once a review of the financial records commenced, our Chilean auditors found that sub-contracts were being executed for work under the grant, but instead of proceeding with the tasks, the sub-grants were being promptly terminated once full payment was received from USAID and the funds diverted to another account. The audit found the diverted money was co-mingled with other outside funds that were used in a campaign against Allende’s election. In addition, at the end of each year, the grantee and staff would enrich themselves by dividing up any unused USAID grant funds. Near the end of the audit, the grantee’s records were being destroyed in anticipation of Allende being elected and the Grantee’s eminent departure from Chile.

The contracting office in Washington was not happy when the audit report was released. Others were not very pleased that we undertook this review. However, some months later, I received a book issued by Praeger Publishers that substantiated our findings and the actions that were taken against Allende’s election.

Q: What was the other audit case you identified?

MEENAN: The second linked audit involved an education sector loan USAID had made to Chile. The loan project entailed providing a mix of cash transfers for education policy reforms as well as funding procurements for educational books and supplies. Chile did undertake good education

policy reforms, not that it could be determined that the USAID cash transfers had that much of a direct influence. However, the audit found that most of the educational supplies that were provided from the U.S. had been distributed to the various schools, but for one reason or another they were locked away in storerooms.

The case of the locally printed text books provided another venue for the diversion of USAID funds. In these procurements, the USAID was buying local currency with U.S. dollars, and paying for the printing of the new curriculum text books. Our Chilean auditors determined that the prices USAID was paying for the textbooks were significantly higher than the cost of the same items on the local market. Upon further analysis, they learned that the overpricing was directly benefiting the publisher, who happened to be owned by the Christian Democratic Party, which supported the Frei election.

Q: How well were these findings received?

MEENAN: I learned some time later that the USAID director, who later became an ambassador in Central America, sent a blistering message to Washington asking that they close the audit office in Santiago and disperse the staff. The reason he gave was that we were acting like “Gestapo” – secret police, in that we were going into areas that we shouldn’t be in and he was fed up with it.

Before eventually closing the office in advance of USAID’s departure, we did perform a review of USAID’s general fund for administrative expenses. Low and behold! We found an apparent Anti-Deficiency Act violation in that the USAID, under the director, had undertaken a brand new project during a Continuing Resolution restricted funding period established by congress. During such a period, no new activities are to be started and operations can only proceed at the same or lower level of the previous year. The audit further found that the USAID had this new project fully expended before they ever received approval for the activity from Washington. Months later when approval did come, the USAID transferred the accounting for the activity from the operating expense account over to the project.

Q: Would you say that the Allende government was under much pressure or running scared?

MEENAN: From my perspective, the Chilean economy was a pendulum that was going to swing. The Frei administration’s policies and practices were very confining and did not benefit a large element of the population. It was distorting and polarizing the country—haves, have nots—and it was working up to a destabilization effort of one form or another if something wasn’t done in the election. Frei’s whole campaign was, “Continue the status quo,” while Allende was campaigning on, “It’s time for reform. Open up the economy. Bring the *campesinos* in.” That’s what attracted a number of professional people to support Allende in the election.

Shortly after Allende did take office, his radical elements really rose up and, from my perspective, turned the direction of his efforts to the radical leftist elements. Chile was very proud to have freely elected a socialist president. Note: Now that USAID/Washington has actively strayed from an economic development focus to promoting democracy and free elections around the world, it should remember this Chilean experience in that the U.S. may not like the results these efforts produce.

At the time of Allende's inauguration, a close relative of one of our audit staff was still the head of the *carabineros*, the national police. He provided the staff with his tickets so we could attend the inauguration and sit in a good location, behind the president, for photographing the parade of troops.

Q: Was the United States screwing up the economy or was Allende doing the job?

MEENAN: The U.S. Embassy was blessed by having Mr. John Sprout as its economic reporting officer and he did an outstanding job in gauging the rising economic pressures and the points at which they would have political impact. John later became the head of the Foreign Service Institute of the Department of State.

Q: Was the United States the precipitator or was it Allende?

MEENAN: The U.S. wasn't doing that much to support needed economic reform or change from the status quo of the Frei administration. There had to be change because the status quo wasn't serving the needs of the population. When that economic pendulum starts to swing, one needs to be actively upfront making needed input in order to have any impact. However, nothing seemed to be done to try to neutralize the radical elements of Allende's group and get more centrists coming forward to provide direction.

From our audits, it became clear there was money flowing in a campaign against Allende. I believe that the U.S. and others got on the wrong side of the problem and ended up providing an environment for the more radical elements to grow. Possibly, more attention could have been placed on Frei to open up the economy and become more of a centrist reformer than a status quo campaigner.

For example, Chile produced great agricultural crops; however its post harvesting, processing, and distribution systems were nonexistent. A friend from a California cooperative was providing some basic packaging and marketing advice that proved invaluable in opening the first cooperative market for fresh fruits and vegetables in Santiago. This model could have proven replicable to bring the rural poor farmers into the growing economy. However, these initial efforts died in the economic chaos that developed.

During our assignment in Chile some friends at the Brazilian Embassy confided in us its concern that the U.S. seemed to be pulling out of South America and that Brazil was going to have to fill that void both economically and possibly militarily. When the U.S. went on its intervention initiatives in Central America, including El Salvador and Nicaragua, this concern was further heightened. Today, the times have changed. The U.S. seems to be slowly realizing that the real economic power in the Americas lie in the Southern Cone, a key sphere of Brazilian influence. This is particularly true in the U.S. efforts to negotiate a Free Trade Agreement with the Americas. The Brazilian economy is strong and it has set itself up as a leader in the hemisphere.

Q: Were you getting discouraged as you were working in Chile?

MEENAN: I saved a L'il Abner cartoon strip that sums up the frustration an auditor often encounters. It read as follows:

L'il Abner cartoon from the cold kingdom of Lower Slobbovia by Al Capp

ABNER: Mah mishun in Lower Slobbovia is to find out whut they's spendin' all them American billyuns on!!

Thar's nothin' to buy here!!

For THIS they need a billion a week?

Is that good king nogoodnik?

KING: This week's billion just arrived from the Hew Hess Hay, my frizzing subjects!! – Now we can all get warm!!

ABNER: Whut kinda fuel is yo' gonna git?

KING: We GOT it – our fuel!!

ABNER: They's burnin' MONEY!!

RESIDENT: Notcherly!! Is nuttin here to buy with it!!

Later in Washington, DC

SECRETARY: That idiot recommended sending them old mail-order catalogues instead!!

SENIOR OFFICIAL: That's what we get when we send a mere citizen on a Statesman's errand!!

Like that L'il Abner cartoon, the frustration was becoming tired of continually documenting where things were going wrong and finding little real interest in resolving the issues.

Q: How did your family enjoy the Chile assignment?

MEENAN: The work aside, we loved the assignment and the opportunity to develop good local friends with whom we continue to keep in touch. Our first son was born in Santiago. The locally available cribs were built low to the ground, and in that cold climate they were not very healthy. I wrote Montgomery Ward's and ordered a crib for our son, however the shipping cost would more than double the price of the item. I was surprised to learn that while dependent children and students traveling to post received a shipping allowance, the regulations provided no such assistance to newborn Foreign Service dependents.

We filed an appeal with the American Foreign Service Association (AFSA) and the State Department. While they acknowledged our predicament, the State Department would only establish a crib allowance for future newborns, declining our request for reimbursement. It still seems discriminatory that newborns do not receive an initial shipping allowance to cover their initial basic needs when born overseas, but at least they can have a decent crib to sleep in, if nothing else.

Q: When you left Chile, where did you go?

MEENAN: We were assigned to a regional audit office based in Panama City, Panama from 1972 to 1974.

HARRY W. SHLAUDEMANN
Deputy Chief of Mission
Santiago (1969-1973)

Ambassador Harry W. Shlaudeman joined the Foreign Service in 1955. His career included ambassadorships to Venezuela, Peru, Argentina, Brazil, and Nicaragua. Ambassador Shlaudeman was interviewed by William M. Knight in 1993.

SHLAUDEMANN: . . . I went to Santiago, Chile, as Deputy Chief of Mission, where I spent 4 years -- again, a most turbulent time.

Q: *Yes. I inspected Chile when you were there, you may remember.*

SHLAUDEMANN: I do. Tremendously turbulent. We went through everything possible. From there, I came back to be Deputy Assistant Secretary -- in 1973. I came back two months before the coup. I was one of Jack Kubisch's deputies. There were only three -- there are five now.

Q: *Probably cutting some of them out, now.*

SHLAUDEMANN: I would hope so. Bill Bowdler and I really were on everything except the economic. Then I worked for a while for Bill Rogers, also in that job, and then was sent on my first Ambassadorial posting to Caracas, in Venezuela. I was there only a year when Henry Kissinger asked me to come back and be Assistant Secretary, which was very painful. This had been building up. We had had problems during the confirmation hearings on Venezuela, but the hearings on the Assistant Secretaryship were very painful. This all had to do with Chile, the role of the CIA and Chile; what I had known, what I had done. In fact, I had a three-hour closed session with the Senate Foreign Relations Committee. I was finally confirmed, in large part because Henry insisted, but I only kept the job for less than a year because, when Carter came in -- this was 1976 -- naturally, I was removed. But he very generously gave me the embassy in Lima where I was for three and a half years, and then the Embassy in Buenos Aires where I continued under Reagan.

I guess next would be Chile.

Q: *And the years?*

SHLAUDEMANN: In Chile we're talking about 1969-1973. We were there four full years. We arrived during the Frei Administration and left two months before the coup that overthrew Salvador Allende.

Q: *Which Ambassadors were you under?*

SHLAUDEMANN: The first two years it was Ed Korry and the next two years Nat Davis. This was really the height of the Cold War. I think people who would expect -- and this was always the case in Latin America, that our critics expected somehow that the Cold War would not affect policy. You know, the Cold War dictated policy all over the world, including Latin America. Allende's

election (in 1970) was a tremendous shock to the Nixon Administration, and to Nixon himself -- this is all a matter of public record now. He was infuriated by it.

I think it's important to emphasize that what we did there (after Allende was elected) was to try -- at least that was the way Nat Davis and I saw it -- to try to bolster the democratic forces at a time when, despite the mythology that developed later, what seemed to us was going on was that Salvador Allende and his crew were attempting to make this, in effect, really irreversible, as I think we've seen in other countries. Our activities may have contributed to -- probably did contribute to the atmosphere in which the military moved, but the military moved on their own, for their own reasons.

One of the key moments in this long, drawn-out conflict came when the Allende Administration decided to adopt a new educational policy and briefed all the Cabinet on what they were going to do. In the Cabinet was a Navy Admiral. At this time Allende had brought in two officers from the armed forces in an attempt to bolster.

Q: As a sort of gesture to appease the armed forces?

SHLAUDEMANN: More than that -- in an effort to keep them from overthrowing him.

Q: Pre-empting them.

SHLAUDEMANN: And to use them against his adversaries. In any case, this Admiral was so shocked by what he heard, which sounded to him as if they were going to put an end to -- they probably were -- to all Church education, to Roman Catholic schools. This, I think, contributed enormously to the ultimate decision on the part of the Army and the Navy to overthrow him. In any case, we lived through all that.

Some of the things that happened in Chile were really quite common in Latin America. When I first went to Colombia, the things you found there -- inflation, corruption, military government -- were the same you found every place else. It ultimately turned out -- I don't know what, if any credit we can take for it -- but Chile is now a very healthy, strong country. We were under enormous pressure there, as you can imagine.

Q: Yes, I have Nat Davis's book THE LAST TWO YEARS OF SALVADOR ALLENDE, which I'll just note for any researcher.

SHLAUDEMANN: Yes, it's very good -- excellent book. The major effect of this experience was on my dealings with the Congress subsequently; it turned out that I was Deputy Assistant Secretary who, among other things, had responsibility for Chile.

Q: After you came back?

SHLAUDEMANN: Yes. I had to testify in the House -- this was the first hearing, I think, which later led to the Church Committee hearings. I was accused during that hearing by a Congressman from Massachusetts of lying to the committee, and this kept coming up over and over again. I think the

record is clear that I didn't. The question they had to answer was how much should I have said in open hearings. I kept saying that I really didn't want to talk about these things in open hearings.

Q: Did they call you back for closed hearings?

SHLAUDEMANN: No.

Q: Was this the first time you had ever testified in Congress?

SHLAUDEMANN: It may have been -- I testified several times -- I testified subsequently in the Senate, also, on refugees as I recall, before Ted Kennedy, and of course, I had all these confirmation hearings. I've done others -- Cuba. This affected me very seriously. In fact, when I was up for Venezuela, I had people come up and testify against me, and it was all very upsetting. But it worked out.

Q: Excuse that interruption. So we're still in Chile?

SHLAUDEMANN: There isn't much more. I think most of the Chilean subject has been exhausted. I can't think of any particular insights, except what I said -- I think that whatever came out subsequently, what we thought we were doing was supporting the democratic forces. Obviously, we hoped that at some point Allende would come a cropper, but he did so largely through his own doing, not ours.

Q: He just pushed them beyond the point which they would accept.

SHLAUDEMANN: He pushed them, and he ruined the economy, of course. That hurt very badly. The problems we had there were problems that were common in Latin America, except they were enormously intensified by this ideological battle that was going on.

WILLIAM LOWENTHAL
Director of Advisory Services,
Latin American Institute for Economic and Social Planning
Santiago (1970-1974)

Deputy Country Director,
Bolivian and Chilean Affairs (USAID and State Department)
Washington, DC (1974-1976)

William Lowenthal was born in 1920 in New York. He received a bachelor's degree from Dartmouth College in 1942; a master's degree in Latin American economics and history from Columbia University; and a Ph.D. from Georgetown University, where his thesis was on Argentine economics and social development. Later he was a U.S. Navy pilot and a textile mill executive dealing with labor unions. He served with USAID in Washington DC, Chile, and Argentina. He also served with

UNESCO in Paris and the Economic Commission for Latin America. Mr. Lowenthal was interviewed by James D. Williams in 1981.

LOWENTHAL: ...Then when I ceased being the Deputy Director of Argentine, Paraguayan and Uruguayan Affairs, I went to Chile on loan to the United Nations. What happened was that Raul Prebisch, a very well known Argentine economist, who had been the director of UNCTAD in Geneva, returned from UNCTAD to Chile to head up the Economic Commission for Latin America which he had founded many years before.

Q: And this was in ...

LOWENTHAL: This was in 1969.

Q: 1969.

LOWENTHAL: And he was returning from Geneva from his position there with the United Nations. He was an Under Secretary General of the United Nations and he was returning to Chile to work in the Economic Commission for Latin American. He was the head of what was part of the Economic Commission called the Latin American Institute for Economic and Social Planning which was part of ECLA which he had founded and he asked me to go with him and to help him reorganize that institute. AID and the State Department gave me permission. There was a stipulation in the law whereby you could work in a United Nations organization and not lose your status in your home agency.

Q: You had just said that you wouldn't lose your status if you didn't stay longer than five years. So take it from there.

LOWENTHAL: Right. So I went and I worked for Prebisch in the Latin American Institute for Economic and Social Planning from 1970 through most of 1974. And that institute is located in Chile. I was the Director of Advisory Services and Special Assistant to Dr. Prebisch. I spent most of my time organizing teams of economic planners who would be requested by the governments of Latin America for assistance in preparing their economic development plans. I would go to these countries and negotiate agreements between the Institute of Economic and Social Planning and the country itself for assistance in various types of plans, some were long-range, some were short-range, some were just agricultural plans or educational plans and others were overall economic plans and then I would try to recruit people to carry out these advisory services to these governments. That was my main job as the Director of Advisory Services. The other aspect of my job had to do with the management of the Institute itself and that involved its organization. I was the Chairman of the Tenure Committee that dealt with very delicate matters with respect to personnel. That was a very fascinating position. I was in Chile at a time when very important changes were taking place. I got there in the last year of the Frei Administration. I was there for all of the campaign and the election of President Allende and Chilean military and then I stayed on for about six months of the military regime before I came home. Then I became the Deputy Director of the office of Bolivian and Chilean Affairs in Washington and that's when I had the problem of the Bolivian road loan that I explained earlier. [...]

Regarding my Chilean experience in the Allende period, I feel that the impression in this country that the Chilean Revolution came as a result of U.S. and CIA pressures is very false and very exaggerated. There have been books written about it but I don't think that the U.S. had a very large hand in it at all. The Chilean people were fed up with the Allende regime and his overthrow was a genuine overthrow by the country, by the people of the country.

[...]When the Argentines have elections, the military are always in the background and have had a long history of participating in government and controlling what the policies are, whereas in Chile it's been the opposite until just very recently. Chile has had a long history of democratic government; people were constantly elected, but socially Chile is not very democratic. It matters who your father is and where you come from and what your lineage is in order to have an important position in Chile. It's not as democratic socially but it's always been much more democratic politically, which is strange for countries that have been neighbors for so long to be so opposite.

Q: Well, I guess when you get to the, to the social field, the societal field, there are a lot of anomalies that nobody knows much of anything about. But they're intriguing.

LOWENTHAL: I had one other example to give about political influence -- U.S. political influence -- in our AID programs that took place later when I came back from Chile after having been on loan to the United Nations in the Economic Commission for Latin America. I came back to Washington and was made the Deputy Director of the Office of Bolivian and Chilean Affairs and I spent most of my time going to congressional hearings to discuss the Allende government and what happened there...

Q: Tell me about the period when you were Deputy Country Director for Bolivian & Chilean Affairs?

LOWENTHAL: I was responsible for recommending and executing U.S. policy toward Bolivia and Chile. This involved preparing and negotiating policy papers, maintaining active correspondence with U.S. Embassies and AID missions in Bolivia and Chile and servicing their needs substantively and administratively. It also involved active relationships with Bolivian and Chilean embassies in Washington and with other U.S. Government, international and private agencies dealing with those countries.

JAMES J. HALSEMA
Public Affairs Officer, USIS
Santiago (1971-1975)

James J. Halsema was born in Ohio in 1919, but spent his childhood in the

Philippines. He entered into the USIE, a predecessor to USIA, in 1949. His career included posts in Singapore, the Philippines, Thailand, Egypt, and Chile. Mr. Halsema was interviewed by G. Lewis Schmidt in 1989.

HALSEMA: First it was Portugal and then it was Chile. You'd think that the heavens had fallen in. But I was asked to go to Chile to be the PAO in 1971. Allende had been elected, and I didn't know of course about what the U.S. Government had thought it might want to do about Chile, but I was aware that there was great concern at the top level of the U.S. Government about Chile.

That was the first post that I went to where knowledge of a foreign language was absolutely vital, so I went to the Foreign Service Institute. I did have adequate briefing for that post. I was given time to get a brush-up course on Spanish at the Foreign Service Institute. I was given time to talk to people in other agencies about Chile, and even got a trip to eastern Europe to look at what communist countries were like before I went there, so I was pleased with that kind of background.

I got to Chile and I found I was in a kind of milieu, which was sort of a never-never land. It seemed to me that Latin America was the most isolated of all areas as far as the United States was concerned. There we really were doing things the way they'd always been done. It was a really laid back kind of situation in which most of the people had circulated around within the area the way they used to do in the European area, but they never really got much exposure to the outside world.

I found, for instance, that my predecessor had such a schedule that he had a blanket and a big couch in his office and he used to take a siesta to catch up on the sleep he'd lost at the parties the night before. [Laughter]

I also felt that we had far too large an establishment. We had offices in places that were really never going to be important in terms of what would happen in Chile. I could see only three places in the country that really were vital to the politics of the place, and that we could cut down drastically on our staff, because the emphasis was on reducing the American presence with a hostile government. So I did this, and I didn't realize what a hornets' nest I'd stirred up, and how this was going to affect me after Henry Loomis left the Agency.

I made a lot of enemies there, which I didn't know about at that point. I once more was in a turbulent situation. I don't know how, but I've seemed to inherit posts where there were problems. Relations between the U.S. and Chile were bad and getting worse. It wasn't too long after I arrived that the Chilean government came out with its attacks on IT&T, the CIA and all the rest. It was further complicated by the widespread sympathy for the Allende government among the liberal element in the U.S., sort of the same way that Nicaragua has been in more recent years. Indeed, one of my staff who went to Nicaragua as PAO said he recognized an awful lot of the same faces that he'd seen in Santiago.

I was in Chile for two tours, too, nearly four years in all. During the first tour all of the turmoil which led up to overthrow of Allende occurred. It was an odd situation in which the people who were against Allende were very friendly and we had no problem placing material with the opposition press, etc., and they did still control one television station. So that part was easy. Very rarely did you get anything into the government-sympathizing media. It reminded me in some

ways of Egypt, though, and that was that I felt our biggest job was to maintain continuity of contact with the intelligentsia of the country. In that particular situation our cultural programs were much more acceptable than our information programs. In Chile we did have outlets for the information side of the activity.

One of the complications was the fact that CIA was also running a pretty important media program. I knew about some of it, but, as usual, they knew more about what we were doing than the converse.

Q: Yes, you never know anything about what they're doing most of the time.

HALSEMA: That was, incidentally, one of my jobs I had when I was in IOP (USIA Office of Policy), I was the Agency's working-level contact with CIA. The director was liaison at the top level, but I was dealing with the lower level, largely to be sure that they knew what we were doing so we wouldn't interfere with each others' activities. They told me very little about what they were doing.

I felt the Chileans who were in the opposition were almost telling me too much of what was going on. They were trying to involve the U.S. Government in their opposition to Allende in ways in which the U.S. Government didn't actually want to be involved. Of course, we got tarred with the brush of what we'd thought about doing, but didn't do. That was the big problem in the U.S. with all of that; it was not so much what we did, but what we talked about doing.

Q: Getting back just a moment leading from that, I guess it's pretty well accepted that we had a big role earlier in Chile in the Frei days.

HALSEMA: The Frei days, yes.

Q: Did you actually think that the Americans did a great deal in Chile in fighting Allende when he was elected? The suspicion is that we did.

HALSEMA: No. I think that the truth is that we talked a big game, but we didn't actually carry much of it out. Our internal position within the embassy was that we were going to do everything in our power to keep the opposition alive until the next elections, which were going to be in 1976, on the basis that our opponents were pouring in resources, including people as well as money, to prop up Allende. Therefore somebody had to help the opposition, and the U.S. Government was one of the principal sources for that help.

The whole thing has been badly distorted. It's a good indication of the fact that there were so many sympathizers with Allende in the United States, that it was extremely difficult to carry out the U.S. Government's objectives because these people were always maligning your motives. I think we probably had more trouble in the U.S. than we did in Chile.

At the same time, our cultural activities were perfectly acceptable. We had no problem carrying on the program, and I think that's another reason why the two need to go together, because you have to have a full repertoire of instruments to carry on your activities. Sometimes one side is more

appropriate than the other. If you don't have any relationship with that side, you don't have anything to draw on.

It was a very delicate role for me, too, in terms of trying to point out to Chileans that we did not have a role in trying to overthrow the government. That was not our activity. I was approached by at least two fairly important Chileans who later on were given positions in the military government with proposals that we do this, that, and the other thing. I had to say, "Well, I'm sorry, but this is not our position. We're not really here to do that."

It was a difficult situation, too, in terms of the pressure of all this turmoil going on in the country. Alice felt it as well as I did, because the International School there was left without a director and she filled in for a semester as the headmaster until a successor could be found. All of the frustrations of the American official community were vented on the school because the school wasn't doing this, that, or the other thing.

We also found the economic distortions difficult, and Chile was the only country I've ever been in where the embassy authorized use of the black market because there was such a disparity between the official and non-official rate of exchange.

The fury went on in the U.S. after Allende was overthrown. After that period it turned out that the only people who really had many contacts with the new government were the military attachés, who had known these people in their official capacities, and a couple of us in USIS, because the chief spokesman for the junta was Federico Willoughby, who had been one of our chief radio and press contacts. Now he was sitting right in the president's office. So we had no problem communicating. But I was really embarrassed; our problem then was to avoid getting too close to the new government.

SAMUEL F. HART
Economist
Santiago (1971-1975)

Ambassador Samuel F. Hart was born in Canton, Mississippi in 1933. He joined the Foreign Service in 1955. His career included posts in Uruguay, Indonesia, Malaysia, Costa Rica, Chile, Israel, and an ambassadorship to Ecuador. Ambassador Hart was interviewed by Charles Stuart Kennedy in 1992.

HART: Bob Woodward had been appointed ambassador to Chile shortly before I was due to leave. In a burst of creative wisdom, I had been assigned to the IES Office in San Francisco, and my job would have been going to the airport and meeting and greeting and escorting various types of middle-level and occasional high-level visitors in and out of San Francisco -- being a tour guide and administrative assistant to visitors. And when I told Bob Woodward that I didn't think I really wanted to do that, he said, "Well, would you like to go to Chile with me?" It sounded good to me, and he said, "Well, I'll put you in the Economic Section in Santiago." He checked around on it, and it turned out there was no vacancy in the Economic Section coming up in Santiago. So then he said

to me, "How would you feel about being the consul in Antofagasta?" Well, shoot, I didn't know Antofagasta from nowhere, but it still looked better than going to IES San Francisco. He said, "I'll move you down to Santiago as soon as there's a vacancy down there. You can be consul in Antofagasta until then."

And I said, "Okay."

Bob Woodward came back to Washington on business and had gotten that assignment cleared through the personnel system until it got to the last door, where he had to have it, and they said, "We're very sorry, Ambassador Woodward, but you can't do this."

"Why not?" he said.

And they said, "Because he's not going to IES San Francisco. He's going to Indonesian language training."

And Bob Woodward said, "That's not what I was told before."

And they said, "Well, it's just happened. And you can't break that because he has requested Indonesian language training."

You know when you filled out your wish list, you had to list so many languages, hard and not-hard languages. Well, when I was filling out that thing I was taking Spanish at FSI, and we went in to get coffee. I am not a language whiz; I think I scored 62 on my language aptitude test. I said to somebody, "Which is the easiest of the hard languages?"

And somebody said, "Indonesian."

So when it came time to fill out that slot, I filled in Indonesian.

And sure enough, Bob Woodward could not break that assignment. I went to Indonesian language training at FSI. And guess who went as consul to Antofagasta?

Q: *Who?*

HART: Tom Boyatt.

Q: *Oh, my goodness.*

HART: And that's where he became friendly with a major in the Chilean army named Augusto Pinochet, who was in some function there in the Antofagasta military district, in 1961 or '62.

The big wheel turns.

But I can say that even in Chile, during the ITT/Allende thing and what have you, our concerns were not American business. They got into the act and mucked it up something fierce. But it was

always strategic/political.

Q: If you're leftist and threatening business, that's not the big problem -- if leftist means that the Communists are going to come in, which means the Soviet Union will come in. Tell me, did you feel at all, while you were in this brouhaha, the fine hand of Henry Kissinger?

HART: Absolutely.

Q: He was the national security advisor at that time. Could you say how he...

HART: I don't know that Henry ever took a personal interest in Costa Rica. But I went from Costa Rica to Chile, and Henry certainly had a strong hand in what the perception was in Chile. You remember when Allende first won the election in Chile...I don't mean to skip all the way ahead to there, but in a moment of rather penetrating analysis, Henry said, "You know, it really worries me about Chile, which is a dagger pointed at the heart of Antarctica." But having been flip, and at the same time profound, in the case of Chile, he then proceeded to behave in a way that caused enormous, enormous problems.

Q: Well, you say you were basically bounced out.

HART: I was thrown out of Costa Rica, and I was moved from being the head of a 13-officer, 15-local outfit to being the number-three person in the economic/commercial hierarchy in Santiago, Chile.

Q: Well, now was this ARA just...

HART: This was ARA; a thoroughly detestable person by the name of Sheldon Kryszewski did it to me.

Q: Was this trying to bury you as an embarrassment? Was this considered a punishment, or just, "Hell, we've got to get him out, and let's find him a place."?

HART: Well, you'd have to be able to look into the minds and hearts of the people involved. I do know this. When I made it known to the Personnel people that I really did want to leave Costa Rica, because my position there was untenable, I said to them, "But I hope you can arrange this in a way that, given the circumstances of my removal, that I don't look like I'm being punished." When I heard fourth-hand that I was being transferred to Santiago, Chile (and I heard it literally fourth-hand), I went to the DCM and I said, "Is this true?"

And he said, "Yeah, it's true."

And I said, "Well, what job am I going to?"

He said, "Well, I don't know about that."

And I said, "Isn't it kind of irregular for me to find out from the wife of a colleague, who's not even in my section, that I'm being transferred?"

"Oh, well we were going to get around to telling you sooner or later."

But the ambassador had cut a deal. They wanted an economic officer to go to Santiago right after the Allende election. They had a new economic/commercial counselor who was concurrently AID mission director there, who'd just come in to replace Dean Hinton. It was Joel Biller, who'd come from being econ/commercial counselor in Argentina. He took over econ/commercial *and* AID director, to phase out the AID mission in Chile, and he wanted an economics guy. So I was told I was it. And I said, "Wait a minute now. This is going to look like a demotion."

And they said, "Well, that's all we have."

I had long phone calls with Washington on this subject, with Sheldon Kryss, who at that time was the personnel guy in ARA. He worked for the executive director, Joan Clark.

Q: I thought she was EUR.

HART: She was later EUR; at that time, she was ARA/EX. And Sheldon was saying, "That's all we have." I said, "Sheldon, I think I deserve better than this." And he said, "Well, that's all there is." I said, "In that case, I'm going to buy myself a plane ticket and I'm going to come to Washington and I'm going to do something about it, because I ain't going to take this kind of public humiliation."

So I bought a plane ticket and I went to Washington, and I said, "You say ARA can't do any better by me than this. Am I free to go find another bureau that can?"

And he said, "Yes."

So in a half hour I had gotten a good job in Australia, in the East Asia Bureau. Don McHugh, the old DCM from Kuala Lumpur days, was EX in East Asia, and I was going to become the economic/commercial guy in Canberra. And I thought, "Man, I've died and gone to heaven."

I went back to Sheldon and I told him, and he said, "Well, this is all contingent upon EA giving us a replacement for you. But okay."

I got back to Costa Rica, after having paid my way up and spending two days in Washington, and I hadn't been back 24 hours when I got a phone call saying, "We're not going to release you." He had never intended to release me. Never had intended to release me.

And so it was a question then about what to do. I had set up an appointment with Charlie Meyer, who was in San José, Costa Rica, to attend an OAS (Organization of American States) general assembly. I had it set up to see him and to tell him that I thought this whole situation sucked. I was in the midst of a divorce proceeding, and I had a lot of personal things going on. And by that time, I was so tired, I said, "You know, maybe I'd better go on to Chile, because I'm just tired of fighting this thing, and time is running out on me. And I've got a situation at home I have to do something about."

So I went to Santiago.

Q: Did you feel at all that Santiago, though, had an interest? It's nice, prestigious-wise and comfort-wise, to go to Canberra, but, after all, Chile was going through a really interesting time. How did you feel about that?

HART: Well, I was told that I was selected because I was one of the few real economists practicing that arcane bit of witchcraft in the State Department, and they wanted a good economist to be down there with the Allende government. In fact, you could have trained Cheetah the Chimp to do the economic analysis of the Allende policies, because it was all straight downhill. The outcome was so easy to see that you didn't really need much of an economist. I was so mad, that the only thing that kind of got me out of the funk was that AFSA, which was aware of what was going on...

Q: AFSA being the American Foreign Service Association.

HART: Was aware of what was going on.

Q: Sort of our union.

HART: Yeah. They were excluded. The exclusive bargaining agent for State. But they knew something about what was happening in Santiago. Bill Harrop was the president of AFSA at that time. They were aware of the Santiago thing, and I got a cable one day telling me I had been selected for the Rivkin Award. And so I was able to come to Washington.

Q: You're talking about the San José problem, not the Santiago one.

HART: Right, talking about the San José problem. And I was selected for the Rivkin Award because of what happened in San José.

Q: Which is the highest award for showing dissent. It's within the State Department bounds, but honoring people who've shown dissent under difficult circumstances.

HART: It's given by the union, not by the State Department. Although at the awards ceremony, I was seated next to William Rogers, the Secretary of State, who stood up and said some very nice things about what a contribution I'd made to American foreign policy. And my only thoughts were, "If you'd done your job, I would have never been put in this stupid situation. You would have gotten rid of that goddamn Walter Ploesser, and you wouldn't have made a junior officer do it."

Of course, I *didn't* get rid of Walter Ploesser; Walter Ploesser outlasted me. But at least the fangs had been drawn and he wasn't able to do any more significant harm.

But I was mad, and I never forgave Sheldon Kryz. If you really want to look at the people whom I think are scumbags in the Foreign Service, it's people like Pete Ravenal and Sheldon Kryz. And I wouldn't hesitate for a minute to tell them so. I think they both know exactly how I feel.

Q: Well, now we come back to Santiago, Chile, where you were sent in '71 and you stayed for four years. Could you describe the situation as you saw it? Were you briefed in Washington before you went there, or did you just go directly?

HART: Went directly from San José. Took my two children. My wife went in one direction, to the States. We were splitting up. She was the stepmother of my two children; I had gotten married again two years after my first wife's death. And my kids and I headed for Santiago.

We arrived on a damp, cool day in April of 1971. Allende had been in power since his inauguration on November 3, 1970, and so there had been a five-month or so span of the Allende government. An awful lot of things had happened, which had caught the attention of the world, about U.S. policy in Chile and whether we were trying to overthrow Allende, and all of this business.

My job was to be the embassy economist.

The ambassador at that time was Edward Korry, a political appointee, former newspaper journalist, former head of *Look* magazine before being named as ambassador to Ethiopia in the Kennedy administration. Harry Shlaudeman was the DCM. When I got there, Korry pretty much knew he was going to be leaving. His successor had not been announced, but the handwriting was pretty much on the wall.

The embassy was over in a big office building very near the presidential palace La Moneda. On the other side of the presidential palace was the AID office, which at one time had been one of our largest AID missions in Latin America. It was in the Ministry of Defense building, ironically, and that's where the Economic Section was located, in the AID building, because the Economic Counselor was concurrently AID Mission Director. It had been Sid Weintraub, who was followed by Dean Hinton, who was followed by Joel Biller. As I mentioned earlier, Joel had been brought over -- he had arrived there in February or March from Buenos Aires -- to take over and liquidate the AID mission, which we knew was going out of business in Allende's Chile. John Sprott had been sent down to Chile; he had been the economic guy during two or three years there, under Hinton. And the commercial attaché was Cal Berlin. Joel Biller concentrated on AID matters, I was supposed to do the economics, and Cal was supposed to do the commercial work. Joel and I were over in this separate building, and when we arrived in Santiago, we found a really...well, for me, it was a unique embassy situation.

Ed Korry was smarter and more articulate and more energetic than anybody else in the embassy, and he had become famous (or infamous) all over the area, because he would sit down and, about once a day, file some great, deep think-piece about what was going on in Chile and what U.S. policy ought to be, and he would send it to every Latin American mission, "EXDIS" of course. But it got passed around.

Q: "EXDIS" is supposed to be exclusive distribution, but once you send that, particularly if it's well written, it gets out.

HART: I'd been reading Ed Korry's stuff in Costa Rica for six or eight months before I went to Chile; they used to call them "Korrygrams." He was very good, and he was not bound by what he

had said the previous day. Ed Korry had a cable on every position that you could possibly take, so that whatever happened, he could say, "See, I told you so." He was a brilliant guy; ambitious, vain, egotistical, irascible, what have you, but a capable fellow. And he had so much more pizzazz than anybody else that he just kind of dominated that embassy in an unhealthy way.

I think we had one case of a guy who had kind of taken exception with him, who had been tossed out. And the lesson that the people on the staff had learned was: Whatever Ed Korry says, you better agree. And not only agree, you better tell him, yes, yes, three bags full.

So when I arrived in this embassy, coming off the Costa Rican experience...

Q: Particularly having marital problems and being annoyed with Personnel, you certainly couldn't have been in the greatest of moods.

HART: Well, when I got to Chile, I was in a terrific mood, because I had this big weight off my shoulders. I had the problem of how to deal with this professional problem, and I was out of a marriage which had, for four years, been causing me nothing but pain. My children and I could laugh and relax and be ourselves again, having no longer to deal with a person who had cast a rather heavy shadow over all of our lives, had taken the laughter out of our lives. Suddenly, life was great again. And I discovered that Santiago was a wonderful city, and that Chile was a wonderful country, and that it was not going to be the bad thing that I was afraid it was going to be.

But anyway, once a week Ed Korry would have a big country-team meeting. All the FSOs and the independent agency heads and what have you would come to this meeting. It would be in the ambassador's office; they had these folding chairs, and there would be 30 people in the room, anyway. Big meeting. And it was a country-team meeting of a type I'd never attended before, because Ed and Harry would sit in two chairs in the front of the room, and everybody else would be facing toward them, and Ed would go into a monologue. I sat there for the first few weeks listening to these monologues, and even though I was new in Chile, a lot of what he said sounded like total nonsense to me. But everybody would say, "Yes, yes, that's wonderful. Ooh, yes."

Q: Was there any thrust to what he was saying?

HART: Well, on one day it'd be one thrust, and on another day it'd be a totally different one.

Q: Allende was a very controversial figure at that time, so was he going off, I mean, how...

HART: Well, what Ed was trying to do was he was trying to throw out ideas and get reactions, honest reactions. And even though you disagreed with Ed and you argued with him, he would never say, "You know, you're right. You've got a good point there. I was wrong; you're right." But you would see a cable come out three days later with your arguments in it, if you did them well.

Well, I went through two or three weeks of this, and suddenly one day something unusual happened. Joel Biller, my boss, said, "Mr. Ambassador, I'm sorry, but I just can't go along with what you just said." I don't know whether Ed was talking about the Chilean economy or what, but it was an area in which Joel had a legitimate reason to take exception, and Joel took exception with

him. And that gave me enough courage, over the next couple of months, to start taking exception, when I thought it was prudent to.

And what we found was, the ambassador, when he had some hard choices to make, would call Joel and me over there and we would talk about them, and we found that we really did get some input. Nobody else in the embassy, as far as we could tell, was willing to take this on.

I became very fond of Ed Korry, even though he was a weird dude. And he was destroyed, totally destroyed, by the Chilean experience. He felt betrayed by Teddy Kennedy. He felt like he had been given the blame for a policy which he had never agreed with and had never been a party to determining. And that when the Church hearings on what happened in Chile...

Q: This was Senator Frank Church's hearings about our role in Chile.

HART: That's right, and what the role of the U.S. government had been, et cetera. When all that had happened and he had been called to testify, he felt like he'd been just absolutely thrown to the wolves by people he thought were his friends. And he never recovered. Ed Korry's alive today, and I talked to somebody recently who had seen him, and he's still a damaged person as a result of his bitterness and his disillusionment about the blame that he felt was unfairly placed on him for American policy in Chile.

But Ed knew he was short-term. In October of '71, he was replaced by a career diplomat coming out of Guatemala, Nathaniel Davis. Nat Davis came in on October 12 or 13, 1971, and he was ambassador for exactly two years. Those two years were the two years remaining in the Allende administration. And he was replaced, very close to the time of the coup, by a guy who's around here in Washington right now, David Popper, another career person, who took over right after the coup from Nat Davis. That particular change of ambassadors was purely circumstantial; I think it was not because anybody said we're going to change ambassadors after the coup. Nat Davis was tapped to come up and be Director General at that time.

But it was a funny embassy. Ed Korry dominated it in one way, in that he just had more power and more energy and more intellect, and was more articulate than anybody else.

When Nat Davis came, he dominated it in a totally different way. Nat Davis is a terrific guy in many ways, and I have a lot of respect for Nat Davis. I think he's a man of total integrity and commitment, and a harder worker you'll never find. A lot of imagination, I wouldn't say Nat had. A lot of creativity, I don't think Nat had. But Nat is probably the most devoted control freak I've ever seen. You couldn't even get a cable out of there that said "visa's x-ray" without him signing off on it. He signed off on every cable.

Q: "Visa's x-ray" being just one of these routine cables about a visa procedure.

HART: He insisted on signing off on every telegram that went out. He insisted that no one in the embassy could have cabinet-level contact with the Chilean government but him. Every political cable got rewritten in the front office. He went over even the most mundane economic-analysis cable with a care that you just couldn't believe. And he did it very well.

But Nat Davis had two guiding principles. (And I say this with respect for Nat Davis, because I do have respect for Nat Davis.) One was that the embassy was never going to speak but with one voice. (Dissent was not Nat Davis's thing; he wasn't a big dissent guy.) And second was, don't take on any battles you can't win.

I was put in charge of the CASP again. I got to Chile in April, and the CASP was due maybe in January. Meanwhile, the Economic Section had moved out of the Ministry of Defense building, because AID was shrinking and what have you. The Economic Section had moved over to the main embassy building late in the Ed Korry time. And I was tapped to do the CASP for Embassy Santiago 1971. I started to work on that, and we met daily in The Tank...

Q: The Tank being a secure area, made out of plastic, which, supposedly, couldn't be bugged.

HART: To discuss what U.S. policy should be toward Chile. For several weeks, the military attachés, the CIA representative, the econ., the political, USIA -- everybody there who had any kind of even remote reason to have a view on policy and on what the goals and objectives of the U.S. government in relation to Chile should be -- were sitting around there.

Finally, after about two weeks of this, I did a really dumb thing. I marched into Harry Shlaudeman's office, and I said, "Harry, it's occurred to me that if we're going to write a paper about what our relationships with the Allende government should be, it would be helpful if we knew what U.S. policy toward Chile is. Could you tell me what U.S. policy toward Chile is?" And Harry looked at me and, with a total absence of humor, said, "You have no need to know."

Q: Oh, God.

HART: So I felt that that pretty well spelled out what the utility of the CASP operation was.

Q: The question I always ask people I interview, usually early on when we get to a place, is: "What was our policy, or what were American interests in such a country?" With Korry boxing the compass on his ideas, did you feel there was any theme that was coming out?

HART: Well, you see, there was. There was. Unbeknownst to all but a few people in the embassy, the NSC had issued a decision memorandum saying that our policy toward Chile (and this was Henry Kissinger doing this) should be to try to undermine the viability of the Allende government.

Q: This came out about when?

HART: It came out in early '71.

Q: So basically you arrived, and this decision was overriding this, but none of you were informed.

HART: That's right, only a very few people were aware that there had been a Security Council decision on Chile. It was a hollow decision in many ways, because it was more of a pious wish than it was something that was pursued in a coherent way, that we would try to undermine the viability

of the Allende government. We cut off new AID programs, but we continued to disburse on the old ones. The Peace Corps stayed on. We started voting against Chile for new loans in the international organizations, but in fact the pipeline was so full that disbursements from international organizations reached new record levels in the first year of the Allende administration. There really wasn't anything that we were going to do, on the economic side at least, that was going to advance the policy that had been laid out in this decision in America.

When I talked about Ed Korry and his ruminations and his getting on every side of an issue, what he was really talking about was: What should U.S. policy be toward Allende?

You had essentially two polar options. One option was: Do everything you can to bring the regime down, whether it be overt or covert. This was essentially the decision that was made in this National Security Council decision memorandum, but was never really coherently implemented.

The other policy option was the one that the CASP, which went out, recommended. And it said, "The best outcome in Chile, for U.S. interests, would be that Salvador Allende comes in here, serves his term as president, and is replaced after that by another democratically elected president. And the U.S. role should be to conduct ourselves in a cool but proper manner toward this government, so that we are not responsible for any major breaches. We don't institute any kind of either overt or covert warfare between the two governments. That we're not friends is no secret. That we're not cooperating in many areas and have different ideas is no secret. But that we're plotting to overthrow, or that we're actively engaging in unfriendly acts, should not be our policy." That's what the CASP said.

Q: And this had the concurrence of the CIA representatives?

HART: Yes.

Q: Did you have a feeling that something was going on?

HART: The CASP said, "This may be the best outcome for U.S. interests, but in fact it's unlikely to happen, simply because it's unlikely that the Allende government will survive four years, because of domestic Chilean dynamics. The way the economy is going, the polarization of the political system is likely to lead to a terrible, crunching upheaval of some kind in Chile long before the four years is out unless Salvador Allende can bring himself to do something which he's said he's not going to do. That is, after a certain number of actions which he believes basically fulfill his promise to his electorate, to say, 'Okay, that's as far as we're going in this administration, and from here on out, this is simply not going to be a confrontational government, taking on the military, the judicial, and the legislative parts of the government.'"

Salvador Allende was in a minority in the Congress, he did not control the judiciary, and his control of the military was, at best, tenuous. So he could have survived only if he said, "Okay, time out, guys. We've nationalized the copper mines. We've done this, that, and the other thing. We've done these social programs. We're going to call a halt for the rest of this term."

But he was a captive of his own left wing. He had a coalition government that was made up of

Communists and various brands of Socialists and then the MIR, which was almost a Maoist revolutionary-type organization that was Cuban-oriented to a large degree and believed that a revolution to really be valid had to be an armed revolution. The MIR was kind of his paramilitary wing of the political coalition. They and the left wing of the Socialist Party (Allende was a Socialist, not a Communist) were not going to let him back off, and he became a captive of the most extreme element of the coalition, which eventually (and he knew this was happening) eventually drove him to a point where a violent reaction in Chile was inevitable. And, of course, it brought about, for 12 or 15 years after that, a military dictatorship. That was not inevitable; it was circumstance and bad luck that it happened. But that the military was going to throw Allende out of there became inevitable about 18 months into his administration.

Q: The military in Chile, unlike most places in Latin America, was not an activist military.

HART: That's right. They had prided themselves on being a professional military.

I'll tell you a story. First of all, I'll start off with the conclusion, and that is, what happened in Chile in the overthrow of Allende was not the product of carefully thought-out and orchestrated U.S. policy. It was a product *entirely* of internal Chilean struggles and contradictions.

Allende was able to hold on to power as long as he did as a direct result of a bungled kidnapping attempt. There was a right-wing group in Chile called Patria y Libertad, with whom the Agency (CIA) had contacts, with whom the Agency had discussed possible actions to prevent Allende from taking power. But in the final analysis the Agency had decided not to participate in this attempted kidnapping. I think it was in December 1970 that this group went ahead, bungled it, and the commander of the Chilean Army, Rene Schneider, was killed in the bungled attempt. He was succeeded as head of the Chilean Army by a guy named Arturo Pratts. (Most of the Chilean high-ranking military are of German or French background. The military is a place where German and French second sons went for years.) Arturo Pratts, as long as he was head of the Army, because of his viewpoint about the role of the Army, protected Allende.

Arturo Pratts was a man of great strength and personal courage. I don't know what his real political views were, but he saw his role (and he became minister of defense, also) as a guardian of the constitution, in a way. He felt that the enemies of Allende were trying to press a confrontation to the point where the constitutional fabric would be broken.

There were others who said that Allende had broken the constitutional fabric in many of the things he had done, that bridge had already been passed, and that all Arturo Pratts was doing was holding the Army in line behind Allende and preventing any reversal of these unconstitutional acts which would be required.

They were saying Pratts was acting to aid and abet unconstitutional actions; Pratts was saying I'm preserving the constitutional fabric of the Chilean political system.

There was economic pressure because the country consumed enormous amounts of assets in a binge of consumption in the first year and a half of Allende's regime. This was a conscious attempt by Allende to try to buy a majority vote in the upcoming elections so he could perhaps get the

constitution amended, in a plebiscite, as to how the country would be governed. He came probably within one percentage point of getting that majority, when he ran out of assets. And then the economy started to freefall.

There was political pressure because the Supreme Court and the Parliament resisted some of Allende's actions. So he was more and more reduced to finding gimmicks and executive decrees and what have you to nationalize industries, to take over businesses, to close down access of opposition newspapers to newsprint, to put economic pressure on other political opponents, etc.

Finally (and this is really the most important thing), because the MIR and other militant groups in his own coalition, distrusted the military, they created an arms supply and a paramilitary group outside the military. This was supposed to be the vanguard of the working class should the confrontation come. And this involved importing enormous amounts of arms and munitions into the country outside of military channels.

It also involved people like Carlos Altamirano, who was the head of the left wing of the Socialist Party. He was a close personal friend of Allende, but ideologically different from Allende, who was basically a center-of-the-road Socialist. The military started getting more and more restive, particularly the Navy and the Air Force, which had different commanders from Pratts, who was the Army commander. Carlos Altamirano went down to Valparaiso, the home naval base of the Chilean Navy, in August of 1973, and made a speech to the noncommissioned officers and the below-the-decks types, saying, "Look, the Chilean Navy is anti-Allende, and there may be a military move against Allende. If there is, you should not obey your officers."

This was probably the final straw. But it was a final straw that could only have happened because of some things that happened in the three preceding months.

Q: Almost the exact same thing happened in Brazil at one point, I think, this appeal to the enlisted men by an elected leader just before a coup.

HART: As conditions got more and more tense, as the military became more and more restive, every night in front of General Pratts's house (his house was about two blocks from where I lived), the wives of the field-grade Chilean Army officers would go up and down in front of his house, banging spoons on pots and pans, making a terrible noise and calling Arturo Pratts dirty names for betraying his class and his institution -- for betraying the middle class. He was really taking it in the neck, and for betraying the Chilean military in his collaboration with Allende.

It got to the point where, one morning in June of 1973, a lieutenant colonel, the commander of a tank battalion, cranked up his tanks, chugged out with 15 tanks or so in a tank column, went down to the Moneda (the presidential palace), pointed the guns at it, and said, "This is a coup. Surrender!" Everybody kind of stood around wondering what was going to happen next. The lieutenant colonel thought he had the armed forces behind him, but when he looked, nobody was there. He sat around there, with everybody kind of looking at each other, for about three or four hours. Then he got back in the tanks and headed for his barracks. But he ran out of gas, so he pulled in an Esso station and said, "Fill it up." He had to fill up the tanks to get them back into the barracks. This was the abortive coup of June 1973.

Then the Chilean military said, you know, what are we going to do with this guy? And there was a lot of back and forth. By that time, Orlando Letelier, who had been Chilean ambassador in Washington during the Allende administration, had come back to take over the portfolio of minister of defense.

General Pratts was still the head of the Army, and he had come down and helped face down this lieutenant colonel, and behaved very heroically, I think, on that June day. Pratts was the hero of the moment for those who supported Allende, because he had faced down this tank battalion.

But Pratts's nerves were getting very raw. And only a couple of weeks after that happened, he was in the back seat of his official car, being driven from his house, out near where I lived, into town, along the main thoroughfare. He and his driver stopped at a stoplight. Alongside them at the stoplight, out in one of the nicer sections of town, was a Chilean lady of a certain age, who looked over and saw it was Pratts, and shot him the finger.

Q: Gave him an obscene sign.

HART: Right. And Pratts snapped. He got out of the car, he unlimbered his sidearm, and he shot her Citroën about six times. He emptied his service revolver into her car (not her) in full view of hundreds of commuting Chileans.

From that moment, Pratts was dead meat. He could not survive. He could survive all kinds of political things; whether it was right for the Army to take these positions to fill ministries that were not defense. Because, to deflect political pressure, Allende was putting generals and colonels in to run these various government agencies, and a lot of people thought that was a terrible thing. Pratts went along with it. He could get away with that.

But he could not get away with violating the code of ethics of a Chilean Army officer, and shooting that lady's Citroën meant that Pratts was through. He was removed by a conclave of generals as chief of the Chilean Army within a matter of a few days after that. It took just a few days and he was out of there.

Succeeding him as commander of the Chilean Army was a gentleman by the name of Augusto Pinochet.

Now could things have played out differently? Absolutely they could have. Would the end result have been any different? I don't think that there was any way Allende could survive, but you didn't have to have a Pinochet dictatorship for the next...

Q: Pinochet was a certain type of person who almost preordained what would happen.

HART: That's right. That was not necessary. But the timing of all this was serendipitous. Everybody thought the coup was going to occur. And the newspaper headlines show it; for weeks before it actually happened, they all talked about "When will the coup occur?" Everybody thought it was going to be on Armed Forces Day, which was September 17 or something like that, when all

the armed forces had a big parade in Santiago. They thought that was going to be the day. All these units would be coming, and that would be the time when the military would just swivel their cannon around and say, "Okay, you're out of here, baby."

It came on the 11th; it came a week early. It was bloody. Not that that many people were killed in the original coup attempt, but there were a lot of scores that got settled after that. A lot of innocent people died, as well as a lot of people who were in the wrong place at the wrong time.

Q: As this was developing, how was the embassy tracking this? Did you have any feel for what we were doing, or the CIA, or anything else?

HART: I was aware of most of what the CIA was doing. I was aware that the CIA was funneling money to the chief opposition newspaper, *El Mercurio*. I was aware that they were funneling money to some non-Communist labor unions, including the truckers' union. And I was aware that they were funneling money to some radio and television stations, like those run by the Catholic Church. The Catholic Church in Chile had a radio station and a radio/television station. And I thought that that was a legitimate activity for CIA.

Q: How did you become aware of this?

HART: Nobody ever sat down and said, "This is what we're doing," but I had enough friends who were in the Agency and what have you, somehow it kind of leaked and seeped. It was never explicit; it was always just kind of figuring these things out. I had access to a lot of the Agency reporting, and I think, probably, over time, you could read between the lines and figure it out.

The Agency did make much of their reporting available. The Agency station chief there was a guy by the name of Earl Warren, who was a first-class officer. He was a first-class officer. And the Agency, in contrast to the State Department, did something when Chile came along that showed that they're a lot smarter than we are about personnel problems: they put their very best people into Chile. They scoured Latin America to find their very best people to put into Chile.

The State Department didn't do that; we just went with the normal personnel system. Stuff happened, and we didn't say, "Look, this is a place we want to have the best in our family."

Interestingly enough, State Department people in Chile during this period and at the time of the coup, with only one exception, or, you might say, two, came out with their careers tarnished. Whereas the Agency people were all looked upon as heroes. The one person who came out with a career advancement was Harry Shlaudeman. I don't think that was fair.

Some people were tarred with the brush of having participated in the murder of an American citizen. A total lie, but the movie *Missing* and the book *Missing* implicated Fred Purdy; the MILGROUP commander, Ray Davis; Judd Kessler, who was the acting AID director; and Nat Davis as being responsible for the murders of Frank Thorough and Charles Horman. Total garbage and crap and outrages were turned into instant history by the movie, and that's what the American people believe happened in Chile. It's not what happened in Chile.

The debate that kept going on, in one way or another, in the embassy and in the U.S. government, over time, was: "What should we do about Allende?" And there were a lot of us who said, "Don't do anything. What we do is not effective and it's not necessary. This is a Chilean problem. Chile's of no interest and value to us strategically or in security terms. Even if a Communist regime takes over here, so what? Henry was right, this is a dagger pointed at the heart of Antarctica." (That's one of the few things he ever said I agreed with.) "Let's just let nature take its course here. That's the best policy." It was that debate versus the activist debate.

In the end, we came out kind of in between. But we were not responsible for what happened; the Chilean dynamics were responsible for what happened. But when history was being written, that's not the way it came out. The U.S. became *the* key element, *the* crucial element, *the* catalyst in what happened in Chile. Chileans know that's not true, but the rest of the world probably doesn't.

Q: What happened? Where were you during the coup? How did the coup, from your perspective, hit the embassy? Obviously, everybody was sitting around waiting for the thing.

HART: Everybody knew the coup was going to happen; it was only a question of when.

Q: Today is February 9, 1993. Sam, we left off with everyone sitting around waiting for the coup. Was everybody told, "Let's keep checking in" or "Listen to the radio"? Or was it just sort of, "Gee, there's going to be a coup sometime"?

HART: Well, I don't recall any specific instructions being given to the staff.

Let me back up just a tad. I made a few comments about Nathaniel Davis, who was the ambassador. Lest I be misunderstood about my evaluation of Nat, let me add a few remarks. Nat Davis is a very bright, very dedicated, hard-working Foreign Service officer. He saw his job in Chile as avoiding giving the Allende government some huge excuse for a big public relations campaign against the United States. Of course, given the nature of the relationships at that time, Allende had plenty of ammunition, anyway. But Nat Davis wanted to keep the embassy's skirts clean, and he devoted a lot of care to that. You may argue that that wasn't the right posture or what have you, but that was the posture he was following, and he did it rather skillfully. I think Nat Davis was a totally honorable man, a truthful man, and one who got a terribly bad rap by such things as the movie *Missing*, which in essence put him and several others in the embassy in the position of either being active plotters in the murder of an American citizen, or at least being willing accomplices. And that was a damned lie.

Q: So how did the coup intrude upon you?

HART: The way it unfolded was, the majority of the embassy staff started in to work on the morning of the 11th of September and got within eight or ten blocks of the embassy before they ran into the first roadblocks.

This was a repeat of the aborted coup of June.

Q: This is the one where the tank commander...

HART: Where the tank commander had to fill it up at the gas station. We had run into our first roadblocks then, but if you had diplomatic plates, they let you through. The embassy people made their way into the embassy building, which was almost on the square. It was just a tiny bit off the square that looked onto the presidential palace.

When I parked my car down there that morning and walked around and saw that something really serious was going on, I still didn't know exactly what it was. Although the coup machinery had started to turn about four or five o'clock in the morning, it wasn't until right after we got in the embassy, eight-fifteen, eight-thirty, something like that, that the military came on the radio stations, announced that a coup had occurred, announced that Allende had been removed from office, and called upon him and all of his ministers and all of his supporters to peacefully surrender.

The military were in great evidence in the square in front of the Moneda. I couldn't see the other side of the building, but I'm sure that they were there, too. And the people were filtering in.

At that time, there was not much shooting. The shooting started around nine.

The military kept broadcasting these calls upon Allende to surrender. He was in the presidential palace. He had gotten there from his home when there had been a bungled attempt to get him at his home. They had missed him, and he had fled down to the presidential palace. There were a few other people in there, too. Some of us, in order to get a better view of what was going on at the palace, went up on the rooftop of the embassy building. There was some shooting going on between the troops on the ground and people in the office buildings that were in downtown Santiago. But at that time, there was no shooting at the embassy; otherwise, I would have never been on the roof.

Later on, after repeated calls for Allende to surrender had not been heeded, his supporters in office buildings around the embassy started firing on the embassy. And (cruelest cut of all) one of their main targets was back in the attaché section -- they shot out all the air conditioners.

Q: *Oh, God.*

HART: We closed all the drapes, and we put up, where possible, any kind of blockage. We let down what they call the persianas, which are the blinds, these starlike...

Q: *Like venetian blinds except going the other way.*

HART: They come down out of the ceiling, and they're wooden. You see them in Europe and in Latin America. We let those down so that at least nobody could see inside. But we took a lot of hits, bullets fired at the embassy from surrounding office buildings by Allende supporters.

Q: *By this time, arms had been distributed?*

HART: To the Allende supporters?

Q: Supporters and...

HART: Well, the Allende supporters had started getting arms as far back as 1971, '72. Cuba shipped some arms in to the MIR, and these were handed out to Allende supporters in the poorer sections of town. And they had brought arms into the government office buildings where they worked and what have you. So there was sniper fire going on between the office buildings and the ground.

Inside the embassy, practically everybody was there. We were tuned to the radio. We had an open phone line to Washington. And we had gotten hold of a guy over in the Carrera Hotel who had a better look at what was going on in the palace than we had, particularly since we couldn't go on the roof anymore because there was too much sniper fire, who had kind of a front-row perch there, looking at what was going on in the front of the Moneda. He was on the phone line telling us, and we were relaying to Washington.

By ten or eleven o'clock in the morning, the fire against the Moneda -- small arms and even some tank fire -- started to get pretty heavy. But that's a big, heavy building, and there seemed to be no inclination on the part of the Allende people inside to surrender. He was warned that if he didn't surrender, there'd be an air strike against the Moneda.

And, indeed, after a number of delays, right around noontime, three or four Chilean Air Force jets came in and fired rockets into the front of the Moneda. Into the front door of the Moneda, actually, which was a big, heavy, metal-reinforced wooden double door.

Shortly after that, around one o'clock, the troops stormed the palace.

This is where history may never give a final assessment of what happened. Allende was in his office. He was found dead, with a massive wound from an automatic weapon that had been given to him by Fidel Castro.

There are two versions of what happened.

One version is that he committed suicide, saying that he would never be taken alive, that he would not let himself be subjected to the humiliation of being a prisoner -- an ousted president who had been brought down by the military.

The other one is that the military got him and executed him with his own weapon.

I was very close personal friends with Allende's favorite nephew. He had no sons. He had two daughters, but he had no sons. And his favorite nephew told me, shortly after the coup, that his uncle had told him that he knew the coup was coming, but that he would never be taken alive and forced into exile or put into prison or anything like that, that he would kill himself first. This nephew, who was put in charge of the burial arrangements for his uncle (he was taken and buried down in Viña del Mar, as I recall), said that he was convinced, having seen the body and having talked to his uncle beforehand, that his uncle had committed suicide.

It really doesn't make any difference. It really doesn't make any difference. The fact is that he was killed as a result of the coup.

Q: With the storming of the palace and all, did anything change as far as, say, the embassy?

HART: Early in the morning, they said, "Everybody go home. Get off the streets. You have an hour to do so," or something like that. That was like at ten o'clock in the morning. Well, there was a hell of a lot of shooting going on. The embassy people stayed put.

Around four o'clock in the afternoon, there was a truce declared. People who were downtown were told to go home, that martial law was in effect, and that there would be a curfew until further notice.

The embassy was divided up into duty teams, duty sections, if you want, the idea being that you would serve 24 hours on and 24 hours off, and people were designated to which team they'd be on. I happened to be on Team Two, not on Team One, so I loaded a whole bunch of people into my car, and at four or five o'clock that afternoon, we made our way home. There was still some shooting going on, but it was much reduced from what it had been. I got these people home, and I got home to be with my kids. The expectation was that we would show up the next morning (assuming that the curfew was off at eight or nine o'clock in the morning) and relieve the people who had stayed on overnight.

Wrong. That's not the way it worked out. The curfew stayed in effect 24 hours a day for about 48 hours. So the people who were in the embassy were stuck there not for 24 hours, but for 48 hours before their relief came. But afterwards, we did 24-hour shifts. A dusk-to-dawn curfew remained in effect for a long time. And some form of curfew remained in effect in Chile for years. For years.

Q: I was in Korea in the late Seventies, and they still had a curfew from twelve o'clock at night until four in the morning. This was left over from the war that ended in 1953.

HART: Santiago was a dangerous place. And, as I say in this...

Q: You have a piece of paper that we're going to include in this oral history.

HART: Right. There was a lot of shooting; a lot of scores were settled. The amazing part to me was not that you had two Americans, Frank Teruggi and Charles Horman, who were killed during the coup, but that there weren't more.

Q: Could you explain a bit. The reason why at this point I'm asking the question is because you mentioned there was a movie called Missing [based on the book called Missing, by Thomas Hauser], the basic claim of which was that a young, radical student, an American, came down and got messed up in politics and all, supporting Allende, and for some reason or other they decided he had to be killed, and he was killed, and that the embassy colluded in it because he interfered with our policies. I wonder if you could talk a bit about the period just before the coup, and the Americans who arrived there. It was a time of a lot of demonstrations, student activism against the Vietnam War, against the Nixon administration. This was the thing to do in those days, for students.

Did we have a problem down there, and how did we see it, if we did?

HART: The arrival of Salvador Allende into the presidency of Chile was like a magnet not only to certain groups from the left in the United States, but really from all over the world. In Western Europe it was true, too.

It attracted two basic kinds of people from outside of Chile.

It attracted those who believed that Marxism was the future of the world, and who wanted to see a peaceful, democratically led revolution bring that end to its full flower in Chile. It played to the idealism and the hopes of a generation of people who thought that here was an opening for the world to conduct a wonderful laboratory-type experiment on how to do some social engineering. They wanted to be a part of it, and they came down.

There was another group of people who were also attracted, and these were the revolutionists who believed that Allende provided a wedge.

Allende, however, was essentially a bourgeois, gradualist kind of person. He was not a flaming revolutionary. Here was a guy who, in all of his tastes, in all of his life, had been anything but a flaming revolutionary. He loved wine, women, and song. Fast women and slow horses were his vices.

Salvador Allende put together a coalition which included totally contradictory elements. And one element was essentially a Maoist-Fidelista-type of armed revolutionary. Those people were attracted, too, more of them from Europe and other Latin American countries than from the United States. From the United States, what you got mainly were idealistic young people who wanted to be at least flies on the walls to a wonderful humanistic experience.

There were maybe ten thousand of these people, all told, in Chile. And of those, maybe one or two thousand were Americans. Maybe. Some of them did, you know, kind of social work in poor neighborhoods, and some of them just kind of drifted into the coffee house, revolutionary-song-singing, feel-good kind of activities; but strictly low level.

Most of these people wanted absolutely nothing to do with the embassy; the embassy was the enemy. Some of them registered with the Consular Section. Many, many did not. Some came and left. I can't remember the numbers exactly (somebody probably has them), but at the time of the coup, the total number of Americans in Chile, excluding official Americans, probably was two or three thousand. And of that number, those associated in some way or another with the Allende regime were two or three hundred.

The embassy, at considerable personal risk to the people actually doing the work, who were mainly consular officers, was able to get all but two of these people out safely, notwithstanding the fact that some of them were engaged in activities which, had they been Chileans, would have gotten them killed. For example, having arms in their house; belonging to groups that were agitating against the armed forces. Those kinds of people got killed, if they were Chileans. Some were taken prisoner and carted off to the football stadium. And the consular officers were able to

locate them and get them out. The Chilean officials, whenever we located an American, would give them up to us.

In the cases of Charles Horman and Frank Teruggi, the embassy was not even aware of their existence until after they were dead. They had parents, or relatives of some kind, who had requested information on them. I say the embassy was not aware of their existence, that's not quite true. In the case of Charles Horman, Ray Davis, who was the MILGROUP commander, gave Charles Horman a ride back from Viña del Mar about a day or two after the coup. So he knew that Charles Horman existed, and he knew that Charles Horman's wife existed. So he did know they existed, but the Consular people didn't know this, as far as I'm aware. But Frank Teruggi was not even on the radar scope.

What probably happened, in the Teruggi and Horman cases, as far as anyone is able to tell (and the only people who really know what happened are the Chilean military or police involved, and they ain't talking), was that Horman and Teruggi were caught up in one of these sweeps that were being made against all kinds of Allende supporters in the days and weeks following the coup, and they got unlucky. Either they mouthed off to some sergeant or lieutenant or captain, some low-level official, or something happened, and they were killed, probably both of them within a week of the coup. Then, as we tried and tried and tried to find out something about them, the Chileans covered it up. It took quite a long time before the bodies were even located, and when the bodies were located, there was still resistance about having autopsies performed and all of these other things.

The thesis of *Missing* is that Teruggi and Horman knew things about U.S. participation in and planning and perhaps masterminding of the coup which the U.S. government did not want made public, and so they were killed in order to keep their mouths shut. That is total claptrap. Total claptrap.

Q: We haven't exactly been killing the people who leak everything in the world.

HART: Horman knew nothing, Teruggi knew nothing, because there was nothing to know, in the sense of saying that the U.S. government was the intellectual author of the coup. Ain't so. It just ain't so. The Chilean military were the intellectual authors of the coup, and the coup would have occurred even if the United States of America didn't exist, for purely Chilean reasons, because the military thought that Allende (a) had violated the constitution, (b) was trying to hand the government over to a group of armed radicals (which was a violation of the constitution), and (c) had put the country in a position where a civil war was about to break out. They considered themselves the ultimate arbiter of the Chilean state, the Chilean body politic, and they stepped in.

Unfortunately, the guy who was the head of it was Augusto Pinochet, who is as mulish and as unbending and as unfeeling... He's not a nice guy, and he's not the guy who should have headed that coup. But that was the way history worked out (for reasons that we talked about earlier), and we were stuck with him.

Now the position of the U.S. Embassy when the coup occurred was: This is an act of the Chilean people. In fact, all the polls taken right after the coup showed that the vast majority -- something like 65 percent of the Chilean people -- approved of what the military did. But what the Chilean

people wanted was a fairly rapid return to the democratic process. What they got from Pinochet was 15 years of military rule. The Chilean people did not want that. Some of them did. Some of them did, but always a minority. The vast majority wanted to go back to Chile pre-Allende, with some modifications.

Pinochet set for himself and for his government the task of remaking the Chilean political scene, which had traditionally been one-third center, one-third right, and one-third left. Now all of this was to the left of the spectrum in U.S. politics. The right in Chile was well to the left of the right in the United States. And the center in Chile was to the left of the center in the United States. But within the Chilean context, it had been one-third, one-third, one-third for a long, long time.

The only reason Allende got into power was because the agreement between the center and the right, who had been cooperating and alternating power between themselves, essentially, in the presidency for years and years and years, broke down in the presidential elections of 1970. And the guy who was supposed to roll over from the Christian Democratic Party, which was the center party, and let the right's candidate, Jorge Alessandri, win that year didn't roll over. The Christian Democratic Party was split into factions, and this guy was from the left-wing faction of the Christian Democratic Party and didn't want the conservative fellow, Jorge Alessandri, to get in. So he ran a hard race. And what you essentially got was a three-way tie for the presidency, with Allende having a slight plurality.

So you got Allende in there as a minority government with no control over the military, no control over the judiciary, and no control over the legislative branch of the government, trying to carry out a major revolution. It was doomed from the start.

The only thing that could have saved it was if Allende had gone part of the way down the road and said, "Okay, that's all I'm going to do. It's a caretaker government for the rest of my time. Any further steps down the road toward Marxist Leninism and Socialism in Chile will have to await another election."

He didn't do it, because his own coalition would have broken apart. And that doomed the Allende regime, because once it passed a certain line, there was no way that the body politic was not going to be broken apart, simply because too many groups were threatened. The majority of the citizenry of Chile felt totally threatened and betrayed by Allende and by the Allende government.

The embassy behaved rather well in all this. I was proud of them. And all they ever got from the Department of State and from Congress was grief. Nat Davis went on to be Director General of the Foreign Service, where he didn't last very long because he got crosswise with people up here. Harry Shlaudeman, who left before the coup, was Deputy Assistant Secretary in ARA. Harry, who was probably a player in more of the stuff that came under criticism later than anybody, got out free. He got off. I don't know how, because if you wanted to say what did you know and when did you know it, Harry probably knew as much as anybody, and was an actor in it. I'm not saying that Harry did anything that was illegal in law, but I'm saying that Harry was an artful dodger. After the coup, he went before Congress, in the Church Committee hearings, and testified about stuff in the embassy which was right on the line. Right on the line.

Q: *The coup happened when?*

HART: The coup happened the 11th of September, 1973.

Q: *And you were there until '75.*

HART: I was there till '75.

Q: *Okay, you were the economic counselor. Let's talk about this first. Were you getting investigating reporters and people coming down all the time?*

HART: Right. Right.

Q: *How did you deal with all this?*

HART: My way of dealing with the press, all of my Foreign Service career, was probably very naive. And that was, we could make whatever ground rules beforehand you want to, but if you ask me a question, if it does not involve classified information, I will give you a straight answer. And I will make a judgment before I get into this with you whether or not I think you're a trustworthy journalist. I'll give you the truth as best I know it and assume that you're professional enough that you won't do a number on me. The only time that I ever had trouble with that was, a Voice of America correspondent -- an American citizen, an employee of the U.S. government -- screwed me once. Fortunately, nobody heard or read his story which came out, which betrayed a trust I had put in him.

Other than that, that always worked for me. I used to tell people this is what's really going on here. Sometimes they would use it, and sometimes they wouldn't.

As economic and commercial counselor, I found that newspapers like the *Washington Post* and the *New York Times*, as well as your mass-media magazines like *Time* and *Newsweek*, had no use for economic analysis. Really all they wanted were political quickies. The *Washington Post*, and I think to a lesser degree but still to some degree the *New York Times*, had an editorial point of view on what was happening in Chile during the Allende years. When the *New York Times* correspondent, a guy by the name of Jonathan Kendell, was down there during the Allende time, he used to come and see me and say, "What's happening?" And I would tell him. Then the story would run, and it would be really 180 degrees from what I'd told him. I considered that I really was pretty well informed about what was going on, and I would say to Jonathan, "Why did you publish this? This is simply wrong."

He'd say, "Well, this is what I got from other sources."

And I'd say, "But you don't say in here anywhere that there's another viewpoint that's held by fairly well-informed people. Why didn't you have that?"

In some cases, he'd say, "I put it in, but the editors took it out." And in other cases, he would say, "That's not what my paper wants to hear."

It kind of soured me, to some degree, on the professionalism of papers, which, up until that time, I thought had more integrity than that. The *Washington Post* and the *New York Times*, to me, have never been quite as clean since then.

What was happening in Chile was a Greek tragedy. It was in the cards from the beginning how this thing essentially was going to play, and it was just unfolding.

That's not the story that the American press wanted to tell. The American press wanted to tell a story where events were being moved and influenced and shaped by an American government pulling the strings from Washington, D.C., because that is a commonly held view in academia and in the press. It makes a better story. It's essentially the conspiracy theory of history.

The real way history happens is not that there haven't been conspiracies. There have, but they're the exceptions. Most of the time, shit happens. Shit happens. And in Chile shit happened, but it was not anything that people who understood about Chile did not expect to happen. All that was in question here was exactly how it was going to play out, not how it was going to end.

So you've got this conspiracy theory going about Chile, and things like *Missing*, the Church hearings, the mucking around that ITT did, the general atmosphere in the United States and in the world when Chile happened to be the front-burner issue, all led to an interpretation of what went on, which has now become, I think, kind of accepted, about U.S. involvement and U.S. responsibility. Unfortunately, it's not true. That's not what really happened. But I'm afraid that historically that will become the truth.

Q: What happened after the coup? I mean, the initial settling in. Did you reestablish your ties? Were there people to talk to on the economic side? What were we doing?

HART: It was an amazing time. The Allende government didn't want anything to do with the American Embassy, by and large, and Nat Davis wouldn't let us deal at the cabinet level, so I spent my time around Chile's best economists, best economic minds, who were all opposition, in Catholic University and in the other academic institutions in Santiago -- Catholic University and the University of Chile being the two major economic faculties. These people, mostly but not entirely Christian Democrats, mostly trained in the U.S., who later became known as the Chicago Boys...

Q: I was going to ask about the Chicago Boys. We're talking about the University of Chicago economic training, which was essentially a rather hard-line conservative but rather successful way of...maybe I'm misstating this.

HART: No, they were identified with the economic theories of Milton Friedman, essentially. Not all of them were University of Chicago, some were MIT, some were Harvard, some were elsewhere. But there was a fairly significant nucleus of well-trained Chilean economists, mostly in academics, who were kind of the shadow economic team to the Allende government. I spent endless, endless days with these people. We developed a symbiotic relationship wherein I tried to do things and find information for them that they found helpful, and vice versa, because they still

had friends inside the government who would get information for them if they wanted it, and I had information from time to time that they wanted.

For example, one of these fellows was the chief economic editorial writer for *El Mercurio*, the leading opposition newspaper. He and I were very, very close personal friends, and we spent endless lunches and dinners and what have you talking about where Chile was going, under Allende, and how it was going to eventually get back into the real world. One day he said to me, "I'm doing this editorial piece that's going to appear in *El Mercurio* on Central Bank foreign exchange reserves, but I don't have any good numbers. Can you get it for me?" Now this was a guy who had provided me with some very, very good information in the past, so I said, "Sure." Chile was a member of the International Monetary Fund, and I had a Fund report, which was what the Central Bank had reported to them as the reserves, and I gave him the numbers. These numbers are stamped; they have a "Confidential" stamp, or something like that, on the IMF document which contains these numbers. But it's distributed to thousands and thousands of people and hundreds of governments, so it's really not classified information. So I gave it to him, and he used it in an editorial that appeared a couple of days later about what terrible straits the government was in.

That happened over lunch one day, and I went in and I told Nat Davis what I'd done. And he was really upset. He said, "You should never do that kind of thing without consulting with me first."

And I said, "Look, my relationship with this guy is based on trust. He's trusted me, and I trust him. And, Mr. Ambassador, really you're going to have to learn to trust me, too, because I've never ever gotten an ambassador into trouble, by mistake." And, of course, that was a reference to Costa Rica, which is where I was before I went there.

And that marked kind of a turning point in my relationship with Nat Davis. I think he did come to trust me after that, because I'd never gotten Nat Davis in trouble. I never would have gotten him in trouble.

When the coup occurred, these people, who were all civilians, became, overnight, the economic team for the new government. They took over almost every major economic portfolio. My relationship with them was of a personal nature, but also one of, I think, mutual professional respect, which was unique in my experience. When you have been friendly to somebody when they were in the wilderness, you are going to have a special relationship. For the remainder of the time that I was in Chile (I left there in April of 1975, so that was 18 months after the coup), there was nothing that I wanted to know or wanted to find out about economic affairs that I couldn't have in ten minutes by making a phone call. It was unique in my experience.

I became known as a friend of Chile, in part because, before the coup, when everybody knew it was coming, I had put together an aid package for Chile (which involved mainly PL 480, but some CCC credits and what have you), saying, "When the coup comes, we need to have a package ready to give to Washington, so we can get quick approval, because people are hungry here. They don't have anything in the larder; the cupboard is bare. And if we can't get some food aid in here quickly, people are going to be in bad shape."

And my strategy was the following: If we can get enough economic aid into Chile early enough, it

will give the new government options on how they choose to govern during a very difficult period, which if they don't have, will mean that the screws will be very, very tight. If they have a little economic breathing space, they won't feel like they've got to keep the political lid bolted down because the economic conditions are so bad. If you can make the economics conditions at least tolerable, then the political flexibility is thereby increased. That was the strategy.

And we pumped into Chile about two hundred to two hundred and fifty million dollars a year for two years, with the idea that here is a gesture of goodwill from the people of the United States, in the hopes that you will use it wisely to alleviate human suffering here and to move as quickly as possible back into the democratic mode.

It became rather clear, after six to eight months, that was not where the Chilean government was going -- not because the civilian economic advisors didn't want it to go there, but because Augusto Pinochet and the people he chose to put around him had decided they were going to do a major transformation of the Chilean body politic, which was going to eliminate the left out of the three-way split. They were going to eliminate that left one-third, in one way or another.

This in many cases resulted in human-rights abuses, and certainly in civil-rights abuses of all kinds. Time and time and time again I went to my civilian friends, and sometimes to the junta member who was in charge of economic affairs, the head of the Navy, a guy by the name of Merino, and I'd say to him, "You know, this has really caused us big problems. If you can't move the government away from these types of abuses, we're not going to be able to help you much longer. I want you to know that time is running out, and the goodwill of the United States is running out, because of your behavior -- the murders, the detentions, the disappearances, those kinds of things."

In most cases, they denied that it even happened. But slowly, slowly, slowly, everybody had to admit that some of it was happening, even if everything wasn't happening. And I would go to them (this would be like the Minister of the Economy), and I'd say, "Are you aware that last night, my friend, the military showed up at this labor leader's house, pulled him out into the yard, and, in front of his family, executed him there? Are you aware of that?"

"No, no, it couldn't happen."

I said, "It did happen. We have it from eye witnesses that it happened last night."

It took a long time for these people to ever come to terms with themselves to admit that this happened. Over time, these civilians tended to move out of the government and to be replaced by others who had the stomach for it.

There was a man who was made the so-called economic czar, whom I did not know at the time of the coup, but with whom I came to be on very close terms, and for whom I had enormous admiration. His name was Orlando Saez, and he fought a fierce battle against Pinochet on the issues both of economic policy -- trying to make it less draconian -- and of the political policies that were followed. He lost, he was removed, and that was part of the Chilean tragedy.

They had a chance to move in one direction. Our aid was intended to help them move in that

direction. But they chose not to make that move. And so, after two years, American aid was ended. And we, for the next ten years or so, were openly and hostilely critical of the Pinochet regime.

Q: The Nixon administration and Kissinger had seen this as an East-West conflict -- we won and the Soviet Union lost in this thing. After the coup, did you get any feeling from Washington of exultation for a while? Was there a change over the time you were there?

HART: I think immediately after the coup there was some of that. You know, kind of like it wasn't the Super Bowl, but at least it was a playoff game, and our team had won. But it wasn't long after that, of course, that you got deeply in the whole congressional investigation by the Church Committee of what had happened in Chile.

Q: Were Senator Church's hearings going on while you were in Chile?

HART: Yes, and when I came back, too. I could be wrong on the dates, but I think that the Church Committee stuff started probably while I was in Chile, and continued after I was back in the States. That's my best memory of it. I know that they must have continued after I was back, because one day after I was back in the Department, I got a call from Harry Shlaudeman, and he asked me about something that had happened and wanted me to refresh his memory. And he was going up to testify.

Q: Were you called on to testify?

HART: No. No. I was not. I wasn't unhappy that I wasn't, but I wouldn't have been unhappy had I been. The Church Committee was misguided, really. They were looking at the wrong things.

Q: Did you have any feeling, while you were in Chile, particularly after the coup, that, say, the CIA people or our military attachés were sitting around with smug looks on their faces? Or were they watching this thing and all of a sudden seeing it get beyond where they thought it was going, too?

HART: Well, my feeling was...now I can't document this; this is just kind of my subjective judgement. During the time between the election of Allende and his taking office, there was an Army attaché, an old Cavalry-type colonel who used to show up at the office in his riding outfit, whom I only saw for a month or so after I got there and he left. He was deeply involved in negotiations with the military about what they were going to do about Allende, and was on the margin, at least, of the whole question about the attempt to kidnap Rene Schneider, the chief of the Chilean Army -- the attempt that resulted in Rene Schneider's murder because he resisted the kidnap attempt. This colonel was involved. After that, it is my impression that the military attachés did not play an important role, and neither did the MILGROUP.

The CIA, in the period that I was in Chile, was the major player. But as far as I'm aware (I think I mentioned this last time on the tape), they did essentially three things. They helped subsidize and keep going *El Mercurio*, the opposition newspaper. They gave some money to television and radio stations. And they gave some money to some non-Communist labor organizations, including, although it wasn't exactly a labor organization, it was more in terms of a syndicate, the truckers. These were not only truck drivers, many of them were independent truck owners and operators.

The truckers were involved in a strike just before the coup which had really had a lot of effect; it kind of brought the economy to a halt. But the economy was damned near at a halt, anyway. The truckers's strike was a toughie, and there was some CIA money in that.

What else were they doing? Well, they were collecting information. You know, if you'd say, "Gee, I surely would like to get my hands on a certain piece of information," once in a while they might turn something up. But I tell you, most of what they got was crap. I had better sources on most stuff than they did. When it came down to whose information on economic matters was better, stuff that I had gotten through my economic buddies, I think, the vast majority of times, was more reliable, because usually the people who were getting stuff for them didn't understand anything about economics, and the Agency did not have anybody who was well versed in economic matters there.

But I must say this: they had some very, very high-quality people. They assigned their best people to Chile, out of the whole Latin American pool that they had, when Allende came in.

The State Department didn't do the same thing. We don't seem to do that. Our personnel system has a life of its own, you know. We don't collect high-quality people in crisis slots and assign them to the embassies, the way some other agencies do. CIA was the only one who did it in Chile.

When it was all over, you had a lot of tarnished reputations. Fred Purdy, who was the consul, did a terrific job, I thought, and at considerable personal risk to himself. Running around the streets of Santiago, trying to look after American citizens who were in some kind of trouble or another, and getting shot at, is dangerous. I think Fred and some of his vice consuls did a terrific job. I think that the Department of State, in its usual cowardly way, let them hang out there and twist slowly in the wind when people made accusations against them. I never saw the Department of State ever really take on, for example, the basic premise of *Missing*. Where were they? It was up to the people who had had their reputations besmirched by this to bring a lawsuit. I tried to get the American Foreign Service Association to contribute some money and to join in the lawsuits. No way, AFSA wasn't going to sully its purity with such things. And, hell, I was on the board of AFSA at the time. No, they wouldn't touch it.

Q: How did you feel about the economy of Chile when you left, about 18 months after the coup?

HART: Well, I thought that the economic measures that were adopted were too draconian. And I tried to tell my friends who were in policy positions, "Look, too much of the pain is being put on the lowest economic class." The lowest economic class was taking too much of a hit. Unemployment was way up, prices went way up, et cetera, and they were in a terribly bad way.

The middle class and the upper class suddenly found themselves in heaven. For example, the house I rented, and I could have bought for probably \$35,000 during the Allende time, overnight was worth half a million dollars. Overnight. Right after the coup. People who had things that they had collected before and during the Allende time, and who had become poor as the Allende policies hit hard on the middle class, suddenly found themselves at least partially restored. They were able to buy from the Chilean government, at bargain-basement prices, businesses that had been taken over by Allende. There were tremendous economic opportunities again for the wealthy people.

The poor people really got squeezed. And I said to my economic friends, "Don't squeeze them so hard."

And they were saying, "We're going to do this for a very short time. Don't worry about it. We'll take care of them. This is the only way we can go." And they went.

The policies were effective. There was no economic miracle involved here; the policies that they followed were very predictable, and they produced the expected results. It was a question of degrees here. I felt that they were harsher than they needed to be to achieve the desired results.

After about two or three years, the policies were continued and maybe even tightened down further. And that's where a mistake started, because conditions had changed enough by then that really what was needed was a different set of policies. But Pinochet, once you'd taught him one set of policies and he became convinced of it, those were his policies for life, baby. You couldn't get him to change. So he continued a very, very tight monetary policy, an extremely tight monetary policy, for about five years too long. And it almost brought Chile to its knees about 1980-81. It almost brought Chile to its knees at that time, because they were pursuing a policy that was very destructive in terms of Chilean businesses.

Most of these people with whom I was friends were out of the government within three years, so they weren't around for the nonsense that passed for Chilean economic policy in the period from '77 to '80.

Q: Well, we had a treaty arrangement back in the Forties, didn't we?

HART: You're so smart, Stu, you amaze me. That is absolutely correct. Under the provisions of the Rio Protocol of 1945, we, the Chileans, and the Brazilians had agreed to be the guarantors of a treaty, which was called the Rio Protocol, which supposedly marked that boundary. But it didn't really mark that boundary, because there was, I think, about a 50-mile stretch where the surveyors had made a mistake. They had used base points and what have you, having to do with where a watershed was, that were in error.

Now this terrain is absolutely worthless; it is not good for anything. And reasonable people could have found a way to deal with this. But we were not working with reasonable people. The Ecuadorians were sure that they had a right to it. The Peruvians were sure that if the Ecuadorians did anything like they did, which was move a military outpost out there, it was a casus belli. So we had a situation where Ecuadorians and Peruvians were shooting at each other. Fortunately, neither one of them could shoot straight. There were strafings and all kinds of stuff going on.

In our role as the only one of the Rio guarantors who had assets to do much about this with, we worked with the Chileans and the Brazilians, and worked through the embassy in Brasília, which at that time was under the direction of Robert Sayre, to have meetings and to get everybody involved and try to calm the situation down. Eventually we were able to get both sides to quit running military operations. We tried to establish exactly what was happening on the ground. And we got two helicopters out of Southern Command Panama, with U.S. crews, to go down and to fly

reconnaissance missions and to try to assure everybody that invasions weren't about to happen, et cetera.

The Ecuadorians eventually withdrew back to their side of the border. Total killed and wounded was, I think, one or two Ecuadorians killed, and a couple wounded.

The biggest casualties were taken by the United States. We lost a helicopter with a whole crew. The helicopter was never found; lost up in the high part of the Andes. Which was another good example of incompetence of the U.S. military, because here you have helicopters that were operating at 13,000 feet, 15,000 feet, and what do they send down? They send down a crappy, old, single-engined helicopter, the old Huey, instead of sending dual-engined, top-level helicopters that could operate in those altitudes, where you need a lot of extra power. We lost a helicopter because of it, and about five crewmen. So we suffered the biggest casualties.

Both sides drew back, but rumblings continued. We were dealing, here in Washington, with the embassies of the two countries, trying to get them separated.

I eventually went down to Ecuador and to Peru, to see if I couldn't act on the ground as an honest broker, and to float something with Belaúnde. I must say, I had no authorization to do this at all. First, I went to Quito, and I sat down with the foreign minister there, and I said, "What could you live with in terms of a final settlement of this thing?"

And he said, "If the Peruvians will make even a symbolic gesture to us, I think this government" (which was now under the leadership of Oswaldo Hurtado, the vice president who succeeded Roldós, who died in an airplane crash), "I believe Hurtado can accept and sell something that has even a small sweetening in it for the Ecuadorians, other than the line that the Peruvians claimed."

And I said, "Well, how much is small?"

Well, he wouldn't say, but I got it very much in my mind that a few hundred square kilometers of totally worthless terrain would be enough.

So I went to Peru and sat down with Belaúnde, and told him, "Arquitecto," (which he liked to be called, architect) "they tell me in Ecuador, not for publication, just between us, they tell me in Ecuador that if you can move your country to compromise even the teeniest little bit on this, we could settle this thing once and for all. How about it?"

And he said, "No way, no how. If I ever gave, not one square kilometer, but one square centimeter of what my military believes is Peruvian territory, they would throw me out of office again before the cock crows the next morning. So I can't do a thing on this."

And he didn't.

But no big deal, we only had one or two other kerfluffles on the border after that.

The Ecuadorians were to blame for the border war in the first place, because Roldós, who was a

stupid guy, authorized the Ecuadorian military to put that observation post, or whatever it was, over on what the Peruvians considered their side of the line, and that triggered the whole thing.

The Ecuadorians never did that again, but it convinced me of one thing, and that was, the U.S. would provide a real service to those two countries and the region if we could somehow divert their military mission away from each other and toward internal development. (More on that later.)

Here you had two militaries in very poor countries, who had histories of taking over power from civilian governments, who absorbed enormous amounts of the national budget to buy hardware as a means of fighting a war with each other should the necessity arise. Their military missions in each were to fight each other over this stupid damn piece of crap up in the Andes. The result was a diversion of resources and a coup-minded military, in both places.

Of course, this was not all just politics, either (if you want to say “just politics”). The large arms purchases were used by both the Peruvian military and the Ecuadorian military as the foundation of their retirement funds, because every major military purchase had an element in it of bribes to the general officers then on duty, so that they could retire in a style that they would like to get accustomed to. For every ten-million-dollar purchase of, let's say, aircraft or whatever, ten to twenty percent of that was in kickbacks to the military. That's the way the system worked.

So I thought it would be a nice thing if we could get them away from that. It might be a step forward for democracy.

The border war finally simmered down, not really to bubble up again (at least it hasn't, meanwhile). Democracy survived in both places, obviously.

We got pretty good marks for being honest brokers. The reason I knew was because both sides screamed that we were favoring the other. We had two excellent people here in Washington working with us: Fernando Schwalb, the vice president of Peru and ambassador to Washington; and a guy by the name of Lalo Crespo, who was the Ecuadorian ambassador here and who was very closely wired to Oswaldo Hurtado, who was president. So we resolved that.

People in the Andean Office worked awfully hard over two or three months. I don't think I got a full night's sleep for about two months, because, usually in the middle of the night, I'd get a call from Ed Corr, who was our ambassador in Peru, who would be complaining about how we were being unfair to the Peruvians. Most nights I'd get a call from Ed about one o'clock in the morning. He'd just come from a dinner party or something, and he wanted to talk to me about it.

The most serious problem we had in the early days of the Reagan administration was not with Ecuador and Peru, however, although that boiled up at that time. The most serious problem we had, and probably the most important contribution I made to the Foreign Service and the State Department during my career, involved the most unlikely thing, and that is, the insignificant, totally debaucherous country of Bolivia. But something more important than Bolivia was at stake.

As I mentioned before, Bolivia had been put in the diplomatic deep freeze because of the coup by the military in June of 1980, which threw out the democratically elected president, Lydia Guiler.

Chauvinistic Bolivia had a woman president, Lydia Guiler. She was thrown out by a general and his followers. The general's name was Garcia Mesa. Garcia Mesa had as one of his primary lieutenants a colonel in the military, who he made his Minister of Interior, by the name of Lucho Arce Gomez. They established in Bolivia, after the coup, a government-operated drug enterprise that engaged in murder, and kleptocracy on a scale never before practiced even in Bolivia (one of its main claims to fame was how people stole everything). About as clear-cut a case of the worst kind of government a country could have was Bolivia in 1980.

Our policy, notwithstanding the fact that Garcia Mesa and all his guys were avowed anti-Communists, and our MAAG down there, our Military Advisory Group, and the attachés were all pleading the cases of the Bolivian military, the State Department and the White House decided these were bad guys. They were to be put into cold storage, and pressure was to be brought every way we could to get rid of these people and get a return to a democratic government. That was the Carter policy.

Not everybody agreed with that policy. You may recall that during the 1980 presidential campaign, Jeane Kirkpatrick wrote an article for, I think, *Commentary* magazine, in which she drew the distinction between authoritarian regimes and totalitarian regimes. She said an authoritarian regime is one that, while it may not be democratic, is at least pro-U.S. and is from the right -- the type of regime that the Carter Administration had been beating up on in Latin America during the previous four years. Example: Argentina. Example: Chile. Jeane Kirkpatrick's thesis was: we should not be so critical of those regimes, because after all, they were anti-Communist.

Then there were the totalitarian regimes. Although she didn't say so, what she really meant was that these were regimes of the left who behaved very much the same way, but were not our friends. And she said, come down with both feet on those people, but be nicer to these people who want to be our friends. That was her thesis.

It had been very tense with rumors everywhere about an impending military move for a week before September 11, but as I drove to work that morning nothing seemed unusual until I arrived at the edge of the downtown area about 8:30 a.m. Carabineros were routing traffic away from certain streets, but I was able to get to within a few blocks of the Embassy before having to talk my way through a roadblock. Before entering the Embassy, I had a look around the square in front of the Presidential offices, the Moneda, and the entire area was cordoned off by police. It wasn't until I got upstairs that I heard the Chilean military had come on the air over several radio stations saying the Commanders of the Army, Navy and Air Force, together with the head of the police, had decided to take over the government.

Because some of the coup units had been slow in moving, however, they had not captured Allende at his home. Instead, he had made it to the Moneda together with several ministers. Before the last of the pro-government (Marxist) radio stations went off the air under threat at about 9:30 a.m., Allende admitted in a farewell broadcast that the odds against him were overwhelming and more or less advised his people not to resist. Army troops and tanks began to arrive at the Moneda (the first coup movements had begun at 3 a.m.) and they demanded Allende's surrender by 11 a.m. or the Moneda would be bombed and subjected to ground fire. Some of the people in the Moneda came out, but not Allende. Firing broke out in the square, presumably when pro-UP sharpshooters

in the nearby buildings started shooting at the military. Allende still had not surrendered at 11 a.m. and by 11:30 there was heavy firing against the Moneda. At noon the planes arrived and dropped bombs and rocketed the building. Not too long afterward Allende asked for a five-minute ceasefire so he could surrender. The military said this was impossible because they were receiving sniper fire from all around. About 1:30 p.m. troops entered the burning building. Although it wasn't announced until that night, they found Allende's body. The official version is suicide. Who knows?

Practically all the Embassy employees were at the office when the fighting started and steps were taken immediately to get people into protected parts of the building. During the day we received perhaps 50-60 rounds in the outer offices, but nobody even got a scratch. All kinds of organization was required to alert the US citizens in Santiago to stay off the streets, to keep Washington informed constantly on what was going on, to answer phone calls, etc. Luckily, during the entire period after the coup started all utilities continued to function. In a way, we all had a better idea of what had to be done because of the experience of the abortive coup of June 29 which occurred at nearly the same time of day.

Our main sources of news during the day were the radio and calls from various eyewitnesses. By about 4 p.m. the firing in the middle of town had died down but there were still lots of snipers. The decision was made to let everybody not needed for Embassy operations go home to beat the 6 p.m. curfew. Since not much interest was apparent in economic or commercial matters, I dismissed my whole crew with the idea of coming in to spell the overnight staff the following morning. As it turned out, we didn't return to the office until 2 p.m. on September 13 because the curfew was kept in effect until then.

Rebecca and David had gone to school on the 11th but were sent home shortly after they arrived. I talked to both of them on the phone during the day to make sure they kept off the streets and knew I was o.k. They were more curious than frightened.

The Military Junta came on radio and television that night to explain why they had acted and to reassure the people. Meanwhile, all the head Marxists were being told on the radio to turn themselves in to the authorities within 48 hours or face the consequences. Foreigners illegally in the country were told to surrender and it was announced that relations would be broken with Cuba because of the Embassy's interference in Chile's internal affairs. Some 150 Cubans were shipped out the 13th. Warnings went out that anybody having arms or resisting the military would be dealt with severely, and evidently the threat was carried out. Clearing operations, usually the painful location and killing of snipers, continued downtown. Lots of factories and offices suspected of having arms caches were raided. The bloodshed is still not over, but there as yet are no figures on the dead and wounded.

By September 12 statements of support for the military had begun to pour in from all kinds of organizations which had been opposed to the Allende Government. This included the major opposition political parties. My next door neighbor was able to keep me posted on what the Christian Democrats were doing. The military chiefs were officially sworn in as the ruling Junta that night along with an almost completely military cabinet.

Becky baked me a pineapple upside-down cake for my birthday on the 12th because I expected to

be in the office all the following day and night. My relief crew of officers and secretaries did reach the Embassy early the next afternoon complete with bedding, food and overnight kit. So I spent 40 hours dealing with all kinds of crisis problems with only a little sleep. We now have 24 hour shifts with 3 separate crews but because of the need to get certain relief programs started I am having to work every day. I'm impressed with the way everybody on the staff has pitched in and done a calm, businesslike job. Harry Shlaudeman is heading up the Task Force on Chile in Washington. I'm hoping we will be back to something close to normal schedule after this weekend, but it will all depend on how things develop.

Telecommunications with the outside world are slowly being restored. I have a call pending to Mother now, which I hope to get through tonight. Commercial cable traffic is presently only available to media reporters and diplomatic missions. For three days there were no facilities to the outside and we were sending messages for our diplomatic friends to their capitals. In crises of this kind everybody seems to turn to us. Yesterday the Ambassador decided to begin accepting messages from individual Americans to people in the States saying they were safe. No telling when the mail will resume. Planes won't begin flying until next week.

There was lots of excitement in our own neighborhood in the early hours of September 14. The military were watching a Cuban Embassy house about 100 yards from here and two men showed up. A big gun battle ensued and the two were killed. The maids hustled Rebecca and David away from the windows, but it was all over by then. Another man being chased by the military was killed about 50 yards away from us the same night, according to the neighbors. Each night foot and helicopter patrols are operating. The military says there were 10,000 foreign extremists in Chile and seems determined to hunt them down. To the extent they are successful it will mean that much less of a continuing threat to security, including the safety of the diplomatic community. Air and ground attacks are continuing against extremist strongholds in some of the shanty towns scattered around Santiago. Apparently things are quiet around the rest of Chile.

Since there seems to be so much criticism in the US and elsewhere over what has happened here, I will try to put it in some perspective. Allende was elected in 1970 with 36% of the vote. He was basically a decent man, I believe, but he was committed to change Chile totally into a socialist country when he had neither the majority of Chileans behind him nor the Congress or courts. From the beginning he was in a race against time. The hard-liners, principally Socialists, pushed him to go faster and faster since they never believed "the revolution" could be carried out within existing laws. Increasingly, the Allende government ignored the democratic process, for example, by failing to carry out court orders. A struggle over government seizures of private businesses developed between the executive and congress. Allende and the Communist Party seemed inclined to make some compromises to reach an agreement with the opposition, but they were blocked by the extremists on the left.

Throughout the unfolding of this drama the military, which was sworn to uphold constitutionality, was the final arbiter. As the country became totally polarized, the economy was wrecked by Marxist policies, the extremists became bolder and armed themselves, and a series of paralyzing strikes hit the country, this became increasingly difficult to do. In the last six months most of the military became convinced that things just could not go on as they were without tearing Chile apart. Many attempts were made to try to get Allende to compromise with the opposition, establish a

techno-military cabinet, and consolidate what had been done. Allende knew that this would mean a split within his own coalition and always backed away, stalling for time. He probably was haunted by the thought that history would call him a traitor to his ideals.

In the face of these facts, sentiment for a coup grew within the armed forces. Standing in the way were Army Chief General Pratts and the major troop commanders in the Santiago area, who were generally sympathetic to Allende.

In retrospect the final straws were the transport strike which showed that Allende was unable to govern and attempts by the ultra left to subvert the lower ranks of the armed forces. Pratts resigned as did the others who opposed a coup. The new military leaders were much more men of action. Even they would probably have preferred that Allende stay on as a figurehead or go peacefully into exile, but it was not to be. I doubt they wanted him to become a martyr.

Nobody knows yet where Chile is headed. The military say they will retain power until the society's wounds heal and normality is restored and then will step down. The problems they face are tremendous: A divided population, a wrecked economy, and unpopularity in many countries overseas. At this point I'm convinced the vast majority of Chileans favor what has happened although they may be saddened by the lives, perhaps thousands, lost. It will be interesting to see what happens to public opinion after the military force belt-tightening and try to put the country back to work. The Chilean military have essentially three models to chose from in their future policies: What has happened in Brazil, Argentina or Peru.

Within a short time the US will recognize the new government and they will come to us for large economic assistance. I have no doubt we will help, but probably not to the extent the Chileans expect. The Embassy's friendly Economic/Commercial Section will have a large role to play. I welcome this because what we do can benefit this basically very nice country and people.

So that's about it. Don't look for heroes or villains. What happened here was very much like a Greek tragedy with each player committed to a course, almost against his will in some cases.

PAUL GOOD
USIS Officer
Santiago (1972-1974)

Paul Good was born in Kentucky in 1939. After receiving his bachelor's degree at Cascade College he received his master's degree from Ball State. His career in USIA included positions in Thailand, Chile, Colombia, Dominican Republic, Nigeria, Australia, Yugoslavia, South Africa, Morocco, and Senegal. Mr. Good was interviewed by Charles Stuart Kennedy in August 2000.

Q: So you were in Chile from '72 to?

GOOD: March of '74.

Q: Ah huh, interesting time!

GOOD: Yes, not quite as wild as Vietnam, but as things go, both are certainly in the upper levels. Chile taught me about economy. When I arrived, the exchange rate was 68 to 1, and the unofficial was about 80. In September of '73, the exchange rate was 3,000 to 1 unofficially.

Q: Good God!

GOOD: The official rate was about 120; that's only an academic number because we didn't use the official rate, except in accommodation exchange for our cultural programs, which allowed us the advantage of being able to bring in first class groups. The Modern Jazz Quartet for example, paying their European level of stipend, and charge the people coming in through the door, at a nickel a night. We took the receipts and converted them at the embassy at the official rate of exchange. That gave us enough dollars to pay the high rates. The embassy was forced to use the official rate of course, but there was a quirk in the law that did not make it illegal for us to use the unofficial rate, unlike in Nigeria later.

There was usually, as far as I know, somebody in every office who handled the informal exchange. I took it over when our exec officer position was dropped. I'd receive a cardboard box, two feet by two feet, full of money from my contact, and I would then write a check or accumulate a series of checks to be sent to the Manufacturer's Hanover Bank in New York to his account. It was very politically interesting because until the coup.

Q: What was the situation in Chile when you arrived in '72?

GOOD: Quiet, it was summer, reverse seasons, nothing was happening. It was hot, it was dry, schools were out, and I had no pressure against my moving into my job slowly. We were in temporary housing, looking for a house. We got the house, and then on March things started picking up. Then it got very busy because we had the exchange rate bonus. It was an open time. There were no restrictions on what we could bring in. We were pushing the American flag, if you will. We were doing it one way; CIA was doing it another way. We were helping them actually in some ways. We were working with radio stations and bringing in some parts.

Q: Were you getting this and saying, "Boy, this guy Allende is really bad news," or not? Or was it just another guy they mentioned?

GOOD: Well, in a way it was amusing. The emotional level was high obviously with the local employees because they were taking sides. I thought it rather amusing having just come from California, because some of the policies, take the educational policy for example that Allende was pushing, centralized curriculum control, was more conservative than what we had in California. So here was a communist theme, if you will, which was more conservative than what I was accustomed to in California, and yet the Christian Democrats were very upset with. They thought that it was too wild. The American point of view in many cases was far more radical than whatever was going on on either side in Chile.

Now the foreign ramifications, the involvements of the Cubans, the involvement of the Russians, or whatever were not minor. But then they weren't really serious either. All you had to do was look at the map and you could see that the supply line was a little bit too long.

Q: Yes (laughing).

GOOD: For them to seriously be involved if anybody wanted to disrupt it.

From our point of view, Chile, while it made some headlines and was a nuisance, was not a threat. It was isolated, it was far away even for us, and it was not in any position really to infiltrate the neighboring countries with their particular point of view.

Now the Chileans looked upon themselves as the Australians do at some points, as being the center of the world, because they are so isolated that they don't have any real contact with what other people are thinking. So from their point of view, whatever happened in Santiago must be making the headlines all over the world, because nothing else infringed upon their consciousness. You had the ocean, you had the mountains, you had the Antarctic, and you had the desert, and that was it.

So they were amusing in some ways, serious in others, because of course the secret police were involved, and there were people disappearing, and there was the invasion of the properties, which of course cut into the food supply. The landowners had no interest in '72 to plant a crop, because it was liable to be taken over by these uncontrolled younger elements of the communist parliament. Allende didn't have control of all of his supporters, and thus things got out of hand. He could not control them, but what they were doing, was pushing him in a direction of decision making that was going to cause him problems, which it ultimately did.

Q: Local employees too, I mean, there must have been. I would think that everybody who was sort of intellectually involved would have been picking sides at this point.

GOOD: Yes, and of course those that were working for us were not in favor of Allende. In fact one of our top information assistant later on went over to be the press officer for Pinochet.

The real problem on the minds of everybody, which I don't know whether it shows up in the research much or not, but living there, the problem was economic. People did not have enough money, because of the inflation, to buy what they needed, and there wasn't that much available to buy anyway. Meat was very hard to come by, because early on, even before I got there, the cattle barons had shipped their cattle across the border, run it across the border to Argentina, knowing that it was liable to be confiscated later. We brought meat in from Argentina at the embassy for the commissary.

Q: I was just trying to say, I mean, I couldn't think of any area where there should be less of a problem of meat.

GOOD: Yes, but of course, the producers couldn't get a price that made it economically viable to continue production. Wine, there's a lot of wine in Chile, very difficult to get a hold of. We could get it. We brought our bottles to be filled because we were diplomats. They gave us preference, we

and the military. Gasoline, very hard to come by, so people were unable to run their cars. You could get some fish products and a lot of those. Well you'd get some chicken, but the chicken tasted like fish too, because fishmeal -

Q: Fishmeal?

GOOD: Fishmeal is what they were feeding the chicken. What you could get from our point of view was cheap, because we had money coming out of our ears! I felt I was living on a \$100,000 salary because of the inflation rate. A five-course meal with wine was 75 cents, so I ate very few meals at home. I had breakfast at home. Lunch and dinner, almost always outside, and this was with a full time live in maid in the house that cost me \$15 a month. So a night out for four people was 15 bucks.

Q: Well, now, where-

GOOD: I should say there were a few of them, Stu, who had some political concerns. They had college age or early 20s kids who were involved, usually opposed to Allende, in the case of the ones I knew, although there were some that were on the other side. I know one that committed suicide after the coup, after the revolution because he was so disappointed, and he was fearful that they'd go after him, too.

But economics wasn't something that was a worry at the embassy itself, or with our adult contacts. At the universities of course, you'd have theoretical discussions and some arguments, but I wasn't dealing with the universities. I was dealing with cultural presentations.

Q: How did life settle down for you all in your work and home?

GOOD: As I said, programming was very disrupted because of the curfew that canceled evening activities. Obviously people were very much engaged in making sure that they had a job, that they were not looked upon as problems by the new authorities, so people kept their heads down. So there wasn't a lot that we could be doing, parts of the embassy whose job was really reporting, in our case the universities were bringing information back, but as an active operation we were sort of out of it, except for the Bi-National Center. It was still continuing, conducting, teaching lessons.

Q: You'd do it during the day?

GOOD: During the day, yes, but not at night.

Q: What about, was there a mass inflow of press or international press or were they pretty well kept out?

GOOD: No they were there. We had just had a change in the office for reasons that are too complicated to discuss. The cultural officer and the informational officer switched positions. The cultural officer, the new one, who was bilingual in Spanish and Portuguese, was comfortable, and he didn't have to think. The new one on the information side had never been an information officer before and was not a great language speaker. It was not his first language or second language. The

pressure on him as the embassy spokesman was so great that he broke out with tremendous hives, and he had to go into isolation for a month. Had they left the other fellow in charge, he could have handled it easily because he knew the job, and he had the language, and he understood the culture much better, and that was unfortunate. So there was, yes, there were press; there was pressure.

Although we weren't the focus of it, we were close enough to the fringes of what was actually going on that we got involved because obviously we had some missing. The people that had contact with the embassy, two of them, we had Hayes-Fulbright scholars down there, and we got them out, although they got some beatings before we could get to them. But they were registered; we knew about them and went after them. This other guy just hadn't bothered to check with us, check in with the consulate, didn't want to be contaminated by the consulate.

Q: No.

GOOD: That's his fault.

Q: How about your contacts in Chilean circles? Were they resumed?

GOOD: Well, you know, if you don't have an evening life, our contacts, the art galleries weren't going to be open, the concerts weren't open, the cafes weren't open, you went home.

Q: Yes.

GOOD: After it began to open up a little bit, you would have some people over, and when you finished your dessert, they ran. You didn't have the after dinner talk. You had some drinks, you had your dinner and talked during that time, and then they had to go because of the curfew because you know, Chileans tend to start late. It was a hardship socially on them when this curfew was on.

Q: Yes, having dinner at seven or eight?

GOOD: Nine, nine or ten is a good time to start in Chile.

Q: Nine or ten, yes, yes, this is I find killing!

GOOD: You go to the concert; you go to the art activities at seven, seven-thirty, you go have tea right after work; you don't go home, you have tea, and then you go to the opera or whatever, then you go to dinner.

Q: Yes.

GOOD: Then they sleep late. We had to get to the embassy at eight, not nine. Finally the cultural officer rebelled and said, "I'm not coming in before nine. This is too much!" And she wasn't allowed to return for a second tour. Halsema didn't like her. Her real sin was that she refused to be a political officer. She said, "Look, my job is the cultural officer job, and I have plenty to do without going out and turning in reports for you. If I pick something up, I'll tell you about it, but I'm not going to write a report on it. I haven't time for that." And he didn't like that.

JACK B. KUBISCH
Assistant Secretary, Latin America Bureau
Washington, DC (1973-1974)

Ambassador Jack B. Kubisch was born in Missouri in 1921. He joined the Foreign Service in 1947, serving at two posts, Brazil and France, before resigning to take a position in private industry for 10 years, from 1951 to 1961. He re-entered the Foreign Service as a senior officer, serving in Brazil, Mexico, France, Washington, DC, and as ambassador to Greece. Ambassador Kubisch was interviewed by Dr. Henry E. Mattox in 1989.

Q: Yes. I think so. Still on Latin America, you were just mentioning a moment ago, when we broke, your set-to with Henry Kissinger over the Allende overthrow. Could you go into that one?

KUBISCH: Well, I suppose I could. It's a very important subject. I became Assistant Secretary of State in May of 1973 and on September 11, 1973, President Allende in Chile was overthrown.

There are many important aspects and dimensions to that period involving U.S.-Chilean relations and what the U.S. Government did and did not do, and what I personally was involved in and was not involved in. But narrowing it specifically to the question of my near resignation, I felt that some of the covert activities of the U.S. government, of CIA in Chile, needed to be terminated. I felt they were not in our interests at that time.

During this period when I was generally following a policy of trying to bring them to an end or to change them or alter them in some way, a proposal came from the CIA station in the Embassy in Santiago. As I recall it was about in mid or late July 1973, some six or eight weeks before Allende was overthrown.

The proposal inquired whether Dr. Kissinger in the White House, and/or Assistant Secretary Kubisch in the State Department, would be favorably inclined for the CIA station in Chile to supply money, covertly, to strikers in Chile. The truckers had gone on strike several days before.

It was a period of great economic turbulence in Chile, hyper-inflation, strikes by a wide range of professional and working people, and the indications were increasing that the government of President Allende could not survive. The CIA inquiry was whether or not we wanted to finance the striking truckers who were supposed to be bringing food and other supplies into Santiago daily. There were hundreds or thousands of them involved. This would increase the economic dislocations and perhaps accelerate the fall of the Allende regime. I said no, no payments to the truckers, no covert CIA activity of that type.

Q: Why were you of that opinion?

KUBISCH: I was of the opinion this can get rather involved, Henry, in that there is no short answer

to it. But basically, it goes to my whole view of CIA covert activities. I am not opposed to them in principle. I believe they are a means which should be available to the government of the United States, in certain, very exceptional circumstances, where vital national interests of the United States are involved and where there are no other means to serve those interests.

I did not feel that such was the case in Chile. I did not feel that vital national interests of the United States were involved in this. I did not believe that it was in the interest of the United States to try and bring about the downfall or overthrow of President Allende. I did not see any potential successor regime to him that would be desirable from the standpoint of the United States. And I thought, because of the history of CIA involvement in Chile and the electoral process there, that it was unwise, unwarranted, and indeed, most undesirable to participate and for us to fund the truckers' strike.

Word came to me that Dr. Kissinger favored disbursing funds from CIA to the truckers to enable the strike to continue. I said that I was opposed, and so a representative from Dr. Kissinger's office, the man in charge of the Latin American office in the National Security Council, a man by the name of William Jordan, who later became ambassador to Panama, and who was an associate of Dr. Kissinger, came to see me in my office as Assistant Secretary for Latin America. He said to me that Henry wanted this program to go forward. Was I prepared to resign over the matter? And I said, yes, that I was prepared to resign over it. I really felt I could not in good conscience, with the oath of office I had taken and my beliefs about serving the interests of the United States, I could not in good conscience, concur in the program. It was too important. And so he said okay, "I'll tell Henry," and he went back and told Henry.

The program was never approved. I never heard any more from Kissinger or Jordan about it. And some weeks later the government of President Allende was overthrown.

I mention this because, if young officers in the Foreign Service ever come to a position where a real question of conscience arises on a very, very major question, and that does happen to senior officers from time to time, they will know at least what one person did.

Q: Here is another potentially sensitive question, having to do with Chile. Have you perhaps discovered since those days that things were going on that you were kept out of the loop on? Were there programs being undertaken that the Assistant Secretary for ARA, didn't know anything about?

KUBISCH: In my view, during the period I was Assistant Secretary, there were none. I think I was fully informed at that time. I could be mistaken. I've seen nothing since to lead me to believe otherwise.

However, prior to my becoming Assistant Secretary, in the late '60's and particularly, I think in the elections in Chile in 1970 and '71, there were instructions, according to since published accounts by the Senate on this matter, that President Nixon and Dr. Kissinger and the then Director of the Central Intelligence Agency, Richard Helms, did have CIA conducting activities and programs, famous or infamous, "track two," that were unknown to the State Department or the Ambassador in Chile.

But that was not the case as far as I know in 1973 and '74, when I was the Assistant Secretary.

Q: I'm going to take us backward to Paris again in Just a moment, but let me pose one more opinion kind of question to you. Did the United States bring Allende down?

KUBISCH: Did the United States bring Allende down? I would have to say no, not in my opinion.

Did the United States policies and actions contribute in some way to his fall? I think that the answer to that would be yes. In my view, the U.S. Government contributed very little to his fall, not for lack of trying in the earlier periods. But I can tell you categorically that the United States Government, not the State Department, the CIA or any of these agencies or departments, were involved in the coup that overthrew him and lead to his death on September 11, 1973.

We were not involved in that coup. Indeed, there has since been ample evidence that we were not involved. Even members of the Junta that took control of the country on that day have stated, and there have been published accounts of this, that they did not want to let the United States know in advance because they were afraid we might try and head it off.

And President Ford and the Senate Committee that investigated this have confirmed that the United States was not involved in the coup.

Q: Not even by a wink and a nod?

KUBISCH: Well, Henry, I must tell you this. There was a steady stream of reports from Chile that there would be a coup to overthrow President Allende. And I don't exclude for a moment that some lower level U.S. officials, military or civilian, might have had contacts with Chilean officials of one kind or another and led them to believe, or allowed the Chileans to presume, that the U.S. government might look favorably on the fall of Allende.

Those kinds of things happen all the time. When I was in Greece the Prime Minister of Greece called me in once when I was ambassador there. This is just as an aside.

And he said, "Ambassador Kubisch, look at this." And he gave me a copy of a report by an intelligence officer in the Greek Intelligence Service, a very low level agent, who had met with an American second lieutenant or a captain, one of the 10,000 U.S. military in Greece. That American, a low level military official, had said to this Greek intelligence officer (he didn't know he was a Greek intelligence officer) "Prime Minister Karamanlis is a disaster for Greece. We wish he would be replaced and overthrown."

The intelligence officer of the Greek service wrote it up, forwarded it up through channels and it got all the way to the Prime Minister who said, "How about this, Kubisch, how do you let your people get away with this?"

And I said, "Mr. Prime Minister, we can't control what everybody says all the time."

But, back to Chile, as far as any official knowledge by senior U.S. officials who were in a position to make decisions concerning Chile, (we had no advance knowledge and we were not involved in the coup.)

Q: I want to go now to the contacts you were talking about off the mike, with the French Quai d'Orsay. But I don't want to do that if there is something about ARA or Latin America that I have failed to ask.

KUBISCH: Well, there is one thing more I would like to say before we leave Chile, because here again I think there is a lesson for others and some, perhaps, significant information for historians.

The history of one aspect of the overthrow of Allende has been badly distorted by the action of one professor by the name of Richard Fagen of Stanford. And I'd like to set that record straight, if I may.

What happened was this. Allende was overthrown on September 11, 1973. During the days immediately following that, as Assistant Secretary, I had meetings with a number of different groups and representatives, interested in what had happened in Chile and what this meant for U.S.-Chilean relations.

I testified at great length before House of Representatives committees and the Senate Foreign Relations Committee on this matter. Much of it is unclassified, some of it classified and since declassified and available.

I had a meeting with representatives of a group called the Latin American Studies Association. The Latin American Studies Association had as its president at the time a professor by the name of Henry Landsberger, who had been at UNC, if I'm not mistaken, and at this particular time was in Florida, at the University there. They got in touch with my office and I agreed to see a delegation from this group of professors and I think there were five that came to my office. One, Professor Landsberger, was the president of the organization, and one, Professor Fagen, from Stanford, was very interested in Latin America and very knowledgeable about it.

Q: Do you have the date?

KUBISCH: The date of that meeting, if I'm not mistaken, was Saturday, September 15, 1973, give or take a couple of days, I'm not sure.

Several weeks later, Professor Fagen wrote a letter to the Chairman of the Senate Foreign Relations Committee, Senator Fulbright, and sent copies to a number of other Senators and Congressmen, to the New York Times, the Washington Post, Secretary of State Kissinger and others, in which he referred to me and my comments at that meeting of September 15th. He distorted what I had said. He attributed to me remarks that I did not make. And he attributed to me a point of view that I did not hold.

That letter was published in the Washington Post on the Op-Ed page, as I recall, and in the New York Times. And when it appeared, I was outraged. And I was undecided what to do about it. It

appeared, I think, on about October 8th, 1973, the date of his letter was October 8, it may have appeared some few days after that.

I was undecided what to do about it and I called a meeting in my office of some of the officers working on Chilean affairs, and press and other advisors, to discuss the letter and what I should do. Some of them recommended that I write a letter immediately to the editors and set the record straight. They also said write a letter or go see Senator Fulbright and others.

Professor Fagen, in that letter, in attributing, incorrectly, views to me and statements to me that I had not made, used those purported statements as a kind of launching pad for a stream of criticism of the U.S. government and its policies in Chile. I had no objection to his criticizing our policies. Much of his criticism was justified, I thought. But to use these particular comments and in the way that he did, I felt was outrageous.

After this meeting, I decided, getting contrary advice from various people in the room, that I would not reply. Because the press people, and others, were saying to me, "If you reply, Jack, and you publish it, you're going to get involved in an exchange of letters in the press, in a public quarrel with Professor Fagen about, you did say it or you didn't say it and it's going to go on and on and it'll just make the story live longer. Forget about it, this story will only last 24 hours, and in the meantime, there is an avalanche of stuff appearing about Chile in the papers and it'll just be forgotten and buried."

So I accepted that advice and didn't take any action. To my chagrin, that particular letter and paragraphs from that letter, quoting me, in quotations marks, incorrectly, have now appeared in a number of books and sort of gotten imbedded in the history of the period.

So I would like to take this occasion to read a letter that I got from Professor Landsberger, who was present that day.

Q: Let me ask one question also. Did you have a notetaker there yourself?

KUBISCH: No, we did not. They asked me whether or not the meeting was going to be on the record, off the record or on background. And my answer, as I recall -- and this was the position I took in all such meetings, with the press or others -- "I will put it on any level you wish."

"If I am going to speak on the record, for attribution, then I must be much more cautious and careful of what I say because my remarks are going to be repeated by the international wire services to Chile. If you want me to be more frank and informal, I'll be glad to speak on background or off the record." They chose, this group of professors, to have it off the record.

The following letter is addressed to me, dated November 8, 1973, as Assistant Secretary of State, in Washington, and signed by Professor Henry A. Landsberger, President of the Latin American Studies Association. May I just read a couple of sentences from it?

Q: Yes. This letter has never appeared anywhere in publication?

KUBISCH: I understand that sections of it have appeared in Ambassador Nathaniel Davis' book on the fall of Allende.

He said, "Dear Mr. Kubisch. I feel I must go on record as feeling very concerned at the breach of confidence represented by my colleague, Professor Richard Fagen, publishing information based on our conversation with you of September 18."

He said September 18th, I thought it was the 15th, but I could be wrong. I haven't gone back and looked up any record of this.

Professor Landsberger goes on, "At the beginning of that conversation, no one expressed any reservations, whatsoever, at it being treated as off the record, as a result of which all sides expressed themselves with more freedom than they would have done otherwise."

"More important, however, Dr. Fagen's quotation of you as stating that, 'Only then (if Allende had served out his term) would the full discrediting of socialism have taken place, only then would people have gotten the message that socialism doesn't work.' What has happened, the military take-over and bloodshed, have confused this lesson."

Q: That's supposed to be Fagen's quotation of what you said?

KUBISCH: Yes, Fagen's quotation of what I said. Landsberger goes on, "This quotation strikes me, not only rather remotely related to his general point but it does not accord at all with my memory. My memory is that you made no general statement concerning the desirability of proving in any general way, that 'socialism doesn't work' and that your basic concerns seemed to be that the Chileans be allowed to judge after a constitutionally legitimate period of time, what benefited them and what did not. You have my full permission to send this letter to all those who might have originally seen Professor Fagen's letter." And so on. "Sincerely, Henry L. Landsberger, President."

I did want to put that in this oral history to demonstrate how such a thing can become enshrined in the history of the period and be inaccurate and incorrect. My own views about the overthrow of Allende have been fully covered in published testimony, unclassified, and if you want me to I'll be glad to repeat them here or quote from that testimony.

It is not what Professor Fagen attributed to me.

Q: No, I don't think we need to quote it or repeat it here, but we simply do want to make obvious in this account that your views are available in Congressional testimony and certainly would not be hinged upon one supposed conversation with those fellows.

KUBISCH: In fact, some references if you wish them, are as follows: On September 20th, 1973, I testified on the United States and Chile during the Allende years, 1970-73, Government Printing Office #39180, Washington, 1975, page 97. And again, on September 25th, 1973, before a classified session, which has since been released and published.

Q: Well, we both know how small and not so small errors can become enshrined in the record.

KUBISCH: Well, I think it's a great pity and it demonstrated to me more clearly than anything in my entire Foreign Service career, how important it is to deal with the big misrepresentation, an important misrepresentation, promptly, with the truth. It's like Hitler's big lie, you had to deal with it with the big truth, frontally and immediately, if you didn't want it to become established as an historical truth.

HERBERT THOMPSON
Deputy Chief of Mission
Santiago (1973-1975)

Herbert Thompson was born in California in 1923. After serving in the US Army from 1943-1946, Mr. Thompson finished his bachelor's degree at the University of California. His career included positions in Spain, Bolivia, Argentina, Panama, Chile, and Mexico. Mr. Thompson was interviewed by Thomas J. Dunnigan in 1996.

Q: *Well, you left Panama in 1973 for an assignment that was even hotter in nature and that was as DCM in Santiago, Chile.*

THOMPSON: Oh, yes!

Q: *When did you arrive in Santiago, Chile?*

THOMPSON: We arrived in Santiago in late August, 1973.

Q: *That is a month before the great coup.*

THOMPSON: A little less. I think we arrived on August 20 or thereabouts, and the military overthrew the Allende regime on the 11th of September.

Q: *What was the atmosphere you sensed on your arrival?*

THOMPSON: The atmosphere was unique in my experience. The city of Santiago, the capital, was for all intents and purposes shut down. A truckers' strike had been in effect for some weeks and had stopped all significant deliveries of goods and foodstuffs and everything else into the capital. As one walked down the streets, while store doors were open, it was plain that stores contained no goods, whether haberdasheries or markets or whatever. At the same time of course there was significant political stress apparent in the system, inasmuch as the socialist firebrands on the left of Allende's coalition were at white heat in terms of public pronouncements about the enduring nature of the Allende government and the need to keep pressing to the left and so on.

Q: *Now the strike you mentioned, that was a political strike instead of economic wasn't it, or did it have elements of both?*

THOMPSON: Yes, I think it had elements of both but I think it was primarily a politically motivated strike against the Allende government. This was also a time when there was ample evidence of public unhappiness with the Allende regime. I remember later being told by a Chilean lady that she had had, up until around that time, the custom of picking up military officers on their way into central Santiago as she came in from the suburbs in the morning to go to her job. Public transportation being an absolute disaster, and taxis being at a premium because of gas shortages, she did the kindness of picking up these military officers going in. But the time came when her frustration and that of other middle and upper class Chileans with the behavior and performance of the Allende regime was so great, that she would stop and curse at the military officers and then continue on her way without picking them up, which as you can imagine in a Latin American society was scandalous to say the least.

Q: So that was the atmosphere, tense.

THOMPSON: That was the atmosphere. On the other hand there was enough civility still in the country and enough indications of the Allende regime having armed its own militias and so on that it was not readily accepted even in our own mission that a military coup was a distinct possibility. I recall that in the brief interval between my arrival and the coup, Ambassador Nat Davis was called on to go to Washington for consultations. While he was away, the level of political rhetoric heated up to the point that I called a country team meeting to begin to lay out the responsibilities for the eventuality of an overthrow of the Allende government.

Q: But as we know, the military didn't back down. On the 11th of September you had the deposition of Allende. Where were you at the time it happened?

THOMPSON: I was at home. I had a call early in the morning from our air attaché telling me that there was reason to believe our military people up on the post thought that the navy was coming out of its installations and taking over locales in various places on the coast and offered to swing by and pick me up on his way in to the embassy. I said absolutely and went in with him. We then discovered that we had no trouble getting in, but it became apparent that others who came into town a little later had great difficulty getting by roadblocks and so on to make their way in to the embassy. In fact we had a full compliment in the embassy by 11:00 or 11:30 in the morning when it was perfectly clear to me that we had far too many people locked up unnecessarily in the center of town recognizing that the target was going to be the Presidential quarters which were just around the corner from our embassy. So I recommended to the ambassador that he leave me in charge and allow me to select a skeleton crew to stay at the embassy, and allow him and the rest of the staff to go home until the bullets quit jumping around quite so wildly. He did that and I must say never forgave me for it because he was not there in the ensuing three or four days whatever it was, when we were locked down in the embassy and doing all the reporting to Washington about what was going on.

Q: Tell me a little about your reporting to Washington. How did you get word there, how quickly? Did you phone or cable?

THOMPSON: As I recall I guess we sent a flash cable early on that things seemed to be beginning

and then just followed up with a hailstorm of reports.

Q: How did you get your information if you were locked up in the embassy?

THOMPSON: Well, it wasn't very difficult to see the bullets coming through the air conditioners in the embassy proper to the point where even before we were able to evacuate most of the people out of the embassy I had to get everybody out of their offices and into the central corridors away from all the windows because I think that some of the Allende crowd were not only shooting wildly but not averse to taking a shot at the American Embassy while they were at it. Of course they were right there within a block of the Presidential offices so that it was not difficult for them to do.

Q: You had Marine guards with you in the embassy?

THOMPSON: Yes, we had a couple who stayed.

Q: You were imprisoned in the embassy for how long?

THOMPSON: Three or four days. What happened was that shortly after the Ambassador had gone and I had released most of the rest of the staff, the military imposed a curfew even though it was broad daylight, imposed a curfew on Santiago. Nobody was to move other than the military authorities, and there was a good deal of shooting at the time so people were not disposed to challenge that unless they had a life or death reason to do so. That curfew remained in effect 24 hours a day for the next three or four days, so none of our people could come back. We couldn't change staff. Those of us who were in the embassy couldn't trade places with those on the outside, and they couldn't come in. It was only after the 24 hour curfew was lifted and then it was only lifted in daylight hours after the fourth day or so that we were able to go back to some sort of normal schedule.

Q: How did you exist? Did you have food in the embassy?

THOMPSON: Luckily we had a small dispensary in the embassy which had been used primarily for inexpensive lunches for our local staff. I chose with great care a number of ladies on the staff who I thought could manage that effectively when I let others go. They did in fact run a very good restaurant for us with what we had to deal with, but that was going in good shape.

Q: Presumably you slept in shifts.

THOMPSON: Yes, when possible, but there was not a lot of that there.

Q: How long did Ambassador Davis serve there after the overthrow?

THOMPSON: As I recall it seems to me that he was there perhaps three months after the overthrow and then was reassigned.

Q: Was there a long interruption before Ambassador Popper arrived?

THOMPSON: Yes, there was it seems to me about 7 or 8 months between.

Q: Were you in charge in a very dicey period I gather in our relations with Chile.

THOMPSON: Yes, a very difficult time.

Q: Were there high level visits at all from the U.S. during that period?

THOMPSON: No. There were some rather high level demarcates that I was obliged to make on a variety of subjects, including [important] representation on behalf of American businesses, which had been nationalized by Allende, seeking their return from the new government. In fact, I remember the most important was the return of the large mining companies to their properties, which I remember working out with Admiral X. He was then Pinochet's deputy for all economic affairs.

Q: Were the Chileans under Pinochet sympathetic or helpful in the return of our properties or not?

THOMPSON: Yes, they certainly were. It was difficult going at first but after hearing us out and giving the matter a little reflection, they decided they were going to disgorge and reverse the policy of the Allende regime.

Q: What else can you tell us about the situation after the coup and how you found it, the atmosphere, the change, and what it meant to Americans in Chile?

THOMPSON: Back to the days immediately preceding the coup, I arrived sometime in the latter half of August and very kindly, Ambassador Davis had arranged for the entire country and their wives to be at the airport to greet me on arrival. In those days as in other times in Chilean performance, the civil airports were under the command of active duty military officers, and the day I arrived, the colonel in charge came into the VIP room where I was received by the country team and warmly greeted me. I gave no other thought to this until in the days immediately following the coup, the ambassador again departed for consultation in Washington, and I went to the airport to see him off. The airport at that time was under severe civilian control and all non-official personnel were being unloaded several blocks from the terminal and being bussed under guard from there to the terminal. In any case, as I entered the airport alone that morning, I had no more than got inside the door than I heard a shout from the far reaches of the main lobby of the airport and identified a military officer by now on a dead run coming toward me across the vestibule, shouting at the top of his voice, " Mr. Thompson. It's Mr. Thompson. The man who brought the coup to Chile."

Q: So we finally uncovered the rascal who did it.

THOMPSON: That's right we finally identified the one who was truly responsible. I tried for some seconds to disappear into the terminal floor, but it really wasn't possible, so I grappled with him and got him to quiet down and led him off to a more private area. The level of responsibility he attributed to me was both great and very clear.

Q: How did the ambassadors use you in the function of DCM there? Did they divide the work with you or did the two of you work on the same problems? Did you run the Staff? How was it divided?

THOMPSON: Well, essentially the ambassador and the DCM at that post during the time I was there operated as on executive unit. I suppose I did more staff interface certainly than the ambassador did, but that was not to mean that the running of the operation by any means had been delegated to me. I was simply his second in command.

PARK D. MASSEY
Deputy and Acting Director, USAID
Santiago (1973-1975)

Park D. Massey was born in New York in 1920. He graduated from Haverford College with a B.A. and Harvard University with an M.P.A. He also served in the U.S. Army from 1942 to 1946 overseas. After entering the Foreign Service in 1947, Mr. Massey was posted in Mexico City, Genoa, Abidjan, and Germany. While in USAID, he was posted in Nicaragua, Panama, Bolivia, Chile, Haiti, and Uruguay.

Q: Of the AID Mission?

MASSEY: ...of the AID Mission; Deputy Director and Acting Director of the AID Mission in Chile: a similar position in Haiti, a very frustrating period because of the fact that Haiti is impossible to do any good for; and finally I was made Mission Director of the United States AID Mission to Uruguay, which I ultimately closed out, which I think was a mistake, but at the time seemed like a good idea because our assistance was not really helping the Uruguayans in solving their economic problems. During all of this time, I saw little or nothing of an interest in either trade unions or labor or manpower in any of those missions in which I served. I did not take into much account labor and manpower concerns, although I was in the top management of the missions that were involved. I don't know why that was. It may have been that the concerns tended to move in other ways, or in some cases the trade union movements in many of these countries were so fragile and the understanding of manpower problems within my own mission so weak as to tend to let them be pushed aside. But labor and manpower were not really terribly important in those missions.

Q: The human rights situation, any work in that area?

MASSEY: Very little. We had to certify in projects towards the end of my AID career as to human rights conditions as part of a project. That became most important for me in Chile and in Uruguay, both of which had severe human rights problems. But the human rights problems were that basically we could not justify new major assistance to Chile under the conditions of the Pinochet dictatorship.

VICTOR NIEMEYER
USIS Officer, Instituto Chileno-Norteamericano de Cultura,
Santiago (1973-1976)

Victor Niemeyer was born in Texas in 1919. He graduated from The University of Texas at Austin in 1941, majoring in Government. He joined the navy shortly thereafter. At the end of World War II, he went back to school to complete his master's degree at The University of Texas. Mr. Niemeyer entered the Foreign Service in 1952. He received a Ph. D. in 1958. This interview was conducted in 1999 by Lewis Hoffacker.

NIEMEYER: It came time to go overseas again, and this time I was given the opportunity of directing the binational center in Santiago, Chile, the Instituto Chileno-Norteamericano de Cultura. Although I was a Foreign Service officer and not a grantee any longer, they wanted somebody who had some experience in binational centers.

Q: *That was a big job, though.*

NIEMEYER: It was a bigger post, yes.

Q: *Now was that Allende? It wasn't Allende, was it?*

NIEMEYER: Yes, this was during the Allende period. It certainly was. I'll tell you about that.

Q: *Tell us about that, yes.*

NIEMEYER: In March of '73, they offered me the job and said, "Would you like to go down to look it over?" So I did. I spent a week in Santiago, went up to Valparaíso, where I knew the director of the center there. We'd served in Mexico together, Fred Shaver. I thought, well, this is going to be an interesting assignment. You began to feel that there was increasing instability, shall we say? But I went back, and then we managed to rent our house, and my wife and I and the two kids (by this time, Vic, my oldest son, had finished the University of California at Berkeley and was in the doctoral program at the University of Texas in econometrics, and my daughter was at the University of Texas in Austin), so Lala and I and the two boys flew to Santiago, arrived there on a chilly winter day, June the 26th, and began the job of director of the binational cultural center, which was a much bigger operation than any I had been in before. We had 5,000 students and 75 teachers and then 75 on a staff of everything from the English teaching department, the cultural department, the cleaning department, the restaurant - we had a restaurant - the parking lot, the accounting department. It was just a good-sized operation. On the 29th of June, I was in my office and I heard shots. And like a chump I walked over to the window and looked out to see what was going on, and there crouched down - I was on the second floor of this building (it was an old home, is what it was, converted into a binational center, with a seven-story building with 35 classrooms right behind it, a very new building) - there were two *carabineros*. This is the national police force. Chile does not have a federal system of government. In the U.S., each state has its own police force, and each city's got one, too, but down there, it's a national police force called the *carabineros*.

There were two of them crouched behind a car, both with pistols out, and I knew that something was happening. Then we heard a lot of shooting. This is what was happening: a tank regiment had decided that it would try to overthrow the Allende government, and they came from where their encampment was, they stopped at the Exxon station (Esso Station then) and filled up their tanks with gasoline. This should have given them away, but they marched up to La Moneda and started shooting. And then the shots were returned from inside. There was a lot of shooting going on, and fortunately - I think it was a Friday - we were able to get most of the students out. There weren't too many that early in the morning. And then everybody went home in the early part of the afternoon except for the 19 people who were killed and lying out there in the street, just a block away from our binational center at La Moneda, the seat of government. Well, that was sort of a prelude to what happened on the 11th of September, but before that, on the 4th of September, I got a call at three o'clock in the morning from the major domo at the Institute who lived there with his wife. He said, “¡Señor Niemeyer, venga, venga - una bomba! [Mr. Niemeyer, come, a bomb has gone off at the Insituto!]” I went down there, and sure enough, a bomb had gone off. It had broken every window on the street side. My desk - I had it covered with papers I was working on - was just literally covered with glass. We had a long entrance tunnel - it was called a tunnel - with glass doors at the end. The bookstore glass - everything was shattered, everything. A small artifact, a small bomb, probably, we think now, set off by the rightists in Chile to show that the government of Allende could not keep law and order. We don't think it was leftists. At least, this is the conclusion they came to later. So we cleaned up that mess, got the glass put back. The insurance covered some, as I recall, and then, on the morning of the 11th of September of 1973, I was on my way to work...

Why don't I back up just a minute and say that public transportation had almost broken down. You would find each block just filled with people trying to hitchhike, catch a ride in to work into town, from the suburbs. Once the ambassador's secretary had an apartment just across from our temporary quarters on Pedro de Valdivia, and she and I, not every day, but sometimes, would sort of walk together to the corner. A man stopped to pick us up, and we got in his little car - it was a foreign make, just a very small. He said, "You all are Americans, aren't you?" I said yes. He said, "Oh, I'm so glad." He said, "The last time I picked up two *chilenos*, they were from different political parties. They got to discussing the situation, they got violent, they became more violent, they started punching each other." He said, "They almost turned over my little car."

Q: *But the driver was glad to give you a lift, wasn't he?*

NIEMEYER: I think he was. At least we were two passengers who didn't start a fight.

NIEMEYER: Things were polarized down there. You either were an *allendista*, for Allende, or you were violently opposed to him, and there was just no reconciliation of views.

Q: *But our government was not happy with him, and so our relations with Chile were poor.*

NIEMEYER: They were very poor, that's right.

Q: *More than poor.*

NIEMEYER: They were very poor at that time. Allende was a Socialist, and the Socialists were really to the left of the Communists. He started out, I guess, with good intentions, but basically, he had alienated the Church, he had alienated finally the business community, he had alienated different branches of his own government. He would promulgate decrees with no legal authority to do so - it was just dog-eat-dog. And meanwhile the economy, production was dropping something like 30 percent in agriculture. On this particular day, the 29th of June, Allende went to the radio and urged the workers to take over the factories, take over businesses. And that day something like 200 different businesses went from the private sector into the public sector. So this lowered production even further.

Well, back to the morning of September the 11th. We heard on the radio that here was a revolt in progress, and I remember the carryall that the embassy had sent out to pick up their employees - not necessarily the Foreign Service officers, but the local employees - it stopped by to pick me up. I'd been riding with them for a week or so, I guess, and there was a man in there who was very excited. He exclaimed, "*¡Al fin, al fin! Ya se levantó el ejército.*" At last, at last, the army has arisen. I thought he was going to have a stroke. He got red in the face and he was just vehemently expressive.

Q: Do you remember our ambassador at the time? Do you know who it was?

NIEMEYER: Yes, the ambassador was Nathaniel Davis.

Q: Oh, yes. He was an old timer.

NIEMEYER: He was an old timer.

Q: Did you have a good impression of him?

NIEMEYER: He was a very affable person and I think a very capable representative of our country, and I was pleased to have been there during his tenure. He left in '74, and David Popper came in as ambassador. We got to know David, Ambassador Popper, and his wife very well, and I still keep up with him. He's in Washington now. His wife died, and we always exchange cards at Christmastime. He and his wife frequently attended cultural and social functions at the Instituto.

The binational center thrived. I was able to keep most of my teachers. I had labor problems, though. Even though strikes were forbidden, I had labor problems because teachers kept demanding more money and demanding more money, saying, well, we're the heart of this institute, and we should get pay raises. I was able to give them some, but it all worked out, and I didn't have any serious problems. I was able to build the cultural program up again. The son of a Mexican diplomat whom we got to know very well was a big help. My wife had taught his father and mother English in Mexico City when we were there. Now he was serving in Santiago, and his son, who was in the medical school in the University of Chile, helped me with the cultural program, and we developed a popularity contest - singers, singing especially, and drama, dramatic acts. And I felt after a while, you know, that nothing has really happened to impede our progress. The bookstore was opened up. The book officer for USIA, Jack Brockman, was attached then to Santiago. He traveled a lot, but he opened up a bookstore in the Instituto which was different from what it had been before. We just

sold textbooks before, but now we were selling the translations of American books into Spanish. The movie program began again. I remember we showed *Citizen Kane*, and how packed it was. Every time we had a showing, the theater was filled. There was a great dearth of cultural events after the coup, so whatever you had at the binational center was very well received, and people would flock in to look at it.

As '76 approached, why we made plans to celebrate the bicentennial of our country, and I was able to get the Santiago Symphony Orchestra to put on a special program for the people in honor of our country's bicentennial.

STUART VAN DYKE
Mission Director, USAID
Santiago (1974-1976)

Stuart Van Dyke was born in Idaho in 1915. He graduated from Indiana University in 1935. Working for ICA and AID, Mr. Van Dyke served in various countries including Germany, Turkey, Brazil, and Chile. He was interviewed September 18, 1997 by Scott Behoteguy.

VAN DYKE: Yes. After about two years I was again looking for somewhere to go, and I was offered the job of Mission Director in Chile. I seem to have been destined to go to countries where military coups had just happened or were about to happen. In Chile, the military had just overthrown Allende, who had been bumbling his way toward communism. In Brazil, the same thing had happened shortly before my arrival in Rio, and the military were in charge during my entire assignment there. In Turkey, the military intervened twice during my tour to throw out the incumbents, schedule elections, and supervise the installation of a government which would adhere to the Ataturk formula.

Chile's transition had been the bloodiest of the three. It was estimated that two or three thousand people had been killed or disappeared during the Chilean coup. After the fighting stopped, a military junta consisting of the heads of the army, the navy, the air force and the national police took charge. In this group of four, the leader was Pinochet, the army chief. He quickly gathered up the reins of power and made himself the country's dictator.

Chile had a history of democratic participation, and U.S. policy toward Chile was based on the assumption that, after cleansing the bureaucracy and the universities of left-wingers, Pinochet would call for elections and quietly step down. Well, it didn't work out that way. Pinochet liked the job and wanted to stay on, and he stayed for more than ten years. A lot of Chilean left-wing intellectuals had gone into exile when the coup occurred, and, while there was no overt opposition to the Pinochet regime within Chile, the exiles mounted an effective campaign abroad to discredit it. Among liberal circles in the U.S., its "human rights" record was heavily criticized. A prominent exile was killed on the streets of Washington, DC in what looked like a political assassination. Jack Lemon starred in a movie based on a story about a young American who disappeared during the coup and whose body was never found.

Although there were plenty of potential borrowers for AID loans, Washington was reluctant to undertake a full scale country program. A piece-meal effort was about all that the situation would bear. Among other things, we made a agricultural sector loan and a loan to a bank for cooperatives, but Washington seemed to wince whenever the time came to announce publicly that we were supporting the regime with economic aid.

Meantime, the economic situation had not improved. At the time of the coup, inflation was running at 1000% annually, and GNP was down 25%. To cope with unemployment, which was reported to be 25% of the labor force, the government had begun a sort of WPA program. Beyond that little had been done. Pinochet himself had no economics in his background, and his ministers seemed equally at loose ends. But Chile had an unexpected asset. During the period before the Allende regime, USAID had financed the economic training of a number of brilliant young men. Most of them had gone to the University of Chicago for Ph.D.s, perhaps because one of the leading members of the economics faculty there was married to a Chilean woman and came often to visit. Chicago exposed them to the free market thinking of Milton Friedman and his colleagues. After graduation, many had found the socialist climate in Chile uncomfortable, and some had remained abroad. But they began to return after the coup, and found places in the central bank, the Ministry of Finance, and the Ministry of Planning. Soon Milton Friedman himself showed up to conduct a series of economic seminars for the military. I was lucky enough to attend some of them, and I have never seen one man make so profound an impression on such an influential group in so short a time. He spoke of limited government, privatization, deregulation, and using the forces of the market to allocate capital and labor. They loved it. It gave them a rational response to the fifty years of socialism which had brought Allende to power and which they had ended. After Milton Friedman's visit, things began to move.

One program which we were able to crank up successfully was the import of PL 480 food. Chile's agricultural sector had been turned on its head by the "land reform" of the Allende regime -- a code word for communalization. Production had plummeted, but there was little money for imports. PL 480 was the answer. The food was used in large part to alleviate the suffering of the unemployed, who had found temporary employment in the government's make-work program. It made the government look good. To show their appreciation, they decided to award me the highest honor they have for a civilian -- the Bernardo O'Higgins medal. After some delay, I was given permission to accept the award and keep the medal, but I hesitated to brag about it to my liberal friends.

Just about this time I got a letter from the personnel office saying that I had completed thirty five years of government service, and that while I could go on working if I wanted to, I should understand that the additional work would not mean additional retirement pay. I took the hint and decided to retire.

I liked Chile. It is a special country in many ways. It is 100 miles wide at the widest point and about 2000 miles long. It extends from a desert in the north, where there has never been any recorded rainfall, to Tierra del Fuego in the south, where the wind never seems to stop blowing and it is cold all year long. I've visited the whole length of the country. There are very few traces of the tribes that were there when the Spanish first came. The people are mainly descendants of European immigrants, and the culture is European. It looks European, and it has the highest literacy rate of

any Latin American country, and the lowest mortality rate among children. After the reforms recommended by Milton Friedman had begun to take hold, the growth rate in the GNP reached 10%, and averaged 8% for many years. Unemployment is now a thing of the past, and the country has become a role model for the rest of Latin America. I went back for a visit about ten years ago. Santiago looked freshly painted, bustling, and full of construction towers. It could teach some lessons to the states which emerged when the Soviet Union disintegrated. There is life after socialism.

I left Chile in the summer of 1976 -- their winter. About three months after I left they presented a letter to the American ambassador saying, thanks very much for your aid, but we can now get along without it. Their economic situation had improved dramatically, but I suspect that even more importantly, they had simply gotten tired of our lectures. We had been under instructions to remind them at every opportunity how difficult it was to justify aid to a non-democratic country with a record of human rights abuses. If there were no aid to justify, there would be no occasion for such lectures. The government has now passed into civilian hands. The situation is again pretty much as it was before Allende, with one huge difference. Instead of seeming to drift inexorably toward socialism, it is now firmly in the capitalist camp, and getting rich in the process.

Q: Of your two Latin American experiences, you have better memories, I take it, of Chile so far as economic development is concerned while you were there than you had of Brazil.

VAN DYKE: Sure. Of course, Brazil is now doing many of the things that Chile did 20 years ago. I believe that Brazil is going to have the same kind of good results in the future, if it stays the course.

THOMAS D. BOYATT
Deputy Chief of Mission
Santiago (1975-1978)

Ambassador Thomas D. Boyatt was born in Ohio. He joined the Foreign Service in 1959. In addition to serving in Chile, Ambassador Boyatt served in Luxembourg, Cyprus, and was ambassador to Upper Volta and Colombia. He was interviewed by Charles Stuart Kennedy in 1990.

Q: In 1975 you'd finished the Senior Seminar, along with yours truly, and went to Chile as DCM where you served from '75 to '78. How did you get the job, and given the fact that you were sort of persona non grata in the Kissinger scheme of things when he was Secretary of State, how did you get that job?

BOYATT: Well, I got the job, and this will be covered when I speak about my time on the Cyprus desk. Cyprus was one of the cases which the two special intelligence committees, the House and Senate committees which were established in '74-'75, decided to concentrate on. They decided to focus on Cambodia, Chile, and Cyprus. And in the context of their hearings on Cyprus there was a long involved struggle to get me to testify. I was in the middle between Kissinger who didn't want

me to testify, the whole thing had constitutional overtones. The long and short of it was, that at the end of that whole Cyprus period, and senior seminar period, which terminated in the spring of '75 with this Congressional problem, Larry Eagleburger wanted to save my career, and Henry Kissinger wanted me out of town. So the perfect solution was for me to go to Chile, which is a hell of a long way from Washington, which made Kissinger happy. It's great assignment, a great spot to be DCM. It's a country where, as you know, I'd served before, I speak Spanish with a Chilean accent. I knew everybody in the country because I'd met them all in the '59-'62 period when they were more junior. I had known Allende. He, of course, was dead by '75. I had known Frei when he was a Senator from the north, and I had known Pinochet when he was a major and lieutenant colonel in the north where I was. So I really was the perfect person to send into that job, and, of course, when the Chileans heard that I was coming, they all said, "Ah-ha, nuestro gringo", these Americans they're so smart, they punched up the computer for the perfect guy for this job, and out popped Boyatt. Nothing could have been farther from the truth. I went down there because Henry wanted me out of town. But, anyway, I really was the right guy, in the right place, at the right time.

Q: What about the ambassador? What was his role, and who was the ambassador?

BOYATT: The ambassador was David Popper, an excellent professional, as you know. His position was a very difficult one because, and this difficulty continued into the Carter Administration, but the difficulty in '75-'76 was that we had a Henry Kissinger in Washington. Let me put it to you this way: One of the cables from the embassy wherein we suggested very sort of suavely that to some degree our foreign policy should be linked to the human rights issues and the way the Chileans treated their own people. Kissinger scribbled across the cable, "Tell Popper to knock off the God damn social science lectures. This isn't apropos." Someone showed me the cable with his note on it. We were in between the Democratic Congress, and the human rights advocates in our own society, and, let's face it, the political left wing who were horrified that Pinochet had overthrown Allende even though Pinochet had the support of 75 percent of the people. It didn't matter.

Q: Because some of these things will be read into the 21st century, these transcripts, Allende was a tremendous darling of the left, as well as the hard core left.

BOYATT: Yes. It was hard to understand because his government was a disaster, and his own people turned on him, including the so-called lower classes in Chile. I mean all of those demonstrations of women beating pots and pans, those weren't upper class people from the barrios altos, from the upper class neighborhoods. Those were just people. And what had happened was that he tried to impose a Marxist-Socialist economic regime on Chile, and it just failed. It was a terrible disaster, it didn't work. In this rich country people couldn't get food, they couldn't get toilet paper, and by the way Stuart, the toilet paper index never fails. Once people can't get toilet paper, you can be sure they're going to revolt. That's happened every place I've been, and it happened in Chile.

Allende's overthrow was a popular movement, it wasn't an army coup. The army tossed him out of the Presidential Palace, and put enough pressure on so he blew his own head off. The army defeated his group of mercenaries from Cuba and elsewhere, the so-called grupas, the Amigos del Presidente, the GAP, the group of friends of the president, which was a kind of second army. But,

essentially, this thing had widespread popular support from the Democratic party to the left in the United States, and the world, nobody wanted to hear that, although it was true.

On the other hand, the Pinochet regime was committing human rights violations, and we were reporting these, and suggesting to some degree we ought to try to do something about it. And Kissinger didn't want to hear that. So we had sort of a realpolitik from the executive branch, and the human rights driven pressures from the legislative branch, and the media, and so on. And we were in the middle. That was '75 and '76.

Q: How were you being used? I mean, you had this experience before in Chile, and you'd met all the players, but how did Popper use you?

BOYATT: First of all, I was his deputy in the full sense of the word. I cleared off on all of the substantive cables before they went to him, and because I knew Chile, and Chileans, he was interested in my views. He didn't always agree with them, but he certainly wanted them in the pot. I played a strong role on the substantive side, and with the administrative counselor saw to things on the administrative side.

Q: How were we viewing, at that time, the changes in the economy? Because if I recall, Pinochet had his University of Chicago boys who all had been educated hard core, Chicago-style, economics.

BOYATT: Yes.

Q: . . .which was essentially what, a very free market?

BOYATT: Yes, it's a very important point. Typically when a Latin American military group takes power, they try to militarize the economy, and make it a government bureaucracy responsive to them. They're statist generally. But in this case, Pinochet came in and made a strategic decision early on, and in 1974, that he was going to turn economic policy over to the civilians, and to the free market civilians. For one reason or another, I think primarily because he'd seen the success of it in the United States, he was emotionally, intellectually, and operationally, in support of the free market model. So beginning in '74 the country changed overnight from the sort of extreme marxist model which was applauded by conservatives. And the amazing thing was, the free market model worked. Chile began to recover dramatically.

Just to put a final point to that story. Chile is today the strongest country in Latin America, perhaps the strongest country in the Third World outside of Asia. It is the Singapore and the Taiwan of Latin America. It has a low inflation rate, an unemployment rate that is lower than ours, a stable economy that's growing 5 or 6 percent a year. It's in extremely good shape. A positive balance of payments, budget surplus, and they're beginning to be very successful in spreading the wealth downward on the economic AUA. . .it's a hell of a success story on the economic side. And, of course, we knew that in the '70s too, and we reported that, but nobody wanted to hear that either.

Q: How did you feel? Let's take before Carter, your time there was divided into two parts. One, a hard nosed Henry Kissinger type who really was very happy to get Allende out. And then you

moved to the Carter period, which was quite different. During period "A," the Kissinger time, what was the attitude? You, the ambassador, and also the staff, you're looking at this situation, and on one side you're concerned about human rights. What was the mood at the embassy?

BOYATT: Well, the Congress was cutting off Chilean assistance in spite of the overriding executive...stopped economic aid, stopped military aid, Peace Corps out, a voting against Chilean loans in the World Bank, Inter-American, that sort of thing. That was mostly legislative driven. On the other hand, Kissinger clearly supported the regime, and other elements in the United States supported the regime because they had thrown the communists out-in effect the communists, the Marxists. Others in the United States supported the regime because it was pro-free market, and pro-business.

The mood in the embassy was that our job was just simply to report it accurately back in Washington as best we could, and that's what we tried to do. So we told them what was true. We told them that the economic policy was working, on the good side. We told them about the human rights violations on the negative side. And we told them about Pinochet's popularity. I would say that the mood in the embassy was very positive. We thought we were doing good work, and in fact we were.

Q: What about the media? Did you have American press coming down there and sort of kicking at you?

BOYATT: Sure. Absolutely.

Q: Was this the period they were beginning to talk about the movie Missing. You might explain what that was about, and how it affected you.

BOYATT: Well, Missing is about allegations that the U.S. Embassy colluded the arrest, and murder of an American kid and his friend, who were down there trying to make Allende's government successful. The facts are otherwise. The facts are that these people were down there trying to help Allende, and they were picked up early in the Pinochet activity and shot. But there was no embassy collusion, we were not involved in it, and there was nothing we could have done to stop it. By the time we found out about it, it had already happened. But, yes, the U.S. press was totally anti-Pinochet, and they came down there, and often we would have to fight to get them into the country. And then they would go out as journalists; they run as a pack. No American journalists, or European for that matter, was going to come down there and write something positive about Chile. And none ever did. Which meant that they had nothing to say about Pinochet's popularity, denied it, had nothing to say about the economic progress. They only came down and reported about human rights, and that's fine. But a professional Foreign Service person can't do that. Foreign Service people have to write about it all, and write about it as accurately as they can.

Incidentally, you asked me about what was my position. My position with the ambassador was delicate, not because we weren't then, and aren't now, good friends. But because Pinochet knew me personally, and he would often send an invitation over to the Embassy, or have one of his aides call up, and invite me to a private lunch, which put me in a hell of an awkward situation because I'm the number two, I'm not the Ambassador. So invariably I would go in to David Popper, and I would

say, "Mr. Ambassador, President Pinochet has invited me to lunch, but I will understand perfectly if you want me to decline the invitation". And invariably he would say, "Yes, dammit, decline. If he wants to invite somebody to lunch it ought to be me. I'm the President's representative here". And I would say, "Yes, I quite agree". And I'd go back to my office, and instead of immediately turning down the invitation, I'd wait because I knew that within a half an hour, or an hour, David would change his mind and he'd come in and say, "Well, this is a unique opportunity, and we really can't afford for you not to go and I want you to make the following points". So that's how that worked out, just as an aside.

Q: Let's talk about your impression of Pinochet, and your dealings with him at that time, because there are several Pinochets. I mean toward the end Pinochet turned sort of rancid, I guess. But anyway, this is at the height of his power, wasn't it ?

BOYATT: Yes, it was at the height of his power. The height of his power lasted a long time though, Stuart. You have to understand that. My impressions of Pinochet? My first impression of Pinochet is that he is a very good politician. He understood the dynamics of power. My second impression of him is, that he made a huge right decision, and that was to turn the economy over to the free market model. Chile is today about where Spain, and Greece, and Portugal, are. And it's only because of one man's decision, his. He turned the whole economy around, and it was so successful that today the Christian Democrats, and a good part of the socialists, have as their economic plank that they will follow the free market model of the economy. And in fact, the Christian Democrats, who have been in almost four years now, the fourth year is next year, did not change his economic policies at all. Indeed, they intensified them.

On the other hand, he permitted, I think more like Henry II, serious human rights violations. His intelligence people did a lot of things that they are accused of doing, and that cannot be forgiven. Look, the proof of this pudding, Stuart, is that in 1988 or '89. whenever they had the referendum, it was a free election which was certified by the international community who was there in droves; wherein the Chilean people could have chosen Pinochet versus all other political parties after 15 years in power, he still got 43.3 percent of the votes, pal. More than any other single political party. That would not have happened if the Chilean people had turned their backs on him. He would have gotten, like some of these Africans did, 5 percent or 3 percent. But he didn't. Right up until the very end he had strong support, and he had strong support because he saved the country from Allende, and because he put it on the right course economically, and the people knew that. And even today, if he were to run today, he'd get one-third of the damn votes.

And Stuart, one other thing, tell me one other dictator who has peacefully, and in an organized way, turned over power to a democratically elected successor. Tell me one.

Q: I can't think of any.

BOYATT: I can't think of any either, and he did that, too. He didn't have to do that. With 43 percent of the popular vote, and the army with him, he could have stayed in a dictatorial mode, but he didn't. And those are the facts.

Some things on the negative side of the balance sheet, and a lot of things on the positive side.

Q: When you were sitting down having these lunches, you had your points to make. What was his view of American process, our interests?

BOYATT: He couldn't understand why the United States was opposed to him, because he saw himself as the man who had saved Chile from communism. Therefore, the United States should support him on those grounds alone. And the man who was in the process of turning Chile into a free market economic miracle. So we should support him on those grounds. And he simply didn't understand why elements in the United States were against him. For my part, I tried to convince him that what he should do was to form a legitimate political party, and to throw the process open. And that was consistent with U.S. policy, I mean I wasn't free lancing. Our policy was to restore democracy, and this was the way we saw to get that done. If he'd done that, Stuart, in '76, or '77, or '78, and had the election, he'd have won the damn thing. But he didn't, and he kept putting it off, and putting it off, and when he finally had the election 10-12 years later, he lost.

Q: Here Chile had been a real democracy, more than really any other place in Latin America, until then a very well disciplined but neutral military force. Allende kicked over the bee hive. But why did the military respond with such fervor, rather than showing more discipline, rather than going through this really very bad human rights problems. What was our analysis at that time?

BOYATT: Well, the Chilean people, in the majority, wanted the army to intervene. And you had a situation in which women were throwing handfuls of corn in front of anybody in a uniform in the streets of Santiago. That means in Spanish, you're chicken, chickens eat corn.

Q: This was before. . .

BOYATT: . . . Before the overthrow of Allende. There was a lot of public pressure to do it. There was the belief that they were doing the right thing in terms of the western alliance, heroically simplified, broadly defined. There was also the fact that Allende was building an alternate armed force in the form of GAP, this group, Los Amigos del presidente. There were Cuban hoods there, and he was bringing in arms clandestinely to arm them. In other words, he was creating a parallel army, but there was no way the Chilean Army was going to accept that. When he did that, he really signed his death warrant. And when the Army took over, their position was that they were going to eliminate this threat, and they did.

But at the end of the day, Stuart, there weren't all that many people killed, some thousands, a lot less bloody than Yugoslavia today, for instance. It wasn't as bad as it was painted in the press up here. But, you know, they had what they saw as provocation, and they took it upon themselves to clean it out, and every left winger with a weapon was shot.

Q: Then Carter gets elected.

BOYATT: Yes.

Q: How did the embassy respond. I mean what. . .

BOYATT: It was incredible. Overnight we went from being soft, liberal-hearted, pinkos, to being the right wing, running dogs of Kissingerian realpolitik. It was crazy. All the criticism we had gotten from the right before the election in the United States, we then got from the people who came in with Carter who saw us as the handmaidens of a policy of subservience and clandestine support for Pinochet. It was really weird. It wasn't weird, it was perfectly understandable. . .that's the way. . .

Q: . . .*the way after Carter and Reagan came in.* . .

BOYATT: Yes, then you went back the other way.

Q: *What happened?*

BOYATT: What happened was that then the executive branch joined the legislative branch in terminating all elements of our relationship with Chile. I mean, A.I.D. was totally closed down and they went home. The military group was reduced dramatically. Then we started voting against Chile. There were things that we were allowed to do, and not allowed to do, in terms of attendance at things and invitations, because it might show support for the regime. And little by little, the relations between the two countries got worse and worse. It was perfectly hypocritical on the part of Carter, et al, because they were maintaining perfectly normal relations with every despot in the Middle East and Africa, and Asia, all of whom were at least as bad as Pinochet. But Chile was sort of offered up as the sacrifice, the sacrificial lamb.

Q: *This often happens. I mean there's one country where we have focus, and not just our focus, it's a world focus too. Isn't that awful where comparable things have happened. But this is the one that really did capture the imagination. Was David Popper still there?*

BOYATT: David was there for part of that time, and then he came back to Washington and there was a long gap during which I was in charge, I think almost a year, ten months anyway. And then George Landau came.

Q: *Was the reporting going on?*

BOYATT: The reporting didn't change. We continued to report the truth as we saw it. What happened was, different people seized on different parts of that reporting in Washington to justify their policies, and of course, we tried to carry out the policies, whatever the hell they were, as best we could. And we tried to keep the lines open with the Pinochet regime but it was getting harder and harder because relationships were deteriorating rapidly.

Q: *As we were taking these moves, were they slamming doors in our faces?*

BOYATT: Of course, you bet. In fact, I don't think Pinochet saw Popper the last year that he was there. I may be wrong about that, but that's the thrust of it.

Q: *How did you find the CIA had been accused of being the instigator of the coup?*

BOYATT: I don't think that's true either, Stuart. Let me tell you what I think the truth there is. I think the CIA had a candidate, and was involved in this, but it was much earlier, and whoever their candidate was, and whatever their operation was, it failed. And then when Pinochet et al moved, that was not a CIA driven thing. That was internally driven within the Chilean army.

Q: Did the CIA have any so-called special relationship as far as information you were getting? I mean, were you able to use them as a channel, or were they in the same state as everyone else?

BOYATT: They had a liaison relationship with the Chilean intelligence services, and we cooperated on anti-narcotics matters. But, no, they didn't. They did not have the access we had, not even close.

Q: Sometimes in similar situations you have the CIA getting very close.

BOYATT: This was not one of those. I'm not sure that they had a relationship beyond the head of DINA(?), and the Minister of Interior. I'm the one who knew the Minister of Defense, and the president, and so on, and I'd known them since they were captains and majors.

Q: What about Letelier? Did the assassination take place while you were there?

BOYATT: Yes, and so did our successful solution of the mystery take place while I was there.

Q: Could you explain what that was, and how that affected?

BOYATT: Letelier was here in Washington working for one of the left wing institutes.

Q: He had been Allende's ambassador?

BOYATT: He had been Allende's ambassador to Washington, and he had also been Minister of Defense at the time of the coup. He was expelled from the country, not killed, by the Chilean Army after the coup, and he was obviously carrying on activities in opposition to the regime. And the head of DINA, Contreras, mounted an operation to assassinate him, which was successful.

Q: He was blown up right in front. . .

BOYATT: . . .right in front of Sheraton Circle, almost in front of the Chilean embassy. And they involved an ex-patriot American in that activity, some Cubans as I recall, and some Chileans, some Chilean military. But we, of course, suspected they had done it from the beginning, and the FBI got on it in a big way, and when the embassy supported them, obviously we can't have every Third World intelligence chief in the world thinking he can go around assassinating his opponents in Washington. On their part, it was an act of incredible stupidity and arrogance. You know, how dare they? And on our part, we rolled it up. And do you know how we broke the case? As a Consular Officer you'll be interested, because there were two army officers who came to Washington as part of this, they played some role in this, and they came on official passports, and we keep records of official passports. We had their pictures, and we had their cover names, and we went to the Chilean Foreign Ministry, and said, "Did you ever ask for official, or diplomatic, passports for A, B, and

C?" And we were using their real names, not their cover names, and they said, "No, we did not". Anyway, we got the pictures, and we matched the pictures, and proved to the Foreign Ministry who was not witting of this, that, in fact, they had given official passports to these two army officers who traveled to the U.S. under aliases, and we alleged to have been involved in the Pinochet overthrow. And from there it rolled up. The ambassador in Washington, resigned, because they had taken the position that, "We are not involved, and none of this is true". And we proved to them that part of it was true, and they decided, "Well, maybe the rest of it is true", and they didn't want to be involved with it, so they resigned.

And then we got ahold of one of these guys, and he talked, and then we got ahold of others and they talked, and we eventually rolled the whole thing up.

Q: Did this have any effect on relations, I mean from day one I think the assumption was, that of course the Chilean government was behind this thing, but as it was proved, how did this affect relations?

BOYATT: Well, it didn't help things, but of course, the link between Contreras and Pinochet was denied. Just as the links between our intelligence people, and our President are denied. Whether those links existed or not, we'll never know. We're trying to extradite Contreras right now. I hear he has cancer and I don't think we're going to succeed.

Q: Is there anything else we should cover on Chile?

BOYATT: That was a wonderful assignment, it's a wonderful country, and they've just done a terrific job. I've had a lot to do with Chile in the last 10 years that I've been in the private sector, and it's just marvelous, Stuart, the way that country is developing. It is a textbook case, and of course now, the rest of Latin America is emulating the Chilean example. There are Chilean consultants, and former ministers, all over Latin America; advising the Mexicans, advising the Argentines, advising everybody under the sun on how to do it. They've got a "how to" corps. It's incredible.

Q: Is everybody sending their intelligent sons to the University of Chicago?

BOYATT: They're sending all the Chicago boys to these other countries to advise them. They send them to Harvard Business School now, they're smarter than that.

Q: Did Pat Derian, who was head of Human Rights, who was a zealot of the first order, I suppose, did she come down to Chile?

BOYATT: No, she didn't come while we were there. I think that we convinced her -- I mean, we were doing all the reporting, and the reporting was accurate. We weren't pulling any punches, we were trying to help get people accused of political crimes out of jail, we had an amnesty program, we brought 1000-1200 of them to the States. We made a real difference on the human rights side down there. We got a lot of people out, and we kept a lot of others from being killed, by our special pleading. It was really an incredible situation, Stuart. We were absolutely in the middle from everybody's point of view. We were saving the lives, and getting people out of the country, that three years earlier had been killing Americans from the extreme left, from the Allendestas. And we

had our former enemies, all of whom had done nothing but denounce the United States all of their lives, coming into the Embassy and asking us to get cousin Fulano “so and so” out, or whatever. It was the perfect example of the United States in the middle, and an embassy in the middle.

ROBERT S. STEVEN
Chile Desk Officer
Washington, DC (1977-1979)

Mr. Steven was born in Massachusetts and raised there and in Rhode Island. He graduated from Brown University and served in the US Army before entering the Foreign Service in 1957. Mr. Steven became a specialist Latin America, where he served in Mexico, Chile and Argentina. He also served in Burma, Vietnam and Japan and had several senior assignments at the State Department in Washington. Mr. Steven was interviewed by Charles Stuart Kennedy in 2001

Today is September 13, 2001. Okay, 1977, you went to the Chilean desk from 1977 to when?

STEVEN: ‘79.

Q: What was the status of things in Chile as you saw them when you came in ‘77?

STEVEN: It hadn’t changed that much from when I left there to go over to Argentina. The military were increasingly clamped down and repressive. It had not changed, as I think many people thought it would, after the initial flurries, after the initial rage and anger had been over come and things settled. But the military would have lifted their hand somewhat, brought in what effectively would have been people they controlled but at least a civilian government and tried to reestablish some sort of a normal situation in what had been a democratic country. I think, to the surprise of even many of the so-called Chile experts, the Chilean military remained very, very hard line and even went so far as to have papers written up by their civilian advisors on how Chile’s government should be reformed with a new constitution, all that sort of thing, which, as I believe I said earlier in these interviews, was language very reminiscent from the 1930s in places like Portugal, Spain and so on. Fascism, the corporate state, etcetera, was very much being pushed, and the human rights violations, shall we say, the lack of due process, had continued. It wasn’t getting better. It continued to be very hard line. So when I got to the desk in Washington, it was two very different strands of thought, two very different policies, mingling but also opposing each other within the Department as well as within the government and even the country. Many people were outraged, of course, by what was going, and their basic reaction was to do everything possible to revenge what the military had done, etcetera, etcetera, etcetera. The other attitude is extreme on the other side: “No, no, these are our boys. We wanted this coup. Chile is now safe from socialism. We have to chastise the government and tell them not to be too rough but at the same time indicate our support so that they will eventually be able to establish a stable Chile.” I was, as the desk officer, of course, aware of all this. As an example of what happens - this would be of interest to people who have been in the Department...

Q: The Carter Administration had just taken over.

STEVEN: Yes, but as an administrative note, it should be of interest to some people. I was in Argentina, Buenos Aires, in the summer of '77, and I received orders then to report directly to the desk without any home leave. Well, I had already agreed to transfer from Chile to Argentina without home leave, so I had gone almost four years with no home leave. Things were piling and I needed to have a break, and I talked to the Department about this. Well, the fellow who had been on the desk had to get on to his next assignment, so the desk was actually vacant and they had to have me right there. I said, "Why didn't you keep him?" Well, he had to get on to his next assignment. So I did something which is probably not good for the discipline of the Foreign Service, and I said, "No, I have to have a month for my family and to do other things, and if that can't be worked out, then I need to be reassigned to something else." They bought that and said, "Okay, we'll just manage." So when I arrived, the desk was literally a foot high with paper. Among them, I think, was something like 50 Congressional referral letters, most of which were simply, "My constituent, so-and-so, wants to know why things are going on this way in Chile. Please answer." And at least 50 were pile up on the desk that nobody had tried to take care of. So the very first thing I faced was an enormous pressure to move all this Congressional correspondence, and at the same time all these other things were happening in Chile. To make it even more difficult, as you may remember, in 1976 there had been the assassination of the former Chilean ambassador, Letelier, Orlando Letelier, here at Dupont Circle, and nothing much had happened for about a year. The investigation was certainly being carried on with full faith and effort by the FBI but they hadn't gotten very far. The suspicion was, that it was Chilean secret intelligence agency, the acronym being DINE. The DINE had done this. But how do you prove it? So nothing much had happened, and as I settled onto the desk, working nights and everything else trying to get up to speed, I found things in the files that made me wonder, because if this information was available, why hadn't certain types of investigations been made, why hadn't this been followed up. Well, I discovered that essentially the Department of State had told its people, including its desk officer, my predecessor, and the Bureau, to cooperate in every way with the Justice Department. That had been interpreted to mean that anything that Justice asks for, by all means give them, but it did not mean that you had to go out of your way to find something to tell Justice if they didn't already know it. That's not in writing, and I think if this interview were looked at, there would be those who would challenge in frankly. All I can say is that is the situation I found and understood when I took over.

Q: Was this attitude more one of 'gee, I'm working hard and I don't have time to do this' or 'let's hope this will go away and the less we...'

STEVEN: Exactly, the latter, 'let's hope it will go away'. The basic attitude was that we had approved the coup, that our interests were best served by Chile at that time run by a military regime, hopefully a more moderate military regime than we had, but we might hope for, and that it was not to US interest to see the situation become inflamed or to otherwise rattle the cage. The Letelier assassination in retrospect was one of the more stupid things done by any government. It did rattle the cage very much, just as, for example, what has happened today. Up till now we had talked about Islamic fundamentalist terrorism; now we've seen precisely what it can do.

Q: We'd better explain what happened two days ago.

STEVEN: Tuesday, September 11, 2001, was the terrorist attacks on the World Trade Center in New York and the attack on the Pentagon here in Washington where, as we speak now, that's very much in our minds and, of course, dominates all of our thinking at the moment. But it has also made me think back to the period. Chile was not much in people's minds by then. There were elements, of course, that remembered the coup and the Allende government, elements, if you want to be simplistic about it, say, toward the left, the more liberal side, which thought that this was a tragedy for democracy, and elements on the other end which thought, no, this was a triumph for democracy because we had saved Chile from becoming another Cuba, and an element in the middle, with which I think I identify myself today properly, more moderate, recognizing that the coup was inevitable and probably beneficial but that the military in Chile had to be helped, forced, convinced somehow to moderate what they were doing so that they didn't lose the benefits of what they had done. And the assassination of the former ambassador here was very much a provocation, a challenge, a slap in the face to us. Terrorism by a state agency can be carried out in Washington DC a mile from the White House, and "what do you folks think you can do about it?" Many of the people that I talked to in those days in the government who were even sympathetic to the effort that the military government had undertaken in Chile were equally outraged by this. This was too much, that they had challenged us to ignore this, and, for example, the FBI agents working on it were as outraged as I was. Yes, the tragedy is they have killed an innocent man, and an innocent American citizen - with him - but also outraged that they thought they could get away with this sort of thing in Washington DC. Of course, even more so today, we see what they can get away with now - they can blow up the Pentagon. But the result was to put a great deal of pressure on me and on the desk and on the Bureau and on the Department to help solve this terrorist act. I suspect that more than half of my hours in those two years that I was on the desk were devoted to the Letelier case.

Q: Before we move to the Letelier case, did you see any indication, even when you were in Chile, about the killing of the air force general?

STEVEN: He is the one who is currently in the papers, General Schneider. General Schneider was the army commander who was also chief of the armed forces. He was the equivalent of our Chairman of the Joint Chiefs of Staff and key man. General Schneider was very much a democrat, apparently a very competent military officer, whose attitude was, I think, understood clearly. He certainly did not approve of the Allende movement, certainly did not approve of what was likely to happen in his country if Allende won, which at that moment he hadn't. Schneider let it be known he did not approve of the idea of the military taking over. I think it must have been in his mind - and this is not just my speculation but based on all my experience and people I know and have talked to - I think he and certain other people in the military felt "We will support our civilian government. If Allende wins, so be it. We will, of course, watch, and if the country goes into chaos and dissent, then we may have to do something, but at this point we should let the process work." There were other elements who said, "No, we have to move the military first before Allende could do any more damage," and the harebrained people, including many here in Washington, decided that a kidnap attempt should be made to take General Schneider, make it look as if it were a leftist action and, therefore, provoke the military and so on to support a coup. It was in retrospect one of the more amateurish actions. The documents show - and it's coming out increasingly and I had known this for years - we provided money, we provided counsel, we provided weapons to the people who eventually did kill General Schneider. I don't believe the actual weapons we provided

were the ones used or necessarily that anybody in the US government ever said, "Kill the guy," but certainly the United States government knew about and approved, let it be known they would not object if there were a kidnap attempt made. It failed because of something, I guess, they had not foreseen and perhaps should have foreseen. When they stopped General Schneider's car, he pulled out his service pistol to defend himself, and in panic and presumably in defense of what they thought was their own lives, they shot him and killed him, which had not apparently ever been intended. That set off the government and the military outrage. They eventually identified Chilean military, General Viaux and another, who were behind this. I believe they were actually disciplined, given very short sentences, something, a 'slap on the wrist' type of thing. It is coming out now more and more, and it will continue to be clear, that we probably did not actually say, "Kill Schneider" - nobody wanted that - but we certainly knew about it, helped, and supported the idea of kidnapping him.

Q: Were you aware of this?

STEVEN: No, at the time, no.

Q: I mean on the desk and all.

STEVEN: Oh, yes, by that time I had seen the documents and knew what was happening. But the more immediate concern was what was actually happening to them. The Department had instructions from the highest level to cooperate. I think it was Secretary Rogers at the time. He turned over the sort of management and oversight of that to Warren Christopher, who was the Deputy Secretary.

Q: Vance.

STEVEN: Vance, it would have been Vance, I guess. Did they not change during that period? I forget.

Q: Vance left really in '80, I guess. Muskie came in. It might have been Rogers. Well, it would have been Kissinger.

STEVEN: The fact being, however, that the most senior level turned over the management of this aspect. Chile relations in general was Warren Christopher's headache. The actual effect of what I found was that most of the career officers did not want to be associated with this. Most of the career officers from the Assistant Secretary level, the country director down, wanted, if possible, to separate themselves and their reputations from this. They didn't want to become controversial. I believe that the attitude that I sensed and heard was this is all very unfortunate, we should not disturb our relationships with Chile, we should keep out of the funny papers, but at the same time we should not harm the current Chilean military government. The way to do this was to respond when directly required to but not to volunteer. The word that I very quickly got on the desk was that I should be quiet and do what was necessary but don't raise any problems.

Q: What sort of things would you be getting...?

STEVEN: Well, the decisions: for example, what documents would we give to the Department of Justice. Justice was anxious to have, for example, people go to Chile, interviews, all this sort of thing. Were we going to help support that in diplomatic efforts, and so on? I inherited from my predecessor a mess of paper, literally cabinets stuffed full of documents, with no order, and I really didn't know what I had, so I spent a lot of time, many evenings, in the Department sorting through just so I could put into some sense what was happening, so I'd know where I was. And as I did that, as I started to say earlier, I found documents and information which puzzled me in a sense. If we know this, why hasn't something been done, why hasn't it been checked out? So I introduced myself to the prosecutors. This was Eugene Proper and Larry Barcella, who were then Assistant US Attorneys who were charged with this case. I talked with them, got to know them, and realized as I went along that they were sort of stopped. They didn't really have much further to go. We had all sorts of suspicions but no real evidence. I, having organized the file and begun to find various pieces of paper, on my initiative invited the prosecutor, Gene Proper, to come over to the Department, and he did, and I hand him the file and just said, "Read." He found very quickly the information that was there, recognized its importance, was outraged. There were threats of taking people in the State Department to court for obstruction of justice, that sort of thing. I think I had some benefit in telling him I didn't think that was really going to advance the cause; "let's see what we can do." We then got this information out and started. I had been told by Proper and by others that it did indeed mark, if not the turning point, at least an important turning point in handling the case, because this gave them leads then into the assassins who had come here.

Q: These would be what? I'm trying to figure out.

STEVEN: Chilean DINE intelligence officers who had come to America under cover, who had checked in with cover stories, really that they were supposed to be Chilean government officials, but they were using false documents and different names and they were not here for the purpose, they were here for consultation with their embassy. They were here to scout and set up the assassination plot. They hired, or took the assistance of, exiled Cuban American community people to do the actual execution of it, and they found a volunteer in Chile, an American citizen named Michael Townley who was living in Chile, was married to a Chilena, to actually build their bomb for them and placed it. I won't go through the whole story. It's far too long and complicated, and the details of it are very, very well summarized in at least two books on the subject, one written by Gene Proper, the Assistant US Attorney. Anybody who's really interested in that degree of detail can go there; they're quite accurate. The overall thing, perhaps of interest to historians and to Foreign Service Officers, is what do you do when you find yourself in this situation, when the signal is clear to you that the Department doesn't want you to press something, to do something, when publicly it is saying, "Oh, goodness, we certainly want this thing done." For better or worse, I decided that I could not accept that and would not accept that, and I did everything I possibly could to assist the Justice Department in breaking into the case. I also argued the case that it was vital for us to press it against the Chileans, not in the sense of a general attack on the Chilean military government of Chile but on their actions, what they had specifically done in this case. They had gone beyond the pale, and it was important not only for us to punish terrorism but it was equally important to help Chile, that the DINE had grown to the point where it was out of control. There are those who have compared it to our FBI under Hoover, an agency that had become so powerful that it was politically impossible to control it. In hindsight, I don't think that Hoover was like the man in Chile, - no, of course not - but in the sense that an intelligence agency, police,

security agency with enormous power, essentially uncontrolled by any political restraints, and it was to the benefit of Chile and the Chilean people for us to help get this organization punished and out of power. To this day, I know - I say I know because I know Chileans who have told me this - there were many in the Chilean military themselves, and in their civilian life of course, who were horrified and outraged and afraid of what they were seeing with the intelligence agency, with DINE, and were just as anxious as we were to see it controlled and reduced in power. So there was a considerable difference of opinion. There were those like myself who felt we needed to use this as an instrument to moderate what the government was doing in Chile, those who wanted to drop a nuclear bomb on Santiago - we see that today - and then, of course, those on the far end saying, "Well, it's too bad about Letelier and this sort of thing, but let's not get carried away. Our real interests are 100 percent behind this government," the usual spread, if I could say that, of feelings. In retrospect, I have always been satisfied that we helped reach that moderate position. We did help identify and explain not just to the American people but to the Chilenos what had happened, who was responsible, and what its effect was, without overthrowing the government of Chile, the military government. What it did was to get the DINE under control. The head of it, Manuel Contreras, was removed from his position. I strongly suspect, and I have some basis for that, that other members of the Chilean junta and the military forced Pinochet to set Contreras aside. Whether Pinochet would have done it voluntarily I doubt. He was very close to Manuel Contreras. But I think that it was made clear to him by his fellow officers that this had to be done if nothing else for cosmetic purposes, so the man was pushed out of power. This was probably the single greatest benefit to come out of the whole exercise, that the most radical and vicious element in the Chilean military was controlled then and pushed aside, reduced in its influence, leaving more moderate elements in the government, in the military government, to come to the fore, and they did. There were officers elected, particularly an air force general, or selected for power in the air force, one of them, who were moderate, moderate in the sense that they certainly supported their coup and they were certainly anti-socialist, anti-Allende, but at the same time recognized that there had to be an eventual return to a normal democratic situation in Chile. And if we had anything to be proud of, I think, it's the effort made to push that. It was internally in the State Department a very difficult time. As I say, the Assistant Secretaries in that time clearly did not want this thing...

Q: Who was the Assistant Secretary?

STEVEN: Bill Bowdler was there, and then there was a black officer you may remember. I don't remember his name. He became ambassador later, I think, to Spain.

Q: Terry Todman.

STEVEN: Todman, and then Byron P. Vaky. I remember particularly Vaky, because he was there during the crucial period when we were really pushing this thing to find out what was going on and so on. They clearly did not want this thing pushed.

Q: Was anybody calling you in and saying, "Bob, cool it"?

STEVEN: Yes, I was called in by the Deputy Assistant Secretary, who was an Hispanic gentleman, a professor from California - if we research it, we'll find it - who called me in, and he told me it was at the direction of the Assistant Secretary he called me in, and it was the usual euphemistic

approach that we were used to as diplomats. “Bob, we really think that we should let Justice take the lead in this,” etcetera, etcetera. The signal was very, very clear: lay off. I acknowledged that I had been told that but I didn’t say necessarily that I would do it. I figured that, if they really were dissatisfied and wanted to, they could very quickly remove me from the job.

Q: In a way, once you turn the file over, allowed the Justice people to play with the file, there wasn’t much more you could do, was there?

STEVEN: Oh, yes, we could do a great deal more. Well, the question was, of course, once we had - and again this is very well outlined in these books that have been written about it - the essential thing was this: the leads all led back to Chile. Now, how does the FBI function in Chile? How do you get permission for an FBI agent to be allowed to go to Chile and interview people? This requires the State Department to be involved. So we very quickly became involved in efforts to get information in Chile. An example of the extremes to which this went is identifying this American citizen. The people who came here...

Q: This was Townley?

STEVEN: Townley, Michael Townley. The people who came, Townley and another Chilean officer who came up here under false pretenses, false documents, had been identified. At least, we had pictures of these people from their passport pictures, and an effort was made to identify this man, who, we had heard rumors, was “an American.” How to do this? It was very, very interesting. A newspaper reporter who used to work for the old Washington paper...

Q: The Washington Times.

STEVEN: The Times, not the current one - no, it was the Star, the Washington Star. What was his name? Anyway, he was very close to us. We trusted him. He was a superb professional in the sense that he was given something on background, it stayed on background. If he was given something, we made it clear that we would not mind seeing this published and it was a legitimate thing he could do, and he did it, which was very, very helpful, very professional reporting. He was given - not by me, by the FBI - a copy of the pictures that had been identified, which he ran in the Star, saying, “These are the suspects that we’d like to identify.” And within hours literally of those pictures appearing, the embassy was getting phone calls saying “My God, we know this guy, Michael Townley.” Townley was eventually picked up. After heavy pressure from us, the Chilean police picked him up. And then the question came how do we get to him to interview him, and it was a constant battle with the Chilean officials, who did not want him identified, then didn’t want him interviewed or, if interviewed, didn’t want him extradited. And the pressure had to be put on, and there within the Department was this sort of a struggle. Should we be pressing this, or should we not? I was very much on the side that, yes, we should be pressing this. A situation which I suspect has happened in the Department many times and is fully appreciated perhaps only by Foreign Service professionals: a desk officer would write a draft to become the Department’s position with the Chilean government, a basic diplomatic note telling them “you’ve got to let us talk to this guy,” and the country director didn’t really want to look at it. As I recall, he did not sign off on most of the documents that I prepared in this case on those years.

Q: He was just ducking.

STEVEN: He was ducking. He didn't want to be involved.

Q: So he let you...

STEVEN: He let me do it. He didn't want to be involved.

Q: That's very unusual.

STEVEN: Well, I don't know if it was unusual. I had a long career in the Service, and I'm not sure it's that unusual. He didn't want his name associated with something, because I think he hoped to become an ambassador one day, and controversy is never helpful when you're coming up to be an ambassador, and this was certainly an emotional and controversial issue in the time. I would write the document. He might or might not read it, but he never initialed it, never had his name appear on it. He didn't attend the briefings on things that were going on. It was just as if he'd never been there. Well, this had mixed feelings for me. I would certainly have liked to have had not only the support but also the counsel as to how to do this sort of thing. I was a relatively junior desk officer. "You stay out of the way." The Assistant Secretary couldn't completely stay out of the way, but he certainly wasn't helpful and encouraging. I say the Assistant Secretary because it was the same pattern all the way through. The change came when Frank McNeal became Deputy Assistant Secretary, and Frank - and I think it was purely just by the luck of the draw - he drew the southern cone and therefore Chile and therefore supervised what I was doing. Frank had much the same attitude toward the thing as I did, that, as I try to say the position, we were not against the Chilean government, we were not against what the military had done. We were against the abuse of it and the terrorism that had been performed in its name, and so I would draft documents that went directly to the Deputy Assistant Secretary, and Frank dissected, changed, added. We worked the thing very much together. And then the document would have to go to the Assistant Secretary, of course, and he would hem and haw and make a few change perhaps, but generally he would just sort of sign it and let it go, and then it would go upstairs to Mr. Christopher. I didn't know anything about Christopher other than his reputation. We don't, at the desk officer level, meet the Deputy Secretary very frequently, but there would be meetings to discuss strategy, how we were going to do these things, and I became more and more impressed by Christopher. He was as dry and unemotional acting and looking a man as you ever see, but he asked the right questions, penetrating questions. His views on strategy and timing were superb, and again and again he took what I considered to be the most responsible attitude toward it - wave to press this, we cannot allow this, we cannot have terrorism in this country. I usually went to any meeting he had. We called the Chilean ambassadors in repeatedly - they changed in the middle, as I recall - and we would present the Chilean ambassador our latest note, and Christopher would tell him what our concerns were. And I was always there; I was the notetaker, so I was very much involved, the country director nowhere to be seen. Frank McNeal and I pretty much did it. All the time, no one ever came right out and ordered us to stop. I'm disciplined enough and I was disciplined enough as a Foreign Service Officer that, if I had been told "stop this" or "present documents and positions which are opposite than those I felt were necessary," I would have stopped. I would have resigned but I would have stopped. I probably would have asked for transfer out but, if necessary, would have resigned, because I did believe then and now that we were doing the best thing not only for

US interests but ultimately for Chile, and I had come to know and love Chile. They're marvelous people, and it's a marvelous country. This was the way to help everybody. Eventually it did, it worked. Christopher was superb. He repeatedly guided the thing with a very, very great sense of timing and emphasis. He impressed the FBI and prosecutors in the Justice Department enormously. Their attitude, when this whole thing started about State Department, if you can imagine, was very, very negative. We were a bunch of wasted pussyfooters who didn't help. And eventually they came to a different viewpoint, and I think it was sealed when they saw that Christopher was a true professional in that he had the right instincts, and that was important in that sense but also as professional how to go about doing it and how to make it a reasonable course of action. Eventually it worked. We got convictions in the courts and exposed the whole thing. As I have just said, the most important result in my mind, in all these years of reflection on it, was that we removed from the Chilean military government its most radical element and gave an opportunity for moderates to eventually work their way in, which gave an opportunity then more and more for the civilians to work in and eventually get back to the democratic situation we see today in Chile. If I did anything in my career, it's that single effort that I think was the most important and the greatest contribution. The willingness of too many people in government in my experience to overlook that act of terrorism in Washington, to try to say, "Well, it really isn't important," was one of the most discouraging things that I ran into. And you see the result even today when I have been working as a retiree declassifying documents. I worked for a year, my last year, two years ago, in the declassification of many of the documents of that period, many of which I wrote, so I certainly knew what was in them. I remember when I was introduced to the office staff meeting and people were reminded of my background. Ernesto Pinochet, of course, was in London under arrest, and immediately one of these officers said, "Boy, you must be happy today," and I said, "No, no, I'm not. You've simply assumed something that you should know better as a professional. You don't identify someone as categorized that I would be happy that Pinochet was arrested. It's far too complicated. There are too many elements in it." I saw a similar thing, for example, if you know Wayne Smith, Wayne Smith, the Foreign Service Officer who was head of the US interest section in Cuba in his last assignment. Wayne became controversial, and the feeling that I saw at the time among people was, well, here's another dissident who didn't get on board where he should have been who was pro-Castro, who was trying to tell us that we should be cozying up to Castro. Nonsense! Wayne had a far more sophisticated view of these things and, I believe today even, the correct one, but he was identified, fingered as controversial, and once you're figured as controversial, that's it. So Wayne, who I believe would have been a superb ambassador, you know, is out there in a foundation somewhere. I was never fingered in that sense. I was never important enough, I guess. I never worked again in the Bureau. The rest of my career was elsewhere. One of the amusing vignettes in my memory: Frank McNeal at the end of all this wrote a recommendation for me, a nomination for the Superior Honor Award for my two years of service on the desk, and to my enormous surprise, they approved it. There was a ceremony, and I was called up, and Mr. Vaky read the citation and then turned and, with grinning teeth and the most forced smile that I can ever conceive of, shook my hand for my good work and sort of handed me the award. As I say, I never worked in the Bureau again. The other aspect of that - and this is something you'll get in other histories, I'm sure - is Frank McNeal was literally fired. At one point Frank had done something, said something, wrote something that challenged what they wanted so much - I don't have first-hand knowledge of this but I've heard the story - that Frank was literally called in to Mr. Vaky's office and told to clear his desk and be out of there this afternoon, just go. He was sent off into the wilderness for a while. He did recover in later years. He was ambassador to Costa Rica, but

he paid a price. I wasn't important enough; they just wanted me out of the...

Q: In a way it's interesting because we are talking about the Carter Administration. I can't imagine it being that happy with the Pinochet regime. So it almost doesn't sound political; it sounds more on a professional...

STEVEN: I've tried to summarize it in my own mind, and I've had years to think about this. The Carter Administration obviously was unhappy with the situation in Chile. Liberals in general were appalled by what had happened and, as I said earlier in these interviews, Chile became symbolic in the sense that Spain became symbolic in the '30s. I do not believe myself that there was that much interest in the highest levels of the US government over Chile. The interest was driven only by the pressures that were put on. Otherwise, if it made the newspapers and there were Congressional reservations or something like that, then the government expressed its regret, but the Administration was busy with much more important things in other parts of the world and didn't put that much effort into Chile. It was left to drift, and one of the best examples of that - and this can be verified by your scholars - the most recent documents in the last couple of years that have been released from that period include at least a couple of memos done at the National Security Council by Robert Pastor who was the Latin America representative on the National Security staff, very much tried to interest himself in this whole business of Chile, particularly when the Letelier case came along, and he would call me from the White House or the staff over there to ask questions what was going on about messages that had come in that he'd seen and very much tried to get involved in the processing of it. I took this fact that Pastor was increasingly interested and demanding not only up to my superiors, who just sort of didn't really give me much guidance, and then I also mentioned it to the Justice Department people, to Proper and Barcella, and the FBI people. Proper, who is sort of on a brassy type if there ever was one and proud of it, said, "Tell them to go to hell. We don't want people involved who are going to be leaking stuff out of this investigation," and that was a concern. It was a very, very hot item for newspaper people who were very much involved. They were very much afraid that, if it got out and people who were identified politically by their own statements as being leftist activists on this whole question, would leak vital information from the prosecution and the investigation of the case. So the Justice Department's view was don't share things with the National Security Council people; if they need briefings, they can come to Justice for it; this is not a State Department matter, it's a Department of Justice matter. So it got to the point that when Bob Pastor called me one day and simply told me that from now on all messages going out from the Department on or about Chile had to be cleared with him. As diplomatically as I could I said that I wasn't really the person he should be talking to, I didn't have the authority to send stuff to him or to deny him stuff. I said, "You really need to take that to a higher level." Then I immediately let Gene Proper know, and he did the proper things. I guess Pastor went to a higher level and he was told, "No, you're not on the list." We developed what amounted to a Letelier case group, certain people who saw the traffic only, that included, for example, a couple of the lawyers in the legal division, people in the Bureau and few others on the senior staff at the State Department, but not much else. It didn't get the wide distribution that it might otherwise have gotten. Another person who was very upset...

Q: With Pastor, what do you think was motivating him?

STEVEN: Bob Pastor is clearly on the active end of things. He's very outspoken always. You find

him quoted recently in the papers anytime something comes up. It was clear to us that he was a politically motivated anti-Chilean military person. I don't think Bob was one that we should have distrusted who would leak something, but I do think that he would have brought into the discussions and the influences a politicized...

Q: Yes. In other words, instead of being a case, it would become a cause.

STEVEN: A cause, exactly. It was already a cause but...

Q: But Pastor wasn't on the case, and he was working...

STEVEN: I thought that someone, again, at his level with his access, being directly involved in this and clearing cables and such, would complicate it and shift it to much more of a political cause and away from the narrower arrow we were trying to use. I started to say, in the documents that have been released in the last couple of years - it's quite interesting - there's at least a couple of memoranda that Pastor wrote to his superiors in the NSC and in one of them he talks very distractedly and very unhappily about the apparent two-path policy which was coming out of State. Someone in State on one hand is saying one thing and then on the other hand is saying something else. It was perceptive of him, because that was exactly what was happening. There were statements coming out of elements of State which were very supportive of the Chilean military and how we must not damage our relationships with them, etcetera, etcetera, US business was going to be affected; and then another element of State which was obviously pushing the case, basically the element I identified with. He warned the senior people at NSC as to what was happening and that something should really be done about it, and I'm very amused that the answer that came back - and it was written on the memorandum; you could see it on the Internet on the documents - in effect, well, yes, we hear you but leave it alone, State will take care of it. They didn't want to get involved. It must have been frustrating. The other case was another figure - if anybody ever researches this and uses my words as any references - another figure at the time was Richard Feinberg, and Richard Feinberg was in our policy SP, as we now call it up there, the policy staff, and he was a Latin American figure for that. He's written books on Chile and other things, and his name pops up occasionally. Again, he's with some foundation. Poor Mr. Feinberg showed up in my office, when this thing was getting well underway, very unhappy. He was seeing more of the traffic and the documents, because they went through the front offices up there on the seventh floor, and he wanted to be involved and he wanted to clear those documents. Anything going out should be passed up there for clearance. Again, it was somebody out of the operational line who wanted to move in at a policy level. Now, the case could clearly be made, and he made it articulately, that that's after all what the policy staff was for, to bring a policy orientation to operational things going on. There was the same reaction, that we don't want to bring in people at that level who will make this a political issue. We can be handling it better if it's handled this way and let the chips fall where they may, rather than pressure from above. So poor Dick Feinberg was cut out of the action as well. He didn't get the traffic. It was a fascinating experience professionally to see the Department at work and how these things...

Q: Who was our ambassador in Chile at the time?

STEVEN: George Landau was during that period.

Q: And what was the role of the embassy as you saw it?

STEVEN: I think George Landau was caught in an almost impossible position. Our ambassadors suffer that traditional problem, and you know as well as I do - good relations with your host country, the key thing, promotion of US interests with your host country. If there are problems with your host country, no matter who started it or who's really responsible, the ambassador's going to suffer. It's going to be associated. "Oh, yes, we had a terrible time with Chile and George Landau was there." On the other hand, Landau was a very principled man who I believe, and I know from talks with him, was at least as outraged as I was at what had been done in this country. He very much wanted to follow the course of action, I believe, that we were pressing, but at the same time he was the guy who actually had to go to the foreign ministry or sit down with those generals, so he was in a very, very hard place, and he did it superbly. We were blessed at that time. We had a first-class ambassador and we had a first-class deputy secretary who guided the thing very, very well. And Landau did a marvelous job of balancing us. We were able with his guidance many times to adjust the tactics, adjust how we did things to make it more effective and reduce the unintended negative consequences by his guidance and counsel on it. He is much to be admired for being the ambassador at that extremely difficult time and did a good job.

Q: Did you get any feel - sort of outside your bailiwick but you were in a position maybe to get something from this - about the role of the CIA in Chile at the time? I'm going back to my time in Athens when colonels were in, and my feeling was the CIA got a little too snuggled up to the colonels. They all talked the same language, they came out of the intelligence side of things. So I'd be looking for that same disease to affect the CIA down there. Did you get any feel for it?

STEVEN: Oh, of course, exactly. The Agency in this period - and this has been in the Church hearings; there's nothing I can add to it, it's all been laid out there for historians - were very much involved, even to the point where - and I find this hard still to believe - that they brought down weapons, submachine guns, to give to right-wing elements.

Q: There wasn't enough guns around.

STEVEN: But they in turn were being driven by - oh boy, now I'm going to be undiplomatic - by a maniac in the White House, Nixon, and Kissinger, men who had no respect, I think, for law, who simply felt they were so powerful they could do whatever they damn well pleased, and they ordered the CIA to do things. And I don't think really that the CIA was comfortable doing it, but when they get orders to do these things, they salute in most cases and do it. They were deeply involved in the whole business. The one question I have been asked so many times, because presumably I have more association with Chile than many: did we order the coup, or did we take part in it? No, obviously not. I remember once being told by a CIA officer, "We didn't have to order the coup. We didn't have to participate in it. The Chilean military were perfectly competent to pull off a coup. What we did, we being the US government through its various elements, was made it clear to the Chilean military that we would not object, that it would not be a question of a confrontation with the United States in any sense, that if you feel you must do this, well, it's your judgment, go ahead. As years went by, my impression was that the Agency tried to disassociate itself, pull back a bit more, for obvious reasons. It was politically damaging to them because of the

associations they had, and as more moderate administrations came in.

Q: When the coup came, you had Allende, who was really making a mess out of...

STEVEN: Oh, the country was...

Q: It wasn't just the Communist thing, he was really...

STEVEN: The country was in disaster and crumbling.

Q: The Pinochet takeover was sort of unforeseen as far as its thrust, of turning into...

STEVEN: The takeover was not unforeseen, that was expected momentarily. We had these wonderful vignettes that have been repeated in every history book - I didn't see it but I talked to eye witnesses - of women, middle-class women, going to the military headquarters barracks and bases and standing there and throwing corn kernels and stuff through the gates for the chickens who wouldn't come out and defend their country - this provocative type of thing. And then you've heard, of course, of the famous pot-banging when the city reverberated with banging of pots. That I did hear. They did not foresee the military then hardening into a hard right-wing, oppressive government the way it did. I believe that everyone - the Department, the CIA and military - expected, because of Chile's history and the types of people that they were, that the military would take over, would do the necessary hard things at the beginning to make sure that peace and stability were established, but then keeping a firm hand - it would be firm but fair because there wouldn't be the torturing and the killing and things like that - and then eventually as soon as they could, get the country back on civilian terms. What surprised everybody was the narrowing down and the control by a narrow - for want of a better description, the right-wing element - near fascist, which tried to direct the government over to a permanent corporate-state concept, which many of the Chilean military themselves did not want. I talked to Chilean officers myself who shook their head and said, "This isn't what we should be doing. This isn't the way we want to go." But if they raised their head too far, they were silenced.

Q: As you were trying to help the FBI carry on its investigation, was our Intelligence Agency down in Chile helping?

STEVEN: They were bystanders. I don't remember much if any input from them. The input from them would be sort of the observer standing by, that this general in the government is heard to say such-and-such, or something like that. But, no, my own impression at the time - let's face it, it was 20 years ago - my own impression is that they stepped back and didn't, again, want to be involved. They were so badly tarred by the brush at what had happened under Allende that now they wanted to just back off it. My impression was that if the prosecutors of the investigators asked for help, they got precisely what they asked for but no more. This is the thrust really, that after they had gotten the coup into place, they pulled back. I do remember - and I think we've mentioned this before in the talks we had about the time I was actually in Chile - that they certainly didn't want to see in the embassy's official reporting the types of critiques that we were sending. They would constantly question. We would write in and say We have heard that this is happening, killings, concentration camps, torture, this sort of thing. "What proof have you got of that" - pulling back,

pulling back - "Don't report this." We've been through that earlier, but I emphasize it again. That was the attitude, clearly anxious that the successful effort of establishing a safe government in Chile not be damaged by our criticism. This is controversial, and I'll defend it: They had what I believe amounted to a veto over our political reporting in Chile, at least, in the time that I was there. Our messages had to be submitted to them for clearance, consultation, and again and again they were stalled, delayed, suggestions made, until, in several cases that I can recall, the message was simply overtaken by events; there was no point in sending it, because it was so late by then. I remember the deputy chief of mission coming to me because I had written one of the messages, "Boy, Bob, you know, you've got this reporting here and your sources, and they're pretty good. It's well written and everything, but, Bob, the Agency says they're really questioning whether this is accurate stuff. If we report this, we're going to be asked about it." By the time they finished doing all that, two weeks had gone by and there was no point in sending the message. But I think that that reflected in the embassy at the time, the same division that was reflected back here.

Q: Were there any other issues that you got involved in on Chile besides the Letelier case?

STEVEN: Well, the overall human rights issues. There was an effort, driven considerably by Pat Darien in Human Rights, Human Affairs, HA, at the time and her cohorts, who were pressing, as they properly should have, the importance of the human rights. But it went to the point where - I do remember specifically one case - there had been a *Carabinero* officer, police officer in Chile that I knew well, a good source, a friend even, very, very proper in the sense that he was 100 percent for his own government, but he was able to put things in perspective for me at times. He was a good friend who was personally involved. He proposed to go to the States for a tour on narcotics issues. Narcotics was one of the few issues that we were still able to engage the government with at that point. The military government had drastically reduced the narcotics traffic coming out of Chile very simply. As I mentioned earlier, in one incident they simply shot the traffickers, and that was that. But there were still concerns, and we were working with them. This officer, the *Carabinero* was in a senior position able to help influence this, and we thought it would be useful to have him come here and do a tour in cooperation. And you could set it aside from the political side. He was not personally in any way considered hated. He'd never been associated with the repressions and the things that were done wrong. He spoke better English than I do, one of the few cases I've ever seen of a foreign military officer, a cop, in his house standing there proudly declaiming Shakespeare verse after verse in English. "Send him up. He's not tainted, he's not controversial. We need their help in the narcotics work. Let's do a tour, a two-week tour or something like that." And the HA Bureau fought to assist him. "No, this is Chile." I said, "It's not Chile. This is a specific noncontroversial officer who should be allowed to come." And they killed it, simply on these mindless sanctions against Chile. I think if they had their way, they would have broken off diplomatic relations - not a sensible attitude at all.

There were commercial aspects, but they didn't involve us a great deal. Chile's economy was recovering very, very beautifully under the military. They had the Chicago boys, young economists educated here, who were turning it into a good free-market economy. The critique would be, of course, if it had the prices that these things always have in developing countries, and a lot of people got rich and a lot of people got poor. Certainly the impact on the lower classes in Chile, on the working people, was horrendous, but there were those who claim, and I have a hard time challenging them, that that's one of the necessary steps that has to be taken to build a new

economy. In Chile today, yes, there are people who are very poor and the rich get richer, but that might describe our own country. That was not a major part of my activity, frankly. The economic situation sort of took care of itself. We didn't have any difficulty there. I did have a considerable issue on negotiating an extradition treaty. That was while I was still in Chile and then it came up again when I was back on the desk. The Department was trying to redo outdated and obsolete extradition treaties universally all over the world, and they had a team running around down in Latin America from country to country negotiating this new extradition treaty. And we brought our text and said in effect, "This is what we want you to sign to match all the other countries in the area." And they were rather dumbfounded when the Chileans weren't quite prepared. There was a civilian I worked with in the Foreign Ministry, who was very professional, who looked at this thing and said, "Bob, this problem, this problem, this problem," and they were legitimate questions. In the treaty that they presented the text was essentially pro our side. It just made it much easier for us to get what we wanted, but at the same time it really didn't commit us to a great deal. He pointed out there were legitimate objections to it. So the team left unhappily, not having concluded a text. They left the text with me; I was the political officer who had to handle it. And I sat for hours with this fellow at the Foreign Ministry going over this thing, working out compromises, and sending telegrams back to Washington. And the delegation, these people in the ministry would come back frustrated. "Why isn't it signed. We want a standing treaty with everybody." I said, "Well, conditions vary in each country, and you are not going to get a standing treaty there." As I recall, I was still working on that when I got back on the desk two years later. Much of my effort also of course was dealing with American groups who were pro or anti Chile who wanted to talk to somebody at the Department, and who do you always talk to? You end up at the lowest level possible, which was the desk. So there were delegations of people coming in that I had to talk with. It was a very, very busy time. I'd never worked that hard in any other job in the Foreign Service.

Q: With these groups coming in, I would imagine that the great majority of the groups would be really from the left. I can't imagine too many people coming in and talking about wonderful Pinochet. They were just happy in letting the...

STEVEN: We got a little of that, some letters, but, yes, 90 percent of everything that I dealt with there...

Q: What would you say?

STEVEN: I was trying to say what I'm trying to say here in many ways, that this is far more complex a situation that you folks seem to understand. It's not simply 'nuke Chile and we'll solve something'. We have legitimate concerns in Chile. The Chilean people need our understanding and support in their own efforts to reestablish a democratic society. I would say the coup was probably necessary and beneficial for Chile and for US interests, and they'd give me horrified objections to that. "How can you say that?" We'd end up not usually agreeing. They wanted me, of course, to come down very firmly on that side. And then, of course, at the same time I was facing within the Department the general atmosphere they wanted me to come down very much on the opposite side. The middle is a great place, because you get shot at from both sides. As I've often said, and I tried to - I suppose, you get to a midlife crisis, I'm 69 almost, I'm going to be 69, so it's not a midlife crisis - but you get to the point that, you know, 'did I do something useful?' and I think that what I did then in association with that whole era was about the properly balanced

professional way to do it. I don't know what could have been done differently and done better.

Q: Of course, for somebody looking at this, it's easy for what we would call a civilian or a student or something to go charging off left or right and you have a lot of fun, but when you're up against a real problem, how do you work it. You get your jollies by running off and spouting out and all that, but you're actually ineffective.

STEVEN: I think what we ended up getting was about the best that we could have. You also asked what we were involved with at the time, and of course I have to come back to war in the southern cone. There were two crises, as you remember. One was the Beagle Channel dispute with Argentina.

Q: What the hell's the Beagle Channel?

STEVEN: Well, the Beagle Channel is a line down in the gulf.

Q: This is Magellan's Straits..

STEVEN: The Magellan Straits, it's that area, and it's the dividing line between the two countries. It's important only in the sense that the line drawn down that channel then goes out to sea into these 200-mile economic preference zones, and who knows what the resources are down there, fishing, oil, everything else. So the key thing was how did you draw that survey line, not because of what it did in the channel - who could care about the channel - it's what the extension would mean to sea, and it made a big, big difference. And the stresses and strains and concerns on that got strong enough so that there was some genuine fear of some military action, not that there would be a major war but that the Argentines might land troops on soil down there that Chile claimed, or vice versa, and it could escalate into something worse. I've often thought back in my own mind that, if that had ever happened, the Argentines would have gotten the same terrible surprise they got in the Falklands. The Chilean military, whatever they are, are very professional, they're very good. They were small; it was a considerably smaller force than the Argentines had, but I think myself that they would have badly hurt the Argentines. That had to be resolved. But then even earlier when I was in Chile as a desk officer, there were concerns about Peru and Bolivia. Historians remember the War of the Pacific, this sort of thing. And it's never really been resolved. The Bolivians still had their gripes and grievances, as do the Peruvians, and there was concern because at that time Peru, under a fairly leftist government, was getting surprisingly modern and ridiculously advanced equipment from the Soviet Union. They were getting tanks and aircraft and things. Well, the Chileans were looking at this and saying - I remember talking to the Foreign Ministry people - "The idea of our being attacked by Peru is silly, but at the same time, as our military pointed out, if we are attacked by Peru, there's not much we can do about it up there." This was way up in the desert up there. "We don't have equipment to handle modern battle tanks. We don't have the fighters to fight off the Russian jets." And they were desperately looking for military hardware. We weren't about to sell it to them; we couldn't. They went to the European countries, of course, and they didn't get any help there. They were really scratching at how they were going to defend themselves if the Peruvians decided to come down, for example, and take the city of Arica, which they could have easily done. It's a bargaining point. It didn't in the end amount to anything, but there was some genuine and legitimate concern. So we dealt with that type

of thing, talked to the Peruvians and the others. As I recall, in the Beagle Channel the best resolution finally came when the Pope involved himself, the former Pope. He spoke up, and, of course, their being both good Catholic countries, they could ignore the US Secretary of State but they couldn't ignore the Pope. Things quieted down again, but these were issues that were peripheral to US interests only in the sense we didn't want to see fighting in the Western Hemisphere. The Argentines were the worst case, because their inability to see reality was shown so clearly in the Falklands. I don't think we mentioned. This is going back a little bit but it may be a useful perspective for somebody someday reviewing the Falklands War, the Malvinas War. I have always maintained that the Argentine government made several mistakes, and their foreign minister should have been shot. Their first mistake was the British won't fight, obviously; they were very wrong. Secondly, if the British want to fight, the US won't let them, the Monroe Doctrine and so on; they were wrong. Thirdly, if the worst happens and the British do come down here, the other Latin American countries will rally around and send troops and airplanes and so on; wrong. Last, they would have massive sympathetic outpouring of public opinion in the Western Hemisphere against the foreign invaders; wrong. They should have shot the guy. This didn't take an ambassador, or diplomat, to figure out in advance; anybody could have told you that. And they desperately were trying to save their government, and the only way to do it was to go out and start a little war.

Q: I got the feeling watching this whole thing that the main military effort on the Argentine part was into the uniforms of its senior officers.

STEVEN: But that's very typical Latin America...

Q: Because apparently with their troops, there was no connect...

STEVEN: Conscripts, they used conscripts. What the Argentines - and most people aren't fully aware of the detail, and it's an interesting detail - they had marines, and the marines were the ones who actually took the islands to begin with. They were under very careful orders: minimum bloodshed. What they wanted to accomplish a *fait accompli*, take the islands, and then immediately say to the British, "Now, look, let's negotiate over this." But if there was a lot of blood, then the British were going to be less likely to negotiate. So the marines went in with orders essentially "Do your level best not to kill anybody." As I recall, there were a few casualties. A few of the British troops there were shot, but very little. And they apparently were very well treated by the Argentine marines. They were treated as honored prisoners. The whole effort was 'this is an unfortunate thing, we really don't want to hurt anybody, let's talk'. When it became clear that the British weren't about to accept that - it's quite interesting; most people don't know this - the marines were pulled out, and their troops that went on were basically conscripts, 17-, 18-year-old conscripts, who had to fight the *gurkhas* and the...

Q: _____ just as sad.

STEVEN: Ridiculous. But from a military point of view, what the Argentines did was very sensible. They must have recognized, and I'm sure they did, once the British came down there in force and started, they were going to win. Why sacrifice the one very well trained professional force you have. So they pulled the marines out immediately, back home, so they didn't suffer

casualties or didn't even become prisoners. You preserve that professional element, and then the conscripts were sacrificed.

out time probably to let the Secretary know, because he was going to get hit by the press and everything else as soon as he wakes up in the morning and he'd better be briefed. He's going to want to be here. But waking up the Secretary of State in the middle of the night, you don't really want to do this unless it's something special. So I did then call Saunders back - he was still at the house; he hadn't left yet - and I said, "Mr. Saunders, I'm beginning to think it's time to get the Secretary." He said, "Yes, you're right. Go ahead." So we reached over and pushed the red button. It was a red button on the keyboard at that.

Q: Well then, in '79 you left the desk.

ROBERT E. SERVICE
Political Counselor
Santiago (1977-1980)

Robert E. Service was born in 1937 in China to American parents. He received a B.A. from Oberlin College and an M.P.A from Princeton University. His postings abroad have included Managua, Salvador Bahia, Mexico City, Santiago, Madrid, Buenos Aires, Brasilia, and Montevideo. Mr. Service was interviewed in 1998 by Charles Stuart Kennedy.

Q: You went to Chile from 1977 to when?

SERVICE: 1980.

Q: What was your job?

SERVICE: I was the political counselor.

Q: Who was the Ambassador at that time?

SERVICE: When I got there, there was no Ambassador. David Popper had left a few months before. Tom Boyatt was the Chargé. I suspect he has a long history here somewhere.

Q: Tom and I were in the senior seminar together. I have done an oral history with Tom.

SERVICE: He is a character in some ways.

Q: Yes.

SERVICE: Anyway, he was the Chargé for the first six months I was there. Then George Landau came as Ambassador. He was there the rest of the time I was in Chile.

Q: Chile had been the focus of much of our attention, probably as much as Cuba was during the 1960s. How did you view the situation in Chile, when you arrived in 1977?

SERVICE: Well, a number of things strike me. One is a sort of siege mentality. This was well after the worst of the repression. There was very little overt repression going on when we got there, and I think probably very few political prisoners still. Many of them had gone into exile. On the other hand, there was a continuing polarization of feelings about the Allende period, and particularly on the right, which we tended to see more of. The left was either out of the country or very quiet. The attitude by the more conservative sectors was if you weren't here during the Allende period, then you can't understand. If you raised any sort of query or question mark about why this or that took place or had to happen, or was necessary, they would almost always end up saying that you can't understand if you weren't here. There may be a grain of truth in that, but it was made to carry too much weight.

Q: How did we view Pinochet?

SERVICE: We viewed him basically, in negative terms, although we thought that some of the changes he was trying to bring about were potentially positive for the country. He had the sense to listen to some of the U.S.- trained economists. He was trying to implement their ideas. Certain sectors of our government thought that was very positive.

Q: You were there during, essentially, the Carter years, weren't you?

SERVICE: Yes. I got there in the summer of 1977. Carter had been in office six months. The big issue in bilateral relations while I was there was the assassination of Orlando Letelier which took place in Washington in 1976.

Q: In Sheridan Circle.

SERVICE: Yes, in Sheridan Circle. Letelier and a woman, an American woman, an assistant named Ronni Moffitt were killed. Fairly early on the investigation started leading back to the Chilean government. The Chilean government said, "Oh, it must be Cubans, or whoever." We spent most of the time I was there trying to get those who were believed to be responsible extradited into our custody. The only we got at that time was an American named Michael Townley who had been the one who actually made and placed the bomb. We were able to get the Pinochet government to turn him over to us. We got him back here. He provided a lot of the information through plea bargaining that allowed us to solidify our case against some of the others. Manuel Contreras, who was head of something called DINA, the intelligence agency, is now serving time in jail, as is one of the three others involved. I think a third one did also. He is now living in the U.S. All of them, to some extent, were eventually punished.

Q: How did this play out for you in your political dealings with the Pinochet government?

SERVICE: It was almost never mentioned in our dealings on other matters. In fact, we did not have that much contact with the Pinochet government, other than the Foreign Ministry. Landau

once said to me, "This is a very unusual situation. I've had no contact with Pinochet and I don't really think I should." I didn't disagree with him. But, it was not the situation that occurs in most places and times in Latin America, where the U.S. Ambassador has frequent presidential meetings. Our dealings were primarily with the Foreign Ministry, which understood that we were under instructions to do x, y or z. We did it. There were not a lot of animosities that I could detect. They may not have liked us. Some probably saw us as sympathetic to the left. Others may have secretly sympathized with our position on the Letelier matter. But it didn't really affect how we did our jobs.

Q: Did you have any problems with junior officers in the Political Section? I can see, especially with the temper of the times, human rights, junior officers wanting to change the world and all. Chile was the focus of an awful lot of attention.

SERVICE: It is interesting that you should mention that. As I recall, before I got there in 1977, there had been at least one occasion when there were two versions of the annual policy plan that posts had to prepare, the Country Program Plan or whatever it was then called. As I recall, either the year before, or the year before that, there had been a sharp division of opinion in the report, with dissent messages going into Washington. That was not true while I was there. I don't know if it was because personnel had changed or because the situation had improved somewhat, but as I said, the worst of the repression was over before I got there. There were very few, if any, reported disappearances, as they called them, people being picked up and not being seen again. Let me mention another interesting point. You mentioned that there was an attitude toward Pinochet. At some point, I've forgotten whether it was 1977 or 1978, there was the signing of the Panama Canal Treaty. The Carter people wanted to make it a hemispheric thing and invite all heads of government up to Washington. There was a real issue of whether Pinochet should be invited or not. They decided that if it was hemispheric, and he would be invited, too. So Pinochet went to Washington. I think there were probably a few demonstrators around the OAS, or wherever it was done, but no more than that.

Q: Landau had come from Paraguay. He was our expert on dealing with difficult people. I think he had been the desk officer for the Iberian Peninsula when Franco and Salazar had still been in power.

SERVICE: He had a good reputation in the Human Rights Bureau.

Q: Were you feeling any, if not heat, any problems with Congress and the human rights activists over Chile? There was the book and then a movie called Missing. I don't know if that came out at the time you were there.

SERVICE: I think it did. We had some problems, which were more about accuracy than anything else. Each year, we did a Human Rights report on Chile and then we pressed for a rapporteur in the Human Rights Commission. It seemed to me and to others of us at the Embassy that sometimes the U.S. positions on Chile as drafted by our U.N. people or in Washington went beyond strict accuracy. They were exaggerated and overly zealous, undoubtedly encouraged by the human rights lobby. They were to some degree political statements rather than careful analyses. There were some disagreements. We would go back and forth saying, "Hey, look, it would be more

accurate to say x.” But basically they said what they wanted to say.

Q: Where did you get your information about human rights violations?

SERVICE: We kept in touch with the opposition, a variety of opposition groups. The political parties, of course, but also youth and labor. And the Catholic Church had something called the Vicaría de la Solidaridad which did a great deal to compile information on abuses and help those affected. By and large they were all eager to talk because we were a sounding board to the outside world. We would filter out the less reliable of those contacts. We spent a lot of time with the ones we trusted. It was personally rewarding because these were people who were in pretty tough straights. We felt in some small way that we were helping them.

Q: What about the influence of the socialist countries in Europe, Sweden, possibly France, at that time, Germany? Chile was a European cause at that time. I was wondering whether it made much difference.

SERVICE: We were quite good friends with the Swedish charge, who was Peter Hammar skjold, some relation to Dag. They were a little fed up by that point with the number of Chileans who had come to Sweden, claiming political harassment, but who were really there on economic grounds. There were a huge number from some small town up the coast, which had been depressed for years. Sweden looked like a great opportunity to improve their lives. Of course, all the Eastern Europeans had left, voluntarily or otherwise. I don't remember any of the Europeans being particularly active on the human rights front while I was there. Some of them had been earlier. The Italian chargé, poor guy, was kept there for years and years because the Italians didn't want to send an Ambassador. If they had removed the chargé they would have had to replace him with an ambassador, because they had accepted a Chilean ambassador in Rome. Their solution was to just keep the charge there, who had been there since the coup in 1973. He was there for seven or eight years. He had been active early on. The Brits and the French, we never saw much of them, although there is something called the International Commission on European Migration (ICEM). It had been set up after World War II to assist displaced Europeans go to other parts of the world. In Chile, during the time I was there, it worked in the opposite direction, helping persons in political danger go abroad to live. The head of the office in Santiago was an Argentine. Some of the European countries worked closely with that.

Q: Were we under constraints on things like ship visitors, or official visitors, cultural exchanges, this sort of thing? Or were we having more or less normal relations?

SERVICE: It was a little less than normal, but perhaps not very much. We had UNITAS each year. Naval ships go around the continent and they have exercises with their counterpart navies. We were not selling any equipment to the Chilean Armed Forces. This became rather sensitive when the seat ejection cartridges for their F-5s started wearing out. They felt that this was putting their pilots' lives in danger. We may have voted against some loans to the Chileans, either in the Inter-American Development Bank or the World Bank, but I don't think we were ever able to block one. I'm not sure we did that consistently through the period. There was pressure to do it, but it was not established policy. As far as visitors, there were a few congressional visits. The Assistant Secretary of State for Inter-American Affairs, Terry Todman, came through. I don't

remember anybody other than that while I was there. It was something less than normal but not very much.

Q: Did you have any contact with the group that was the known as the Chicago Boys? They had essentially been Chilean economists who came out of the University of Chicago, and other places.

SERVICE: I knew some of them socially. I did not have any working contact with them because that was largely handled by the economic side of the house, and by the Ambassador to some extent. They were a presence and very important. Not all had studied at Chicago, but they had that name.

Q: How about George Landau as Ambassador? Did he have to walk a fine line between dealing with the Chilean government and then with the opposition, and make it known how we felt in nuanced ways?

SERVICE: Did you do an oral history on George?

Q: Somebody did. I didn't do one.

SERVICE: George is a fascinating guy. He is one of the best I have ever seen at . . . Let me put it this way. Some people walk a middle path and end up having both sides mad at them. George was able to walk the path and have both sides think, "Hey, he is with me." He is very skilled at it. Chile was a place where you had to do that, to a significant extent. Pinochet loyalists thought that basically it was good that the military had come in and put down all that Allende stood for. We, as a government, were opposed to much of what happened. Yet George had good relations with most of the pro-Pinochet people, as well as with the opposition.

Q: You were not there as everybody kept pointing out to you during the Allende period, but did you get the feeling that what Allende was up to almost inevitably took the country down the road to disaster?

SERVICE: My feeling was that Allende lost control. He was being pushed, pulled, by groups and individuals much more radical than he was. That, as much as the specific policies that he was advocating, put the country into a tailspin and brought his downfall. When food becomes scarce, when you have to wait in huge lines, when other things change that you've been used to, people start being willing to march and pressure the military to do something. I think he lost it. How do you ride a revolution? He couldn't.

SERVICE: Let me say another thing about Chile. We almost had a war between Chile and Argentina over the Beagle Channel. I don't know if you remember that or not.

Q: I remember it because the Beagle Channel is where Darwin's boat went through on the Cape, Cape Horn.

SERVICE: Yes, it is south of the Strait of Magellan. It's a little tiny strait there. There are three islands, Lennox, Picton and Nueva, that had been in dispute between Chile and Argentina for a long time. The Argentines were looking for ways to distract their population from some of their

own problems, of which we were to see more later. Things became quite volatile over these three islands and where the water should be divided, etc. I think the Chileans had an arbitral decision favorable to them, but the Argentines chose not to accept it. Things were rather tense for two, three, four months. There were rumors of war breaking out imminently. Finally the Pope got involved and called for a cooling off period. They worked their way out of it. But, I spent a great deal of time trying to keep up with that, reporting on it and what not, all from the safety of my desk on the 10th floor of the Embassy in Santiago.

Q: Well, it would strike me that looking at the geography, it would be a little hard for Chile and Argentina to go to war, wouldn't it? I mean, the geography being what it is.

SERVICE: Sure. You've got that mountain chain which is pretty easy to block, to prevent one or the other country from just pouring over. But there were a lot of Chileans in Southern Argentina and the Argentines claimed to be concerned about fifth column activity there. There is still one unresolved territorial dispute in the Andes. We are talking about a few square miles on top of a glacier, in the middle of the Andes. Whether it is worth occupying or not, I don't know.

Q: What about relations with Brazil and Chile during that time?

SERVICE: Relations with Chile were always a bit tense because of the long border and because a substantial number of Chileans live in the South of Argentina. The Argentines felt that Chile might try to claim some of the area, and they felt they should maintain adequate forces at the border or kick them out. They had almost gone to war in 1978 over the Beagle Channel. There was no love lost on either side of their relationship. Brazil was the major country in South America and for most of the century the Argentines saw themselves as their equal in economic and military power. That had clearly changed by the time I had come there. The Argentines recognized that they lost that race. They were no threat to Brazil, and much like Canada in relation to us, more or less had to assume that the Brazilians were not a threat to them. There was not as much security tension left. Economic problems, of course, are another matter. Later, after I left Argentina, Brazil, Argentina, Paraguay and Uruguay signed the Mercosur Agreement to form a common market. Chile was a member-in-waiting. More traditional concerns and frictions either disappeared or, at least, dropped sharply.

JOHN A. BUSHNELL
State Department, Deputy Assistant Secretary of State (ARA)
Washington, DC (1977-1982)

Mr. Bushnell was born in New York State and educated at Yale University and McMurray College. An Economic Specialist, he served primarily in senior level positions at Latin American posts, including Bogota, Santo Domingo, San Jose and Buenos Aires, dealing primarily with Economic and International Trade issues. An assignment to the Staff of the National Security Council was followed by tours as Deputy Chief of Mission at Buenos Aires, Chargé d'Affaires at Panama City, and subsequently as Assistant Secretary of State for Inter-American Affairs. Mr.

Bushnell was the recipient of several awards for outstanding service. Mr. Bushnell was interviewed by John Harter in 1997.

BUSHNELL: There were a lot of economic issues. There were those things I spent a lot of time on because they were important to ARA policies such as aid levels, and there were those things where I wound up doing more than I might because they seemed the right thing to do. Among the things I pushed, although it was not a high priority interest, was economic integration and cooperation among Latin American countries, among the Andean countries in particular. The Andean Common Market had a bad reputation as political and ineffective everywhere in the Government outside of ARA [Bureau of American Republic Affairs], and even with most economists in ARA. But I saw a positive thrust on the Andean Common Market as a way for the U.S. to have a positive dimension to our policy toward these five countries to which we were not providing much economic assistance.

Q: This group consisted of Peru, Colombia, Chile, Ecuador, and Venezuela?

BUSHNELL: And Bolivia. Chile opted out at a fairly early stage. These are not countries which historically had a lot of trade with each other. Although they have several common borders, they each mainly exported raw materials. Thus their free trade area was mostly political with some bilaterally negotiated reduction in tariffs for each others' manufactures. They did not yet have a common external tariff. The main thrust of the Andean Market was the development of common or joint institutions and approaches. These were relatively small countries, and it made sense to develop common health standards, packaging rules, rules of origin, some specialized advanced education and research, and other things that didn't necessarily have much to do with trade. Institutions to deal with many of these things on a regional instead of country basis offered major economies of scale and efficiency in the use of highly skilled personnel who were in short supply in all the countries. There was also an Andean Bank for Development; although AID was not willing to provide it with any money, it was able to raise some funds from the private markets.

All the Andean countries were interested in improving access to our market for raw materials and particularly for some of their new expanding exports such as flowers, textiles, and fresh fruits. They generally wanted investment. Thus trade and investment consultations with the U.S. as a group had considerable appeal to them. It was also convenient for us; we could put together a higher level delegation to deal with the five countries together than we could for bilateral talks with each. Such consultations also gave us an opportunity to relate to some of the regional institutions, which, although weak, had potential as particularly good ways to promote our long term trade and investment interests. Through these consultations we were able to address quite a few technical things, but overall they were probably not worth the time and energy which ARA had to expend to get other agencies to the table. When we decided in ARA to promote a dialogue with the Andean Market as an institution, we didn't get resonance from most other agencies. I had to get this going with my own telephone, begging other agencies to place responsible people on the delegation.

Q: How about Chile? This was the period when Pinochet was consolidating his power after his

successful coup against Allende? Were you concerned with Chile?

BUSHNELL: Yes, I spent a lot of time on Chile. Chile was a main target of the human rights activists. There had been terrible human rights violations at the time of the coup and for a year or two thereafter. But the current situation was clearly improved by 1978 or 1979. The Pinochet government wasn't disappearing people or killing people anymore and hadn't for some time. There were few political prisoners, although many had been sent or had gone into exile. There was still a military authoritarian government, but the military wanted to return to democracy provided they could protect themselves and the military institutions under civilian rule. If you look at the current situation in say 1979, individual human rights in Chile were probably about average for Latin America. If US policy was going to be to reduce sanctions as individual human rights improve, Chile seemed to be a prime candidate for some relaxation.

However, Chile was the prime enemy of human rights activists such as Mark Schneider and Dick Feinberg, as well as of several Congressional members and staffers. These activists, who had been campaigning against Pinochet since 1973, had not yet been able to apply all the sanctions they wanted against Chile. They were not prepared to consider moving in the opposite direction. Moreover, the Chilean situation was complicated by the killing of the former foreign minister and his American aide on the streets of Washington. Chile was perhaps the clearest conflict between the ARA position of trying to encourage a government to continue improving the current human rights situation by rewarding progress and the HA position of maximum sanctions on governments that had horrible human rights histories even if they improve, with the objective of setting an example for the future.

Q: And Chile had a tradition of very democratic behavior.

BUSHNELL: That's right, and sometimes HA argued that the Pinochet break in this good human rights record was all the more reason for the strongest sanctions. On the other hand I argued that the Chilean military did not have a history of ruling, unlike some other Latin militaries, and a return to democracy was a feasible short-term objective; what could not be done in the short-run was to get a return to democracy with the senior military put in jail or executed. In general Deputy Secretary Christopher sided with HA on Chile. I had no argument that the U.S. had any major national interests in Chile, so it became one of the places where the human rights activists dominated policy under President Carter. I thought this situation was unfortunate because Chile valued its traditionally good relations with the United States. Also Pinochet allowed a group of largely Chicago-trained economists to straighten out economic policies and launch Chile on a free market route to being a developed country. Perhaps we should leave the specific issues on Chile until we discuss human rights more generally, because it's by comparison with measures taken against other countries that the contradictions in our position on Chile come into focus.

Q: The Letelier assassination, that's separate...

BUSHNELL: In some ways its separate from the human rights situation in Chile; killings arranged by part of a foreign government on Washington's streets are pretty unique. Those wishing to increase sanctions on Chile certainly mentioned these murders as well as the many that occurred in Chile. Of course, everyone in the Justice Department and in the State Department wanted to catch

and punish the people who were responsible for this killing in Washington. We got lucky. Our intelligence got a pretty good idea of who the murders in Washington were, at least those who actually set and activated the bomb. Then we had what I think was really a stroke of luck. George Landau, who became our Ambassador to Chile in 1977, had been our Ambassador to Paraguay immediately before that. When George learned that our intelligence indicated some of the people associated with these Washington murders had not gotten their US visas in Chile, he remembered an incident when he was in Paraguay. At some point the head of the consular section in Paraguay had brought him two official Chilean passports and indicated that these two officials said they were in Paraguay on business and now needed to go to the United States. They wanted to get US visas in Asuncion. George, being a careful Germanic American, took the passports and made copies of the first pages and stuck them in his desk. When he heard years later that Chilean murderers might have gotten visas elsewhere, he dug out these two passport pictures. Bingo. Justice thought these men were involved. One of these was Townley who was, although he had a Chilean official passport, actually an American citizen.

Q: Townley was the son of the Ford Motor Company representative in Chile.

BUSHNELL: That's right. I don't think his father was still there, but Townley went back.

Q: Townley had been there many years.

BUSHNELL: Young Townley was there most of his life. Once Townley was identified as one of the people involved in the Letelier bombing, the Justice Department said we should ask the Chileans to extradite him. Chile, like most Latin American countries, won't extradite their own citizens, but this fellow was an American. Americans they ought to extradite. I said that it would be fine to request his extradition but I thought the matter would just drag on without resolution. We were applying close to our maximum human rights sanctions to Chile, and it did not seem likely to me that Chile would give us someone who would implicate senior officials in a murder, assuming he had been involved. Instead I supported informal efforts to get Townley to the States. Contacts were made by the FBI, much of which I wasn't involved in, and finally it was agreed that Townley would make a trip to the States. We had to handle this matter very carefully because we believed senior people in the Chilean Intelligence Service had been involved and might disappear Townley if they learned he might leave Chile.

Q: Including people who were very close to Pinochet.

BUSHNELL: Right, those who ran the intelligence service had a great deal of influence. The way it was worked out Townley was flying to the United States on a Saturday. I was in the office virtually all day that Saturday working on something else. Frank McNeil, who was the deputy for South America and was the action officer for this Townley operation, was also in the office, and he gave me practically minute by minute progress reports. The plane's only stop between Santiago and Miami was in Ecuador. Frank was concerned that something would happen in Guayaquil, and Townley would just disappear. We debated asking the Ecuadorean authorities to keep Townley on the plane, but we decided that might not work very well; if the Chilean intelligence service was playing a game, they would have more influence on the Ecuadoreans than we had. I think Frank finally got some of our SY [State Security] people to the Guayaquil airport to keep an eye on things,

although I don't know if they could have done anything if Townley had fled. But in the event it went off smoothly. He decided to talk and make a deal with Justice, but he could not definitively involve the heads of Chilean intelligence because he was a low level operator. His cooperation helped in catching some of the other lower level people who actually carried out the crime.

Q: So was the State Department involved after Townley was here?

BUSHNELL: Once he was arrested in Miami, we didn't have any involvement with him. We did try to get one of his senior colleagues out of Chile much later. In the mid-1980's when I was in Buenos Aires, one of Townley's colleagues indicated that, given proper assurances that he wouldn't be sentenced to too long a jail term, he might be prepared to come. A small mission of Justice, FBI, and State people came to Buenos Aires to establish a base for dealing with this person. The mission operated secretly from Buenos Aires because this guy was very concerned that Chileans would find out he might be skipping. He was a fairly high-ranking officer. Mike Kozak from State's Legal Office and later principal deputy in ARA came with the mission. He contacted me by cable and on the secure phone. I was the Chargé at the time, and I agreed no one else in the Embassy would know what this mission was doing. A Navy communicator came with the mission to establish compartmented secure communications into Chile and back to Washington. Most of the mission was not going into Chile unless promising arrangements were agreed, but they were close enough to handle whatever issues arose and to send additional experts to Chile if needed, for example to draft legal documents of assurance. They worked out of my office, and the communicator installed his antenna on the window sill. Of course, this was all done with the greatest confidentiality so no one in the embassy knew what was going on. I had somewhat of a problem with my communicators who did figure out that a separate communication set-up was being run out of my office. I sat down with them and explained that some things that had to be done involving other agencies of the US government required unusual channels and they should not be concerned. That operation was not successful. We couldn't provide all the assurances and guarantees he wanted.

Q: Before we start going country by country now, is there anything else you should say about either the overall institutional situation or the principal cast of characters?

BUSHNELL: I might emphasize the deficiency of the Christopher Committee with a Chilean example because it began in the Committee and illustrates the problem of a loan by loan approach to human rights and US signals. At one point when we were discussing a loan to Chile, I decided to put it in the overall perspective of our relationship. In part I wanted to activate Defense to support ARA instead of just protecting its turf. We were debating making Chile an exception where we would vote against a basic human needs loan, unlike in almost all the rest of the world.

There was no reasonable analysis that would show that the Chilean human rights situation in 1979 was among the worst in the world. The problem was that Chile was the prime target of the human rights activists. Chile didn't have a democratic government, but there were few political prisoners, at least nonviolent ones [I did not consider those that tried to kill Pinochet or that helped import a ship load of arms from Cuba as political prisoners]. The military and police were not killing

anybody, disappearing anybody, although Patt could point to a couple of cases where policemen did abuse people. Pinochet and the military were laying out a program to move slowly toward free elections. The press was largely free. It was not a bad situation in 1979, especially for a military dictatorship, but remember we did not oppose loans for most dictators and certainly not basic human needs loans. Of course, President Allende had been killed, and there were a couple thousand people killed at the time of the revolution in 1973. It was a revolution, a war, and people get killed in wars; always happens. But in addition to the people killed in the war, there were another few hundred people that were rounded up and killed, sort of the young leftist leadership. Two people had later been killed on the streets of Washington for which the Chilean intelligence service seemed to be responsible. But a lot of time had gone by since these abuses. There was no way to see Chile in 1979 as nearly as brutal and tough a regime as we were facing in El Salvador or Guatemala or, for that matter, even in Peru at the time.

I then looked at the signals we were sending Chile. We were voting against sound economic loans despite its good economic policies because of its military government. But we had a large presence of US military working with this very military government in quite a few programs. We had stopped most military assistance, but the military has lots of ways to build relationships. Thus in the Christopher Committee I said we had to vote for the basic human needs loan or our signals to the Chileans would be completely wrong given our military programs in Chile. We still had a large military assistance group working with the Chilean military even though there was no material assistance. We were doing military exercises with the Chilean military several times a year including some fairly large exercises very visible to everyday Chileans. In several ways such as financing mapping we were even providing budget assistance to the Chilean military.

I said it doesn't make any sense that, because we don't review military presence or military exercises in the Christopher Committee, we should be taking quite extreme action against a government because it is a military government, while the U.S. goes willy-nilly doing naval exercises and giving military technical assistance and maintaining the same number of military assistance personnel living with the Chilean military. Any reasonable Chilean would think we are against the civilian government and for the military. It's absurd that in the Chilean government you had a group of economists who hadn't ever killed anybody or imprisoned anybody and who favor what we favor and they are having great success in following modern economic policies and we tell them they can't get a loan to help the poor because of the human rights violations of the military, whereas with the military people, who have done the human rights damage, we do joint exercises. Well, my presentation was a bombshell. Christopher agreed completely that this was an absurd situation. Patt was appalled. HA couldn't believe that I was doing this. HA knew about some of the military programs, but they hadn't focused on them.

So much to the chagrin of DOD, we then, outside the Christopher Committee, did an exercise in order to curtail this military interface and adjust our military posture with Chile, which was clearly something that we should have done long before, five years before, or at least at the very beginning of the Carter Administration. I was made the main action officer and found myself in a strange position because I had usually been able to work harmoniously with DOD. I was surprised that Defense was extremely strongly opposed to each and every change. I thought that taking out the dozen underemployed officials in the military assistance group would be just wise use of resources; Defense would still have their attaché officers. I found it amazing that nobody took those people

out when military assistance was stopped. But this and every issue of military presence in Chile was appealed to President Carter.

Small military programs were unusually difficult. There was a 30 year old program of the Defense Mapping Agency in which they gave financial and technical assistance to their Chilean military counterparts to do mapping from the air, with copies provided to us. They had two US military in Chile to coordinate and give assistance. I put this program on the cut list, suggesting the entire program be terminated until the human rights situation improved with democratic elections. DOD was up in arms over this. The military officers on loan to ARA reported that their phones were ringing off the hook with senior officers trying to figure out how to stop my proposal. Finally, Defense asked to send a delegation to see me and explain why this program was so important to national security. A tremendous delegation of senior military officers from the Defense Mapping Agency, the Navy, and other Defense offices filled my office. One of my people, after they left, said he counted the number of stars in the room, stars as in rank, and he said there were more than 40. The delegation was headed by a four-star with several three-stars, and the bag carriers were one or two stars. They argued there would be a tremendous loss to the U.S. if we stopped this map-making program because we then would not have current maps if our forces needed to operate in Chile. I said, "I frankly can't envision any situation where we would need maps of Chile. Anyway in 30 years I would think we would have the whole country." They said some areas were several years old. I asked, "What do you guys have satellites for anyway?" They explained that it was hard to get satellite time in that part of the world. I said the obvious - that if we had US military operations that needed current maps, they would get the satellite time. I was surprised their arguments were so weak. Eventually they removed the people, but I agreed that modest financing of the Chilean military mapping program could continue with occasional TDY technical reviews.

Even more traumatic and a bigger issue was stopping joint exercises with the Chilean Navy. Every year for decades the Navy has had a small flotilla of ships sail around South America doing exercises with the navy of each country along the way. This is good training for our Navy and very good training for the small navies these countries have. They can actually get out to sea and learn something working with the US Navy. They build relationships, especially during the planning phase when numerous officers travel back and forth. It's basically a good program. But if you have a military government which you think is very bad, should you be doing navy maneuvers with them? It seems to me the answer is no; there are lots of opportunities in the world for the Navy to do exercises. You should not block the good projects of the good economic officials while you exercise with the Navy, some of whose officers committed the very human rights abuses you see as the problem. Some of the Navy's arguments seemed strained. How are the ships going to get from Peru to Argentina? Chile is a long country, but certainly the Navy needs experience making some long sailing legs. Of course HA soon objected to exercises with Argentina and others. The Navy mainly fought this issue with the 7th floor principals and eventually appealed to the President, who turned them down.

But Chile is just one case of the imbalances that plagued our human rights policy in many countries, not to mention in comparisons among countries, which Christopher said we should not make but officials and even the public in various countries and in their embassies in Washington certainly did make. Of course so much emphasis on human rights was something new. One has to begin somewhere, and the Carter Administration began with economic assistance and the bully

pulpit following the example of the Congress a few years before. It took a lot of effort over time in country after country to try to get some balance in terms of what we were doing in one field versus what we were doing in another field which was not immediately in HA's sights. That took a lot of my time, because I was at the vortex where one saw the more total picture of our relationships and the glaring inconsistencies that we had in some countries.

Q: Is there anything more you should say about Chile in this context?

BUSHNELL: Chile is a prime example of the tension between improving the current human rights situation, which I call accomplishment orientation, and punishing the human rights abusers in part to set an example for the future. In Chile the military turned over the running of the country to civilians fairly quickly. However, they were generally conservative civilians who were not believed to represent the majority of the people. The normal Chilean historical process -- they had two or three military coups in their history, the last one in 1925 -- was for the military to return to the barracks and return the government to those elected in a democratic process. Pinochet and the military began this process by 1978. However, they faced a big problem -- how to protect the many in the military institution who had been involved in what were called human rights abuses around the world. They decided to reform the Chilean constitution to build in provisions that would protect the military officers against reprisals once there was a democratic government. This new Constitution made it possible for Pinochet to continue as head of the military for a very long time, till now practically, and gave ex-presidents a seat in the senate. There were several other protective devices such as some appointed senators. The military government then submitted the proposed new Constitution to a popular secret vote, up or down.

The Chilean government badly wanted some US endorsement of this process, some recognition that conditions in Chile had been changed basically and that power would be given back to the civilians and the political parties gradually. Various Chileans came to Washington to explain to us how serious and democratic they were in this process. I was volunteered for one long Sunday afternoon listening to a couple of lawyers' explanations. I found their arguments that the military had to be offered protection to get them to hand over power quite convincing. It also appeared that the vote on the Constitution would be free and open. Some Chileans saw a yes vote as a vote for a return to democracy, albeit in a few years. Others saw it as a vote for Pinochet to retain substantial power for a long time. Views were divided in ARA, but everybody in ARA felt that modifying the constitution to establish a specific scenario to get back to democracy was good and something that we should encourage, not something that we should be denouncing as a fraud for not putting Pinochet in jail. HA argued that the new constitution was just a trick of Pinochet to retain power and it should be condemned because it would not have him face any punishment. I pointed out to HA it wasn't so unusual for some people to be head of militaries for a long time; that even happens in democracies; Pinochet was promising to step down as president and to allow an open and honest election, moreover, he was putting this return to democracy plan, however flawed it might be, to the people to decide. The 7th floor basically split the difference, and we said nothing before the vote, neither approving the process nor condemning it. I think Patt managed to condemn it in some of her public statements, but the official department guidance was convoluted but neutral. HA was convinced the constitution would be voted down if the election was free.

Well, popular votes are popular votes. People don't always vote the way you think they might.

Chileans approved the constitution, and there was no evidence of significant fraud. HA was up in arms that Pinochet had pulled this off. HA tended too often to simplify and personify. In Chile you had a Pinochet, a killer. He's the one you wanted in jail. I saw our principal objective as a return to a democratic government without human rights abuses. I wasn't concerned where Pinochet was, whether he was the head of the army or was in jail. As long as you had a democratic government, that was the big good you were after. There were great struggles on what the U.S. would say about the new constitution and the free vote. The result was basically negative comments with only a few ARA phases indicating that a return to democracy would be good.

Until the end of the Carter Administration we continued opposing financing for Chile. It was ironic that as the human rights abuses stopped and a program to return to democracy was set up and approved by the Chilean voters, the U.S. continued tightening our sanctions. Chile was one country where I regularly lost the battle for accomplishment over the bully pulpit, and my initiative to bring the military side into line only put military sanctions in place but did not, as I had hoped and expected, yield any relaxation on the economic side. The two killings on the streets of Washington were a factor, but my sense is that the hatred of Pinochet among the NGO's, which included many Chilean exiles, and in a few Congressional offices, was too great for Christopher to moderate our policies without creating a problem on the Democratic Left. I rationalized that every Administration is entitled to a couple foreign political enemies, and, so long as US interests in the country are not great, there is no major loss. I think by mid-1980 Christopher saw that we would soon have to adjust our policy on Chile if Carter were reelected and that is why he chose me to be the next Ambassador in Santiago.

BUSHNELL: During the summer of 1980 I had been chosen to be Ambassador to Chile, but Bowdler had asked if I would postpone going to Chile to continue helping him in ARA until the end of the year. Since Ambassador Landau in Chile did not have an ongoing assignment and could stay there through the end of the administration, I said that was fine.

Q: Too bad you said okay.

BUSHNELL: I did say, "Let's go ahead and get Chilean approval." The Department sent the usual cable to Santiago. Ambassador Landau then phoned and asked not to make the request because then he would have no job and he had reached the age where he would have to retire. He wanted another assignment. He was eventually told to go ahead but I would not be coming until a couple of months into the new year. He did present the request, but by then we were only a month or six weeks from the election, and Pinochet said, "We've got an election coming up. Bushnell seems to be alright, but maybe we'll get somebody better from Reagan." So he delayed action pending the election. The Chilean system was already in gear, and I was invited to small dinners at the Chilean Embassy to meet any Chilean official that was coming through. If Carter had won the election, there would have been no question. Pinochet would have given approval, and I would have gone to Chile, perhaps after some difficult questioning by Helms.

Q: This was kind of an awkward time to be in a very prominent position as Acting Assistant Secretary in ARA, which was very controversial and there were all kinds of emotional feelings about it. On the other hand, you had a long relationship with Al Haig. How did you feel about all that?

BUSHNELL: I looked at this busy period as a job I had a professional duty to do regardless of the implications for my future career. I believe it is an important part of the professional Foreign Service to provide background and balance through the transition between political administrations. I have observed that administrations tend to make their biggest foreign policy mistakes in the first few months because they haven't learned the territory. I saw my job in the transition after January 20th as avoiding the new people doing anything too rash and making sure that we moved forward in a sensible, next-step fashion in ways that made sense. This approach fitted well with Haig's and with the general mind set of the new administration. As always happens for the last six months, particularly the nearly three month lame-duck period, of an administration, it leaves many issues pending as it focuses on the election and then the transition.

There had been major human rights improvements in Chile, and it was time to modify our Chilean policy, but this was not something to raise just before the election or in the interregnum. It was obvious to leave this until a new administration came in. We then did a policy paper and recommended changing our Chilean policy. Haig approved. I testified on the Hill and said what we were going to do and how the Chileans had improved the current human rights situation.

Q: And the Caribbean nation initiative?

BUSHNELL: The Caribbean Development Group activities continued apace. By this time there were regular meetings; the aid levels, particularly from the World Bank and IDB, were going up fast. I had an easier time in the Reagan Administration, despite the fact that aid was being cut overall, getting increased aid, not just for Jamaica, but for the entire Caribbean initiative. Elsewhere we made major changes in policy. These did not require a Presidential or Secretary's press conference. We changed our policy significantly on Chile, reducing sanctions to reflect the improved human rights situation. I testified on the Hill, making our revised Chile policy public. These changes got a fair amount of press coverage, the normal press coverage. Haig met very early on with General Viola, who was taking over as president of Argentina and was up just before he was to take over. I also arranged for Viola to see the President privately. There was little press play here for the Viola visit. It was normal attention, not a major thing. For Argentina it was a very big thing. It wouldn't have happened under Carter. Carter wouldn't have seen him because Viola was another military general taking over a military government which had abused human rights in previous years. The Reagan Administration view was human rights are improving in Argentina, and, now they're changing the face running the government, human rights can improve even faster, and that's what we want, that's encouraging. I didn't attend the President's meeting. Years later Viola told me when I was living in Argentina that it wasn't a very satisfactory meeting but he was very glad to have it. Just having the meeting was what really mattered.

GEORGE W. LANDAU
Ambassador
Chile (1977-1982)

Ambassador George W. Landau was born in 1920. He graduated from Pace College 1941 and from New York University in 1942. Ambassador Landau served overseas in the U.S. Army from 1942 to 1947 and joined the State Department in 1957. His posts included Uruguay, Spain, Paraguay, Chile, and Venezuela. He was interviewed March 11, 1991 by Arthur Day.

LANDAU: Yes. So I went from Paraguay to Chile.

Q: *For the record that was 1977.*

LANDAU: I got there November 16th. The Panama Canal signing was around Labor Day and at the time they had already requested *agrément* for me and I had met Pinochet for the first time in Washington. I had a short chat with him. He was very eager to see me come because he was worried they would not send another ambassador. Ambassador Popper my predecessor, had left in May and nothing had happened and he took this as a sign of disapproval -- not understanding that the normal snafus which befall our personnel system played a trick on him. The man the White House wanted for some reason either did not want to go or could not go because he had some problems. Anyway I finally went.

I had a totally different relationship with Pinochet than with Stroessner...with Stroessner I had a superficial cordial relationship. I did not play up to him or tell him he was a great guy, but he was interested in military history. He was a very unhappy man because he looked like a German, he looked like a braumeister and he acted like a German. He was on time, he was methodical, punctual and punctilious, all virtues that the rest of Paraguayans do not have. So he was always annoyed. He was always calling, while you had a meeting with him, this fellow and that minister, "Why didn't you come to the meeting? how come you were late again? What is the matter?" He picked up the phone whenever it rang. Once it rang in his office while I was talking to him on a rather sensitive problem, and he picked up the receiver and listened for awhile and said, "Sorry, this is the wrong number, you are talking to the president." He was obviously unhappy. The rest of the Paraguayans were very happy-go-lucky and he was not. He demanded action, he wanted to get things done while the others believed, you know, *mañana*. But I saw him all the time.

Pinochet I saw, I think, four or five times alone. I saw him occasionally with a lot of people in larger groups. But really a heart to heart talk with him, which usually was disagreeable, took place at the most four or five times.

Q: *Could I ask you the same kind of question about Chile as I asked you about going to Paraguay, what kind of instructions did you get in Washington? You found a greater interest, I suppose?*

LANDAU: With Chile I had very clear instructions, and they were to keep a distance from Pinochet, which was self-understood, and to do what I did in Paraguay, get things done. That was

the stock in trade, that I could "get things done." And in a way it started to work out OK but it did not last very long. By the time I got to Santiago in November 1977 Pinochet was very, very worried about the Carter administration. He thought they were out to get him, which in fact they were. He had a totally correct appreciation. Now, it was not the president who was out to get him. The president, President Carter, was a very decent man and he believed in human rights. That was his platform and he believed in it honestly, but he did not realize that he had a number of appointees who really used the human rights question only to get down regimes they did not like.

Q: Was this the human rights staff in the Department of State?

LANDAU: That was the human rights staff in the Department, Pat Derian and Mark Schneider and lots of people on the Hill. They could not care less what Pinochet did, they were out to get him. This of course, worked against human rights. That was the unfortunate thing that I found out. Ambassador Popper had left in May 1977, no one came, Tom Boyatt was the chargé for a long time. There were no high level visits until the Assistant Secretary, Terry Todman, came in August 1977. The Chileans were so worried that the day before Todman came they abolished DINA, the secret police, and retired General Contreras, who was the chief of DINA, the main trouble maker.

Q: He was later involved in the Letelier case? [A former Chilean ambassador who was assassinated in Washington D.C. September 26, 1976.]

LANDAU: He was involved even before in the Letelier case. He was probably the most evil spirit in Chile who existed and for that matter still exists. He is alive and running security companies, which I am sure he can do very well. He bumped off enough people. So when Todman came, Pinochet did away with DINA. When I came they did away with the foreign minister because they figured that they needed a new broom and they wanted to show the United States, out of fright of the Carter administration, that they were going to behave. Of course the week I arrived we just passed one terrible resolution after another against Chile both in the UN in New York and in the Human Rights Commission in Geneva. One guy whose name I mercifully forget, got up in the U.S. delegation, and said he wanted to publicly apologize for the U.S. role in doing away with Allende. This gives us a lot more credit than is due because competence is not our hall mark. What the Department of Commerce can't achieve the CIA can't achieve either. They both are real good bureaucratic organizations. The Church Commission [Senatorial commission looking into the CIA operations] went into this at length and found out that in fact the CIA did a number of things which were helpful to the opposition. They gave them money and newsprint and all that, but the Chilean people got rid of Allende because they were sick and tired of the totally idiotic economic ideas he had; he ruined the country. So we got much more credit than we deserved; we did not have much to do with it. We helped the opposition but that was all. What people don't understand is what we really tried to do was to avoid Allende from taking office with all kinds of machinations which Kissinger and Nixon worked out through the two track system. Once that failed -- it was, of course, totally mishandled -- it resulted in the killing of General Schneider, the chief of staff. We had already withdrawn our support, but some hotheads did it anyway, some Chilean officers. After that we were minor operators, it was the Chilean people who got rid of Allende. Where was I?

Q: You mentioned that just before you went there had been a change.

LANDAU: Right. So what happened, Hernan Cubillos had run *Mercurio* the main newspaper during the tough days of the Allende regime. Hernan Cubillos had made a lot of money in legitimate export dealings and he convinced Pinochet that he was a friend of the United States, which he was. Not only through his ties to the Agency but he spoke English well, he traveled extensively in the United States and he was very well disposed to the U.S. So Pinochet sacked the Navy admiral who was foreign minister and made Cubillos the foreign minister. Cubillos sold the line to Pinochet that he had to improve his relations with the United States. Everything I asked was done. We had the Letelier case which was just budding, we had an American involved, by the name of Townley. We wanted Townley and we wanted him the worst way. Well we got Townley; it was not a matter of extradition, he was just turned over to us. It was done through Cubillos and it was sold to Pinochet "to improve relations".

Q: Excuse me, that was a fairly important step at that time, is there anything more you can say about how you managed that? Did you work through Cubillos?

LANDAU: I am not now going into the Letelier case but I am just using it as an example of the Cubillos policy. He sold Pinochet on it and we got Townley. At the same time already the U.S. and the UN had tried for two or three years to allow special rapporteurs to go to Chile but it had been denied. I talked to Cubillos about it, Cubillos talked to Pinochet and the group came. It was headed by an Austrian and they had freedom to go around and talk to people and it was very successful from their point of view; it was not very good from the point of view of the Chileans but they allowed it anyway. We had some labor leaders coming, Teddy Gleason and Sol Chaikin and again they wanted to see Pinochet. He had never seen any U.S. labor leaders before and they were pretty rough with him, but he saw them. I reported all this and said these are positive things and I think if we continued on this line we would be able to make real strides in the human rights field to get people released. The answer from Washington was to be harsher than ever. There was no recognition and in fact it was even just about that time there was an OAS meeting and somebody stuck in Carter's speech the line about "Bolivia's just demands for an outlet to the sea." Now if there is one thing we should not get involved in is Bolivia's outlet to the sea. It is none of our business and it would be just as unwelcome now to the present government as it was to Pinochet.

Q: This outlet would go through Chile?

LANDAU: Of course, as it happened Bolivia and Peru lost the War of the Pacific in 1889 and Bolivia lost the outlet to the sea.

Pinochet had thought that with all these gestures he would get a gesture from Washington that there was hope. But he realized that regardless of what he did he would get only the fist in the face. Somehow the president's speech to the OAS on the outlet to the sea was the last straw for him. In short order he got rid of Cubillos, whom he blamed for the wrong policy, he fired him and from then on if I wanted to get somebody released or found out there was a human rights violation and wanted them to look into it I got to see the minister of interior or his deputy, but Pinochet did not give me the time of day.

In fact later on Pinochet was advised to clean up his image to be more debonair and diplomatic and so he decided, which he had never done before, to get the diplomatic corps by groups of twenty for

dinner at his residence. As it happened it went in alphabetical order and we came quite early because in Spanish we are "E" so we were in the first group. He had a drink too many, probably, at the time. He came and shook hands and after dinner he talked to each one for a moment. I used this occasion to say, "Mr. President, I want to let you know I am leaving tomorrow, I have been recalled on account of the Letelier case." He said, "Well, why?" I said, "To show unhappiness with the recent ruling of the Supreme Court on the extradition case." He said, "You know something, we really don't need you, I can go and get all I want over there," -- there was the ambassador of China. Interestingly enough this great anti-communist never cut his relations with Red China, they were there from day one. So he said, "Here is the ambassador of China, he gives me everything I want, I don't need the United States."

This little episode I recounted to Taylor Branch, when he was writing together with Gene Propper the book *Labyrinth* about the Letelier case. I gave them a lot of details about this case. Years later when I was in Venezuela the Chilean ambassador came to see me, a personal friend of mine. He said, "You know I have a rather awkward thing to ask you. On page such and such of this book you recount an anecdote about Pinochet and you kind of insinuate that he was in his cups. Did this come from you or didn't it come from you?" I said, "Why do you ask?" He said, "Because I got an inquiry from the Presidency about this." I said, "If you had asked me personally it would be different, but I do not owe them any accounting, so I am not going to answer your question." This episode bothered Pinochet years later.

My relations with Pinochet were very cool afterwards and as a result of another problem the White House decided to cancel the 1980 UNITAS operation, which is the joint fleet maneuvers with the Latin American countries. I am not sure that this was a good idea because we did not do UNITAS maneuvers to please Chile or to please Argentina but we did it to get our navy into better shape to coordinate with other navies.

Q: Excuse me George, about your recall, was that in 1979?

LANDAU: I was recalled four times, in 1979, 1980 but I think this was the first or second recall. The cancellation was the last one after the Supreme Court decided not to pursue the Letelier case locally, which we had offered them. I was recalled and we canceled the UNITAS. As a reprisal Pinochet gave orders that no cabinet officers, no general officers would come to our Fourth of July reception at the residence. So that was the type of relations that we had. Not very good. But of course the Carter administration had thought I had done a good job in carrying out their policy. It would have been better had they responded to the overtures from Chile, but they did not want to do that.

Q: Did you feel that it was part of your role to attempt to persuade Washington to be more responsive?

LANDAU: I simply made it very clear that you can't have it both ways. You can't give me instructions to go in and get this and that done if at the same time you don't show any recognition for the things they have done unilaterally to please us. That was really the problem, it was up to Washington to decide. But you cannot have it both ways. They decided not to accept any of the unilateral offerings so to speak and hit him over the head whenever they could. At the same time

they were sending me instructions to do a great number of things, but, of course, I was rebuffed.

Q: You think this was the work of the Human Rights Bureau? Was it at odds with the Latin American Bureau?

LANDAU: Very much, and you could see that Terry Todman resigned over the problem. He said "You can't have two assistant secretaries for Latin America" and he quit and went to Spain. His successors, Pete Vaky and others, all had their problems. It was obviously difficult times. You had foreign policy gains and objectives and you have domestic objectives and you have political objectives. They were very much interested in political objectives. I don't say they were right or wrong, but I am just stating how it was done. You can't have it both ways, that was the main thing that Washington does not seem to understand.

I still knocked myself out and tried to do all the things I was asked to do, whether I failed or did not fail, it made no difference. I was in sufficiently good favor, I guess, with the administration and in 1980, about Easter time, I got a call from Secretary Vance and he said, "You have done such a good job in Paraguay and in Chile and you have been in the military and you know how to handle those fellows. We would like you to go to Guatemala. They have a military government and we do not talk to them sufficiently and maybe relations could be improved." So in other words Washington realized that it made no sense to mete out punishment to anybody, but as the Secretary said relations could be improved. It was interesting because they had just canned Frank Ortiz.

What do you do when the Secretary calls you? I said, "Sure I would be glad to go." My wife was standing in the background saying "no, don't do it." It was about Easter- time. Shortly thereafter Vance resigned after the question of the helicopter attempt to rescue the hostages in Iran. I never heard anything further and I thought they had forgotten and I was perfectly happy to stay on in Chile. About September or October all of a sudden I got a call from Personnel that they would ask for the agrément. I said sure, but I had not realized it was still active. They said it just took us that long. They asked for the agrément but they never got it. They sent someone who had very good relations, he was DCM in Guatemala at one time, to tell them that I was really an all right guy and that I was sent to improve relations. But somehow they knew that I was in Paraguay and Chile and into human rights and they dragged their feet. They dragged their feet until a week before the elections when their ambassador came in to see Deputy Secretary Christopher and said to Chris, "We have thought about it and would be pleased to accept Ambassador Landau." To which Chris said, "Look, you waited that many months, let's wait a week until the elections and we shall see where we stand." Of course that was the end of that. Not to my displeasure I did not go to Guatemala and never heard about it again.

As it happened I stayed under the Reagan administration for another year in Chile, but after the elections were lost by Carter there were some articles in the *New York Times*. There was a group of two or three people, the transition team, which was appointed -- I don't know by whom -- and this team leaked to the *New York Times* that they had a hit list, starting with Bob White, to no one's surprise [Robert E. White, Ambassador to El Salvador] and the former Ambassador in Uruguay, Larry Pezzulo, Ed Masters and myself and a number of others, we would all be removed. This was fine, it was time to do something else anyway.

The new administration came in and I would say that the first -- if my memory does not betray me -- the first member of the cabinet to be sworn in was Alexander Haig because they needed the continuation of foreign policy. He was, I think, confirmed on a Wednesday, sworn in on a Thursday and on Friday I had a call that I should report to the Department to see the Secretary on Monday morning. I went, not knowing what was in store. If they wanted to fire me there was no need to see the Secretary, he could do that by a little telegram. Already Pezzulo [in Nicaragua] had lost his job. Saw the Secretary Monday morning. I had known Secretary Haig when I was handling Spanish base negotiations for Alex Johnson; he was the contact man on my level, for Kissinger. He was a colonel in the White House. He was very nice, very competent. I did not know him well, but we knew each other. I came in on Monday morning, he said, "George, I'm glad you came for as you know my first chore is not to worry about who is going to be ambassador in Great Britain or in France, my chore is to worry about who is going to be ambassador in Salvador because the first thing I did was fire Bob White. You know you have such a good record, bipartisan record, and Walter Stoessel, who is going to come as my deputy, Phil Habib, and a number of others from both administrations, both Carter and Nixon, say you are the right man to go to Salvador." I was very surprised. I said, "Yes Mr. Secretary, I would be very glad to go to Salvador. Are you aware that I have a strike against me?" He said, "No, what is your strike?" I said, "I was proposed by the Carter administration to go to Guatemala but I was rejected there so if you send me to Salvador you will look bad domestically because you are using a Carter retread, and don't you want to have a fresh face there? The Salvadorans knowing that the Guatemalans rejected me would not be very pleased with this assignment." He said, "Gee, I did not know about this, do you think it would make a difference?" I said, "Yes but I will leave it up to you." He thought for a while and said, "Well, maybe it is better we don't send you." I said, "I would like to know what you have in mind for me for I have a very interesting offer from Mr. Rockefeller to run the Americas Society and the Council of Americas and I have to give him an answer." He said, "Could you ask him to wait until the 15th of April and I can assure you that by the first of April I will have an answer. Joan Clark is coming in to be Director General and she will call you by the first of April to tell you where you are going as we want to keep you."

So again I am telling you this because the strands had gone back saying that I could handle the military, I could handle dictators. And in fact I dealt with Franco, with Stroessner, with Pinochet and was supposed to deal with the Guatemalans. Joan Clark called me on April 1 and said, "Well, we have a job for you. We are going to send you to Panama." She laughed. It was a very unpleasant military government. It must have been Torrijos' at the time. Well, as it turned out, it is a different story which has no bearing on this, I never went to Panama because the Department had to change personnel and I wound up in Venezuela with no regrets.

CHARLES W. GROVER
Deputy Chief of Mission
Santiago (1978-1982)

Charles Grover was raised in Gloversville, New York. He earned a major in American History from Antioch College in Ohio and then received his master's in history from the University of Oregon some years later. He joined the Foreign

Service in 1956 and in 1971 served as principal officer in Medellin, Colombia. In addition to Colombia he was posted to Bolivia, Spain, Brazil, Chile, and Ecuador. Mr. Grover was interviewed by Henry Ryan in 1990.

Q: There were efforts at family planning in Brazil, sort of slightly sub rosa but in fact I believe with some official backing but never with powerful force in the country, and never controlled the population growth much. But after Colombia...you left in what year?

GROVER: I left in '73 and came back to the Department for five years, all of it spent in management. Two years as Deputy Director of the Latin America Bureau, that is, Deputy Chief of the Administrative Office in Latin American Affairs. And then three years in central personnel as branch chief of middle grade political officers, of which there are about a thousand political officers that the three of us tended as the counseling service. Then after that I went from there to Chile as DCM in 1978, and from there to Guayaquil as Principal Officer. In Guayaquil I swapped jobs with Wade__ (?) Matthews who had been the Consul General in Guayaquil and was very interested in becoming the DCM in Chile.

Chile, of course, is a whole different set of problems and it was not a very happy period in our relationships. If I was in Spain at mid-Franco, I was in Chile in mid-Pinochet. They were not very happy times in our relationship. Most of the diplomacy of those years was based upon--I guess you could summarize it as Letelier diplomacy. We were trying to get the extradition of the Chilean public officials who were seen to have the smoking gun in their hands. A smoking gun, that is figuratively speaking, because Mr. Orlando Letelier, who had been the ambassador to the United States from Chile and former Chilean Foreign Minister had been assassinated at Sheridan Circle by a job cooked up by the...

Q: This is tape 2, side 1 of my second interview with Charles Grover. We're talking about his tour as DCM in Chile.

GROVER: Well, I think our need to get the extradition of those Chilean officials who were the Manuel Conteres, the head of the Chilean secret service, Housa__ Espanosa(?), and Mr. Fernandes. Three Chileans who were seen to have a smoking gun on the Letelier assassination here in Washington. That was not a winning hand to hold because Pinochet was not about to admit that the government was involved, in the first place. And in the second place, it would have been very difficult if the local government were able to admit culpability in the first place, to see nationals extradited. That's always a problem. However, we were assured by the Chileans that this case would receive the full attention of the Supreme Court. To make a long story short, in the course of about two years the case was reviewed and found wanting the extradition request. There were a lot of details, and I think the book written by Taylor Branch on this subject is essentially correct as far as I know. He covers more ground than I'm personally familiar with, because he deals with all aspects of it, including part of the activity of the Chilean government seeking to get diplomatic visas in Paraguay. Coincidentally during the time that George Landau was ambassador in Paraguay. He was later ambassador during my time in Chile. It's a very complex case but clearly the Pinochet government, and the conservatives on the Supreme Court, who controlled the Supreme Court, were not about to permit, or admit, the responsibility. Perhaps that was foreseeable. And whether or not there was any...I don't think there was any need for instruction

between the Pinochet government, the executive branch, and the supreme court and the legislative branch. I think they were alike on the issue. It was something that the government could simply not admit that it was involved in, even though it had been caught with the gun smoking so to speak. The case is so complicated that I don't think there's any real need to go into it in detail, except to say that they did agree to the extradition of Mr. Michael Townley, the American, who was at the center of the conspiracy to assassinate Letelier. Townley was deported, brought to the United States, and agreed to cooperate. The case was based upon his confessions, which of course involved a plea bargain which the Chilean government insisted impugned the whole process. But in any event, two years passed pressing that and clearly the answer was no. The Supreme Court said there would be no extraditions, and that was that.

Q: What were the other major issues between the United States and Chile at the time? How were the relations, aside from this very important issue with the Pinochet government?

GROVER: The Pinochet government was sort of hoping that this issue would go away, and it couldn't go away. It was too important. So they were prepared to cooperate on most other issues, somehow or other, thinking that maybe it would go away. Most of the things that we had--we had bilateral interests on, they were more or less cooperative. But this was the overriding issue in our relationships, and when the final decision was issued, that there would be no extradition, which was pretty obvious earlier in the game. The Department of State decided the only access it had to the problem was at the post itself, and of course they decided they would reduce the post and lower the level. So the first six months of 1980--this is the end of the second year--we sent home 25 percent of our staff and their families, and closed out several of the missions including a truncated MIL group. That was just there to oversee the pipeline on military assistance which itself had been terminated back in 1976. The Peace Corps, which...

Q: Why was it terminated in '76? It was no longer necessary, or was it a political gesture?

GROVER: No, it was as a political gesture, and I'm trying to recall now whether it was principally...I think it was Pinochet saying that he would take no more under the circumstances that were set for him. And I've forgotten what those circumstances were. But anyway by the time I arrived in 1978 there was no new military assistance for Chile, but there was a moderately substantial pipeline. So there were still maybe a half a dozen people in the MIL group. There were always a sizeable number of people in the House of Representatives and Senators who were prepared to sign letters to Pinochet, sign letters to the Department of State. Chile was a political issue in key areas in the United States among individuals at any rate. And the result was AID was closed off except aid through private organizations, but without regard to, not through the Chilean government. And that was terminated also, or at least the personnel were terminated. Actually I think the Catholic Relief, the Seventh Day Adventist, and CARE still retained a degree of program but without AID supervision. The AID mission, which maybe had five or six people, and as many local employees, closed down completely by June of 1980. That was the terminal date by which time all of these elements that we were going to send home would be off post, and that included people at the embassy, it included USIA employees. I don't think there was a single part of the embassy, with the possible exception of the Marine Guards, that did not lose people through this reduction, which of course, made it even more difficult to perform the job at hand. We lost a person in the political section and of course it was the person who had been assigned particularly to

report on human rights violations. That was assigned to somebody else. He wasn't caught because his function was human rights violations, but that's how it came out. He was the additional person so that had to be handled by someone else. You cut down on a number of people, and despite what some people say about the Foreign Service, you really do cut down on the work that they can perform. We also cut down on our associations with Chileans. I mean we sought not to associate...I can't give you the specifics, I don't recall well enough, but we certainly made every effort not to associate overtly with the military, and with others. It was just how the post was structured. So in some regards there was less work to do too.

Then we got to 1981 and the Reagan administration replaced the Carter administration, and the Chileans were persuaded, for some reason, maybe they had some association with the Republican Party, that their relationship was going to be different. And, indeed, the notion was that the Reagan administration was going to try to see some positive element in the relationship with Chile until it was proven that this was not worthwhile. But there was the expectation there would be performance, that the Chilean government would be forthright in some regard or other on the Letelier affair. And they never were, so the Republican administration ended up essentially where the Democratic administration of Carter had, in considering Chile as something of a pariah. So we were fewer people, but we were doing fewer things; and being in the Foreign Service, when you're trying to persuade people who are good at what they do, and want to do things, that they shouldn't try to do too much. That was the nature of being DCM in Chile at that time. It was a negative role, well deserved I might say, somebody had to do it because I don't think there was any other posture for the US government to take at that point.

Q: What was the condition of the left wing? Were we at all concerned with that at this point which obviously not too long before had been a matter of great concern during the Eisenhower years?

GROVER: I don't think we were too concerned about the left, I think our principal concern was polarization. That unless Pinochet was a little more accommodating to a democratic process, that the situation was going to polarize, and that that strong Chilean center would have to choose between the right or the left. But actually that never really happened. I think that Pinochet was so tough, and the occasional act of violence on the far left were so frightening, that people were frightened into retaining a center position. Part of that may have been due to the fact that the economics of Chile for most of that period went very well. So as long as there's a degree of relative prosperity, the circumstances for political polarization don't exist. I would have sworn that the Franco regime in Spain could not just fade away, but it did; and it did, I think, because of decisions that were made by ministers and a kind of economic prosperity. That I think was a big help as far as both Chile and Spain adjusting to different circumstances.

Q: And Chile has quite a sizeable middle class for a Latin American country.

GROVER: For Latin America, I think it does. Traditionally it has also the largest communist party, percentage-wise. It's probably as sizeable as any communist party in South America. It also has a socialist party. Allende was a socialist, not a communist. The communist in Chile, at least, followed slavishly the Soviet line. The socialist didn't. They were probably more committed thereby to a revolutionary line than the communist were because if it was a period of agreement between east and west, as for example during part of the Nixon years, then the communist in Chile

would be less revolutionary, but not the socialists. The socialists saw the hallelujah days of collectivism ahead. They were always, at least Allende's brand, always had a very strong view of something coming, but through an evolutionary process. I don't know if you remember the interview between Allende and Regis DeBray, whom we found in the Bolivian jungles, in which Regis DeBray, I think, put in his book Revolution in the Revolution about the Chilean experience, and Allende was saying, "We're going to have a revolution, but we're going to persuade people to do it, and we're going to do it through a legal process. We're not going to do it through violence, that would ruin it as far as Chile is concerned."

So traditionally in Chile the far right was very strong with perhaps about a third; and the far left was fairly strong; several parties making up about a third; and then the middle about a third also. One would expect with outrages occurring in Chile between the Pinochet government on the one hand, and mysterious organizations allegedly of the far left, leaving murdered people on the street, that somehow or other politics would polarize. But that didn't happen, and finally Pinochet stayed around so long that even many of his own supporters were persuaded that we have to enter into a transition and supported the elections that took place last year after Pinochet himself had lost the plebiscite the year before. And I must say throughout this period, beginning in 1978 there began to be a little bit of electoral process. And Chileans love the electoral process. In 1978, after Pinochet submitted to pressure from labor unions; and permitted some elections in labor unions, as soon as that took place, elections took place in private organizations all over Chile. There had not been a single election from the time of the Pinochet takeover in 1973 until that point, but once Pinochet permitted it, then suddenly people began to have their own elections. And then, I guess, one can say it would only be a matter of time. But the old man couldn't hold on forever. He did hold on for what, 17 years or so.

Q: Yes, he didn't do too badly on longevity.

GROVER: Yes, but whatever the case, Chileans love elections, and I think you can count on them to be accurate in rendering the ballot. When Pinochet's constitution was up for popular plebiscite in 1980, he got 67 percent of the vote. And I think the campaign that he ran was rather skewed, but as somebody said, he also lost 37 percent. And that's true. His campaign was based on the fact that people would say, "What if we don't accept your constitution? What then lies in store?" He said, "Why should I say." In other words, for Pinochet his approach towards the plebiscite issue was, "As far as I'm concerned you take me or we go off the edge of the world, and you'll have to imagine." So a lot of people in that 67 percent were reluctant voters. They didn't see what the alternative was. There was no institutional base in Chile at that time to resume, without Pinochet, an electoral process. So that 37 percent that voted against Pinochet was really a very large percentage. If Pinochet had said, "Well, if I'm not here, we'll do the following and set forth a process which would be mutually acceptable to all parties," Pinochet could very well have been out in 1980, but it wasn't in his interest to set forth an alternate because he had his own plan. Why should he?

The real lesson of this particular parable is that the Chileans will count the ballots right. They really do have, even though their democratic process has been disrupted recently, they do have a long process that goes back to independence. Its had only occasional disruptions, although this disruption was by far the longest in their history.

What else can one say about Chile without getting into too much of the details. For my own personal point of view, it was probably the least happy assignment because of the circumstances involved. It was always a case of trying to rein things in, rather than having an ongoing and open association with people. I mean, people who wanted to do business with the United States, you'd have to simply say, "Our relationship at this point is cool. We cannot do that."

Q: Chileans wanted to do business?

GROVER: Do business in various levels, I mean business, not in the business sense, but in the association sense. The Chileans, including people especially in the Chilean government, hoped that we would drop our obsession, as they saw it, in the Letelier case. And we told them, "How could we possibly do that? We have a major law and order problem involved here that seems to be sponsored by a foreign government." And I must say that whereas the government held tough on this, I do not recall any Chilean ever saying, or ever choosing to deny that the government was involved. The evidence was altogether too overwhelming for that. It was there for everyone to see. It was a dilemma that the Chileans chose to try to forget, and that we simply could not forget. Even if we wanted to go on in other cases, we had an active legal litigation taking place in Washington, DC, with Michael Vernon Townley, some Cubans being tried in the District courts here; and ultimately convicted on the first round-- this is the Cuban part. Michael Vernon Townley had already made a plea bargain and had been sentenced. He was principally culpable but he was also a material witness in the case. And the Cuban, one of whom I noticed just came out of hiding after 12 years, and was sentenced yesterday. One can hardly describe them other than Cuban gangsters, sort of underworld figures that were hired by Townley & Company to actually do the job. although Townley was the bomb expert himself, and had set it in the car. There was litigation in the District of Columbia courts on this, and there would be for two or three years. How could our relationship be other than very restricted with the Chilean government.

At the same time Chile is such a lovely country, about an hour between the ski slopes and the coast, and all that wonderful sea food. So Chile is a nice place to be, even though the job wasn't the best in the world.

WADE MATTHEWS
Deputy Chief of Mission
Santiago (1982-1985)

Wade Matthews was born in North Carolina in 1933. He attended the University of North Carolina and received a bachelor's degree in zoology in 1954. After graduation he joined the army and then went into Law school before joining the Foreign Service in 1957. He has served in Trinidad and Tobago, Peru, Brazil, Germany, Mozambique, Guyana, Ecuador and Chile during his service career. He was interviewed in 1991 by Charles Stuart Kennedy.

Q: Well, let's move off now you are talking about going to Chile, from when to when?

MATTHEWS: I was in Chile from June of 1982 to August of 1985, a little over three years.

Q: What were you doing in Chile?

MATTHEWS: I was Deputy Chief of Mission. For the first couple of months I was there I was chargé d'affaires because we were between Ambassadors and I turned the post over to another chargé d'affaires when I left.

Q: Who?

MATTHEWS: That is an interesting story in itself. I received a list of vacancies at my appropriate grade. At the time I had been promoted sometime when I was on the Central American desk job, a fairly rapid promotion after a very slow promotion from 0-4 to 0-3. It was from 0-3 to 0-2 which is counselor of embassy rank at the present time. I think the position became that rank about a year or so later when they made the switch. Among the post that were opening that summer in which I thought I would have some interest was Deputy Chief of Mission in Santiago, Chile. At that time, I had no idea. I knew the current ambassador, George Landau who at that time was leaving, and at that time, I didn't know who was going to take his place. I don't think the decision had been made at that time who was taking his place. I put that on my list of a very small number, about three posts that I was interested in. Shortly after I mailed that in, I got a call from Charles Grover, Chuck Grover who I had replaced many years before many years ago in my first assignment in the National Education Exchange Service. He said, "I know the consul general at Guayaquil is open. Tell me about it; I am considering applying for it." I told him about it and said, "Chuck, oddly enough I am considering applying for Deputy Chief of Mission in Santiago, tell me about it." And he did. He still did not know at the time who was going to replace George Landau. Shortly thereafter I heard that James Theberge, a political appointee who had served as Ambassador to Nicaragua up until just about the time I took over the Central America desk. He left really a week or two after I took it over in '77, was going to be Ambassador. I had met him and talked with him, of course, when he returned to the United States. I had just to keep each other informed, he was the Republican national committee man concerned with foreign affairs in the Carter administration when the Republicans of course, were in the opposition. We found it useful to keep each other somewhat informed about what was going on in our respective areas of expertise and he was quite interested in Nicaragua having just completed two years as Ambassador there. I found out he was going; I did nothing further at that time. I got a call from him a week or two after I found that out. He said, "Wade, would you be interested in going to Chile as my Deputy Chief of Mission?" I said, "Well, Jim, oddly enough, that is one of the three posts I put on my reference sheet. Bottom line, I suggest if you are interested in having me, tactically it would be a bad idea to say so at this time. Yes I'd like to go. I'd be interested in going, but tactically why don't you wait until you find out if I am among the choices that they give you because logically I should be, but there are a lot of people applying for this. If I am, you can say "gee" you're elected. I'll accept this character, Matthews. You guys owe me one instead of asking for me and they say, okay, you owe us one." He said, "Good tactic," and I understand he did that.

Anyway, I went to Chile as Deputy Chief of Mission. Chuck Grover came to replace me as consul general at Guayaquil. We changed jobs where we didn't have anything to do with direct

negotiations for changing jobs. It was through the system.

Q: OK, let's talk about the situation in 1982 in Chile.

MATTHEWS: In 1982 in Chile, we had the Allende years terminating with his overthrow in 1973, about nine years prior to that time following which with the military government there were some serious human rights violations and almost a civil war in Chile, but it was put down by the military in Chile, in some cases rather brutally. Not a massive number of people killed. As well as we could determine, in the immediate military takeover and shortly thereafter and over the years there were very few, a total of about 700 people lost their lives in Chile. Mostly through elimination by the military or through guerrilla attacks and warfare. In some cases it was provoked by the individuals; in other cases they were simply eliminated because they were simply too dangerous or the interrogation was more harsh than it should have been and they lost their lives in that way. Not a huge number, but nonetheless there had been some problems. After that there were a couple of years of sort of bumbling around. Pinochet, though he had not been known as a non-statist, seemed to have a rather statist viewpoint took the advice of the so called Chicago boys, people who had been trained under the University of Chicago in free market ideas and improvement, that sort of thing. They came to him with an idea, this is how you should reconstruct Chile.

Their idea was a rip roaring success but there was one major problem. They pegged their exchange rate too closely to the dollar. Things got outrageously expensive in Chile. Exports plummeted because of this artificially high exchange rate and the economy went into a recession. There were a lot of vacant stores. The unemployment had risen by the time I got there to at least 15% up to 20%. It probably got as high as 25%. We are not talking about a subsistence economy where 25% is ho hum. This is Chile, which is accustomed to a rather high rate of employment, low unemployment, so there was a significant crisis in the government when I got there. The questions were, had the free market experiment failed; were the policies not going to be successful, or was this aberration largely caused by an artificially high exchange rate. It turned out the latter was the case. The economy remained in sort of a crisis state the first year I was there. They stuck to their guns about the free market principles. They freed the exchange rate or allowed it to float essentially. The peso was devalued substantially and the economy by the time I left was improving rather nicely, and the public dissatisfaction which was really threatening to the government at one time with demonstrations against it and bombs being set off on the subways and elsewhere seemed to be ameliorating. That is what we ran into when we got there.

Q: How did Ambassador Theberge run his Embassy?

MATTHEWS: Theberge got there several months before I did which was under the circumstances probably good because he was the sort of a person who clearly wanted to be in control. He would talk about policy as he had in our lunches some time before, but he wanted to be the one who made any suggestion of policy direction or policy change out of the Embassy in Santiago. He was oftentimes a conservative Republican; on policy he wasn't. He was a middle of the road Republican; he was a George Bush Republican, a middle of the road Republican as the Republican quadrant existed at that time. He had strong ideas on policy; happily and I suppose he knew this when he invited me as DCM, his ideas on policy did not differ substantially from mine. His basic idea for policy toward Chile was basically very similar to my policy and the policy we had

suggested in Central America at the time. You don't try to push the people who are in charge out. You try to make the people in power think as you do and think it is their best interests to make the same changes as you do. He was fairly free market. He was against state control, but so was the government of Chile. He was for a return to democracy as soon as prudent. He felt we could do this, and I felt we could do this as well through cooperating and gently nudging the government rather than confronting the government.

On the other hand there were rewards for moving in that direction and there were sanctions for clearly not moving in that direction. Both our tasks would have been fairly easy at this point. After all, we had a Republican administration in Washington. Theberge had very good contacts with Bill Casey at the CIA. He had some other good relations with others in the Republican administration. The main problem was Nicaragua. Nicaragua we all know, I don't want to get into that, what was happening with the Reagan administration and the contras in Nicaragua. Elliott Abrams was the Assistant Secretary for inter American Affairs. Elliott and other people in the administration in Washington at the time felt that you have got to give the Democrats and you have got to give the left and the intellectual circles and so on, you have got to give them a bone that you throw to them if you are going to keep them from attacking the more vulnerable news of the contras and what they were doing in Central America.

Now, in contrast to the view of the Carter administration when it came in, Central America was the dog wagging the Latin American tail and not the reverse. In order to stave off criticism from the left on our rather pro right policy, if you will, in Nicaragua, Chile was not that important to us and therefore you could dump on Chile a little even when logically you shouldn't have. If there was some reason to dump on Chile, you could do so to protect your flank in Central America. That was our major problem. Elliott Abrams felt at times we weren't cooperative. We were recommending against an anti-Chilean statement or vote or something of that nature. We felt that Chile was moving, though slowly in the right direction, and if you upset the apple cart, if you did as we did in Central America and backed Pinochet up too far, he might say to hell with this, we can get it anywhere.

Q: What were the Embassy's relations with Pinochet, personally and then with the government?

MATTHEWS: My relations with Pinochet were really nonexistent. Oh, I had been to some ceremonies with him. I had exchanged a couple of words with him on a couple of occasions. That was roughly the extent of it you know. I sat ten seats removed from him at a couple of ceremonies as well. Pinochet did not attend National Day receptions. He was not a terribly sociable individual other than intimate friends and relatives of his. He was a very stuffy rather starched shirt. Essentially honest. Oh there was a little hanky panky going on probably, but not much. He was basically honest and made his decisions on what he thought was basically good for the country. A very different person from Somoza in Nicaragua some years ago.

My boss would accompany visiting dignitaries to call on Pinochet with the exception of Dick [Gen. Vernon?] Walters. Dick Walters was the only American who had a more or less first name relationship with Pinochet. He came down a couple of times. When he needed somebody to go in and talk frankly to Pinochet and joke with him and tell a few off color stories. Dick Walters had known Pinochet way back when he was a colonel or captain or god knows something in the

military, long ago. He was the kind of person who spoke fluent Spanish of course, along with five or six other languages. Dick Walters always insisted on making those calls on his own, not with me, I wouldn't have gone anyway of course. He always made these on his own and he was about the only person who could get away with it without wasting a trip. The Ambassador should be in on the conversations even if the Ambassador is one of the note takers, he should be there. So Dick was the exception. Otherwise, Pinochet was accessible only to persons of adequate rank and background. Every businessman, every human rights crusader, every Congressman who came down, we had a lot of Congressmen come down, did not get in to see Pinochet.

Q: Other than keeping Chile from becoming the token punching bag for the left wing in the political United States, and protecting it from getting too involved, what were your main concerns?

MATTHEWS: Oh, we were pushing the U.S. policy to encourage an orderly transition to civilian government incorporating at least all non-communist areas of the body politic. Some communist areas, lets face it, were affiliated with some of the existing political parties. The communist party per se was not a threat. Its activities, at least while I was in Chile were not a threat. They are still not. Chile, unlike some other Latin American countries had really been inoculated against radical communist revolution by the Allende experience, including partisans of the Allende cause. People who were 100% with him said well, we made some mistakes. We moved too rapidly. We probably shouldn't have even moved in that direction. We should have moved much more slowly. We think that state control of the means of production is a good idea, but it would have to be a lot more gradually and with much more consensus. Allende was trying to do it much too quickly. These are all accepted. They literally outlawed people who were throwing the bombs around. There weren't too many then. That was the political scene. Now what do you do?

We encouraged the government through every extent we could, through all our programs to continue moving toward democracy. There were some moves toward democracy but they were rehearsing it while we were there. The opposition was tolerated. There were three opposition weeklies published. Two most of the time I was there, no opposition daily newspapers. They would attack Pinochet roundly, they would attack the government roundly. They were not terribly influential; the circulation was not too large, but their editors were not picked up and thrown in jail, and they were allowed to publish. The daily press was sort of pro Pinochet but also pushing the same line we were. We had good relations with them; they were pushing for the same sort of things we were.

Many of the cabinet members were also pushing for the same sort of things we were. Some of the cabinet members, some of the military were dubious that Chile could make any sort of a rapid transition. They were talking about 15 years to transit to democracy maybe. Of course, we felt that we could go much more rapidly than that, and in fact it did so. We had very good contact with and private lunches with the leading opposition people including the two men, the first immediate post Pinochet president and the current President of Chile. They would attend our receptions and were invited to our parties. I sat in on one very informal session of a Christian Democratic basic sort of a policy section. The Christian Democrats operated legally if informally. They were not really recognized as a party. Political parties were not formally recognized. They operated every way shape and form like a political party except they couldn't expand themselves because there were no

elections. They couldn't have a legal status as a political party at the time. They were referred to as the Christian Democratic party and Gabriello Valdez was the chairman of the Christian Democratic Party.

Patricio Allende, who was the first President of Chile after Pinochet, was the lawyer for the Christian Democratic Party. If I had to make my choice as to who I would like to see as President of Chile as soon as Pinochet allowed this to happen or if something happened to Pinochet, I would have picked Patricio Allende as my favorite. I didn't think he could be president, He was not enough a rabble rouser, he was not quite far enough to the left. His relations were relatively good with the military. Therefore I thought the Christian Democrats would not support him. Also he was a little bit older than some of his equivalents in the directorate of the Christian Democratic party. We all believed that the Christian Democrats depending on what sort of trunk, what direction things took after Pinochet, were one of the two most likely successor parties to represent them. One direction would be if a more pro military government, a group that had cooperated with the military they would have good political potential free market types. We thought that was at least a 50% chance.

Basically to summarize, our tack was twofold as far as our major purpose in Chile, one, encouraging the government to move toward democracy, and two, encourage the democratic opposition to collaborate sufficiently with the government in this transition so the military government would not feel they were going to be kicked out on their posteriors with charges brought against them, therefore they would hang on for dear life to the bitter end. To be honest, I think we were successful in both those endeavors.

Q: Were there any other embassies in Chile at that time who were playing somewhat the same role or had the same prestige or clout?

MATTHEWS: Same prestige or clout, absolutely not. Same role, yes, the British played a very similar role. A number of the ambassadors informally and without the concurrence of their governments played a similar role in their contacts, some of the European powers basically. Most of the Latin American powers were playing the same sort of role. The Brazilian Ambassador...

Let me explain something. I got to know, though Theberge was very different from my first ambassador, Max Krebs in Guyana, he was quite jealous of his prerogatives. He did not want a DCM going and doing the sort of things he thought Ambassadors should do, which essentially meant contact except when I was Chargé on a number of occasions. Contact with the Foreign Minister. Contact with most of the other ministers. Contacts with members of the Junta although I did have lots of contacts with at least three members of the Junta. It was a four man Junta, so at least three but not with Pinochet. That is it. Pinochet was a little aside. Very circumscribed contacts with certain individuals that he felt to be his contacts. Now this was good and bad. It was good in that you didn't spin your wheels and confuse the people as to who were the contacts. It was clear that the ambassador was the contact, and he represented the U.S. government. I was the channel only when the ambassador was out of the country or when the Ambassador so instructed me. That was no problem, nothing wrong with that at all. It was bad in that, it was frustrating to me in some cases because I had to constantly say now am I going too far or not far enough, and I could have just been a cycle and managed the Embassy.

We had a very qualified administrator who was taking over managing the general works of the Embassy, and the ambassador particularly wanted to coordinate the activities of the Agency [CIA] and the defense attaches and the commercial attaches. We had two deputy commercial attaches. He didn't care much about the Department of Agriculture and the DEA people, this, that, and the other. He said, "You handle those guys," but the others he particularly wanted to. So I had to make sure that I didn't overstep my bounds in dealing with those people.

Traditionally the American ambassador had been a member of a very informal organization that embraced a lot of people of different political persuasions. Though not radical, it tended to be on the conservative side, it had some opposition members of the Christian Democrats in the club called the Club de Fieros or Club of Fires. They would meet Friday for lunch, and the lunch would be a long drawn out affair with a cake and this, that or the other around a huge round table. There were usually about 25 people in attendance. We would debate anything that struck us. Anybody could bring up a theme, it was very informal. The discussion would be hot and heavy, argumentative and so on, always in Spanish of course. It contained people, for example, I think the number two in the Air Force at the time of the military takeover, a couple of former senators from the Allende regime, a former Congressman, a couple of business people but politically attuned, and about five or six Ambassadors. I was the only non ambassador foreigner who was there. I was invited to join because Jim Theberge felt this would be a little beneath his dignity. The American Ambassador should not be as approachable and participate in that sort of thing to the extent that I and the other Ambassadors were willing to do. That he should hold off a little because after all he was a special Ambassador, the most influential Ambassador around. So, he didn't want to be a member. Since he didn't want to, they turned to me and said, "Would you like to be a member?" I didn't always do for things of that nature, but since he clearly had turned them down. He had no objections to my being a member. I would tell him little tidbits I would get. Anyway that was a good channel of communication to a lot of these people, because these people, there was one of the most influential newspaper columnists for example in Chile, tended the opposition there. The British ambassador was a member, the Argentine ambassador, the Peruvian ambassador, those are the countries you need to be around. The Brazilian ambassador, other Europeans, the Spanish ambassador. That was about it I guess, and myself. There were people from a variety of political persuasions. One of the directors of the Christian Democrat party, Pacheco was his name, one of the most influential persons behind the scenes I would say in the Christian Democratic party at the time. There was a socialist, but you know, a moderate socialist. We discussed a lot of things and I found that a very useful entry into a lot of other things, freewheeling discussions. I tried to attend whenever I could.

Q: Well, from '82 to '85 did you see any discernible change in the Pinochet government, in its direction of what it was going to do?

MATTHEWS: Yes, Pinochet's attitude, the economic crisis and the ensuing political developments, the rise in bombings, that sort of thing, his natural inclination which he indulged in you understand was batten down the hatches and not make any movement toward democratization because that would be interpreted as a sign of weakness. So it was difficult for movement to take place, but there were other countervailing forces on him and as the economy got better we began to see some movement in that direction in the latter part of the time I was there, the last let's say year

I was there as the economy was improving. It was clearly underway, and we felt it could be helped along by encouraging more progress in the direction that was being taken and saying fine progress; let's keep it up and if anything increase it. There were elements in the U.S. government as I say that would harp on other items to the exclusion of that. As it turned out, he did continue, and Pinochet didn't need to be pushed that much harder. He felt that his long term survival and his legacy that he wanted to leave Chile was in that direction.

Now Pinochet is not going to be remembered as the George Washington of Chile by any means. Bernardo O'Higgins has that role already. Pinochet is looked at by many as the person who interrupted Chilean democracy and the person responsible ultimately for those roughly 700 or so deaths which are badly exaggerated. People talk about thousands of deaths. We checked into it as well as we possibly could and as I say, the number of deaths in the aftermath of the revolution and the course of the revolution was in the hundreds not the thousands. It doesn't excuse them all; I am certain there were many violations, but you have got to put it in the proper context. Could Chile's transformation have occurred with out the sort of military takeover? I don't think so. I really don't believe it could at the time it did. Chile was the leader of Latin America in this sort of thing.

Illustration, I was in Belarus for the department on business looking over the management of Embassies in 1992. While I was there I had occasion to have a brief conversation through an interpreter with the president of Belarus, not the current president, but the president back then. The conversation was on some moves toward privatizing social security and things like that. I said, "You ought to look at what the Chileans have done, not only on that but on a number of other things. They have anticipated the sort of thing you are thinking about doing some time ago. You really ought to send a delegation to Chile." He said, "We did. Chile is an interesting model that we are considering. Our delegation has been there," and I think he said a Chilean delegation has been to Belarus for that very sort of thing. He said, "It is quite interesting and we are considering that sort of thing." That is way over in Belarus.

Now in Latin America, other countries kept looking at what Chile was doing. They looked at the privatization. They looked at once the economy got back on the road, it happened in the last year I was there, much more so as the effect of it took place several years later, this became increasingly obvious all around Latin America, and I think Chile was a major motivation for what happened all around Latin America in ensuing years. Chile led the way. It led the way because the Chicago boys were given by Pinochet sort of free reign. They did more or less what they wanted to in the economic area and the area of government services, that sort of thing. It worked. Could it have happened if Allende had let's say if democracy had survived an Allende term which I think is very dubious and had the Christian Democrats returned, whatever party returned. I don't believe so because there was a lot of blood on the floor. I'm speaking figuratively here. Not literally. I'm not talking about those 700 people roughly who died in the revolution and its aftermath. I'm talking about people who lost their life savings, people who lost their secondary job for which they were being paid by somebody else who did their job because they had the union contract to do it. So the person doing the job actually got half the salary and the other half went to a person who just stayed home and collected it and maybe had another job on the side, all sorts of abuses like that. Could that have happened under a democratic government? Probably not. The people wouldn't sit still for it. Sometimes, though I am not an advocate of military coups and military takeovers, I am not at all sure in Chile, it would have worked without one.

Q: Did you have a problem with Americans visiting Chile who were supporters of Allende from or still smarting under what was considered Nixon's overthrow of Chile who wanted to come, either Congressmen or public figures and all who sort of wanted to raise holy hell and that?

MATTHEWS: Oh, minor problems. It was not a big problem. We had a number of Congressmen who came down, CODELS. I shepherded some around; other people shepherded some around. Control officers were assigned, too. Some were very helpful to us. Some were counterproductive. The type that I had very little respect for were those who came who said sort of mealy mouthed right things while they were there, didn't really do their homework, didn't check into things thoroughly, said basically unobjectionable things while they were there, went back home and blasted Chile in the process. They wouldn't attack us, well they would attack the U.S. government for not being forceful enough at pushing Pinochet out, and why can't we get rid of this guy and why can't we have nirvana tomorrow.

Some were extremely helpful. Bill Richardson was one who was extremely helpful. I went down and either I was his control officer or I was Chargé at the time, I don't remember which. Richardson spoke Spanish fluently. He came down there. We read his briefing paper thoroughly.

Q: This is now the present ambassador to the United Nations.

MATTHEWS: That's right. He was very helpful. The Congressman from Massachusetts who just resigned for health reasons. He was very liberal, very helpful to us. Tribble from Virginia, very helpful. He listened to us. He came and talked with us first. This is what we are trying to do. We believe you can be of great assistance to us if you will do A, B, and C. We did emphasize it with the government and the opposition along the lines I was mentioning earlier, and they helped us.

By and large, contrary to what I understand is oftentimes the case and contrary to my experience, most of the CODELS we had either were helpful or a watch. A few were quite negative and caused us problems. They were not insurmountable problems or big problems.

Other people, sure human rights delegations were a dime a dozen in Chile. Some would call on us; some wouldn't. Some we would run into in places where they didn't call on us, some wouldn't. Some wanted to talk with us, some didn't. They were if I had to put it on balance slightly unfavorable, not entirely. Some though they disagreed with policy and felt, they almost always take the short term view, unfortunately, the human rights types, and we tend to stand in the way. The world is black and white to put it into standard terms. I am not implying any racism here. Unless you put it in the white column, you get your signals mixed up. You don't discourage practices you should discourage in time. The other side is going to do a much better job. I don't want to put it in black and white terms. Some human rights groups that came down, delegations or individuals were somewhat helpful, others weren't. No more than 50 on a zero to 100 scale.

Q: How about the media coverage from the United States during your period?

MATTHEWS: Media tended to focus on the sensational. Sometimes they would give a good background article on knowing what was happening, but it depended largely on the credentials of

the correspondent. If you got a johnny come lately, a person who didn't really know much about Latin America, he would come in and do the superficiality. It was largely who got to him first with the most persuasion who got the articles. Or he had his preconceptions. It was mixed. We got some good media coverage, astute media coverage. Some people we talked to knew the story so well they didn't need to talk to us. They knew what we represented and wanted to form their own opinions, and sometimes they came out with some very good articles. Sometimes they didn't.

Q: Did you have consular problems with young kids and not so young kids coming down to change the world.

MATTHEWS: Not particularly. Chile was a place where people who wanted to change the world didn't stand out. A Chilean looks pretty much like an American by and large. There are different faces, some are lighter; some are darker. Blacks, Negroes, are few and far between in Chile. In fact there aren't any native to Chile unless they are first generation or second generation, very few, so they would stand out, but we had hardly any of them. None that I can recall at the moment except for a few vacationing Peace Corps volunteers. I think we did get Peace Corps volunteers in, the latter part of the time I was there. Otherwise a Chilean looks pretty much like an American so an American doesn't stand out. There may have been some problems.

There weren't any that I remember who got in bed with the Guerrillas or made contact. The guerrillas laid pretty low while I was there. Interestingly enough there was dialog of a sort in Chile during the Pinochet regime between radical elements and not. There was a scandal on the latter part of the time I was there regarding some opposition radicals who probably had been planting some bombs almost certainly and who were found with their throats slit. It turned out that a Carbanero group which is the national police group was apparently responsible for this. We are talking about three or four people. I recall one conversation that I found fascinating at a reception between a woman who had been a minister or deputy minister under Allende. Her son was one of these people with their throats slit. She upbraided the then head of the Carbaneros, who later had to resign about the fact that the Carbaneros had apparently killed these people. He kept saying, no, they hadn't and "the matter is under investigation and so on." It was a rather civil conversation, and this was an open political discussion. She had no repercussion on her. She obviously sympathized completely with her son. We are talking here about covert violent activity that had taken place.

Q: What about trade with the United States? What was the Embassy role? Any particular problems? I'm thinking of course when I interviewed Tony Gillespie, and he arrived just as there was a grape episode. How about during the time you were there? Let's talk about trade for a moment.

MATTHEWS: Yes, the grape episode I will comment on later. It didn't take place while I was there. Trade was very mutually beneficial when I was there. We had large exports of mining equipment. Chile had large exports of both copper, other minerals and fruit and salmon, Henry's salmon something cured down in the southern part of the country. Chile was developing its export industry very well. Mostly U.S. winter fruit. As far as percentage increase, it wasn't nearly as important as copper to the United States. Mutually beneficial trade was growing, growing rather rapidly. Investment was substantial. Investment in the mining field primarily, but it was beginning in the vineyards and that sort of thing as well. We had an agricultural attaché. Part of the time he

had a deputy. We had a commercial attaché and deputy commercial attaché. They were pushing U.S. exports to Chile. The Chileans were pushing exports to the United States.

The only problem in the trade area that I recall happened long after I was there aside from the grape incident which did not take place while I was there. There was publicity which the opposition press ran with photos and so on that the government was sending a Boeing 747 around once a month to load up on cluster bombs that were being produced by Cardling Industries. Carlos Cardling was a wealthy mining engineer who began to make his fortune in mining explosives and then he branched out into armaments and equipment of various sorts including vehicles and then real estate development. He was shipping cluster bombs to Iraq. We reported that, after all we were not experts on Iraqi-Iranian affairs. This was during the Iraq-Iran war. The Department looked at it and said, "Ho-hum." It turned out without our knowing it that zirconium was being exported from the United States for putting in these cluster bombs with these export papers saying this zirconium was going for mining explosives. Anybody who knew zirconium, I have never heard of zirconium while I was in Chile, I never saw these reports. Had I seen them, I wouldn't know what to make of them. Anyway the Embassy was reporting that Iraqi planes were coming once a month and loading up on cluster bombs made by Cardling Industries. The only negative vibe we got back from the Department was there was a rumor which we picked up about the same time as the Department picked it up and we reported it, that Cardling was going to start playing both ends against the middle. He was going to start to export cluster bombs to Iran. We were instructed to go over and tell Carlos in no uncertain terms that we would not look on that favorably if in fact that were to take place or was taking place. I believe one of the military attaches went over to deliver that message. Carlos said, "What do you think I am, a complete idiot?" He said, "A. I would be getting myself on somebody's assassination list if I were to do so rather quickly, B. I am perfectly aware that you Americans would not take kindly to that." After all the Iranians were really pressing the Iraqis at the time. It looked like Iran might take over Iraq. He had no intention of selling cluster bombs to the Iranians. Some years later after Saddam Hussein had attacked in the Middle East, this became a cause célèbre and with typical short term viewpoint, a federal prosecutor in Miami brought charges against Carlos and Teledyne industries for illegally using U.S. zirconium in these cluster bombs. I think Carlos was convicted in absentia and fined a couple of million dollars which meant most of his U.S. assets but didn't touch most of his Chilean assets. Teledyne agreed to pay a fine of a couple of million dollars, and some guy named Johnson who was sitting out in jail who was the salesman who is sitting out in jail in Phoenix, Arizona, the last I heard. There was a CBS 48 Hours program last July on this issue in which I had about a two minute snippet out of a two hour interview that I allowed them to have. I simply said we had reported this export to Iraq of cluster bombs and had never got any comeback from the government on that from a negative viewpoint, but I knew nothing about zirconium and I didn't think the Embassy did at the time. So that is the sort of things on commercial. Otherwise things went beautifully.

Q: Any other major developments while you were there?

MATTHEWS: In our reporting, we had a very qualified, during most of the time I was there, political counselor and a very astute economic counselor. Peter Whitney was the economic counselor. My major problems were controlling relations between the ambassador and them and keeping them on an even keel. He at times would I thought try to inject himself a little too much into the operations of the various sections. He at times could be a difficult person. At times I had

problems with him. There were a couple of times I seriously thought about asking to be relieved. By and large, I got along well with him. I think I cooperated with him as well as any person could have. In Nicaragua some years earlier, he had gone through his first two DCMs and more or less got along with his third one, but he was not easy for a DCM to deal with. I thought we had a respect for each other's opinions. I clearly regarded him as the boss, but I would tell him when I thought he was out of line. Sometimes he liked it, and sometimes he didn't like it, and told me in effect to mind my own business which was his prerogative. But he did tell me when I got there, he said, "Look, Wade, I'm going to run this Embassy. I am going to make the policy. You are welcome to tell me what you think, but once I say this is the way it is going to be, I expect you to abide by it." He said, "However as you know, I am not career of course. Your first responsibility is to keep me out of jail. If you think I am doing something that is going to get me in jail, I want you to tell me so, tell me quickly, and I want you to tell me what you think I ought to do about it." He said, "Don't hold back." So, I didn't. He never did anything that would get him in jail, but...

Q: Would that some other of our political leaders follow that advice.

MATTHEWS: He died unfortunately a couple of years after. I was a pall bearer at his funeral. I think he was playing a vigorous tennis game down in Jamaica. This was about the time I came back from the War College in '87. He died of a heart attack. I think he was in his late 50s at the time, a couple of years older than I am. Let's go back 15 years ago, I'm 64 now so yes about 50, and he would have been in his early 50s.

Q: Then you left Chile in '85. Did you feel satisfied yourself that Chile was probably going to move towards a democratic government.

MATTHEWS: Absolutely. I felt there was still a possibility that things could be screwed up by U.S. actions, but I thought if things continued on their present trend, a democratic government would be installed with some sort of tight military oversight for a few years probably about the time that it in fact did come in just a few years later. I was quite pleased at how things went. I thought furthermore, Chile could teach the United States its private social security system, the way I was mentioning at lunch with you, Chile encourages competition among government entities, how they did driver's licenses. As long as they allowed the local municipality to keep the revenue from it, you could get a driver's license or license plates anywhere else. Local municipalities competed to get more people to get driver's licenses or plates from them and they offered beautiful service. I thought they had a lot of things they could teach the United States. The economic counselor felt the same way. He reported in detail, a prolific writer and he had a couple of good staff economists, Chileans on his staff and he had two deputies who could also write well and he wrote rather hard; they didn't always agree with him.. So all these things got reported back to Washington and completely ignored. Chile could not teach the United States anything whatsoever was the attitude in Washington, and stop bothering to tell us that.

LANGHORNE A. MOTLEY
Assistant Secretary for Latin American Affairs
Washington, DC (1983-1985)

Ambassador Langhorne A. Motley was born and raised in Rio de Janeiro, Brazil. He moved to Alaska while in the Air Force, and later decided to stay. He was appointed by President Reagan to ambassador to Brazil from 1982-1983, and later became Assistant Secretary for Latin American Affairs from 1983 to 1985. Ambassador Motley was interviewed by Charles Stuart Kennedy in 1991.

MOTLEY: In general, in Latin America, during the 1983-85 period, there was a re-democratization movement. While Assistant Secretary, I went to more inaugurations of democratically elected Presidents than any of my predecessors going back to 1948. It was an exciting time, a wave. We in the Administration took credit for it, although I must say that I did it somewhat with "tongue in cheek". I was happy to take credit for it because if it had gone bad, we would have taken the blame. In fact, I am not convinced that we had that much influence. If you look at Latin American history, democratization is a cyclical phenomenon. It just happened that the cycles converged in Argentina and in Uruguay, in Brazil, in Peru, in Ecuador, and later in Chile. So we saw a wave of democracy sweeping the Continent. People would write tomes on it. I think a lot of it was cyclical.

Although each country will say that their experience is unique, there is no doubt that at least the press in one country is watching what is happening to their "brothers" in another country; that may lead them not to have as much revanchismo. These countries won't admit to any "domino" effect, but there is certainly a lot of looking at what is happening across the borders. Pretty soon, even someone like Pinochet feels the pressure. When military dictatorships in Argentina, Brazil, Uruguay and Paraguay all of a sudden fall and are replaced by democratically elected Presidents, Pinochet begins to feel more isolated and that could have influenced him. I don't know that for sure, but it is certainly possible.

Q: What recollections do you have about relationships with Chile?

MOTLEY: Chile is one of the neatest countries in Latin America. It is a wonderful place to do business from a commercial point of view. The people are delightful; the country is delightful. Southern Chile reminds me of Alaska. So I am really attracted to Chile. But during my term, I had trouble with Chile, primarily because Pinochet was such a hard-nose. It was in our interest to move him along; yet I was frustrated by what approach to take that would be successful. As I mentioned earlier, I don't think you can do it publicly with a guy like Pinochet.

The "shadow of the gringo" played both ways in Chile because Pinochet would say: "If you guys want me to do that, then I won't because I don't want to appear to be knuckling under". The leftist opposition, who were the first to yell about the "shadow" were whining and complaining that we should put more pressure on Pinochet. Gabriel Valdez, who was an international gad-fly and head of the Christian Democrats, was always the first guy to storm the American Embassy to protest our policies in Central America or elsewhere; the typical menu of leftists. Then he would insist that we should beat on Pinochet. That was a good example of schizophrenic attitude toward the United States; so "the shadow of the gringo" cut both ways.

I found Pinochet a tough nut to handle. I have never articulated this before. Chile eventually came

out of it after I had left State. Our Ambassador (Harry Barnes) and our Assistant Secretary (Elliott Abrams) were very forthright, but I didn't like some of the tactics they used. I thought they were of a nature that an American Ambassador should not use. Nor did I like some of the candidly gratuitous remarks and attitudes after it was all over in Chile that were taken by my successor and Barnes. Nevertheless, they deserved credit because they were in office when Chile deposed Pinochet. I found Chile a tough one to handle.

HARRY G. BARNES, JR.
Ambassador
Chile (1985-1988)

Ambassador Barnes was born in Minnesota and raised in Minnesota and New York. He was educated at Amherst College and Columbia University. After service in the US Army in World War II, he joined the Foreign Service and was posted in 1950 to Bombay, India. His other foreign posts include Prague, Moscow, Kathmandu and Bucharest. He served as United States Ambassador to Romania (1974-1977; India (1981-1985) and Chile (1985-1996) in addition to having several senior level assignments at the State Department in Washington. Ambassador Barnes was interviewed by Charles Stuart Kennedy in 2001.

Q: So you went to Chile from November 1985 and left in December 1988. Do you have any explanation why you were only offered South American postings?

BARNES: Well, there is a chartable explanation which I prefer to accept, namely that I had done, or been perceived to have done, a good job in India, and maybe I could serve equally well somewhere else. That is the first part of the equation. The second, why Latin America? Other than what I was told on the phone namely that were weren't any places in areas where I had background that were then open or would be open. My son-in-law had some Latin American background so I took advantage of being with him for discussion of the opportunities in Latin America. Of the several posts that I was told were open at that point, Chile seemed to be the most interesting. So, it's as simple or as complicated as that.

Q: Who did you replace? What was the situation in Chile when you arrived?

BARNES: My predecessor was a political appointee, Jim Theberge, who had earlier experience as ambassador to Nicaragua during the Ford Administration from August 1975 to June 1977.

Going back a little bit the military had taken over in 1973 under Pinochet's command in a coup that had overthrown Salvador Allende. The military government had remained very much in charge and had loosened up on some of the restrictions, but there was no question as to who was dominate and what the policies would be which were essentially autarchic, collaboration and early sympathy with by then fairly numerous dictatorial regimes in Latin America - in Bolivia, in Paraguay, in Argentina and Peru.

The policy of the Reagan Administration during the first term toward Pinochet was essentially one of understanding and tolerance that this was an anti-communist government, which the United States needed to support and if there were human rights violations, well the United States had to be understanding, quote, unquote, if it was required in order to handle the consequences of the socialist regime of Salvador Allende. That's about it.

The point that I was going to make here, was that just before he left – this was roughly September-October '85 - my predecessor gave a public talk in which he said a couple of things about the importance of human rights. This had not been his emphasis up to that point, so it was something of a departure, but I think it reflected his own realization that the regime was not anywhere near living up to some of the promises it had made about paying attention to human rights questions. Yet, there was no formal change in policy by the Administration, but that was perhaps one signal

Q: There was a book [1978] and a movie [1982] entitled Missing which dealt with the first years of the Pinochet coup and the murder of an American Citizen at the time of the coup. The movie particularly was not flattering to the Embassy. Where there any reverberations from these criticisms when you were there?

BARNES: This is the problem that Nat Davis [Editor's Note: Ambassador Davis served in Chile from 1971 to 1973] faced. In the general sense that the regime had been in place sufficiently long so that its behavior might have been expected have been modified, but hadn't been. So it was really sort of a recognition of the fact that this was still a very dictatorial regime, but more specifically about reverberations, no.

Q: How about the Letelier case? This is the man who was killed by a car bomb in Sheridan Circle in Washington, D.C. in September 1976.

BARNES: In policy terms it had been shoved into the background.

Q: So what were your matching orders when you arrived in Chile?

BARNES: What I saw was an opportunity to modify the policy. I thought the policy needed to be modified and taking into account some of the things you just mentioned, but in the context of not '73 but '85, so what I did was to develop, what should I say, an outline or a brief list of points which seemed to me needed to be basic in any further American policy dealings with Chile. One was respect for human rights. Second, was support for what I guess we called at that point market economics or at least an open economic system. Thirdly, there ought to be the conscience American policy of encouraging a return to democracy. What I did was essential shop that around both within the U.S. government and up on the Hill and was able to get a consensus that these were reasonable and perhaps important elements in a rethought American policy.

You remember hearing of an article the Jean Kirkpatrick wrote in Commentary about what she in effect said there are totalitarian and authoritarian dictatorships. From the U.S. standpoint, she wrote, "We can live with authoritarian, it may not be all that desirable, but we can co-exist with them. But totalitarian we have to oppose." Chile was put in the authoritarian category in her article,

which in terms of the definitions this was probably accurate. But the question I raised was: was this in American interest to maintain that sort of definition, at least in this particular case. I guess I would say somewhat to my surprise I found a much more receptive audience on Capitol Hill than I might have thought. I would have thought that the question by that time was seen as over or not that relevant. But I found people on the Hill that were receptive to it. Also within the State Department and the NSC I found a willingness to try out this sort of approach.

Q: How would you describe the human rights side of things and what happened while you were there?

BARNES: The regime had let up slightly on restrictions, for example, the press was able to raise an occasional question in the human rights context. There was some tolerance, I guess is the word I would use, for human rights related activities particularly those carried out by the Catholic Church. The then Cardinal in Santiago was someone who, should I say, sort of patronized human rights related activities using a church umbrella or church context. Partly because of the cardinal's encouragement, but partly also because of the work of people from the traditional political, non-communist parties, there began to be almost a movement or at least an effort to develop within Chile itself a popular focus on human rights concerns. A group of the traditional political parties, plus one or two which were new, but were adherents of the regime but not uncritical adherents of the regime, so it was a fairly diverse group. They came up with a declaration which they called the National Accord, which set out principles of human rights for the Chilean situation.

The Cardinal volunteered to take this Declaration to Pinochet, in the hopes that Pinochet would be understanding that something like this was possible or desirable in current Chilean history. Pinochet received the Cardinal and so many words told him, "You are nuts. This is not relevant. This has nothing to do with the needs of the country." And the conversation ended. So, that is one anecdote. A little before this I arrived at post. The Declaration came out, and the Cardinal's meeting happened a little after I got there.

Second point, from my standpoint in terms of my own activities, I had decided that I needed to say something in the traditional Ambassadorial address at the time of the presentation of credentials. I decided I needed to say something on the human rights questions. On the importance of human rights and made sure before I left Washington that the relevant people knew this is what I was planning to do so they would not be caught by surprise. What I did say was to quote Winston Churchill to the effect that nothing is more important than human rights except more human rights. Pinochet did not like that, as I found out in the succeeding weeks. I tried to pay the traditional ambassadorial calls on various government ministers; I could not get any appointments. The message was fairly clear that obviously somebody was unhappy with me. So I then decided to go see the leaders of the opposition. Which I did, and that seemed to be enough to break the logjam. I got to see the members of the government after that.

Q: Did you find any divergence among those ministers, or were they all under Pinochet's thumb?

BARNES: Well, they were all obviously responsible to Pinochet and Pinochet was not shy about exercising control. But after saying that for the most part the ministers for the most part were at least civil and in most of the relevant cases, for example the equivalent of our secretary of treasurer,

the minister of finance. They not only saw me when the logjam was broken, but continued to be prepared to see me from time to time, so I had pretty good relationships with just about all. I also was able after a while to see on occasion the members of the junta, that is, the other commanders in chief. Pinochet was chair of the junta, as it were, in his capacity as commanding general of the army. But there was an admiral, there was the head of the national police, there was the head of the air force, all were part of this government group, the junta. I was able to see them, the air force, the carabineros – the police, and the navy, particularly the head of the carabineros and the air force, I saw quite frequently and had quite open relationships with them.

Q: Did you find within the government a sense of disquiet about being a pariah state, or were they a pariah state?

BARNES: Not explicitly, there was no one who said, "I'm a minister in a pariah state." But in terms of what they were prepared to talk about, for example, as time came – this is jumping ahead a little bit - as time came for the plebiscite, which was Pinochet's way of trying to continue in power I was able to have quite open, quite frank discussion with the minister of the interior about the preparations for the plebiscite. How they were going to try to make sure people knew that their vote would be counted and not siphoned off.

Talked with the minister of finance about the problems of getting foreign investment into a country which had this pariah characteristic, so on the whole, pretty good.

Q: What about the opposition groups; were they completely excluded from power or did they have influence?

BARNES: There were four or five that were significant, the Christian Democrats, the Socialist, in particular. They had no formal or even informal role as far as government was concerned. There were a couple who had family ties and I think those were used sometimes, I think, to pass messages back and forth. What they relied on primarily, within clear limitations much of the time, was to use the media, particularly the print media. Occasionally newspapers or journals would be closed down by the government, but that didn't last too long and it became increasingly infrequent. The print media, as I say, were used primarily; the electronic media began to be somewhat more important in general in the society. But only one or two channels felt they could broadcast anything that would be seen by the government as "scurrilous," or inappropriate, or improper. They, those media, and to a very limited extent some of the print media, kept testing the limits of what would be permissible. They, that is the editors and the columnists, were quite open to us in the Embassy, my colleges and USIS had good links both in terms of being able to provide information as well as to get information.

Q: Were other embassies also raising the human rights side of things?

BARNES: Yes, there was a group of us which got together periodically. The French ambassador, the Costa Rican ambassador, the Argentine ambassador, for example, compared notes on what was going on and what things we ought to be anticipating. In general it was a fairly cohesive diplomatic corps and for the most part countries were not that sympathetic to the regime. There were exemptions, such as the Paraguayan, for example, depending on who was in charge of the

government.

Q: Did we have an officer or officers who were essentially building up human rights violation files and reporting back to Washington?

BARNES: This is primarily the work of our political section, but when it came to the media, USIS people were particularly involved. Our economic officer worked with representatives of some of the trade associations to try to sensitive them to the implications of Chile's being a pariah state and the non-willingness to invest, for example.

Q: What sort of human rights violations were we seeing when you were there?

BARNES: There were imprisonments, but that tended to be somewhat less and people who had been in prison were allowed to leave the country. The influence on the censorship of the media, for example.

There were occasions of, what I would call, egregious incidents of human rights violations. Roughly 1986, I think I have the year right, there were some demonstrations. They did not take place that often in Chile when I first got there. Street demonstrations are what I am talking about. Somewhat more later on though, as the system began to open up a little bit you got less in the way of demonstrations. On any event, on this particular day there were demonstrations the police used tear gas but toward the end of the day we got word that two young people who were demonstrators had been doused in gasoline and set afire. We were asked for help and we tried to find a hospital which would take the young people. The young man died of his injuries; the young woman survived and acquired a lot of plastic surgery which was done in Canada. Do you know Spanish? (No.) Well, the Spanish word for burn is "quemadura." So we talked about these two are the "quemaduros," the people who had been burned.

We were in touch with the mother of the young man and also in touch with the young woman who survived. A couple of days later there was a funeral mass at the cathedral for the young man, and my wife and I went to that. The police charged the gathering as it spilled out of the building out into the square in front of the church. So we got a little bit of the feeling of what tear gas is like. The building we were in actually at that point near to the cathedral was the human rights commission which answers in some way your earlier question. There such a thing as a human rights commission. It was able to worked, but not without restrictions. The fact that the U.S. ambassador and his wife and a couple of other diplomats showed up at the service at least outside the cathedral attracted a certain amount of attention.

Among the people who heard about it was then the senior U.S. senator from the South Carolina, Jessie Helms. Within four or five days he decided he would come to Chile and investigate for himself why it was that the, as he put it, "the American flag had been displayed at the funeral service for a terrorist." One of the worse interviews I ever had was with Jessie Helms and his staff. Essentially I got a grilling from him and his staff and I know my responses did not satisfy him. But what it did was to produce even more than what I already had in the way of support in the Congress, and the Administration was very good about supporting me.

Q: Did you have any sense of where Senator Helms and his staff were coming from?

BARNES: Pinochet was a friend. He was anti-communist. He had overthrown a communist regime, the Allende regime. He was a good guy; somebody that needed to be supported.

Q: I take it you weren't exactly, during the time you were there in a chummy relationship with Pinochet.

BARNES: Here is an anecdote that illustrates this as good as any. There was in Santiago, I suppose once a year, a trade fair. The U.S. usually had a Department of Commerce booth. Local protocol required that the resident ambassador should accompany the President when the President visited the booth of the ambassador's country. So, one of my rare occasions to see Pinochet was to walk along side of him as he visited our booth; he did not skip it, which was an option I suppose he could have taken. The next day or so in the local press there appeared a picture of Pinochet and me with the heading "until next year."

The other thing I should turn to is the plebiscite.

Q: Before we get to the plebiscite, was there a distinct group of influential people who were anti-Pinochet, a society that you and your officers discovered?

BARNES: We had still very wide access in the country. I think a tribute to the longstanding relationship the U.S. had built up over the years. With the important exemption of Pinochet, we could see much of the time just about everybody else we wanted to see. Even though we may not agree on something, that pretty much ran the gamut of the political parties, except for the communist on one side and one extreme right party which had no interest in seeing us, even if we wanted to see them. Had good entre into the business community, although some of them would have reservations about what we were doing in the human rights business. But since we had as one of our principal planks promotion of free trade and free enterprise, they were content on that score. On what you might call the cultural side of things, the media, again very good access.

Q: What about the economy? The U.S. supported free trade and all, but tell us about the influence of the Chicago boys.

BARNES: The leading Chicago boy had become, by the time I got there, minister of finance, a man by the name of Hernán Büchi who was responsible for the further development of the private enterprise nature of the Chilean government as well as getting loans from a number of international sources. The fact that the country under Pinochet, but I think in good part, thanks to Büchi, had moved in the direction of promoting private enterprise, reducing government controls. This was both to our advantage and to theirs. The exception there was on the human rights side, where were pieces of American legislation, like export import and so on, which had human rights requirements. And you had to provide certification, sometimes we couldn't do that.

Q: Were you under pressure from economic sources in the States or something to certify the uncertifiable as far as human rights was concerned?

BARNES: No, except for that one occasion legislatively where there were some restrictions, but that didn't keep us from making public statements from time to time about Chilean behavior. For example, roughly six months after I arrived, so that was early 1986, there were meetings of the UN Human Rights Commission where Chile was criticized and the U.S. voted – this is a change from the first Reagan term – and the U.S. would vote in favor of the complaints on Chile's behavior.

Q: Chile is a major source of fruits imported to the U.S. in our off-season. Was that happening in the mid-'80s? Were there any restrictions on that when you were there?

BARNES: It had been restricted by congressional action earlier. While we were there we were able to get some modification on the grounds that the military would be needed in a democratic Chile. Our military to military relations with Chile were not extensive, but there were some links that went back a number of years in terms of American command force. The Southern Command has some periodic visits they would pay for example. But, no, we were able to get a number of things together although the might look a little convoluted.

Q: What about fruit and economic things like that? Was there much trade, because it really became big later?

BARNES: No, not much trade. Not in terms of significant changes.

Q: Let's talk about the plebiscite. When did this happen and how did it develop?

BARNES: Pinochet had, as I think he himself said from time to time, had made a gift to the people of Chile in the form of a new Constitution, having done away the previous one, the Allende and earlier periods. One of the things the people of Chile had a chance to approve was that Constitution in a plebiscite in 1980. Of course, the plebiscite vote was in favor of the new Constitution. The Constitution provided that after eight years there would be an election in which the people of Chile would have a chance to decide whether they wished to have Pinochet continue or be replaced. If they wanted him to be replaced there would have to be a competitive election. With 1988 that was eight years later. The 1988 plebiscite was a plebiscite in the sense it was more of Pinochet, another eight years of Pinochet, or go to a competitive election.

This gradually began to snowball in the sense of citizen participation. You had groups of people, one for example which was taking no sides on the plebiscite outcome or not, but was saying it was Chileans' obligations as citizens to vote. How you vote is up to you, but vote. We were able to provide some assistance through the National Endowment for Democracy in terms of how one organizes campaigns, since enough time had gone by 1973 was the last election. The aspect of the plebiscite one worried about was that if some way the government would find a modality for skewing it or if not worse than that. So a lot of emphasis from the standpoint of those of us on the outside, this was pretty much a coordinated effort. We coordinated with the Brazilians and with the Argentinean, the British and the French, and so on, in terms of technical expertise and support.

The effort to persuade people to take part was on the whole quite successful and not interfered with by the government as far as we could tell. But to jump forward a bit, or more than a bit to get to the plebiscite proper. This was scheduled for early October in 1988. By that time it was clear that

Pinochet was as convinced as any that the country needed his rule. No doubts on that score. In fact there was an amusing cartoon in one of the papers, which gives a sense of the fact that the media were not completely under control, which showed a chair occupied by a figure which everyone recognized as Pinochet, looking at a television screen with "1988" on it. The idea was clear this was 1988 and Pinochet was going to win. But behind that TV screen was another TV screen which had a "2016" on it and another TV with "2024." The cartoon conveying the happy visage of Pinochet contemplating all these extensions.

The head of the campaign to participate was a good friend of ours. She was very carefully non-partisan. We were also on very good terms with the head of what was called the campaign for the "No," that is to vote no in the plebiscite. Meaning no more indefinite eight year terms. We were also on pretty good terms with the campaign for the "Yes" although they probably rightly suspected that we were no in favor of Pinochet's continuation. But that was not a formal statement on our part. In any event, the head of the campaign to get out the vote and her husband, a couple days before the plebiscite was to take place, came around to our house one evening, we were very good friends, but they didn't usually show up in the middle of the evening.

It turned out that the wife had been contacted by the general commanding the garrison of Santiago who was a family friend. They both had kids in the same school. He told her that there was a possibility that the troops would be called out on the plebiscite day to quote put down disorders unquote. We took that very seriously just knowing her, knowing that she would not exaggerate or falsify anything. Her advice was that I go talk to the head of the opposition, that is, the group campaigning for a "no" vote, and see what he thought about how to react to that and whether to take it seriously. She thought we should, but she wanted us to get a political judgment, as she was a non-political person.

I went around to see this individual, who parenthetically became the next president of Chile a year to two later, and he took it very, very seriously. So what I did was to get in touch with the people in the Department and urged them to call in the Chilean ambassador and say we've heard these reports and we trust they are not true, but just in case, you ought to know how seriously we take them. That was on a Sunday night that the Chilean ambassador was called in in Washington. By chance the Press Spokesman the next day at the noon briefing mentioned that the Chilean ambassador had been called into the Department on Sunday, the concern expressed was about the outcome, procedure, of the Chilean plebiscite. The Chilean government denied it and I can't be sure to this day whether this was a commanding general's mistaken impression or what it was, but in any event there were no demonstrations by the military.

Q: Prior to the plebiscite, how did we see the vote going, provided there was no military interference?

BARNES: We thought it could be quite close, because Pinochet had and appealed still to people old enough to remember the Allende era and some of the problems of that era. We guessed, I guess is the way I would have to put it, based on the polling that had been done by organizations we confidence in, including people who were, what should I say, were very much non-partisan, as well as those inclined one way or the other. Combination of those sources, our judgment was that the no vote would probably win some margin more than a narrow margin. It wasn't a huge margin,

but it was an adequate margin.

The P.S. (postscript) to that story which I got later from the commanding general of the air force, whom I've mentioned...let me back up a moment. The night of the plebiscite what was very strange was that state TV ran only one report about seven o'clock in the evening and the results at that point should that the "yes" vote, the government vote, was ahead. After that they started running old sitcoms (situation comedies). One sort of had to wonder what was going on. The Catholic Church sponsored, probably still does, one TV station at that time and they had a panel discussion going toward the end of the evening. One of the panelists they had on was one of the leading supporters of the "yes" vote. During that panel discussion probably around eleven o'clock or so the panel came on and this particular individual who had been a minister in a previous government years back and had a good reputation, he said, "I think the "no" vote has won."

Still nothing on the government channels. But the TV showed a little after that, a half an hour or so later, were pictures of the other commanders of the armed forces, that is, the air force, the carabineros, the navy going toward the presidential palace and obviously a meeting of the junta with Pinochet. (Fernando) Matthei, the air force general was stopped by a reporter and was asked what had happened. He said, "I think the "no" vote has won." He's very outspoken in general and not liked by Pinochet for that reason. He told me later that when the four of them had assembled, that Pinochet had already prepared a draft of a proclamation extending the state of emergency in effect annulling the plebiscite. As a result the other three refused to go along, which one could not have predicted at that time. So it was a fairly dramatic evening.

Q: What happened afterwards from your perspective?

BARNES: If you can have flood gates that are good things, the flood gates opened. People knew that Pinochet had given up. They knew he would be around for a year or two, before the first free elections in 20 years would take place. No violence, however.

Q: How long after the plebiscite did you remain in Chile?

BARNES: I left a couple of months later at the end of the year.

Q: So you really weren't there for the election.

BARNES: No, but I went back for the inauguration of the new President, who was chosen by the subsequent election.

Q: This much have given a feeling of satisfaction, joy and all to you and the embassy.

BARNES: Yes, we were all trying to be, what should I say, appropriately impartial (laughter), but I'm sure we did let our prejudice show. Also the fact that a lot of Chileans expressed to us their appreciation. That meant a lot.

Q: This is part three of our interview with Harry Barnes on June 3, 2008. Let's talk a bit about Secretary of State Schultz. He was the Secretary during your ambassadorships to India and Chile.

Regarding India, how stood he?

BARNES: I saw him occasionally in Washington usually in conjunction with visits of one sort or another, like when Indira Gandhi came to the States. Then he came to Delhi at the time of the funeral after she had been assassinated and what sticks in my mind as far as those of use in the embassy are concerned was his concern about security. He had us take him around the perimeter of the...do you know the embassy in New Delhi? It is quite extensive. In any case he wanted to see what was then being done, and had some ideas on what needed to be done. That sense of caring about people came across.

Second, both in India, but particularly in Chile, I got from him what I very much needed but did not automatically assume I could get and that is support when I required support. My own understanding being that I wouldn't ask him for support unless I believed I needed it at his level. But if I did, then I could count on getting it.

Q: You mentioned Senator Jessie Helms came to Chile and gave you unshirted hell, for showing up at the funeral of this young man who was burned to death. What sort of support did you get from the foreign affairs establishment in Washington? Did you have someone sit there and take notes which you sent back to Washington?

BARNES: No, I decided that I should see Helms on my own. His complaint was with me and my actions. Didn't think I should link any one else with that. His staff was there. Two or three, I've forgotten whom.

Q: Did you find any support for the Helms' stance anywhere in the State Department?

BARNES: I didn't find any real of visible support for Helms, and I don't recall anybody getting in touch with me or getting a message to me on that score. Although I admit I had a question or so myself, would I get all the support I needed. I thought I would, but until I got it, I didn't know I had it, if you know what I mean.

Q: I've interviewed people who experienced the McCarthy years and were hung out to dry and left undefended by the State Department, which didn't stand by it people.

BARNES: Yes, perhaps the obvious thing to say here is that Helms was a known quantity and not all that favorably known even in that administration, so I would have been very surprised if I had not gotten support. I didn't have any hesitation in making recommendations should as call in the press corps and tell them about what's going on. It was his reaction to that sort of thing that Helms decided he had to come down to Santiago and save the situation. There is an amusing, I don't know if it is a Herblock cartoon, at that time which shows the inside of a travel agency, you can tell it is a travel agency because on the window hang a bunch of posters "visit here," "visit there." At the counter is Helms and the posters extol all the worse dictatorial countries around the world.

I think, to add one perhaps obvious point, I knew I had good support in the congress and had worked on trying to build it up in congress before I left for Chile. I was hoping to be able to do and at least answer questions they had. For the most part they were very supportive. Actually when I

left Chile there was a congressional resolution expressing appreciation for my tenure there.

Q: In Chile how did you find George Schultz there? Did he ever visit?

BARNES: He didn't come while I was there, but I had a long talk with him before I went to Chile and sketched out for him the approach I was planning to take that I mentioned to you earlier. Made sure in other words that he knew what I thought I needed to do and was comfortable with what that be. And I got all that. Then in the whole question of the student who was burned to death, I was in touch periodically and got messages of reassurance that I was supported in what I was doing. I don't remember the exact date, but it was probably a month or two before the plebiscite, before we had that information I mentioned this morning, when we knew the plebiscite was coming and were hopeful that there would be nothing that would interfere with a fair plebiscite. I saw Schultz again, I reported back to him what I was doing and my perception of the situation was.

I tend to think in terms of specific situations. Vernon Walters mean anything to you? Ok, he was ambassador to the UN when I was in Chile and exercising a fair amount of influence from there especially on economic things in terms of not approving or trying to question Chilean related projects because of human rights considerations. I occasionally had to get Schultz's help on this.

Q: How did you find the media in Chile? You've commented that the media was pretty much controlled.

BARNES: Well, yes and no. Controlled in the sense that the government could close a paper down. Could create inconveniences, if nothing else, for a publisher, that sort of thing. But considering this was a dictatorship and not a particularly forthcoming dictatorship, there wasn't that much in the way of obvious censorship of the media. I think I mentioned at that point, or most of the time I was there, with one exception a TV station under the auspices of the Catholic Church, the rest of the TV was government controlled and managed.

It was the print media that had a fair amount of leeway, but they also knew what was too far, so there was an amount of self restraint, or constraint as well. One of my ways of working with the press was, and this is where USIA fits in, is that the PAO (Public Affairs Officer) and information officer would periodically bring together a half dozen or so newspaper people, or newspaper/magazine people and we would have a talk over lunch. Almost like a press conference, but it would be in a luncheon atmosphere.

Q: Did you find the press pretty trustworthy or sensationalist?

BARNES: Sensational, but more in terms of somebody-saw-a-three-legged-cat-yesterday, that sort of thing. But not sailing off on foreign policy issues, because that was part of, I don't know if you would call it an understanding, where the journalist knew there were certain things they could not touch. For example, the mention I made of the cartoon of Pinochet watching the TVs, that came very much toward the end of, if not the regime, then the end of the pre-plebiscite period. Obviously that paper felt that they could get away with that much at that point, and could.

Q: Were your consular officers picking up stuff from people coming in? Often consular officers are easy for the public to get to than anyone else and speak about what they have been going through.

BARNES: Not often. Some cases which were more complicating, or puzzling, for example there was the situation of a American Citizen professor from somewhere in the northeast who had been trekking in Chile and disappeared. His family sought our help in terms of trying to push the Chilean authorities to work more diligently to find a trace of him. Last I knew, about a year or so ago, nothing was seen of him. We did not have at that point a very large American colony, if I could call it that, but a fair number of Chilean companies which were representing or were agents of American firms, so there was sort of a semi-American colony.

Q: Were we encouraging or discouraging American companies.

BARNES: They were definitely encouraging. From Pinochet's standpoint I think he felt that he had created an atmosphere that was business friendly. Nothing radical about it as compared to the Allende regime. I would say over those couple of years talking with American business people who had come to Chile I saw a shift for a feeling that this isn't too bad, at least there is stability in the country, to maybe this is not so good for a longer run stability in the country. In general there was an American business appreciation and respect for Chilean business acumen.

Q: As things moved toward the referendum, were we seeing any distance between the various armed services. You mentioned the views of the air force admitting they lost the plebiscite.

BARNES: Maybe I didn't finish that part of the story. Yes, the air force general was the one on his way into the meeting had said, "I think the "no" vote has won." What I heard subsequently from him was that when Pinochet passed around his draft of a proclamation re-imposing martial law, this particular person tore it up.

Q: Did our attachés have productive relationship with the military services? Or did Pinochet freeze our attachés out?

BARNES: Not surprising military are fairly disciplined and our attachés were on good personal terms with the relevant Chilean officers in the different services and we occasionally would have visits from SOCOM (Southern Command) in Panama. So there were communication channels for seeing each other. But in contrast to the civilian, or civil, parts of the society, very little, what should I say, breaking of ranks, that probably a little too exact. The same air force marshal I was talking about though, at least in his conversations with me, and I suspect with other foreigners, wasn't at all bashful about expressing some reservations about the Pinochet rule.

Q: What was the state of communications in Chile? For example, the Embassy communications with Washington? Direct lines? Faxes?

BARNES: Let me see if I can generalize, not surprisingly a combination of close concentration in terms of any current problem; sharing analysis and sharing ideas for approaches. Or informal periodic letters back to the country director, or possibly a deputy assistant secretary. My sense is that without having more communication than we needed, we had a lot. So I did not feel cut-off or uninformed. Didn't sense any restraint from people back in Washington. The important thing is always to make sure we shared with each other in Mission what we knew.

GEORGE F. JONES
Deputy Chief of Mission
Santiago (1985-1989)

George F. Jones was born in Texas in 1935. He graduated from Wabash College in 1955 and received a Master's Degree from the Fletcher School of Law and Diplomacy and Stanford University. His postings abroad have included Quito, Accra, Caracas, Vienna, Guatemala City, San Jose and Santiago, with an ambassadorship to Guyana. Mr. Jones was interviewed in 1996 by Charles Stuart Kennedy.

JONES: I went to Santiago, Chile as DCM. As it turned out, I was chargé there until November. I spent most of 1985 as chargé at one embassy or another.

Q: Today is October 29, 1996. George, with "DCM-ships" usually the Ambassador has to pass on you--was there any of that? How did you get the job?

JONES: Actually around the end of 1984, I got a phone call from someone in personnel asking me if I would be the Department's candidate for Ambassador to Belize. I thought it over and turned it down, and subsequently, I'm very glad that I did. One of the problems was that this was the Reagan administration and the Reagan administration had this system of having the Department put up a foreign service officer candidate for every Ambassadorship and then there would be what I would call a battle, I suppose the White House would have called it an evaluation of merits, between the FSO and the political appointee whom the White House had tapped for that particular post. Surprise, surprise, the FSO usually lost, and I knew lots of cases where people sat around waiting for months doing nothing, while the decision was fought out as to whether they or the political appointee were going to go. I didn't know it at the time, but some instinct had warned me, that the guy that the White House had tapped for this post was an assistant secretary named Jim Malone, he was the assistant secretary for oceans, environment and science.

Q: I remember running across him one time. He had a reputation of being a terrible administrator, he couldn't make up his mind.

JONES: I never met him or had anything to do with him directly, but he was eased out of that position by George Shultz. Some compensation had to be given and the best that Shultz would

permit was for him to go to Belize. He turned out to have a major confirmation problem, and it took over a year before he finally withdrew his candidacy. I could have been sitting there that whole year as the candidate in waiting. [laughter] So I'm very glad I turned that down, and I knew having turned down an offer of an Ambassadorship, I wasn't going to be offered another. So what I could hope for was a good DCM job, fortunately my name was put forward to Harry Barnes who had been handpicked by George Shultz to go as Ambassador to Chile. Harry had been our Ambassador in India, to go from being Ambassador from India to Chile could be viewed in some quarters as a "come down", but Shultz was quoted as saying that "Harry had done an incredible job in turning around our relations with India" and he [Shultz] was very concerned with the lack of progress toward democracy in Chile and he wanted a first-rate, very strong U.S. Ambassador to go there. I had never met Barnes, but fortunately there was an ARA Chief of Missions conference at Homestead Air Force Base in Florida in March of 1985, and as chargé in Costa Rica I was asked to come. Harry went as Ambassador-designate to Chile and he interviewed me while we were there for this conference. Subsequently, he called me from India, it was probably my first tip-off to Harry's incredible energy and activity level, that he called me in Costa Rica sometime later and asked me what time it was there and then he told me it was 1:00 in the morning in India, and I was astonished that he would be conducting business at 1:00 in the morning. I subsequently learned not to be astonished, Harry conducted business every waking moment. [laughter] He offered me the job and I was delighted, I liked what I had seen and heard of him, and although I had never been there, I knew Chile was a beautiful country and the political situation was challenging. So off we went. I had about a month's leave and got to Chile in August 1985.

Q: You were in Chile from when to when?

JONES: From August 1985 until May 1989. I had hoped to have a little longer leave, but Wade Matthews, whom I replaced, sent me a telegram and pointed out that if I arrived after August 11, he would have to do new efficiency reports on everyone. Because you have to do new ones if it has been 120 days from the end of the last rating period, that was almost the only argument that he could have used that would have persuaded me, since I hated to do them myself and would not have wanted to have to do unnecessary ones. I said okay, I would be there August 10. I also didn't anticipate that I was going to be chargé for very long, but one of the famous things about Harry is that he is a linguist, I've forgotten how many languages he spoke, it was six or seven or eight. He used to send telegrams in other languages off to people in the service that he knew, and the communications room would have to cope with them. [laughter] Just to keep his hand in. One of the languages that he didn't have was Spanish and he wanted to be fluent in Spanish before he came, so he took a substantial course of Spanish. He was also engaged in seeing everybody that he could in Washington, including everybody that he could on the Hill to make sure that his support was firm, that he understood what the objectives of U.S. policy were and what parameters he could operate in. As a result of all of this, he didn't get to Chile until November 1985. So I had three months as chargé and it was--any time in those years would have been a tense, exciting, challenging time. Because the democratic forces in Chile were increasingly frustrated and despondent about ever forcing Pinochet out.

Just after I arrived they concluded what was called the National Accord, which was an agreement among all of the political spectrum, except for the far right and the far left, which had been reached under the aegis of the Cardinal and spelled out the kind of moderate political program that they

would follow if they were in power. The idea was to provide some reassurance and some counterweight to the assertions of Pinochet and his supporters that if the civilians were ever allowed back into power they would be a bunch of wild-eyed radicals who would lead the country right down the course of Allende and ruin the country again. So this was a very significant development because the parties in any country often are--they had done a lot of quarreling among themselves and it was very difficult for them to get together. There was a lot of disagreement about what the right strategy was for dealing with Pinochet and so on. It was very difficult for them to get together and it was a considerable achievement, that they had finally agreed on this document and they had signed it very formally in the presence of Cardinal Fresno.

Q: Was there anything about an amnesty for crimes committed, in order to keep the military happy?

JONES: That was later, that was a major issue later on, but at this point the civilians seemed so far from power and Pinochet so secure that wasn't even an issue. Although there was intense interest generated by this document and the Embassy did a lot of reporting on it, it swiftly became clear that Pinochet had no intention of paying any attention to it. He had a famous meeting when the Cardinal went to see him, just before Christmas...

Q: This was the Cardinal of Santiago, as opposed to the papal nuncio?

JONES: The Archbishop of Santiago who happened also to wear a Cardinal's hat, Juan Fresno, one of many, many Chileans for whom I hold great admiration, but certainly the only Cardinal that I ever spent any amount of time with. He was not a very political Cardinal, his predecessor, Cardinal Silva, who was still alive but had retired from active church duties, was a much more aggressively political priest. That was not Fresno's nature at all, I don't think he liked the limelight, he didn't like controversy all that much. But he felt increasingly that it was his obligation to try to bring about reconciliation in Chile and it was clear to him as to almost everybody outside of the military that the only way you could have a reconciliation was if you restored democracy. You could not have reconciliation in the context of a military dictatorship. So Harry and I had a lot of meetings with him to talk about how things were going and what the right strategy was and so on. When Fresno saw that Pinochet wasn't responding in any way to the national accord, he paid a courtesy call just before Christmas and Pinochet let it be known that Fresno had asked him about the National Accord and he responded by saying "We have turned the page." Meaning that was a closed book and he had no intention of doing anything about it.

Chile was another - like dealing with Curtin Winsor, like being a desk officer - of those exposures of mine to the fact that the Department of State never tells you what to do. [laughter] In some senses I've experienced this through my whole career, I mean from the very first day that you come on board you're given a desk and paper is thrust at you and you're kind of expected to figure out what to do with it. Officially we call it on-the-job training. [laughter] In my case, I came on before FSI had practically anything in the way of training programs. But even today, the amount of training in what you're expected to do, I think is incredibly minimal in the Foreign Service of the United States. In 1985, here I was being sent off to be chargé in Chile, Ambassador Theberge had left a few days before I got there, Matthews was chargé and I was replacing him as chargé. The Department knew that for some unspecified period of time I was going to be chargé, conducting

our relations with Chile, you would have thought that somebody would have said something to me about what their expectations were, what our policy line was. [laughter] I did have a meeting with Elliot Abrams who was just coming in as Assistant Secretary and got the sort of feeling from the conversation and what I knew about his record in his previous job as Assistant Secretary for Human Rights, that he was sympathetic to the return of democracy to Chile. But no instructions as to how to go about it, nothing about how far we were prepared to go and specifically, how hard we should press Pinochet. What was at stake here was if you--normally in any country, you seek to keep a good relationship with the government to which you are accredited, but you are at the same time, pressing them to do any number of things that the U.S. government wants them to do. Keeping these two things in balance is not normally a difficult problem, but if what you are pressing them to do is to leave power, keeping good relations and a smooth working relationship becomes a little more difficult. There was an obvious neat calculation to be made here, which as far as I could tell, the Ambassador and I were to make on our own. Now maybe Harry got more precise guidance from the higher levels that he had access to than I did. I decided that my first job was to get to know everybody, which turned out in Chile, to be a statement in itself. Because if you met with the opposition and you got to know the opposition, that was immediately a subject of criticism by the government, you were wasting time with these unsavory characters who didn't have the sense to respect what General Pinochet had done for Chile. I didn't try to distinguish across the political spectrum, as to who I met with, and I found that everybody was curious to see the new man at the U.S. Embassy.

You know, I think if the Ambassador had shown up in two weeks, nobody would have paid any attention to me. But as weeks stretched into months and I was the only game in town, there was a proliferation of interest in trying to figure out what was going on at the US embassy and with US policy and so forth.

Q: George, it must have been difficult to sort of explain what US policy was. For example, you had our Ambassador to the United Nations, Jeane Kirkpatrick, I guess she was still there wasn't she, or had she left? Anyway her aura was still around in which she said sort of they're good dictators and we shouldn't insult them or something like that. Pinochet obviously being one of her top candidates for that.

JONES: In fact she had visited Chile, I had visited Chile with her. I said I hadn't been in Chile before, and that's not true. I was there briefly in her entourage in 1981, and she had refused to meet with anybody in the opposition for fear of offending our friends in the Chilean government. And you had lots of other cases. Ambassador Theberge had a record of being very cozy with Pinochet's government. At the very end, one of his last official acts, he gave a speech, I think it was on Lincoln's birthday or maybe it was dedicating a bust of Lincoln. He used the occasion to make quite a good speech that made the case for democracy, but it was about the only occasion on which he was outspoken. I guess he, like others in the Reagan administration, was growing frustrated with the lack of progress.

Q: What was Theberge's background?

JONES: He was an academic as I recall. I don't recall from where.

Q: Had he been making contacts around the political spectrum?

JONES: He had some contact with the opposition, but it was... He was pursuing the first Reagan administration ('81-'85) policy of you achieve what you want with these dictators by not offending them. You don't gratuitously offend them; you seek to have good relations with them, and that makes you more acceptable and therefore more persuasive in moderating their conduct. Well... I suspect my tone suggests what I think of that. It certainly didn't work in Chile. It got absolutely nowhere. Pinochet I don't think was ever moved by roses or thorns, neither by promises nor threats. He was one tough cookie and we will talk in a moment about what in fact led to his downfall, but it was not the tone of American pressures on him. My friend Tony Motley paid a visit in the spring of '85 just before he was pushed out as Assistant Secretary, and made a famous statement. The problem was that Pinochet controlled the press. He controlled by controlling the licensing and newsprint, he controlled which papers existed. Those papers that existed were kept on a tight leash, and it worked because most of them were in debt and could be threatened with sudden foreclosure. The famous Chilean newspaper El Mercurio, for example, had gotten badly into debt. You sometimes read about Pinochet's economic miracle. I always bristle whenever I read that because in fact there was a Pinochet crash in the early 1980's when most of the Latin American economies were getting into trouble. He did bring in good economic advisors after that and subsequently began to turn the economy around.

Q: These were the so-called Chicago boys?

JONES: The Chicago Boys were actually the ones who got him into trouble. The Chicago boys were doing a number of good things--so called because they were all graduates of the University of Chicago--but their great mistake was that they insisted on a fixed absolutely immovable exchange rate. The theory being that it would squeeze the inflation out of the Chilean economy. They had, like many right wing economists, an absolute obsession with avoiding inflation. This was particularly understandable in Chile because one of the huge causes of dissatisfaction with Allende was the incredible inflation that his policies had brought about. They got rid of most of the inflation, but they wanted to get rid of more, and they thought the way to do that was to maintain a fixed exchange rate. A lot of people borrowed in dollars on the government's assurance that the rate was never going to change, and when the day came that it became impossible to maintain a fixed rate, devaluation occurred, and people found themselves owing several times what they had originally borrowed in terms of Chilean pesos. This was among the reasons why the newspapers were either controlled or subject to pressure by the government. So the government could take a phrase out of something someone said and hang them with it. Tony Motley was hung by a phrase, one thing he said in the context of a several day visit, many statements and press conferences and so on. I can't remember now the question he was asked, but part of his answer was that Chile was in good hands. What he was trying to say was that the Chilean people could determine the future of Chile; the future of Chile was in their hands. But that simple phrase, was interpreted to mean that Chile was in Pinochet's hands and those were the good hands. There was a lot of reason for the right wing in Chile and for Pinochet to believe that the Reagan administration was their friend and if not totally on its side could be manipulated not to give it any serious trouble.

But the desire to check out the new faces in the embassy even got to the point where the first daughter invited me over. Pinochet's adult daughter, in her '30s I guess, considered to be very

politically powerful. He had a son who was of not much account. His wife supposedly didn't care very much about politics and was not very much involved with it. But his daughter was supposed to be his closest advisor, and in fact went with him to a lot of functions and was seen with him constantly. A call came from one of her aides asking me to come over and discuss some cultural foundation that she was involved with. Since it was supposedly cultural and it was a family thing, I took my wife with me. We went to call on her and of course what it was really about was on behalf of Pinochet whom at that point I had never seen; it was to find out more about me and what kind of an animal I was, also to quiz me about the Ambassador. I remember in particular she asked me why had the United States decided to send an ambassador who had no previous experience in Latin America and didn't even speak Spanish. So I explained to her who Harry Barnes was and what his career record had been and what his fame as a linguist was and by the time he got to Chile, he would be speaking Spanish. It was a fascinating encounter. It was the first and only time I ever had a meeting with the daughter, and it was my first exposure to the Pinochet family and to the incredible arrogance of the Chilean right. It wasn't just the Pinochet family. A lot of the Chileans I met were among the finest people I've met anywhere, but the right wing in Chile is something else. It is further right and more absolutely confident of its divine right to rule the country than anywhere else I know.

Q: Is this just military or...

JONES: Oh no! The military in Chile, like the military everywhere else, was the hardest possible target for the embassy. The military is important in Latin America; it always has been. Its importance is now somewhat diminished, but in all the countries I served in, the military was always important, except in Costa Rica which doesn't have one. You would always want to know more about what the military was thinking, what their views were, what their intentions were, and you had very little information from any source to go on. The military simply would not discuss politics with foreigners. Particularly in Chile, you could do some skirmishing with them. Sometimes on rare occasions you could get a military officer to engage in a little debate with you, but you couldn't tell whether they were making the officially designated debating points or were they saying what they really believed, so you didn't come away any wiser after that.

Q: Our attachés didn't have a good in there?

JONES: No. Our military attaché system doesn't really function, at least in Latin America, at all. I can't speak for the rest of the world. Where we had very good people, they were usually in the MilGroup system, the US Military Group, the technical advisors. John Taylor, who was head of what we called the Office of Defense Cooperation in Costa Rica and George Carpenter who was head of our military group in Chile were first class people and far more aware politically and plugged in to what the military was thinking than the attachés were. (In fairness Carpenter later became Army attaché in Argentina.) One of the absurdities that every foreign service officer has to deal with is that the Department of Defense, the Defense Intelligence Agency, has divided up the world among the three services so that every service has an equal share, no service is favored more than another. The absurdity in Chile was that Chile was assigned to the US Navy. Now in Chile as in every other country in Latin America, the overwhelmingly important military service was the army. The one you most wanted to know about was what the army was going to do. The army was always the largest service, had the most troops, the most physical as well as political clout. But the

DOD system was absolutely impossible to change. I'm sure that many ambassadors have thrust their lances at that windmill and lost. But Harry, as usual, faced with a rigid system, knew how to work within it. He brought in a navy captain who had served under him in India, a very good man named Peterson. These people I've named did the best they possibly could to get some information and did get some useful things just not very much because the military was so damned impenetrable.

There always has been in Chile a very strong right. There was a conservative party in the 19th century which was very strong and they regularly elected presidents and had a significant share of the vote of the Chilean electorate. Even the moderate conservatives in Chile felt the country owed the military a debt for having saved them from Allende, that the worst possible thing to happen to Chile, far worse than Pinochet, would be a return to someone like Allende and though the more moderate ones among them would like to see more movement toward democracy, they were terribly concerned that it not go so fast as to be destabilizing, that it proceed in a carefully controlled manner so as to minimize the chance of the wrong people getting control of Chile once again. The Allende experience was an absolutely searing one for everybody outside of the extreme left. Of course what followed Allende was absolutely searing for the extreme left, so everybody in Chile was still wearing the scars. But the less moderate members of the right were pro-Pinochet and proud of it and were extraordinarily contemptuous of anyone who didn't share their point of view. I got to know that well sort of by default and sort of by--I'm trying to decide whether to say by direction of the Ambassador would be accurate or not. Harry certainly knew everything I did, and I think he felt I was doing the right thing. I sort of became the embassy's emissary to the right, a role I was not always comfortable in. In the process of seeing everybody in those first months I had gotten to know people on the right as well as most other sectors. Once the Ambassador was there the leaders of the opposition gravitated toward the Ambassador as they should. The political section was also heavily involved in keeping up with what the opposition was doing. The niche that was left for me to fit into was to try to maintain a channel open to the right and explain to them what we were doing and why we were doing it and why we felt it was important to do it and not cause them to feel totally cut off. They came to be very bitter toward the Ambassador, bitter toward the United States. It was a very difficult relationship, but I think an embassy has to have its antennae out to all sectors in society.

Q: Oh yes. Well now these initial months when you were there, when you were the Chargé, I'm sure people were approaching you from all sectors saying Señor Jones, please tell me where does the United States stand on things and here you are with no instructions. And always the problem is if you come with an ambassador whom you don't really know at all, you don't want to set any course that he might have to disavow or set it right. Also this is not a benign country, this is not a place where we haven't been seared by the whole Allende thing too, in the American political spectrum. What did you do?

JONES: What we said publicly was of course carefully coordinated with Washington. What we said on the National Accord was in fact said in Washington, drafted by the Office of Southern Cone Affairs and issued by the Department spokesman, and we simply publicized it in Chile. We didn't say anything on our own publicly.

What we said privately--it is a little hard to separate in my mind now what we might have said at various stages because I suspect that some evolution took place over time. When asked what we desired for Chile the answer was always we would like to see Chile return to democracy. You would usually then be asked, "How do you define democracy? Are you going to insist that it be American-style democracy on American terms or are you going to let us design our own Chilean democracy?" So we would debate for five minutes or five hours how you define democracy and how you can tell when you have a democracy and when you don't. Something had occurred in Chile prior to our getting there which at the time did not seem terribly significant and I'm sure the embassy didn't know the full story at the time either. It only came out later. But in the late 70's, Pinochet had come under a lot of pressure to have a constitution. He'd been operating without a constitution. There was a military junta which issued decrees. The pressure was coming from that same right wing that although perfectly happy with Pinochet and what he had done, wanted more of the traditional trappings of the Chilean republic and wanted to be able to say they were a constitutional republic. They didn't like having Chile referred to all around the world as a military dictatorship. So he finally agreed and a group of his most trusted civilian advisors were selected to draft a constitution. His instruction to them for the first draft or whatever was that on adoption of the constitution, Pinochet would become the constitutional president of the republic for a term of 16 years.

Q: *Good God!*

JONES: His term would just be coming to an end this year. As this got discussed among his advisors, they got increasingly nervous and finally got up the courage to say to him that they were concerned that this would be a public relations disaster and therefore wouldn't achieve the whole purpose of having a constitution, which was to improve Chile's image, and that it might even endanger approval of the constitution which was going to be via a plebiscite. So they argued with him and finally got him to agree to divide it in half and he would have an eight-year term. At the end of eight years, in October 1988, there would be another plebiscite which would vote yes or no on the question, "Do you wish President Pinochet to continue for a second eight year term until 1996?" That's what was written in the constitution that was adopted in 1980.

When I arrived in Chile, and even before in 1984, the opposition focus was on trying to force some immediate change in the circumstances of how Chile was governed, force him to restore a Congress or permit elections or move in some way toward greater democracy in Chile. As time went on, it became evident to everybody that nothing was going to convince him to do this. The opposition had tried demonstrations; they had tried every kind of rally and strike, all the statements coming from the U.S. Government, nothing was having any effect. The opposition became extremely demoralized by the rejection of the National Accord. After that the spirits of the opposition went into a long decline because there just seemed no hope of anything. As October 1988 came closer, it became evident that there was a potential for forcing Pinochet to do something. There was one lever that he, himself, had given everybody, which was to defeat him in the plebiscite. When we pointed that out to the opposition, many of the opposition leaders said, "You've gotta be kidding. You think Pinochet is going to let us win the plebiscite? You don't know this man. We've lived with him all these years. He had outmaneuvered, manipulated, tricked the United States Government, every United States Ambassador, all of us, the Cardinal. Look how he embarrassed the Cardinal. The Cardinal went to see him and he brushed him off. There is

absolutely no way. What you're suggesting is ridiculous. We will boycott the plebiscite. It is a sham and a hoax."

But what our policy became in Chile, in 1986-88, was to encourage the opposition to participate in the plebiscite and to make every effort they could possibly make to win it. We devoted some resources to helping them win it, both through direct grants from AID and grants coming from the National Endowment for Democracy to the National Democratic Institute. We provided funding for a number of different efforts related to participation in the plebiscite. As time grew near for the plebiscite, some of the opposition leaders decided to give it a try: two political leaders in particular who were crucial. The Christian Democrats, who had always been the largest single party in Chile, had an internal election in July 1987, and Gabriel Valdes who had been the leader of the Christian Democrats was replaced by Patricio Aylwin. Valdes had leaned toward those who thought Pinochet was invincible. Aylwin was prepared to do battle. The other key player was Ricardo Lagos who was a US-educated Socialist. One of the things we had trouble with in the embassy was reestablishing relations with the Socialists. The Socialist Party in Allende's time was closely allied with the Communists. There were various factions of the Socialist Party who in the US Government view were still, in 1987, hand in glove with the Communist Party. There were great qualms about dealing with the Socialists. But we established good relations certainly with all the Socialists who were in Chile. The more extreme ones were in exile in any event. In fact the Socialists had their own internal problems in deciding how to proceed, to the point that it proved impossible to get a unified socialist party because of its many splinters, let alone get any agreement on a joint course of action. Lagos then went out and formed his own new party called the Party for Democracy, the PPD. Great choice of name. To do it he had to go through a very complicated and tedious process collecting signatures to get the party legalized. Everybody, both Socialists and other opposition leaders, said it can't possibly be done. Pinochet will execute anybody who signs your petition. Even if people sign the petition he'll find some technicality; he won't recognize it. Lagos went out, did it, got all the signatures, met all the legal requirements, and lo and behold they were recognized.

One of the interesting questions is to what extent did the United States help? There is a very large extent to which these things would have happened anyway with or without our presence. We certainly provided some moral support and encouragement at their very darkest moment when they were most discouraged.

Q: Tell me George. You say we. There must have been some talk up in Washington with the new Ambassador coming in and all about what do you do about this, I realize the Ambassador wasn't that new at this point, but how was the decision reached of saying let's go for it or was there no other choice at hand in a way?

JONES: There seemed to be a, if there was a formal decision process, I don't know what it was but somehow there was a coming together of minds. Mike Durkee was director of the Office of Southern Cone Affairs during the first part of our time in Chile and he was an absolute tower of strength. Elliott Abrams in the public statements that he was making about Chile was much more clearly pro-democracy, and more willing to go on the record about it, than any of his predecessors had been. So I may have been uncertain at the beginning about how much support the Embassy had in Washington, but as time went on, statement after statement from the Assistant Secretary left no

doubt about where we stood. We even got some statements by Reagan. Every so often he would say something, something would be put in front of him that he would agree to, that we could quote about the importance of democracy. As I recall he made one or two specific Chile- related statements. There were some staff members at the White House who were pushing advocacy of democracy as an element of Reagan administration foreign policy, among other things because of its utility in Central America. It made our Central American policy much more defensible if we could say we were for democracy everywhere whether it was right wing or left wing governments we were talking about. So there was a great consensus of minds. I mean you can view it as a sudden shift in American policy, but I think it is more realistic to view it as an evolution of policy over time. I think Tony Motley returned from that 1985 trip feeling very frustrated at his inability to get through to Pinochet and his advisers. It was his last try at private reasoning with the Pinochet government, and all he got for his pains was the exploitation of that out-of-context quote. I think even had Motley stayed on as Assistant Secretary there would have been a continued movement in the same direction. Abrams did it a little faster, maybe a little more publicly than Motley would have done, but I think that everybody except for the extreme right wingers in the administration, and there were fewer of them in the second Reagan administration than in the first, was feeling that the time had come, we had waited long enough in Chile. We had waited since 1973 for the military to give up what everybody had viewed as a temporary interruption in civilian government in Chile. The temporary interruption had now gone on for 15 years and it was high time that something was done about it.

Q: How did Harry Barnes when he came there, how did he take command of the situation?

JONES: His view was that you had to, the American Ambassador had to demonstrate publicly where our sympathies lay. He didn't do this by public statements. He didn't talk much to the press; he held very few press conferences. He talked to the American press, but he didn't do much talking in Chile. He left that to me. I did a lot more of that than he did. By doing it publicly, I mean by his public actions. He went to call on Gabriel Valdes, the leader of the Christian Democrats, shortly after he had arrived. He had of course presented his credentials to Pinochet and met with the Foreign Minister and other major government officials. The Valdes visit greatly irritated the government. We hadn't realized that it was going to irritate the government so greatly that he would do this before he had called on every single one of the ministers in the government. We were showing lack of respect for the people in power. Not long after, there was a human rights ceremony. I think it was on Human Rights Day, December 10. There was a ceremony in the cathedral. The Church had established a body called the Vicariate of Solidarity, which meant solidarity with those who were imprisoned and exiled and oppressed, and the Vicariate had organized the ceremony. There was a procession leaving the church, people left the church carrying candles. Harry went and left the church carrying a candle. Outrage! Fury! Incomprehension! that the American Ambassador would associate himself with these communists in the Catholic Church.

There were a series of things like that. Occasions when we visited people in prison, usually people who had some connection with the United States in one way or another. Neither the Ambassador nor I went, but we sent an Embassy officer to visit them, and this was noticed and reported. Of course the most notorious thing he did which brought him -- grief is too strong a word, but it certainly brought him enormous controversy, was in July of '86. There were some demonstrations

in the streets of Santiago. Two Chilean teenagers, a boy and a girl, were intercepted by a Chilean army patrol. The patrol obviously suspected them of participating in the demonstrations. The girl may in fact have participated. But it's clear that the boy was simply there as a photographer. He was carrying a camera; he was an amateur photographer. At any rate, this patrol decided they had caught a couple of these communists who were causing all this disturbance, and they poured gasoline on them and set fire to them. The girl was badly burned; the boy was killed. Unfortunately for the Chilean army, the boy was a legal permanent resident of the United States and had been attending a high school in Maryland, I think, with the son of Charlie Hill who was George Shultz's personal assistant. This was the Rodrigo Rojas case. The army took them and dumped them into a ditch in some remote spot on the outskirts of town. The girl eventually managed to flag down a vehicle and got taken to a hospital. The Ambassador went to the boy's funeral. I almost went myself. The Ambassador was taking one of his rare breaks at the seaside when the funeral was scheduled. It was not clear if he was going to be able to get back to Santiago in time. It was not easy to communicate anywhere outside Santiago. The telecommunication system had not yet been privatized. I decided it was important for the United States to be represented, and I was getting ready to go, and then I got word that the Ambassador was on his way back to town and would go. As usual, Pinochet was determined to manipulate the occasion. A photographer got a picture of Harry in a room in which there was a big floral wreath from the Communist Party. The right wing's version of this was that the Ambassador clearly had declared his allegiance to the extreme left of Chile by going to this radical's funeral. Both of these young people had leftist connections. That's why they had been watching the street demonstration, which had been organized by the extreme and near-extreme left. The moderate parties had largely given up on street demonstrations by this point because they had not led to anything and had not produced anything.

The funeral led to Senator Helms' visit to Chile shortly thereafter. A visit which he made totally unannounced. We learned from the Chilean Government that he was there; even the State Department didn't know. Harry sent a note over to his hotel and welcomed him to Chile and said he was at his service and asked if there was anything he could do. No response for several days. Finally on Saturday morning, he received a phone call from one of the Senator's aides saying the Senator would like him to come to the hotel and meet with him. So he went off to see him. Harry is one of the more unflappable people I know. This was one of the two or three occasions when I can remember his being visibly angry and visibly upset when he came back from that meeting. He was clearly treated in the most contemptuous manner. Helms and his aides had made up their minds that this was a left wing ambassador who had allied himself with left wing causes and was trying to undermine this noble government which was doing so much good for Chile. It must have been a very unpleasant interview.

Q: Did Helms make any statements to the press at the time, talking about the glories of Pinochet?

JONES: Yes, there was an interview just as he was leaving Chile if I remember correctly. But there was a still more interesting follow on to this whole saga. A few days later, Bob Gelbard, the Deputy Assistant Secretary for Inter-American Affairs, came down to Chile on a visit, and Harry took him over to call on the director of Chilean intelligence, who was an army general. And one of the very few political generals, the only one who would ever dare to discuss politics with us. He and the station chief had a good relationship, did a lot of sparring, but you could at least talk to this guy. So many of the Army generals you couldn't even get in to see, and when you got in to see

them it was usually to discuss some military visit, some exchange program, and just that and nothing more. But General Gordon apparently had some sort of license from Pinochet to go a little further than that. So he was a regular contact. In the course of the conversation he said, "What is this I hear from Senator Helms about your having a Chilean Army report, a report of the Chilean Army investigation that allegedly establishes that it was an army patrol that burned the two teenagers." I'm sure they kept stone faces; Harry's poker face was very good. But wild alarm bells began ringing because we did in fact have a copy of a Chilean Army report which had been obtained through intelligence channels. It is one of the very few times when I've seen a station chief absolutely pale with panic when he got back to the embassy because one of his very good sources inside Chilean intelligence for all he knew was about to be blown sky high. He could be taken away and tortured, shot, anything. The Ambassador of course got on the secure phone to Washington immediately.

It turned out that the CIA had in fact briefed a staffer of Senator Helms about the existence of this report. Given his well known publicly stated interest about these events in Chile, the agency thought he should be aware of the existence of this report in which the Chileans themselves had concluded that this lieutenant who commanded this patrol had on his own decided to terminate these teenagers with extreme prejudice. The staffer had of course briefed Helms. Who exactly it was who called Chile probably will never be known, because I suspect other staffers were told. Although General Gordon was very specific when he said Helms, I suspect it was one of his staffers who called. Helms' office of course denied that anyone had said anything to the Chileans, and this was a gross calumny and atrocious lie intended to besmirch his reputation.

Q: Well, his staff was renowned for both meddling and being strongly supportive of right wing dictatorships. In fact there was a woman, Debbie DeMoss, who eventually married a Honduran right wing colonel, general whatever.

JONES: Who I think is running or has run for President of Honduras.

Q: Really I never quite figured out Helms. Whether this is just a way of being cute or being a populist and stirring up and muddying the waters or whether it is a real belief or not. I mean his having taken this cause on.

JONES: Well, I don't think there is any question in this particular instance of Chile. He believed that Pinochet had done a service to mankind in getting rid of Allende. Everything he heard about what he had done with the economic system was pro-free enterprise, he privatized things. Everything that he knew about Pinochet was absolutely A+. For the minor defect of not holding elections, he was being pilloried by the US Government. In a minor sidelight to the whole incident, my son Michael, who was in Chile at the time, he had spent that semester at Catholic University where he had the new experience of classes opening by saying the Lord's Prayer every day. He had not run into that at Rice. He was just winding up the semester when all this occurred. He went to the Rojas funeral and provided an eyewitness account which gave me the pleasure of reporting my son's observations in a telegram to the Department of State. I described him as a knowledgeable American observer or something like that.

Q: I think this might be a good time to stop. I mean we have more to talk about or not?

JONES: Yes. We've covered the most controversial aspects of Chile. I could talk more about Pinochet.

Q: Why don't we stop so that we can have a full thing. I'll put on the end that we have talked about events leading up close to the plebiscite. Other things to talk about would be any human rights cases, Americans in trouble, the next time. Also the book Missing and the movie Missing. Were there still aftermaths to this. What was the feeling when you arrived and all about America's involvement in the overthrow of Allende. Of course it was years later but still it was an act of faith in the United States, in academic and liberal circles, that we were much involved. I was wondering what how this developed.

JONES: And there is another major chapter which is the Letelier case which took up a lot of my time.

Q: Yes, let's talk about the Letelier case. And so those are the things and so we'll pickup the plebiscite and a lot of that.

Q: Today is the seventh of November 1996. George, Why don't we talk about some of the things that really grabbed the headlines in the United States about Chile. Some prior to your arrival but some of the reverberations were still around. My first thing is, what is the common wisdom on American involvement in the overthrow of Allende? Were you in Chile at this time?

JONES: Of course the overthrow of Allende was way prior to my arrival, but as in any country where there was real or suspected American involvement in the overthrow of a government, no matter how long ago, you heard about it a lot. One of the things you heard about in Chile was an incident involving an American warship, the *Baltimore*, back in the 19th century. Apparently there was a real threat of our going to war with Chile over this incident. There were some sailors on shore leave who got into trouble.

Q: I think they took down the Chilean flag and pissed on it or something like that.

JONES: Something egregious like that. You still heard about it from Chileans a hundred years later.

Q: It was the Valparaiso incident or something like that.

JONES: There were a couple of good friends of mine, liberal democratic people who wrote a book while I was there called, *The United States and Chile, An Ambivalent Relationship*. They talked about that 19th century incident. Of course one of the things that every foreign service officer experiences is that the relationship with the United States is far more vivid in the other country than it is in the United States. No American, unless they studied diplomatic history, would have ever heard of this 19th century incident. Not many more will have ever heard of Allende.

[Tape obliterated by static at this point.]

JONES: Curiously we heard more about it from the right than from the left. The right would tell us that Allende had been overthrown partly at least thanks to the United States. Although there were a few very fervent nationalists who admitted no involvement by the United States. Usually it was thrown up to us as, "you helped us get rid of that devil Allende. Now we have a good government and here you are trying to overthrow it again. There is no logic to your policy, no sense whatever to your policy." So I would go back to giving my lecture on democracy. What I emphasized was our consistent support for democracy, in 1973 and 1988. We didn't hear as much about it from the left in part because the people most closely associated with Allende were in exile. The left was also well aware that if it had any hope of getting rid of Pinochet it was going to be as a consequence of international pressure primarily by the United States and they needed the United States' help and support, so that was not the moment to go around complaining about what we had done 15 years previously. I think Nathaniel Davis' book *My Two Years with Allende* is the definitive factual record of what occurred in 1971-73. There certainly was substantial US involvement. Would it have happened had the US not gotten involved? You can ask the same question about Pinochet. Did Allende fall any sooner as a result of, not to put too fine a point on it, US subversion of the Allende regime? The disaster that was occurring in Chile was such that I don't see how Allende could have lasted much longer in any event. The military in particular were very much at pains to say that they took the decision on their own, and that it had nothing whatever to do with the United States. Admiral Merino, who just died the other day, was the Naval member of the government junta during the time I was there. He was not the original Navy member of the junta in 1973 but he later succeeded to the Naval place on the junta. On one occasion when I was in his home at a dinner, he told for what I'm sure was the 1000th time the story of his sitting in this very chair and hearing an Allende speech or an Allende decision of some sort that was simply the last straw. He pounded his pipe into the arm of the chair. Here's the hole, he said; it is still here. At that moment he decided that Allende had to be overthrown. It is a fact, that Merino was the instigator of the coup. He was then commanding the ships off the coast of Valparaíso, and Pinochet was a late and reluctant entrant into the group.

Q: Actually Pinochet was something of a second choice wasn't he? The first choice was killed in an automobile accident or something.

JONES: The commander of the army was assassinated. Pinochet had just recently been sworn in by Allende as commander in chief of the Army. But the other military leaders were pressuring him very hard to join the coup. It was only at the very last minute, I think it was the day before, that he told them he would go along. If they thought he was going to remain the tail of the dog, they were mistaken. The story that was told was they first realized how far they had let their power slip when Pinochet began to make exclusive use of the Presidential box at the Santiago Opera House, and if the other junta members wanted to use it they had to go to him.

I think the question of whether Pinochet would have left power if it had not been for the United States is a much more difficult question. I have gone back and forth on it in my own mind. I think that it would have been very difficult without US support. Certainly US support alone would not have done the job if you had not had many other elements present. Because the Carter Administration had opposed Pinochet. We had imposed sanctions on him of various kinds, all of

which were totally ineffectual because the other circumstances were not there to permit them to be effective. As I said last time, the absolutely key element to Pinochet's departure was the insistence by his own closest supporters that there be a plebiscite. Not only their insistence that there be one, but as the time came closer, their insistence that it be a free and fair plebiscite. Now part of the reason that they insisted on it, I'm not sure any of them would admit this, but part of the reason was international pressure. I think if the United States had been following the policy of the first Reagan term and was being buddy-buddy with Pinochet and not complaining about the human rights situation at all, certainly the question arises whether the right wing would have been so sensitive to the question of whether there was going to be a free vote in October 1988. Moreover, had the eyes of the world not been on Chile and had there not been international observers in Chile for the plebiscite, then I think that Pinochet in any of numerous ways would have gotten away with it. He would have manipulated the situation or stolen it. The United States has very hard evidence that he was trying to do that right up to the very last moment. My conclusion is that although certainly a lot of Chilean effort was essential in getting rid of Pinochet, another essential element was strong pressure by the United States. We said, OKAY it is your decision to hold this plebiscite. It wasn't our idea; it didn't come from us, but your constitution provides for this plebiscite, then let's see you hold it and respect the decision that comes out. I never held a conversation with a Chilean who suggested... about the only Chilean who suggested, not to us of course, that it might not be a free and fair plebiscite was Pinochet himself. The left feared that it might not be, but the right wing was absolutely determined to convince us that it was going to be free and fair. Mainly their worry was Pinochet is going to win this of course, and if he wins it, will the United States respect his victory? That was the question we got over and over again from the right.

Q: George, at the time, and the fires were kept burning through a book and a movie called Missing about an American student who was somewhat involved with the left wing and the Allende people and all and who was "missing". He really was.

JONES: Missing and dead.

Q: Could you say was any of that still hanging around when you were there and could you explain why it became a force in American-Chilean relations.

JONES: Well the movie was part of a whole series of movies by a leftist film-maker named Costa Gravas.

Q: "Z" had an impact on our relations with a couple of dictatorships.

JONES: I remember hearing at the time that "Z" came out that the foreign service entrance examination boards were using it as a question, to find out whether the candidates would recognize that "Z," whatever its merits artistically, was in fact political propaganda in the broadest sense of the term. That it was designed to advance a particular political cause. You can say the same thing about "Missing." It was designed to paint the worst possible picture of the Chilean coup leaders, and it was done by depriving people totally of the context that at the time of the coup it was supported by a great majority of Chileans. In fact during the '88 plebiscite campaign the Pinochet forces dug up and used an old black and white film of an interview with Patricio Aylwin, who was the leader of the Christian Democratic Party and therefore the leader of the opposition forces and

later, 1990-1994, became the President of Chile. Patricio Aylwin was being interviewed right after the coup by some European newspaper and he was trying to put it into context. Why did this happen? Well it happened because Allende led the country into political and economic disaster. You may recall that the housewives were putting chickens outside the homes of military officers to get across the message that they had to do something.

Having said all of that, the core story in "Missing" is there really was an American who was killed by security forces at the time of the overthrow. His father, Jack Lemmon in the movie, came down to Chile and actually found his body. The picture of the US Ambassador who was Nathaniel Davis was more than unflattering; it left a clear implication that Davis was a party to this, that he was aware of the boy's being killed and saw nothing wrong with it in effect. Davis sued the movie company. He had every reason to sue. The movie told lies. The US embassy was doing everything it could do to protect US citizens. It was a bloody overthrow. I think somebody's count was 1200 or so people killed, not only at the immediate time of the overthrow, but in the years immediately afterwards. By, I guess '76-'78, the killings had stopped. The fervor to just stamp out anybody who was allied with Allende had ceased. For one thing many of them had fled into exile or been expelled. A number were in prison of course. In that sense, Pinochet's human rights record improved after that point. There were no more documented case of people being executed on government orders; the Rojas murder was clearly the work of an overzealous lieutenant. This is not to say that Pinochet's human rights record was good by any means. Certainly there were imprisonments of people who had no reason to be imprisoned. Internal exile was a tactic they were particularly fond of. Chile is a country with many bleak places and they would send somebody off to a tiny island in the middle of a lake or to some extremely cold part of Chile or some extreme desert part of Chile and hold them with the most minimal contact with the outside world, one phone call a month or something like that. Of course demonstrations were broken up; people were beaten over the head with clubs, all that kind of thing, but at least the urge to exterminate had calmed down after the first wave of fervor.

But of course one of the things that had taken place in that period of "revolutionary fervor" was what was then the only act of foreign political terrorism ever to be committed on American soil. I guess it is still the only such act to be committed in the nation's capital. That was the assassination of Orlando Letelier, who had been Allende's Foreign Minister and was in exile in the United States and was working for a Washington think tank called The Institute for Policy Studies. He and an associate, Ronnie Moffat, and her husband, were in a car driving to work when a car bomb that had been placed under Letelier's seat, went off as they were going around Sheridan Circle.

Q: There is a tablet there now.

JONES: Is there? You know I had never seen that. I must go and look. I talked about not having instructions or not having adequate instructions, but certainly one of the things about our mission in Chile that was crystal clear was to pursue the Letelier case by any means available to us, by any opening we might find.

Q: He was killed and the lady was killed too.

JONES: Yes! The husband survived with just light injuries. And of course they were American citizens. So we had several reasons to be interested in the Letelier case. There is a long history to it that I won't go into. There is a fascinating book written by a former US District Attorney which covers all the early stages of the case. People had already been tried; some of them convicted in the case by the time I came to Chile. But in 1986 a Chilean whose name I had better not use even at this late date, came to see me, someone whom I had contact with on several different occasions. He was an interesting source of political views and analysis. One day out of the blue he came to see me and said that he had a friend who was in the Chilean Army and had been among the group--I'm sure he did not tell me all of this at the beginning; it came out bit by bit--he had been among the group that had traveled to the United States to assassinate Letelier. This was an army Major named Armando Fernandez Larios. He said that Fernandez was fed up with his situation. Again this was not in the first conversation, but there were many meetings as all of this developed. He had been taken off normal Army duties, he wasn't doing anything, drawing a salary, but he had been relieved of duties. Number one, he was bored, and number two he didn't like what this might mean. Was he going to be forced out of the Army? I'm sure that something worse went through his mind. He wanted to talk to someone in the Embassy about his situation. That's not quite right, because he was very much afraid of talking directly to anyone in the Embassy and for that matter so were we. At this point we had no way of knowing if this were a set-up or what it was. He wanted to exchange some information through our mutual friend and see whether, under what circumstances, how might he be treated if he went to the United States. It turned out he had a sister who lived in New York. In fact it turned out to our great surprise, much later on in this, that he had in fact been born in Washington. The son of a Chilean officer who was an Attaché in the Chilean Embassy. As the son of a foreign diplomat he had no claim to US citizenship, although it intrigued us at the time. As it turned out, his sister had been urging him to get out and get away from all this. So long exchanges with Washington ensued. Of course the case was in the hands of the FBI. The US attorney's office was very interested and the State Department as well. But there was also a lot of caution. There were all kinds of problems. As usual we had to contend with the skeptics who contended that there was no way this could be done. How on earth is this guy going to be gotten out of Chile? Being an Army officer, is he going to walk up to the airport and fly to the United States? That is not at all likely. We are going to have to tell him that he is going to be subject to prosecution in the United States for his role in the assassination. If you tell him this is he still going to come? No way.

As I recall, months went by before we could get Washington to decide anything. Sounds familiar to any of us who have ever been in the Foreign Service. But finally as a result of persistent banging on Washington and a continuing development of our indirect relationship with Fernandez Larios, we began to get some movement. My most dramatic involvement was a time in November 1986, when finally after much hand wringing and soul searching it was decided on both sides, Fernandez Larios' and the US Government's side, that it would be useful for there to be a face to face contact. The Ambassador had put me in charge of the case. In fact he didn't want anybody else in the Embassy, except the station chief, to know anything about this. So I was deprived of the usual staff that might have helped on this. I did all the telegrams myself, because we were so concerned about all these aspects, including the aspect that if somehow word got out, that Fernandez Larios would disappear into a military cell and never be seen again until you heard the noise of the firing squad. So it was decided that I was the only person that could go and see him.

I talked to one of the Embassy secretaries and said I'd like to use your apartment for a meeting. I'd like to arrange for you to be somewhere else. We wanted to hold it on safe territory and have some reasonable assurance that it was not going to be bugged. It was not reasonable to believe that Pinochet's police would have bugged the secretary's apartment. So I went home, and in Chile as in Costa Rica I had a bodyguard who was with me at all times. So I told the driver and I told the bodyguard, "That's all for today. Nothing else on the schedule for today." They thought it was very peculiar that I was home at that hour of the afternoon and peculiar that I wasn't going anywhere else. "Are you sure you don't want us to stick around?" "No!"

As soon as they were out of sight, I grabbed a bottle of scotch which I always found to be helpful in breaking the ice in a Latin environment and put it into a paper sack and went out and caught a taxi, the only time I ever caught a taxi in Chile in front of my own house, and went to the apartment--the nearest thing to playing cloak and dagger that I ever got involved in. I met with Fernandez Larios and although he was very wary, the ice did get broken. We got a number of things straightened out face to face that hadn't been earlier. There were certain countries he could travel to without a passport, so we went through a stage where we were trying to set up a meeting in Argentina. His contact in Argentina was going to be CIA. I don't recall now why, I guess because the FBI at this point was still extremely skittish about having anything to do with this. I don't know whether CIA work is really like John LeCarre or whether they modeled it on John LeCarre for my benefit. At any rate, I was told to tell Fernandez about the rolled up magazine as a sign of identification and the contact phrase to be used and everything else. But Fernandez Larios decided against Argentina. Another of the complications was that his sister had hired him a lawyer, and this American lawyer came down from New York and was far more nervous than anyone else involved. He had visions of being hauled off by the secret police and never heard of again. I guess he had seen "Missing." He was always giving very nervous advice to Fernandez Larios. The FBI finally sent some people down to Santiago. Once that happened they began to get committed, to say OKAY this is real; it may actually happen. It was finally worked out that Fernandez would be willing to get on board a plane. The CIA station had checked and found out that his name wasn't in the Chilean lookout book. They had someone who had access to the airport computers and established that as near as they could tell, if he tried to leave, his name wasn't going to come up on any kind of screen. So he decided he was prepared to risk it. He got on a plane for Rio de Janeiro. The FBI agreed to meet him.

The most dramatic single meeting that I ever had in the Foreign Service was when I called a meeting of the Emergency Action Committee, which was the group that mainly worried about threats to the Embassy, but included all the senior people, the station chief, the attaché, the political officer, the security officer and so on. I got them all sitting down and told them that a Chilean Army Major on active duty was now in the air on his way to Rio de Janeiro where he would be met by FBI agents and taken to the United States and placed under arrest and tried for complicity in the Letelier case. I think I had the most stunned audience that I ever had in my career as well. It all worked beautifully, no problems at all. Then the Ambassador and I went to see the Interior Minister, who was not a bad guy, at his home. Within the Pinochet cabinet certainly one of the least far right wing, and we broke the news to him. We had another stunned audience. I certainly hated to do it to him and complicate his life.

Fernandez Larios appeared in US federal court and testified against the Pinochet government. I'm not sure whether he was given any prison time or if he served a suspended sentence. It seems to me it was the latter. And then he went into the witness protection program which was part of the deal. He is presumably still living somewhere in the United States. It was an extraordinary event, and in addition to helping resolve the Letelier case, it helped the return of democracy to Chile. It was enormously embarrassing to the Pinochet government that this had occurred.

Q: I assume they had been denying the whole thing.

JONES: Oh yes! And continued to deny it. But they could not deny that Fernandez had gotten away, that it had been possible for that to occur. As in any dictatorship, part of its success is its image of invincibility. When you demonstrate they can be outmaneuvered in their own territory, it damages their own opinion of themselves along with everybody else's. It also enabled us to reactivate the whole case. The Chilean courts had denied extradition of the two senior Chilean Army officers who we knew were responsible for the assassination, General Contreras, who was head of the Chilean intelligence agency at the time of the assassination, retired at the time I was there, and another general whose name escapes me at the moment. The request for extradition had been turned down because the Chilean courts had said there was insufficient evidence to support it. Now we had new evidence and we could go back in. During my time, we didn't actually accomplish anything further. We sent dozens of diplomatic notes and all kinds of other actions, but we laid the groundwork for the legal action which took place after Pinochet's departure, which eventually led, not to Contreras' extradition, but we had always said in the diplomatic approaches, that either extradition or trial in Chile was acceptable to us, either one or the other. A trial in Chile eventually occurred; Contreras was sentenced. Pinochet, who is still today commander-in-chief of the Chilean Army, made one last effort to keep him out of prison, but in the end yielded and let him go. So in the end it was a successful law enforcement/diplomatic effort.

Q: As a result of their involvement in this, I would have thought that the senior Embassy officers would have suffered somewhat.

JONES: No we didn't. We suffered a lot more from the Rojas case that we talked about the last time than we did from the Letelier case. The level of Chilean embarrassment over Letelier was extremely high. I mean for all Chileans. Anybody who wasn't totally blinded by hero worship of Pinochet knew perfectly well what had happened. Contreras had planned and ordered Letelier's murder, the only uncertainty in everybody's mind was to what extent Pinochet was personally involved, whether Contreras did it without his knowledge or under some vague general authority from Pinochet. To many of us it was inconceivable that Contreras would have taken this serious an action without checking with Pinochet first. Pinochet controlled and managed everything in his government. But we had no evidence of that; Contreras never said anything of course. As I recall some of Fernandez Larios' testimony was suggestive on that point, but no hard fact. So we never accused Pinochet and Chileans never talked about his possible involvement. But I don't think I ever talked to anybody who tried to argue that Contreras hadn't done this. The argument instead was, if the chief of your CIA was accused of something like this, would you extradite him to another country? How could you expect us to do that? Knowing all the secrets that he knows, would you hand him over to another foreign power? To which we had the very fortunate reply, "Fine, then try him in Chile." We always said that would be perfectly acceptable.

The Fernandez Larios business was in late '86, early '87. The plebiscite was October 1988. There were a number of amazing aspects to it. As part of the deal, as part of Pinochet's decision to permit... I just realized, I haven't said anything about the assassination attempt on Pinochet. Still another chapter. An assassination attempt in September of 1987. It was one of the most beautiful examples of extra sensory perception by a senior State Department official that I have ever seen. Robert Gelbard, who is not universally loved in the Foreign Service, was senior Deputy Assistant Secretary for Inter-American Affairs. I was due for home leave, and my home leave kept getting delayed for a variety of reasons, but I finally got away. The Ambassador wanted very much to go off on some leave of his own. By the time I could get off it worked out that toward the end of my leave, we were both going to be away. If he was going to take his leave when he wanted it, and I took my full home leave we were going to have to have the third ranking person in the Embassy in charge. The Ambassador, who was a great believer in delegation downwards, said, "Fine, why not? The world won't come to an end." So I went off on my home leave, and in due course he went off on his leave. I was out in Colorado visiting one of our children, and I got a phone call from Gelbard's office saying that it was absolutely unacceptable for both Harry and me to be absent from Chile. Since the Ambassador had left, he wanted me to get myself back down there right away. So I had the world's shortest home leave. I got on the plane and got back to Chile.

I had barely gotten back, like two or three days after, when the Communists made a nearly successful attempt to assassinate Pinochet. It turned out that they had gotten a substantial arsenal of weaponry from the Cubans, which just like that boatload of arms in Venezuela in the 1960's, had been clandestinely delivered to an isolated point on Chile's long seacoast and stored in a cave. The Chilean Communists had taken the most useful items, notably RPG's, rocket propelled grenades, and planned an assassination attempt. Pinochet had a little farm out in a mountain valley about an hour away from Santiago, which was actually owned by the Chilean army. It had been acquired for his benefit, but was not technically in his name. It was known that he went out there on weekends, and there was only one road to and from the place, so it was easy for the Communists to know that he was going to be returning along this particular road sometime in the late afternoon. So they set up an ambush, and it was very nearly successful. There were at least a couple of people killed. But one of his prudent security measures was that there were several identical cars, identical Mercedes, that were used, and they did not know which one he was in. Also these rockets had to travel a certain distance before they were armed, and they were not skilled in the use of these. The Cubans had not sent down any trainers with the weapons, and they fired several of them too close to the cars with the result they made dents but didn't penetrate. The cars were bulletproofed. Pinochet got a small cut on the hand and that was it. The famous story was that after it was all over, he looked at the pattern in the bulletproof glass of his car that had been made by one of the rockets, and concluded that it looked like the Virgin, which was yet another proof for him of divine protection of his rule.

Shortly afterwards the part of the arsenal that was still in storage was discovered. A fisherman or something ran across it along the coast. We provided some technical assistance to the Chileans in tracking the weapons and identifying where they had come from. It provided a useful opportunity for us to make the point that we were just as much opposed to extremism of the left as extremism of the right. We did not support violent solutions in Chile. I went as chargé to visit one of

Pinochet's guards in the hospital, and held a press conference on the hospital steps to make those points. It was the second lead in El Mercurio the next day.

That was sort of the last gasp of the extreme left. I think there were some things that happened much later on after Pinochet left. There was no significant effort against Pinochet after that. It must have been extremely demoralizing to them to have come so close and not succeeded. Of course he tried to avoid offering them such another easy opportunity.

So along came the plebiscite in 1988. Pinochet made the decision, I'm sure with much reluctance but under heavy pressure from his own people, that at least to some extent, this had to be played honestly and fairly. So an opposition newspaper was licensed for the first time in 15 years. Advertising time was permitted on television, very rigorously limited, but there was to be half an hour once a week, late in the evening, 9:30-10:00, of which 15 minutes would be available to those who supported a vote of yes in the plebiscite for Pinochet to stay on and 15 minutes for those who favored a vote of no. I think the view in the United States is that under no circumstances does a dictator ever play fair. Pinochet is an interesting example that under certain circumstances where there are reasons and incentives, they do play fair. This had an enormous impact in Chile, that for the first time in 15 years political discussion was being permitted publicly. The forces of the "no," who by this time had gained some self confidence and a sense of organization, the forces of opposition to Pinochet, they went to some very good advertising people who worked for Chilean advertising firms and designed a series of brilliant 15-minute political programs. On the whole very reassuring, very moderate. Nothing to give ammunition to those who claimed that the opposition were a bunch of fire-breathing radicals who would destroy Chile if they are ever permitted back in.

Political demonstrations were permitted. Only a very few of them, rigorously controlled. Nevertheless you had the first legal political demonstrations in Chile in 15 years. The rallies, the marches for the opposition were massive. So we were pretty hopeful how things were going to go in the plebiscite, but not at all sure what Pinochet was going to do. As I mentioned earlier we had all kinds of reports of things he was thinking about doing.

Q: What were you getting from the leaders of the community? What did they think was going to happen? The Chileans.

JONES: Well the people on the right were still insisting that Pinochet was going to win, although more and more nervously as time went by. Some obvious things like the television campaign and the opposition rallies gave them cause for concern. The people in the opposition, many of them were sticking to their standard 15-year line that Pinochet is not going to permit this to happen; he'll figure out something to do. But they were willing to put this aside and say we are willing to give this a try, which is what we had been urging them to do. By early in '88 the debate in the opposition was settled and they had agreed to go full tilt to contest the plebiscite. They weren't going to boycott it. They weren't going to say it was all a farce. They were going to go at this seriously and give it everything they had.

On the night of the plebiscite, the scheme was that the Minister of the Interior, who now was a much harder line person than the one we talked about in the Letelier case, the Minister of the

Interior was going to come on TV and personally read the returns. He came on early in the evening and read some very partial returns, some tiny percent of the vote showing Pinochet ahead, showing the "yes" ahead, and then silence. In fact the TV stations that were under government control switched to American sitcoms. Everybody sat there chewing their fingernails wondering what was going to happen next. What happened was first of all another ex-Interior Minister of Pinochet's, a very prominent figure of the right was interviewed on the Catholic University station which was not under government control, kind of a talk show together with the leader of the opposition. That very friendly and amicable discussion helped to set the tone that the world was not going to come to an end if the "No" won. Then in the wee hours of the morning it became known that the junta was going to meet at the Presidential Palace. Of course we had information coming in from quick counts that were being done. I think there were at least a couple. One was being done by the opposition and there was another one that was being done by the National Democratic Institute which was there in force. So we knew that the "No" was winning, but it had not been announced publicly. The TV stations got their cameramen to the entrance to the palace and filmed the members of the junta going in, and they stopped the commander of the Air Force, General Matthei, and asked, General, how are things going? He said, "Well, it seems to me the "No" is winning." General Matthei and the commander of the Carabineros, the Chilean police, General Stange, were the two members of the junta who had assured us privately that the results of the plebiscite were going to be respected. We were sure that they were among those at the time who were urging Pinochet that this had to be an honest plebiscite, and that he had to abide by the results of it. That was the crucial event, because once Matthei said that on camera, of course he did that very deliberately, and he did it going into the meeting with Pinochet knowing that whatever happened inside, Pinochet's hands were going to be tied by what Matthei had said outside. They got in and Pinochet gave them a copy of a draft decree, suspending the plebiscite in essence and going back to the drawing board, and they all refused to sign it. So he threw up his arms and said in effect that it was all over. After that a very glum Interior Minister went back on TV, not having been seen for five or six hours, and started reporting the results. The next morning there were something like a million people on the streets and parks of downtown Santiago. Very peaceful, very orderly, but a tremendously joyful celebration.

Chile is the country of my most bizarre experiences. The last thing I'm going to tell you about Chile is even more bizarre than all these bizarre stories I've told you so far. That was the story of the poisoned grape. Timing in life is everything. You are always hearing about people, Clark Clifford is a great example. If he had only died in time, how well off he would have been. You stick around too long, you get into trouble.

Q: Clark Clifford is a former presidential advisor, Secretary of Defense who as an elderly lawyer, highly respected, who got into deep trouble by being seen to be a tool of some Arab bankers of very dubious reputation.

JONES: Had I left Chile as Harry Barnes did in November of '88 right after the plebiscite, we would have all been covered in glory both externally and internally in Chile and the US. It would have been great. Tony Gillespie came in as Ambassador. The agreement was that I would stick around for about six months after he got there before leaving myself, to help him get his feet on the ground and get started. I guess it was right around the turn of the year, we got an anonymous phone call. Somebody called up the Embassy out of the blue and said that he had injected cyanide into

grapes that were being shipped to the United States. I'm trying to remember what he used as a justification for this. It was nothing political. I mean he didn't say this was because of the plebiscite or the Rodrigo Rojas case or anything like that. I think it was to the effect that he didn't have a job, and the economy was going to hell, and nobody would listen to him. So he just wanted to warn us that he had taken this dramatic act of protest. Well, what the heck do you do? Of course you report this. Bearing in mind all of the injunctions from Washington about not over classifying, we sent it in unclassified. Absolutely nothing to protect about this phone call. But that of course meant that it went to the Department of Agriculture, US Customs and all these agencies in Washington who had no ability to discriminate between one kind of information and another, and they halted the importation of Chilean grapes over the weekend. When we found out about it the State Department was horrified; we were horrified. We were told sternly never to send anything like this in unclassified ever again. You can't let Agriculture get their hands on a State Department cable for gosh sakes. With a lot of frantic work by the Embassy and by the State Department we persuaded them to release the grapes and start importing them normally again. And in fact it was even by a miracle kept out of the papers because we had gotten it turned around again fairly quickly. The grape exporters of course knew what had happened. Once again I was chargé. All of these things seemed to happen when I was chargé, and I had the honor of calling them in and apologizing and explaining what had happened and so on, the heads of the major exporting associations. And so we breathed a huge sigh of relief; things were back to normal.

Then this guy called again, and assured us that you haven't found it but I did poison those grapes. I just want to assure you of that. So we reported that, classified this time. As a result of the second report, the fruit inspectors for the Department of Agriculture began a very intensive search. They didn't stop the importation this time, but they began a very intensive sampling of imported grapes.

Q: You might mention that Chilean grapes are a mainstay in every supermarket in the United States.

JONES: During the winter because we have opposite seasons. Chilean grapes are grown when the snow is on the ground in the US, and vice-versa. Our two markets fit together relatively well. Lo and behold, on a Sunday I think, an inspector found a couple of strange looking grapes, literally two out of hundreds of thousands if not millions of grapes, and what looked to him like a couple of puncture marks. They were rushed off to the laboratory. On a Monday morning we got the call that the lab tests from the Food and Drug Administration had shown traces of cyanide. Boom! The Food and Drug Commissioner ordered not only the cessation of imports of Chilean grapes, but ordered all Chilean grapes taken off the shelves of American supermarkets and destroyed. Bearing in mind the Tylenol case and other instances where people had discovered poisonous substances in products on the shelves, there being no way to tell how many additional bottles of Tylenol had been poisoned, so the solution was to get them all off the shelves. And of course, at this point it did go public. The Food and Drug Administration made a public announcement. Here we thought we had just established the best possible US- Chilean relations and laid the groundwork for Pinochet's departure and everything else, and this thing hits us in the face. Demonstrations in the front of the Embassy. And then to return to your question about the effect this had on senior people at the Embassy. In contrast to the Letelier case, where there was no accusation of personal involvement or personal bias at all, in the grape case there was a prominent Chilean, not in the first rank but in the second rank of prominence, named Ricardo Claro. He was an attorney; he was president of

Santa Rita Vineyards; he was president of the Chilean-American cultural center. He was a regular lunch companion of mine. He gave everybody to believe for years that he was basically anti-Pinochet, although he confessed to me at the time of the plebiscite that he had voted for Pinochet. The other thing is that he was a stockholder in a shipping company that shipped grapes to the United States. He decided, this otherwise apparently rational man, an attorney for a number of prominent American companies, he decided that the United States Government was responsible for this. Among many other things, he had a morning radio show, a five or ten minute broadcast in which he commented on various things that were going on in Chile. He began to use his radio broadcast to attack both Tony Gillespie and much more intensely, me, for having personally plotted this as a means of getting Pinochet out sooner. Because under the Constitution, Pinochet was to stay until March of 1990. There would be Presidential elections in the fall of 1989, so he was going to be around for a while. This was both punishment for Pinochet and a means of getting him out sooner. Of course, he never spoke about the fact there was personal punishment for Claro's pocketbook. Some of his ships' cargoes became worthless; there was substantial economic impact on him personally and on a number of other prominent Chileans. He held a press conference announcing his resignation as president of the cultural center and saying he wanted nothing further to do with the United States. Just the bitterest kind of attack. I spent the last two or three months in Chile defending myself to the right wing. The left wing generally kept their mouths shut with puzzlement and bafflement. The right wing unleashed all of the bitterness they had piled up over the plebiscite and many other things and said this was the last straw that the United States would do this. "Of course it was political. You mean to tell me the State Department doesn't tell the Food and Drug Administration what to do! You're lying through your teeth. This is all a calculated administration decision to punish Chile." I mean it was unbelievably bad. Just about as hostile an atmosphere as we could possibly have. A terrible start for Tony in his mission. I could get out of there in a couple of months but he had to stay.

Q: I'm interviewing Tony now and we're in the middle of Colombia where they tried to shoot him all the time, so when I get to Chile, I'll bring up grapes.

JONES: When it comes time for Chile, just have a little dish of grapes on the table.

Q: Well George, This would probably be a good time to stop. We are at the end of Chile, just to put on the record where should we pick it up? You left Chile in what, 1989?

JONES: I left in May of '89.

RICHARD T. McCORMACK
U.S. Ambassador to the Organization of American States
Washington, DC (1985-1989)

After attending Georgetown University, Mr. Richard T. McCormack assumed a multitude of administrative roles for the Nixon Administration in addition to serving under Governor William Scranton of Pennsylvania and Senator Jesse Helms of North Carolina. Mr. McCormack's career also included positions as the US Ambassador to the Organization of American States as well as Under Secretary of State for Economic Affairs. Ambassador McCormack was interviewed by Charles Stuart Kennedy in 2002.

McCORMACK: Bolivia and Chile had a territorial dispute, and I began to hint that maybe we would review our long standing neutrality on that issue. This brought the Chileans around. When the Bolivians realized that I was considering tilting on behalf of Chile, they also supported us. So we got two votes on that account. In the case of Haiti, I just mentioned to the foreign minister how pleased I was to help out with their mango exports to the United States, and that as a personal favor, I would be enormously grateful if he could support me on this. He said he would.

Q: Speaking of countries, how were things going in Chile when you were there? How did they reverberate within the OAS?

McCORMACK: Of course this was towards the end of the Pinochet era. Most Republicans I knew were happy that Salvador Allende had not been successful with his revolution. This was the time, you will recall, when there were Marxist revolutions going on in Argentina, Uruguay, and Brazil. Most of the Republican foreign policy people that I knew preferred someone like Mr. Pinochet to Castro. I don't think they were wrong. However, toward the end of the period when I was in government, Pinochet lost an election and a new government came in. It took advantage of the sound economic philosophy that the Chilean government had adopted with the help of a number of people from the University of Chicago, with an open trading system and a sophisticated macro- economic policy. The only economic mistake they made at one point was pegging their currency to the dollar for much longer than they should have. This damaged their exports. But once they abandoned that mistake, Chile's economy soared. I tried to suggest to my other colleagues in Latin America to observe the economic results of what was happening in Chile. Chile proved that you can have economic growth and stability. It is shameful I said that it takes an authoritarian government to do these things. It is embarrassing to democracy that the rest cannot. More countries needed to learn the good lessons that these economic results demonstrate.

Later, when the Chilean government changed, I said to the new incoming President, "If you come into office and take an economy that was functioning well under Pinochet, and you mess it up, the lesson all over the hemisphere will be that democracy doesn't work. What works is authoritarianism. You have an enormous responsibility on your shoulders to make it a success. That doesn't mean to say that you need to keep every policy the same as it is now or that there can't be further efforts to deal with some of the poor in your country, but you have to make sure that your macroeconomic policy stays sound and your economy remains open. Otherwise, you will be discrediting not only yourself, but democracy itself."

He absolutely agreed with me. He went ahead and carried out an orderly succession. To this day, Chile is one of the great performers in Latin America.

I basically tried to be protective of Chile during the time when they were under assault from various other places. I was happy to see them moving gradually toward a more democratic system. At a time when we were fighting communism in Central America, I was glad that we didn't have another communist insurgency in the southern cone.

Q: Did Chile have much weight within the OAS?

McCORMACK: Yes, Chile had a very intelligent man in Ambassador Illanes. He was influential because he was able and because he was an exceptionally nice person. He was not at all ostracized. In fact, the OAS non-intervention clause in the charter at the time mandated non-intervention in the internal affairs of other countries. The charter is now changed to support democracy. In those days, we always spoke on behalf of democracy, but the OAS felt that countries themselves should be able to decide their own governments. You will recall at that time there were also authoritarian governments in Brazil and Argentina after a time of turmoil. This was a time of tremendous transition in the region. By the time I left my job in the OAS, Chile and Nicaragua were the only countries that weren't democracies. Cuba was not active in the OAS.

CHARLOTTE ROE

**Political Officer
Santiago (1985-1989)**

Ms. Roe was born and raised in New York State and educated at the University of Colorado, the Sorbonne and Ohio State University. During and after her university training she was involved in political and labor activities. In 1983 she joined the Foreign Service. In the course of her career with the State Department, Ms. Roe served in La Paz, Santiago, Tel Aviv, Budapest and Bogotá, primarily in the political and labor fields. In Washington, she served on the US Mission to the OAS and in the International Organizations and Environmental and Scientific Affairs Bureaus. Ms. Roe was interviewed by Charles Stuart Kennedy in 2005.

ROE: In July 1985, I took an assignment as political officer in Chile. When my human rights contacts heard I was considering Santiago, they said, "Oh you don't want to do that. It's very dark there." I said, "There must be some rays of light or else people couldn't cope." Ambassador Corr asked me to go to El Salvador with him. I couldn't see myself in a place where I'd be restricted in my movements and where the U.S. presence was so disproportionate. Fortunately Corr understood. He helped me land the political officer position in Santiago. As I got ready to depart post, the USAID director asked me to adopt a beautiful blue and gold macaw bird that he had raised with his hunting dog. He had been assigned to Indonesia and found that he couldn't bring the macaw with him. So I acquired a large parrot, whom I called Rosita the Loqui. Getting her a passport to enter Chile was a complicated transaction.

Q: Who was the Ambassador in Santiago?

ROE: The Ambassador, James Theberge, was finishing up his term. Harry Barnes arrived two or three months into my tour.

Q: What was the situation in Chile when you got there in '85?

ROE: It was gloomy, conflicted. Though Bolivia was also in turmoil, by comparison this felt like stepping into a cauldron. Augusto Pinochet had been in power since the coup he led as army commander on September 11, 1973. President Salvador Allende committed suicide that day in La Moneda palace. Pinochet ruled with an iron fist. He outlawed the political parties. Tens of thousands were tortured, disappeared, killed or exiled during his campaign against the pro-Allende communists and socialists. The military government planned to implement a provision of the 1976 constitution to recognize certain political parties in a formal process, but few Chileans believed this would take place or lead to positive change. The 1980 constitution imposed by Pinochet further concentrated his powers. It promised an eventual return to electoral "democracy," beginning with a plebiscite in 1988 in which voters could say "yes" or "no" to the junta's sole candidate.

The opposition to Pinochet made itself felt through massive street demonstrations. Some mainstream political parties joined in, but those in charge were mostly the trade union vanguard, students and the radical left. The police would douse the protesters with water canons, spray tear gas, and start shooting with little provocation. The middle class was unhappy about the repression

but also weary of these futile confrontations. Chileans felt frustrated and depressed. Beggars held out their hands at every street corner. The crisis over foreign exchange triggered a sharp recession.

Q: Well, we were deep into the Reagan period. Jean Kirkpatrick as our Ambassador to the UN also sat in on the cabinet and was stating that we should work closely with the military leaders in Latin America, because they were closer to our ideals and all. How stood our policy towards Chile when you went there?

ROE: Kirkpatrick's 1979 article in *Commentary* magazine argued that the U.S. should work with authoritarian governments like those of Chile, Argentina and South Africa because they were more likely to lead to democracy than were revolutionary regimes of the left. This was debatable, but it tagged her as pro-dictator. She also fervently criticized President Carter's human rights policies. Outgoing Ambassador James Theberge was in the Kirkpatrick mode. He maintained a pretty friendly relationship with the military government. Theberge kept his distance from the leading opposition figure, Gabriel Valdez, the President of the Christian Democratic Party (PDC). In the early 1980s the U.S. frequently bashed the PDC and other center left opposition parties for not banning the communists from taking part in the protest demonstrations. But the U.S. Congress kept a close eye on human rights violations, and the Embassy raised its voice on those issues. The human rights officer...

Q: Who was that?

ROE: Don Knight, who also arrived in the summer of '85, was the labor and human rights officer. He covered all the demonstrations, worked closely with *Solidaridad*, the Catholic human rights agency, and visited imprisoned trade union leaders. When I arrived, John Keane was political counselor. George Jones soon became the Deputy Chief of Mission (DCM). Connie Poli was office manager, a quiet, steadfast spirit in the political section. The political officer whom I replaced had formed relationships with most democratic political parties except the socialists. This changed after Ambassador Harry Barnes's arrival.

The front office tapped me to draft Barnes' credentials speech. I was stumped at first -- how do you say to Pinochet that we're here to undermine you and assist the rebirth of democracy? So I brainstormed with Jorge Castillo, the senior FSN and a stalwart in the political section. The message we crafted was: "We have deep, long-standing ties and common interests with Chile and its people. We support the goal of a transition to democracy. We'll be watching closely to see how this process evolves..."

During Ambassador Barnes' first few weeks, he went to visit Gabriel Valdez in his office. His gesture sent shockwaves throughout the Pinochet government. The pro-Pinochet hawks disseminated a rumor that when Barnes left Chile, it would be in a six-foot box. (Actually they would have needed a six-foot-five box because the Ambassador is a tall man.) The new U.S. approach emboldened the opposition. Even the pro-democracy conservatives began finding their voices. The Europeans had been supporting the opposition financially, in a patchwork approach. Barnes met daily with key civic, political and intellectual leaders one on one at his residence. I often sat in on these. Barnes had a photographic memory. When he went to meet with Pinochet or the members of his junta, he would report every word that was said. A huge audience in

Washington followed these conversations.

Q: Well, when Barnes came, did he come out and say we are going to be more supportive of the opposition?

ROE: His actions spoke that message. The Embassy no longer echoed the right's criticism of the opposition. That's why the first Barnes-Valdez meeting was such a profound shift. We opened up close channels with the democratic socialist wing of the opposition, which the U.S. had previously tended to equate with the Allende left.

The outgoing cultural attaché, Peter DeShazo, opened his house to democratic socialists as well as to Christian Democrats and other opposition leaders, but Ambassador Theberge strongly discouraged these ties. I made contact with a myriad of political groups. These included socialists, the Radical party, and the Humanists, a left-of-center international organization founded in Argentina that advocates non-violence and the development of human potential; the National party, an older conservative grouping; and Renovación Nacional, a new moderate conservative party with an engaging leader, Andres Allemand, a former national soccer hero of Chile.

Q: During this time did the French, the British and the Germans, maybe the Scandinavians all have strong groups like the Friedrich Ebert foundation that supported socialist parties around the world?

ROE: All were engaged to some degree. Chilean exiles had fostered these ties. The Europeans sponsored many Chilean socialist, Christian democratic and democratic left leaders. They supported their think tanks, some of which like FLACSO (the Latin American Faculty of Social Sciences) were mini- governments in exile. In the mid-80s Ricardo Lagos formed a democratic socialist party called the PPD, Partido por la Promoción de la Democracia. The PPD was a friendly competitor with the Socialist Party, which had both an Allende wing and a larger democratic socialist wing.

Together with the new PAO (USIS director) Marilyn McAfee, I sought out and sponsored many emerging Chilean leaders to go to the U.S. so they could better understand the U.S. policy environment. We wanted to balance the strong European orientation among the opposition. The intellectual climate shifted as they saw how serious we were about supporting the democracy movement, without trying to impose any terms of our own.

Q: What was your piece of the action as a political officer?

ROE: I was liaison with the political parties. I reported on political developments from the provinces. I worked with the National Electoral Commission (CNE). The Commission was directed by Juan Ignacio Garcia, whose brother was Interior Minister. Juan Ignacio, an experienced civil servant, had been in the government from the time of Frei and Allende.

As we approached the plebiscite, the U.S. provided 1.5 million dollars in assistance to ensure that the plebiscite would have a level playing field. *Cívitas*, one of the main civil society organizations, ran a nationwide campaign to re-register all the Chileans who wanted to vote. Pinochet had

destroyed all the registration rolls and established a national identification system. To register, people had to pay the equivalent of nearly 5 dollars to get an ID card and then get on the electoral rolls. It was an onerous process. Under the leadership of Monica Jimenez, the head of Catholic University's School of Social Work, Cívitas mounted a non-partisan voter education campaign to convince people their vote would be counted and to assist them in registering. The Pinochet regime undercut their efforts to get public service announcements and paid television advertising. I helped convince Juan Ignacio Garcia that Cívitas and Monica Jimenez did not have a political agenda and were legitimate actors.

As the 1988 plebiscite loomed, Washington was hungry to find out if there really was any chance for a fraud-free election. I briefed the news reporters on that issue. I analyzed the implementation of political laws under the 1976 constitution, the emerging civil society organizations and political party dynamics. I helped promote emerging women leaders through IVs and lunch sessions hosted by PAO Marilyn McAfee.

Q: It sounds like we were meddling like hell in Pinochet's country.

ROE: We were engaged, but more subtly than during the Allende period. And that experience left a big debt to pay. U.S. assistance to the opposition was non-partisan, because there were no candidates in the plebiscite, just a vote to say "si" or "no" to the regime. As for *Cívitas*, somebody had to go out and help register people. Ambassador Barnes kept the lines of communication open to both sides, playing such a deft game that Pinochet had to think twice before openly attacking the U.S. Pinochet's military junta was a quasi-cabinet that also doubled as his legislative counsel. Two of the four junta members were asserting their independence from Pinochet – Air Force Commander Matthei and Carabineros Commander Stange. They resisted Pinochet's moves to undermine his own constitution. That was a key opening.

Meanwhile Pinochet's government was making political parties into legitimate actors, while demonizing them in its propaganda. The PDC, PPD, the radicals, conservatives and eventually the Partido Socialista won recognition. Within a year of the plebiscite, key opposition forces moved from raw confrontation politics to a willingness to work through the political process. Pinochet hated and mistrusted us, but some elements in his government were moderating their stance, either to make a more presentable case to the world, or because they understood the imperative for change.

Q: What about the Letelier case while you were there?

ROE: It was a constant concern. The '76 car bombing in Washington that killed foreign minister Orlando Letelier and his U.S. aide Ronni Moffitt transformed U.S. relations with Pinochet. It triggered a cutoff of military aid and a decades-long investigation of the role of top officials including Pinochet himself in the assassination. At one point Juan Gabriel Valdez, who later became Chilean ambassador to the UN, offered to provide sensitive information on the case and I connected him with Ambassador Barnes. The Congress and the NGO community kept up pressure in the effort to develop credible information for the Justice Department. The case stayed red hot. In the end it was a major element in Pinochet's downfall. And speaking of interference in another country: sending hit men to assassinate a foreign minister in the U.S. capitol was about the limit –

Q: That had quite an aftershock. Turning to another subject – there are many who maintain that Allende was not a pristine figure. Meaning, they were getting ready for their own sort of People's Republic. This was not an overthrowing of the savior or something. Did you get a feel for the Allende types and where they were coming from?

ROE: Allende inspired great passions pro and con. I didn't have direct contact with the communists, but I knew some Allende supporters. Many were romantic socialists, some neophytes, others real Marxist zealots. In the early 1970s, the collapsing social and economic system and the political fanaticism of Allende's supporters drove many progressives, including Christian Democrats, to feel that Pinochet would be a lesser evil. The CIA's machinations were idiotic and damaging, but they didn't create the wave of revulsion toward the regime. Allende didn't understand the nature of the Soviet system or the way the economy worked. He set in motion some dangerous forces that caused real hardship and desperation among the population. The radical takeovers of factories and farms and the government's nationalization policies led to a precipitous loss of agricultural and industrial production. There were long food lines and acute shortages. The majority of Chileans were fed up.

Q: Sort of what is happening today in Zimbabwe.

ROE: The climate was more circus-like and less violent in Chile, but still it was over the top. The chaos helped precipitate an army coup. Unfortunately, nobody expected that Pinochet would then seize dictatorial powers.

Speaking about my contact with the Allende people -- something happened early in my tour that gave me a curious perspective. In December '85 we learned through back channels that one of the Embassy officers had been targeted for kidnapping by local terrorists. Immediately they thought it must be a male officer. Well, who would be important enough to kidnap? Must be a man.

Q: But of course.

ROE: First the station chief, the political counselor and then the labor officer were put under heavy guard. The profile was someone who had a lot of political contacts throughout Chile. By that time I took my postponed annual leave, we learned that it was a female officer. So they put extra security on an intel officer in Santiago -- I was in the U.S. and had just left upstate New York for a week in Puerto Rico. Then headquarters called me while I was vacationing in San Juan saying I'd been curtailed because I was the terrorist target! A two-month tug of war ensued.

Ambassador Barnes opposed the curtailment decision. We knew that the terrorists had dropped their plan, as they didn't have safe houses or other infrastructure to make it work. But I was unable to return until ARA (Inter-American Affairs) and DS (the Diplomatic Security bureau) fought it out. Finally DS asked me what I thought. I said heck, yes, I want to go back. I had a dog, a parrot, a house in Chile. I had no winter clothes, since I had sent them back to Chile after my home visit. Washington in winter was cold, unyielding. I had no checkbook and this was before the age of bank cards. DS said, "Well, you haven't read the information carefully though. They knew all about you." I said, "This says that Joe Fozo followed me a few days and they decided they couldn't

hold me safely.” The security people were trying without success to put the fear in me. The Department eventually had a shoot-out. Michael Armacost, Under Secretary of State for Political Affairs, made the final call that I return.

In the meantime I volunteered on the Haiti taskforce that was set up as Duvalier’s government collapsed. I took the language exam and got a 4/4 in Spanish. I asked for training in counterterrorism techniques. The course was in Florida. After it ended, I was about to board my flight and return to Chile when I got a call from Assistant Secretary Bob Gelbard. He said “You can’t go yet.” I replied, “What do you mean? The desk told me it was a done decision.” He said, “Well, don’t go, we’re still in negotiations.” I had heard that Bolivia urgently needed help because the labor attaché was on extended sick leave. I said, “You need to get me to La Paz or somewhere where I can work, or I’m going to go to Chile and get my checkbook and look after my dog on my own ticket.” He was not used to being talked to that way, but the next day I got my orders to go to Bolivia. After two more months the Department allowed me to return to Santiago, but I had to remain under constant guard for five months.

During that time, on two separate occasions distant Socialist Party contacts approached me. With a great air of secrecy and concern, each said, “Charlotte, we have very troubling information. Did you know you’ve been targeted?” I said, “Possibly, but that was then.”

Q: Well, who was targeting you?

ROE: It was a small underground group called the MIR, the Movimiento de Izquierda Revolucionario. They had hatched the idea when El Salvador President Duarte’s daughter was kidnapped in September ‘85 to force the release of political prisoners there. The MIR hoped to use me to get their political prisoners sprung in Chile. You can imagine what Pinochet would have said: good riddance!

Q: Kind of like The Ransom of Red Chief.

ROE: That was the O. Henry story where two fugitives kidnapped a boy and held him for ransom, but the bad guys couldn’t get anyone to take the little troublemaker. In my case, the would-be kidnappers realized it was a no-go because they lacked resources for stage two. One of the Chileans who got wind of this was an attorney for several jailed MIR dissidents. I told him “don’t worry” but sometimes I wasn’t so sure, because I couldn’t travel anywhere without two armed escorts. To go to the theatre, I needed a limousine and a follow car. I thought, what a brilliant way to make me a bigger target! Because of the threat, the Embassy moved me from my house to a garden apartment. To be able to cover both sides of the flat, the guards had to camp out in the middle. I literally had no privacy. That summer, I finally convinced George Jones, the DCM, to call off the guards. The whole episode was pretty stressful. But it showed me that Chileans will look out for you if they sense you’re fair and open.

Q: During this time how much contact did the Embassy, mainly Harry Barnes but maybe others have with Pinochet and his immediate aides?

ROE: Ambassador Barnes occasionally met with Pinochet. The readouts were fairly cryptic.

Pinochet was not a big talker. Pinochet reportedly had a close relationship with Senator Jesse Helms, but that's another story. The more useful contacts were with members of the junta. Barnes met regularly with Generals Stange and Matthei, much less so with the Army Commander or with Navy Commander Merino, who was the most pro-Pinochet in the junta and famous for his ludicrous pronouncements. One of my contacts, Jose Antonio Cousino, worked in the Interior Ministry and taught political science at the University of Chile. He provided some valuable insights on the Letelier case and on changing attitudes within the administration, and would later become Director of Planning for the Foreign Ministry under President Lagos.

Q: Within Chilean society did you find it rather sharply divided between supporters of Pinochet and non-supporters or how were you received by these various groups?

ROE: Chilean society was fractured under Allende and even more so under most of Pinochet's reign. The political paranoia fostered by his regime was meant to keep people divided. Embassy functions, both ours and the Europeans, were among the only places the government moderates, the conservative nationals and the democratic left could meet and converse freely.

Q: I would think in a society such as that you would have those people who represent the old society that don't look kindly on a junked up army officer. Same way Napoleon was never fully accepted by many of the Parisians.

ROE: That came into play. Mostly, they felt betrayed. Chileans see their country as a place of "convivencia" which roughly translates as "living together harmoniously." The Chilean sense of order and social justice is a legend that began with Pedro de Valdivia. Chileans are proud of their country as a middle class haven, a country that escaped the worst colonial oppression of the lands that supplied Spain's gold and silver. They're also acutely aware of their economic interdependence. Both the opposition and the shadow reform elements in the government wanted to build bridges not only with Europe but also with Southeast Asia. They knew that Pinochet's repression damaged Chile's image, and that the boycotts hurt economically.

The old elite were stuffy and overbearing. I remember attending a dinner party that was top heavy with this group. One patrician learned that I'd served previously in La Paz and asked me, "Well, how was Bolivia?" expecting that I was going to say, they live in caves, they eat off of the street. Instead I said, "It was a fascinating place. They've been through some real turmoil, but they have a lively free press. The national debates in the Congress are completely free, open -- they're nationally televised and attract a huge audience." When I mentioned the vibrant civic life, a few guests looked about ready to have heart attacks on the spot. The last thing they expected was to hear the view that Bolivia was more advanced in civic discourse.

Q: What was the reputation of the so-called Chicago Boys and had they started to take root among those making economic policy?

ROE: Oh yes, they had influence. Milton Friedman, the guru of the monetarist school of economists based at the University of Chicago, taught and groomed quite a few of Pinochet's top advisors. Generally, the Chicago Boys (CB) recipe for privatizing and removing trade barriers and balancing the macroeconomic variables was judged to be a success. Of course the pundits admitted

that you can only implement severe fiscal austerity if you have an iron fist. You can impose them without worrying about the democratic political process. But there are big costs. Not having rule of law means you won't have transparent governance or marketplace; you won't build investor confidence or have economic sustainability. The CB economists erred, for example, in pegging the peso to the dollar. Most observers faulted the government for making the two recessions much deeper than necessary and this may have cost Pinochet a lot of political support.

You had asked about public reactions to those trying to push U.S. ideas on another country. Well, Chileans didn't want the CB model imposed by an academic institution in the U.S. or anyone else. They adopted those reforms on their terms. When Chileans elected Patricio Aylwin president in 1989, his government and successive administrations kept in place the bulk of the economic reforms. They married the Chicago monetarists to a Chilean version of the New Deal. During the fourteen years of democratic government following Pinochet, Chile's economy maintained fiscal stability while strengthening its social net. They've been the tiger of Latin America. They still have a long ways to go to cut bureaucracy, but post-Pinochet Chile reduced poverty by thirty percent in a decade, which few countries can boast.

Q: What about those who've been expelled. I think it was it Neruda and –

ROE: Pablo Neruda came back from exile. He died of cancer, shortly after the 1993 takeover by Pinochet. Neruda passed away just as Pinochet sent his henchmen to take over his residence in Isla Negra.

Q: During your time?

ROE: Both before and during. Lagos was exiled after the '73 coup and returned to Chile in '78. Ricardo Núñez, the head of the Partido Socialista, was exiled and also returned. Many literary figures came back. Manuel Bustos, the fiery head of the Chilean labor federation, returned from exile in Australia.

Q: Well, was this a policy on the part of the Pinochet government to bring them back and watch them?

ROE: I'm not sure about all the motivations, but it most likely aimed to get some international credibility by showing the government was following the constitutional path and that Chile was no longer an outlaw country.

Q: What about Chile's border relations at that time? What were we picking up from your contacts and all about Argentina and Peru?

ROE: Chileans are always concerned about Peru. They never lost a transnational war, but they are constantly vigilant about their frontiers. In the late '70s Chile almost came to blows with Argentina. The Pope John Paul intervened in a dramatic moment in 1978.

Q: The Beagle Straits?

ROE: That was the issue. Chile and Argentina finally accepted the Vatican's mediation, and in '84 they signed a peace treaty resolving the Beagle dispute. During the Falklands war, Argentina suspected that Chile favored the Brits, and apparently they had quietly supported the British task force in the Southern Atlantic.

Our main focus was to ensure that Chileans had a chance to have their votes count in the plebiscite and the capacity to make the transition to democracy. Pinochet had committed to an open plebiscite, but few believed his words. We thought the procedural instruments the government had put in place could create the framework for a free and fair election, if the military regime didn't abort the process. Chile is a legalistic, constitutional country that prides itself on respecting the law. The opposition gained strength when it abandoned the strategy of social mobilization in favor of an electoral strategy. Another turning point came when Ricardo Lagos challenged Pinochet directly. In 1984, a year before the plebiscite, he gave a speech in Antofagasta, a bleak, troubled industrial port about halfway between Iquique and Valparaíso that used to be a mining center.

This was one of Lagos' first rallies as president of PPD, the center-left party he founded in 1987. He was faced with a disruptive group of Communists. The Communist party believed that only armed conflict could end the dictatorship. Few in the opposition knew how to best them. Lagos talked back without hesitation and subdued the hecklers. He also held up his finger to Pinochet and said basically, "J'acuse, I accuse you, Pinochet, of years of torture, murder and violence; I accuse you of not telling the truth." Nobody had dared to stand up to Pinochet as an equal. The effect was electrifying.

After that encounter, the parties supporting participation in the plebiscite began recruiting en masse. The Cívitas campaign gained ground. The plebiscite was in October of '88. Three months before the vote, Pinochet's own Supreme Court overturned the junta-approved election regulations saying, "This doesn't meet the fairness test. Your own constitution mandates better rules." Pinochet would allow opposition voices to have television time, but only for a few minutes at midnight. The courts mandated fair, equal time and changed the rules of the game. That decision built confidence. The opposition had coalesced into what was called the Coordinadora, eighteen political parties under one tent running a single "no" campaign for the plebiscite. The conservative parties remained apart, but some also supported the no vote. The Coordinadora's TV ads were brilliant. They were like political cabaret, with great music and light-hearted lyrics. They rocked people with an upbeat message.

Lagos, who was elected President of Chile in 2000, visited the U.S in the pre-plebiscite period. He asked me to arrange a key part of the trip. We set up a voluntary visitor program through USIS to facilitate his goal of meeting with Wall Street people. Lagos wanted to let them know that when the "no" vote prevailed, it wasn't going to hurt the economy, that the opposition leadership was committed to keep the basic economic framework in place and work to humanize it. That was a very effective message. A transformation was underway. Our policies and actions had deep resonance, but they were not the main story. The evolving national consensus and the eventual plebiscite victory grew out of tremendous suffering that Chileans had experienced. They found a way to come together and recover their democratic ethos.

Q: I think that earlier, the Army had essentially come out of the barracks. But of course Allende

was upsetting the cart from the left, whereas Pinochet came from the right.

ROE: Pinochet brought a different kind of technocrat into government from the middle class. He carried a reputation of being an uncorrupted dictator. That image was greatly padded, and now we've seen the revelations about the millions he funneled abroad.

Q: You left there when?

ROE: I was paneled to be labor attaché in Israel and left Chile in 1989.

Q: So you were there for an historic time.

ROE: Yes, four years of struggle and exhilarating change.

Q: Now what information was the Embassy getting as we approached the plebiscite? I imagine that Pinochet with his police and all figured he had it made.

ROE: Oh, Pinochet was very confident. Losing the plebiscite completely stunned him. The polls were pretty imprecise. People would tell different things to the pollsters based on whether or not they trusted them or thought the balloting would be fair. So it was a confidence game. But we saw hopeful signs with the banding together of the democratic opposition, the soul searching that led to them presenting a more credible alternative, a team that could Chile to the rule of law and manage the economic transition. Pinochet was trying to say, "after me chaos" in the style of Louis XIV, "Après moi, le deluge." That was his constant theme, but it was falling flat because the country was deeply divided under him. It was becoming ungovernable.

As hope rekindled, the opposition lightened up, making fun of Pinochet as a doddering old man. Talking with people in the provinces, I saw a tremendous groundswell of support for the "no" side. We thought the opposition could win as long as elections proceeded as planned. But I got wind of something that would have completely thrown the election. One of my close contacts was Jorge Jimenez, the brother of Monica Jimenez, who ran Cívitas. Jorge, a medical doctor, was the opposition liaison with the military. Five days before the plebiscite, Monica called me in Valparaiso where I was doing a pre-election assessment. She said Jorge had solid information that Pinochet intended to stage a mini-coup the night of the election. The plan was to provoke violence and claim it came from the left. They would bring out the soldiers and there would be massive confrontations and bloodshed. The election count would be called off. It would be the last opportunity to fix the results.

Ambassador Barnes corroborated this report and determined that it was a plausible threat. So on the Sunday before the election he had the Chilean ambassador to the U.S. called in. Our officials in Washington told the envoy bluntly that if anything happened to disrupt the election, the U.S. president would denounce it in the loudest possible terms around the world and that nothing of that kind would be tolerated. Apparently, our counter-threat was effective. We later heard from members of the junta that the stop-the-election plan was real. Another decisive moment happened when the first election results came in. Sergio Jarpa, the leader of the conservative National party and a previous supporter of Pinochet, went public and stated that the no vote had won. Junta

members Stange and Matthei also said so publicly.

Q: I'm told this screwed up the plans at Pinochet headquarters.

ROE: That killed any possibility of them subverting the process.

Q: Well, then what happened after that?

ROE: After the election? There was a joyous feeling of release and celebration nationwide. People felt that Chile had been saved from a terrible path of social and political warfare that would permanently scar the society. The talk turned to reconciliation -- what would happen when they finally return to democratic government, could unearth the truth about the dirty war, and take steps to heal the wounds. Pinochet conceded in a dazed, semi-defiant, somewhat disoriented speech.

Chileans began planning for the national elections in December of '89. *Concertación* candidate Patricio Aylwin (Christian Democrats) won decisively, heading the first democratically elected government in 16 years. At that point you had an outpouring of positive energy. People felt they had begun to overcome the darkest part of their recent history. The opposition leaders wanted the world to know they were not about vengeance or divisiveness. They didn't act triumphant, because no one, not even the old-line communists, wanted the country to suffer more suicidal feuding. Pinochet had received forty-four to their fifty-six percent in the plebiscite. He remained as army commander. His constitution set strong limits on the democratic process. A portion of the Congress was appointed, and the President could not remove the Commander in Chief of the Armed Forces.

Q: I take it that you were busy making contacts all over.

ROE: Things opened up. Many of my key contacts -- for example Andres Allemand, Marcelo Rojas, Heraldo Munoz, Carlos Portales, Jorge and Monica Jimenez, Tomas Puig - entered the government or the parliament after the 1989 elections.

Four years in Chile provided a unique opportunity to set down roots and develop lifelong friendships. Marie Snyder (now Cavanagh), was librarian at the American school, Nido de Aguilas. When her parents visited Chile, we traveled with them to Punta Arenas and Torres de Paine, an incredible World Heritage site in the south that contains glaciers and flamingos within the same national park. Another time Marie and I explored the Valle del Elqui in the north and visited a monastery that seemed lost in time. This is the narrow valley where many reported UFO sightings have happened. The poet and diplomat Gabriela Mistral -- the first in Latin America to win a Nobel Prize for literature -- was born there. Pancho Ingunza, a decorator and arts empresario, and Jutta Gaviria, a German designer, were close friends who opened many doors. John Acton, the DCM for the Australian Embassy in Santiago, was another inspired buddy -- we took tango lessons together, and he later visited us in the U.S. and Budapest.

Chile remains a big part of my life because I have family ties as well. In late 1988 I became engaged to a Chilean, Hector Bravo Zuñiga. We had to go through a mountain of red tape to get Department approval. After the wedding in February '89, we started the immigration process. That

was another transformation in a year full of them.

We were married in Hector's hometown, Nuevo Imperial, in a ceremony attended by his extended family and childhood friends, my older sister Becky and her husband Andy from Colorado, the political counselor Ron Godard and his family, Heather Walker (British) and Yolande Osten (Dutch). Hector's mother Nila was there, along with six of his siblings, twenty-one of her grandchildren and many neighbors. My close Chilean friends -- Pancho Ingunza and Felipe Gopeigui -- decorated the banquet hall. The town had only one restaurant and no hotel, so arrangements were quite a challenge. Hector's uncle Juan donated the beef from his farm. A firefighter friend was chef, serving a four course meal. We were setting up until an hour before the ceremony.

Q: Tell me more about Hector.

ROE: He was on the Embassy security staff when we met. He did advance work for Ambassador Barnes and had been in the Carabineros (national police) for six years before that. Hector was born in the south of Chile near Temuco in the Ninth Region. This was Indian country, a rural area that was ninety-five percent Mapuche. He went to a bi-lingual school started by a Mapuche schoolteacher and activist, Carlos Santibañez. His parents were small farmers who took care of the pine plantations for the larger landholders and later for the government. His father, Guillermo Bravo Leal, was the voluntary veterinarian for all the neighboring farms. He died in 1977, the same year as my father. Hector had thirteen brothers and sisters, and four half-brothers and sisters. His mother, Nila Zuñiga, was *madrina* (godmother) for half of the province. One brother, Ramon, still lives in the family farm. Until recently, the house had no indoor plumbing or electricity. Water came from a hand-drawn well. The homestead lies about an hour from town by dirt road, set among rolling green hills.

Hector and I met when I asked for someone from Diplomatic Security to accompany me to a *población* (slum) outside Santiago called Cardinal Fresno. I needed to go there to meet a family whose son was bitten by Bronco, the nine-year old German shepherd I'd just adopted. I paid the mother a hefty indemnity. She and her other children had nothing but a roof and a dirt floor. They depended on her son's work at the local market. They were grateful for the visit and the money. It was a look behind the scenes at the hard luck base of Chile's resistance movement. The *población* was off limits to official Santiago. None of Pinochet's army or police would venture there. But Hector had worked in rougher areas as a police officer, and neither of us felt any tension being there.

Hector and I share an interest in Mapuche culture, their history, community rituals, ceremonial music, healing practices. One of Hector's aunts, Tía Juana, married a Mapuche and ran her own farm. In her 50s she became a one-woman hospice and continued doing that work for nearly a half a century. When someone was terminally ill and dying, the family would summon her to help them make the passage peacefully. Juana is buried in a Mapuche cemetery near the family homestead and the locals consider her a saint. Hector's childhood gave him the taste for living in two cultures -- the Embassy was a third. He looked forward to exploring the land of Israel. But he never left his home behind. Many a morning I wake up to hear Hector recounting the latest stories from his sister Natalia or his brother Ramon; a prayer or song from his childhood; the names and family lines of

neighboring Mapuche *machis* (medicine women) and matriarchs; or country legends like the ghost fox, the *Tué Tué*, the spirit owl, the night fireballs. He has a detective's eye for details and my mother's gift for remembering relationships. He never fails to stop on the highway to help a stranger with a car breakdown or to rescue an injured animal or bird.

Before turning to Israel, two stories. One happened in September 1988, just before the Chilean plebiscite. Nancy Mason, a new political/military officer, had just arrived at post. Around 5 p.m., most of the political section vacated -- a pro-Pinochet demonstration was scheduled to take place a half hour later at La Moneda palace, just up the street from the Embassy. I was finishing a cable and told Nancy, "No problem, I'll take you." We left fifteen minutes later but to our dismay, we saw the large crowd fleeing in panic toward Avenida O'Higgins, the main thoroughfare in downtown Santiago. "Don't worry," I told Nancy, "we'll take the metro home." But the metro was closed. As people ran up main street, we felt like we'd hit a wall. It was a wall of tear gas. We escaped to the side streets but still couldn't see our way out. Eventually a stranger offered to give us a ride home, and we followed him thinking there was strength in numbers -- the two of us against him if necessary. When we got in his Peugeot, he showed us the chains and revolver he stashed on the passenger side of the front seat. "I'm one of the counter-demonstrators," he proudly said. So a Pinochet partisan took us home that night, all because I'd boasted, "no problem."

Another indelible memory is the night of the October 1988 plebiscite. Ambassador Barnes had confronted Pinochet's envoys on the issue of a staged disruption. During the day the political section and other officers monitored different polling places. A big international observer corps was already in place -- the Europeans, the National Endowment for Democracy, the National Republican Institute, the National Democratic Institute and hundreds of journalists. Ron Godard, the new political counselor, had put together a briefing manual for those observers and was coordinating Embassy responses. By the afternoon, spot checks indicated the election was proceeding peacefully, but no one knew how the government would deal with the results. That evening, I was the only officer covering the election from outside the Embassy. I went from political party headquarters to headquarters, taking the temperature, talking with party activists.

I was at the Christian Democratic headquarters when conservative leader Sergio Jarpa announced that he accepted the election results. There was an outburst of joy. Shortly afterward, Air Force Commander General Matthei followed suit, legitimizing the returns. The government had blockaded routes within the city center, making it nearly impossible to circulate within Santiago. However the Embassy driver was undeterred. We talked our way past five of the police barricades, making up many different stories -- that I was sick and had to reach my doctor, or I needed to deliver a message from the U.S. Ambassador to someone in the headquarters, and so on. I arrived at the opposition's central command on Avenida Alemeda just as the Coordinadora burst into cheers over the news that the election results were irreversible. I remember giving Lagos a hug.

JANEY DEA COLE
Andean Desk Officer, USIA
Washington, DC (1987-1989)

Ms Cole was born and raised in Brooklyn, New York and was educated at Hartwick College, the University of Hawaii and Virginia Polytechnic Institute. After working in New York City several years, she joined the United States Information Agency in 1980. During her career Ms. Cole served in Dacca, Caracas, Katmandu, Calcutta, and in Islamabad, where she was District Public Affairs Officer. In Washington, she served in the Near East bureau of USIA and was a Congressional Fellow on Capitol Hill. Ms Cole was interviewed by Charles Stuart Kennedy in 2004.

COLE: I came back to the U.S. for a posting as a desk officer thanks to Marilyn McAfee's assistance. She was the PAO in Chile and she wanted somebody on the Andean desk, which then included Chile, who would understand her needs.

Q: Okay, today is the 27th of October, 2004. Janey, you were back in Washington from '87 to when?

COLE: 1987 to 1990.

Q: So about a three year tour.

COLE: Two years of it was on the Andean desk in the office of what was American Republics (AR). For one year I had a fellowship to work on the Hill.

Q: Okay, well let's talk about when you were in AR doing Andean affairs. What did that include?

COLE: Chile, Peru, Ecuador, Bolivia, Colombia and Venezuela at the time.

Q: What sort of work were you doing?

COLE: At that time, and I think probably still today, desk officers were kind of a bridge between policy and the field. We fed in reactions, ideas, and developments from the field into the Washington machine, and we passed to our posts what policy was and what needed to be done. You also spend a fair amount of time troubleshooting. You get a furious call from somebody in the IV department who wants to know why the international visitors from one of your countries are so awful. And so you say, no, don't send a cable, don't write a memo. Let me call and talk to the CAO (Cultural Affairs Officer) or the PAO (Public Affairs Officer). And you do.

You also spend a lot of time passing out scarce resources: international visitor grants, private sector grants, Fulbright grants, speakers, world nets. Sure there are more people that want these resources than can have them because of limits on money, staff, and hours in the day; you spend a lot of time negotiating with your fellow desk officers and then with the cultural coordinator – Lynn Seavern in my day – to work out who is going to get what and why. And then you spend a lot of time talking to the boss (in my case the area director at that time was Jeff Dietrich and the deputy was Carl Howard), and getting their interpretation of priorities from higher up and translating them into the kinds of actions that will look good, that will fulfill the requirements.

Q: Well, you were there, you were more or less at the end of the Charlie Wick era, weren't you?

COLE: I entered the Foreign Service in 1981, just as Reagan was coming in and Charlie Wick, therefore, was also coming in. I came back towards the tail end of the Wick administration. I have to say that as unpleasant a person as he was, in some respects he really did make a change for the better.

Q: Well, for one thing he had ideas and some of them weren't bad at all.

COLE: No. Quite right.

Q: And he also was able to get money. You know, sometimes when somebody's been there for almost eight years their interests, their power and everything else begins to run down. Was there a feeling of waning of interest or was he still keeping up the pressure?

COLE: Maybe the pace of the ideas slowed, because I think he had already managed to achieve most of what he wanted. But, I don't think that his energy or his interest ever slackened. I think he got smacked a few times by Congress and learned that there were some things that he needed to back off on. For example, we were finally able to do some WorldNets with Walter Cronkite, who was supposed to have been on his blacklist. And I think he also learned that certain management techniques, which are entirely legitimate in the private sector, cause a lot of heartburn in government. You know, such as tape recording his conversations with people. I believed his explanation that he did it so that he would remember what the action items were so that his secretary could type them up. But, of course, it upset people enormously in Washington.

Q: Well, as a matter of fact, I've talked to people who were staff aides to the secretary of state and his immediate deputies and they usually have a rather junior officer listen in on calls and make notes to record what needs to be done. This was very much a practice and, in theory, not a bad practice one because decisions are made on the telephone but you don't remember what they are.

COLE: Because another call comes in, someone else walks into your office, somebody calls you up and hollers about something and it goes by the by.

Q: Well, were there any particular issues dealing with your Andean parish?

COLE: Chile, at that point was always the big issue because the Reagan administration wanted to take a stand; show that they were against dictatorships. So Chile was their exhibit where they could line up with the liberals on the Pinochet regime and demonstrate support for democracy. This got a fair amount of attention and I attended a number of conferences and meetings where I explained this to the assembled liberals. And it worked very well because that got us lots of funds to support activities for Chile.

CHARLES ANTHONY GILLESPIE, JR.

Ambassador

Chile (1988-1991)

Charles Anthony Gillespie Jr., was born in Long Beach, California in March, 1935. He graduated from UCLA in 1958 with a bachelor's degree in psychology. Following a six year term with the U.S. Army, he entered the Foreign Service in 1965 and was nominated by President Reagan as Ambassador to Colombia in 1985. In addition to Colombia, he was posted to the Philippines, Indonesia, Belgium, Mexico, Nicaragua, and Chile.

GILLESPIE: When Malcolm Wilkey asked me what I thought about Chile, at this point in 1987 I simply knew that there was supposed to be a plebiscite, to be held the following year, in 1988. In this plebiscite the Chilean people, under a design which Pinochet had agreed to and which he thought he could control - and we'll get into that later on - were to express themselves on how they would go in the future. U.S. policy was that it was up to the Chilean people to make that decision. However, we made clear that we supported democracy. Even then Ambassador Barnes, Assistant Secretary Abrams, and those around them were organizing and planning what action the U.S. would take in support of our policy, as the plebiscite approached. There were debates as to how far we ought to go and what we ought to do. Ambassador Harry Barnes was an activist and a liberal. He tried to make sure, whatever his personal feelings and whatever motivated him most deeply, that his actions would ensure that whatever the Chilean people decided should be done in as open and democratic a fashion as possible.

Harry may have favored the immediate termination of the Pinochet Government, and I suspect that he did. Although I was not an expert on Chilean affairs in 1987, I had been an Ambassador in Colombia for over two years at this point, in a country where the civilians had called in the military to help them straighten out the situation. It was not a right versus left situation. There had been political violence and civil war. The Colombian people basically said that they wanted the military to come in and help to clean up the situation. The Colombian military had done just that, left the government, and didn't want to come back.

I felt that these long-standing, military controlled governments were not good. I had seen this in Nicaragua under the Somoza regime and all of that. I was comfortable saying to Ambassador Wilkey, "Look, in my view this is our policy, as I understand it. I think that we have to find ways to implement that policy. The job of the U.S. in Chile is to make sure that we do this right. In my personal view I do not think that military people are necessarily very good governors. They may be capable and efficient people, but there is something lacking in an authoritarian or totalitarian regime. We all consider that democracy is essential for the continuing health of the political system."

I let it be known that I was not in any way a supporter of the continuation of the Pinochet Government. However, I made it clear that I would follow Washington's instructions.

...If I remember correctly, we arrived in Santiago on December 1. On about December 5 or 6 - I don't remember exactly - I presented copies of my Letters of Credence to the Foreign Minister. On December 15, 1988, I went over and presented my credentials to Pinochet.

The ceremony was very interesting. The Chileans are very traditional in the way they handle this.

La Moneda, the Presidential Palace, used to be the Mint - hence the name - in the old, colonial days. It was the building which was blasted by bombs in 1973, during the military takeover which overthrew President Allende. It had been fully repaired. It's a large, imposing building about two or three blocks square, right in downtown Santiago. It's not at all ugly. Right in front of it is a huge plaza, fairly open, without a lot of tall trees. There is a cobblestone street along the front side of the Palace. For many years the Office of the Presidency occupied one wing, and the Foreign Ministry had another wing. The Ministry of the Interior occupied still another wing. In Chile the Ministry of the Interior is the chief political ministry and also the ministry which controls the police and law enforcement activity. In nearby buildings the Ministries of Finance, Justice, and other departments are located. It's very compact - a little like Washington, DC, in that sense.

The presentation of credentials was like many others. They do it all very formally, although in business suits. You don't have to dress up in white tie and tails or anything like that. There is an escort, a military guard of honor, when you arrive at the Palace. A band plays the national anthems of the two countries. The new Ambassador takes with him his "suite" - in this case, the DCM, the principal Counselors of Embassy, and the Defense Attaché. You go through a very carefully choreographed presentation. I had never seen President Pinochet in person. I hadn't the slightest idea of what really to expect. George Jones, still the DCM, had given me a detailed briefing and was very helpful in every way.

The Chief of Protocol turned out to be a delightful person - very traditional and very European in orientation. He sort of walked us through it and told us how the ceremony would develop.

For the ceremony itself I had written my remarks which had been cleared with Washington. I had gone over them with my staff in Santiago to make sure that they were right - and they hit all of the points in my instructions: human rights, democracy, and a desire to build a strong relationship, especially during a time of transition. The U.S. wanted to be of assistance, and so forth. When I referred to human rights, I looked directly into the eyes of President Pinochet. He is a man of medium height - not heavy set at all but sturdy. He was dressed in his white Army uniform, so I addressed him as "General" throughout the ceremony. I did not call him "Mr. President."

My Letters of Credence had been drafted in Washington and were addressed to "Mr. President." However, I was careful to say, "General Pinochet." I thought that that was the most appropriate form of address to use, since he was in uniform. I probably would have done the same if he had been dressed in civilian clothes. The Chilean Army has a uniform patterned after that of late 19th Century Prussian Army.

When I looked him in the eye in referring to human rights, he looked me right back. When I referred to democracy, I made sure that I was looking him right in the eye. He looked right back. He then made some observations, responding in a prepared set of remarks which had obviously been drafted for him. He didn't seem to ad lib much at all. We didn't know how this was going to work out. Pinochet had refused to allow Ambassador Harry Barnes to come and say goodbye. He asked me to join him to talk for a few minutes. In fact, we talked for about 20 minutes. We talked a little about everything. We did not dwell on the political situation. I asked him how the plebiscite had gone and so on. I wasn't trying to rub in his defeat but I wanted to make sure that I covered that and heard whatever he had to say.

Pinochet knew that I had served in the U.S. Army. I guess that that impressed him, even though it had been some years before. In that context he raised a point which he also came back to later, saying, "You Americans pride yourself on your military prowess. Chile's Army has never lost a war. You have. You lost in Vietnam. Your Army has become a corps of managers. I'm not sure if you're fighters." He didn't say this in a mean or nasty way, but these were stated in carefully measured terms, coming at these subjects obliquely. He said that and repeated this point in any meetings he had with senior American military people whom he met. We had a couple of visits from the Commanding General from our Southern Command and some senior U.S. Air Force people. Pinochet didn't hesitate to make those points: first, you lost a war, but Chile has never lost a war. Secondly, you are managers, and we are fighters. It was a very interesting comparison which he made.

Anyway, at the conclusion of this ceremony, we stood up and went outside. By that time the band and the honor guard were formed up for the ceremony where I would take leave of Pinochet. There were a small crowd of, perhaps, 120 or 130 people, out in front when I came out of the Palace. Something happened then, for the first time, which was repeated on several occasions after that. When I came out and took my leave of the honor guard - you don't actually review it but you go up to the commander and thank him - there was tremendous applause out in this plaza in front of the Palace. People were applauding and shouting, "*Vivan los Estados Unidos!*" *Long Live the United States!* and "*Viva el Senor Embajador!*" *Long Live the Ambassador!* It was really nothing personal at all. It was strictly a matter of people who were expressing some very interesting views about the United States of America. As I say, the same thing happened on several occasions after that. I was always touched to be the United States representative on such an occasion. I felt that these people really had good feelings toward us.

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Q: I'd like to go back now to the period before you went to Santiago. How did you see the situation in Chile? This was a very interesting time. What impression did you get from the Chilean Desk in the State Department, from the Embassy in Santiago, and as a result of your own reflections? Also, what were your specific instructions for Chile, beyond the general ones?

GILLESPIE: First of all, we knew that Pinochet had not intended to lose the plebiscite. His polling, his opinion testing, and his own judgment led him to conclude that he would win the plebiscite - that the "Si" or "Yes" vote would prevail over the "No" vote. However, we learned through clandestine intelligence, he had planned to make sure that the release of the results of the plebiscite would be tightly managed. If there were any reason to engage in any hanky panky, he would be able to do that. He thought that he could remain in control.

We knew that and knew that he was not prepared to leave power. That conclusion predated my arrival in Santiago and really affected some of my relationships in Chile. There were several reasons why Pinochet's plot didn't work. Ambassador Harry Barnes, Bob Gelbard, the Deputy Assistant Secretary for South American Affairs, and other people in Washington made sure that the Pinochet people knew that we knew that Pinochet was planning something. As we learned, that didn't stop Pinochet from making his preparations. However, the Pinochet people at least knew that we knew that if they implemented a plan to jigger the results of the plebiscite, for example, by delaying the announcement of the results, we were going to blow the whistle.

Furthermore, Harry Barnes did something which perhaps few people have ever focused on. Harry had developed a relationship with General Fernando Matthei, the commander of the Chilean Air Force and a member of the governing junta. Remember, this was a Presidential system with basically a four-man "legislature." This legislature was the junta consisting of Pinochet as President and commander of the Chilean Army. His deputy, General Sinclair, often sat in and did the work of the junta on the Army's behalf. Another member of the junta was Admiral Merino, the commander of the Chilean Navy. Merino was, perhaps, more of a key actor in both the move to overthrow President Allende- and in the conduct of the Chilean government over the years - than public opinion was aware of, at least in the years immediately following 1973. Another member of the junta was General Stange, the commander of the *Carabineros*, the semi-militarized, national police force. It included both uniformed and plain clothes police. The plain clothes police were called the Investigations Police. Most of the other *Carabineros* were uniformed. They are something of a combination of the Texas Rangers, the California Highway Patrol, and the U.S. Forest Service. The other member of the junta was the Air Force commander, General Fernando Matthei. He was the second Air Force commander since the 1973 *coup d'etat*.

Pinochet had obviously stayed on in office since 1973. Admiral Merino was from the same period. General Stange was a relatively recent appointment as chief of the Carabineros. General Matthei had replaced his predecessor, an Air Force general, who had concluded in the mid-1970s that it was time for the military to relinquish power. He felt that they had done what they needed to do and that, therefore, it was time to go. He was basically eased out and replaced as Air Force commander. General Matthei was an Air Force officer who, although a hot shot fighter pilot and truly dedicated to his service, had proven himself to be very efficient and effective as the Minister of Health in the military government. He had also held other, political posts, which we can discuss later.

General Matthei just treasured - and still does - his relationship with the United States and the United States Air Force. He was a committed supporter of the move to displace President Allende and was an effective and committed political actor in the junta. He never hung back. As I said, he was selected to replace another junta member who had said that it was time for the military to leave power. The clear implication was that General Matthei didn't necessarily think that it was time for the military to leave power. As I had been briefed before I went to Chile, General Matthei had been a voice in the junta in favor of giving the people more options, more choice. He had really incited the anger and enmity of General Augusto Pinochet, to the point where some sources were saying that General Matthei had a mistress, that he had accepted bribes, that he was corrupt, and a number of other things. However, these allegations did not go so far as to suggest that General Pinochet had decided to ease General Matthei out of the junta, as he had eased out his predecessor in a very tricky little political game.

Harry Barnes had gotten to know General Matthei on a cordial and friendly basis. Harry told me that if there were anybody in uniform that I needed to talk to in Chile, it was General Fernando Matthei. The key to Matthei was that he had learned how to fly in Chile but, I believe, had had advanced training with the U.S. Navy, I believe, at Pensacola, Florida. He was as closely associated with the U.S. Air Force as a person could be. Interestingly enough, Admiral Merino had a similar relationship with the U.S. Navy, dating from World War II. During World War II he had served as a young Lieutenant and gunnery officer in the Pacific, in combat, aboard a U.S. Navy cruiser. He never forgot that.

I have mentioned that we obtained from clandestine intelligence reporting information on an alleged Pinochet plan to upset plebiscite results which would be unfavorable to him. I don't know if the ultimate source of these reports was General Matthei. Harry Barnes may also have obtained information of this kind from Matthei. Certainly, Harry discussed this possibility with Matthei, prior to the plebiscite. Matthei knew that we knew from various sources that something was going on.

The following events occurred prior to my arrival in Chile. However, in my view, and putting it very briefly, General Fernando Matthei saved democracy in Chile because of his actions on the night of October 4, 1988. The plebiscite had been held, the polls had closed, and Pinochet called the junta to meet at La Moneda Palace. General Matthei drove up to the Palace. The Palace has an underground garage. The junta members, more often than not, would drive up to La Moneda Palace and then down the ramp into the underground garage, where they parked their cars for

security reasons. Remember that there was some anti-government violence occurring in Chile from time to time.

However, on this occasion Matthei drove up to the front door of the Palace, walked through the front door. As he did so, the press surrounded him and clamored for him to say something. There is a press corps assigned to La Moneda, equivalent to our White House press corps. The press was all around the entrance to the Palace, which was guarded by Carabineros - not by the Army, interestingly enough. The press asked him, "What's going on? Why the meeting?" and so forth. General Matthei replied, "Well, I guess we've lost it." The results were in and General Matthei did the one thing which General Pinochet could not stand to have happen, under his alleged scheme. General Matthei, a member of the governing junta, announced the results, which were negative.

Q: This was deliberate on General Matthei's part?

GILLESPIE: Absolutely. He went into the Palace through the front door and made his statement. He had probably prepared in advance what he was going to say. He basically pulled the rug out from under General Pinochet and the gang around him, who had set up an elaborate scheme to postpone the publication of the results, alleging that the returns were not in from this or that part of the country. Meanwhile, they were going to stuff the ballot boxes or whatever they were going to do. So General Matthei pulled the rug out from under the junta, and the press went out with the story.

From that moment on, during the remainder of the period of the Pinochet Government, this animosity toward General Matthei on Pinochet's part grew steadily. To the point that my CIA (Central Intelligence Agency) chief of station told me that General Fernando Matthei had better watch out, from the physical and personal point of view.

I arrived in Santiago in December. One of the first people whom I met was General Fernando Matthei. You wanted to know about the Washington end of this story, but that set the scene that I was walking into. We knew that Pinochet had lost the plebiscite. We knew that Pinochet really did not want to leave power. In my view the Chilean military at the time fell into three categories. There were those who were the core of Chile's military establishment. By and large, they were professional military officers and probably not terribly politically oriented. However, because of the way that they had been raised and trained, they tended to think in very conservative terms.

There was a second set of military personnel, mainly officers, who had all of the characteristics of the first group but who believed that it was time for the Chilean military to get out of the government and somehow turn it back to the civilians. They needed to protect their military institutions and themselves, and there had been human rights violations to be concerned about. There was tremendous tension, anxiety, and animosity toward the military among the general public.

The third group was composed of the political-military actors. These included generals, colonels, captains, and a few NCOs (Non-Commissioned Officers) - but mainly officers. They had basically made their careers in politics, whatever their professional qualifications as members of the military. They had a vested interest in sustaining the military in political life. If the military left power, they

had to protect their butts, because they had been so closely wrapped up in policies, the implementation of these policies, and perhaps other actions which were not particularly good. They wanted to preserve and protect themselves and these policies.

Then there was a civilian, political structure. Some 17 political parties had gathered together for the plebiscite campaign in something called *la Concertacion para la Democracia*, the Concertation for Democracy. They ranged from everybody to the right of the Communist Party of Chile almost far as you can go. That really amounted to the center right. In addition, there were two parties which wanted to sustain the military government. One was relatively new, the Independent Democratic Union. The other, traditional party of the right was called *Renovacion Nacional*, or the National Renewal Party. Some of the members of *Renovacion Nacional* felt that it was not yet time to return to civilian rule, while other members actively supported it. So the 17 groups to the left of *Renovacion Nacional* and to the right of the Communists joined together to support the "No" vote in the plebiscite and the transition back to democracy.

It was fairly clear in 1988 that the traditionally strongest political party was the Christian Democrats, probably followed by the Socialist Party, in terms of numerical and political strength. They had been thinking about a return to democracy but not, in all cases, in a very practical way. They apparently just wanted to get the military out of political life. There was a 1980 Constitution which had been drafted by the military government and its civilian allies. *Renovacion Nacional* had been involved in drafting that constitution, which provided for the plebiscite process and which set the rules under which the transition to civilian government would take place.

During the period of the military government Chile had begun a far-reaching process of economic transformation and change from a largely state-controlled economy to a fairly definite, free market orientation. Chile was viewed as a favorable place for investment, where law and order prevailed under the military. By the way, this was only partly true. This view reflected a lot of good public relations effort.

I began to learn more about Chile, particularly after I left Colombia and really started to read into the situation, particularly about the plebiscite which was to be held. If the vote was "Yes," that is, keep Pinochet in office, a lot of difficult pressures would have been unleashed in that country.

In any case, you could see the situation developing. Had the plebiscite gone in the direction of keeping Pinochet in office, the Constitution provided what would happen then. However, a lot of forces would have been activated and indeed had been active during 1988. If that were to happen, you could see continuing difficulties and challenges facing the military, both in political, public relations, and public affairs terms, as well as, perhaps, the real emergence of various kinds of rebellious acts. An American Ambassador going into such an environment would need to be prepared for that. There was a lot of discussion in Washington about what happens if that should occur.

Based on everything that we knew, I think that there was an assumption from our own opinion polls that the outcome was uncertain. By the way, the Republican Party in the United States, through the International Republican Institute, was funding the Center for Political Studies CEP - (Centro de Estudios Politicos), a right of Center polling organization in Chile. However, it was

very honest and very credible. Polls undertaken by the Center for Political Studies indicated that the outlook in the plebiscite was very close. That is, Pinochet could lose the plebiscite. His own pollsters were giving him another interpretation of the CEP polls. Meanwhile, the IRI basically supported that activity under the National Endowment for Democracy. It seemed that the plebiscite could go either way.

However, if, on the other hand, the "No" vote were to win, then there would be a kind of reopening of the political landscape and of the political Pandora's box. This was because it wasn't really clear to those of us who were outside and looking into this process, how well organized the various political parties were. I don't think that there was a lot of confidence about the situation. At that point many of the civilian figures hadn't been directly involved in government in Chile for 15 years. How were they going to function? What should the U.S. position be?

Well, first, we supported a change in the political situation. We felt that it was time for the military to leave government. I knew that that was an underlying assumption. When I went to Chile, that part of the basic equation had been defined for me. The plebiscite had occurred, and the Chilean people had spoken. So I saw my job and my instructions, both those on paper and, more importantly, the ones that we talked about with the Assistant Secretary of State, as calling for this line of action.

By the way, I had come to the conclusion in Colombia that the Ambassador really is the President's personal representative. As the President's personal representative the Ambassador has a license which allows him to go and knock on the doors of cabinet and sub cabinet officers in Washington and say, "I want to talk to you about my problem, my challenges, or my program" in the place where I represent the United States. I had done that. I had met with the Secretary of Defense and the Director of the CIA (Central Intelligence Agency). In effect, as a practical matter no door was closed to me, when I was getting ready to go to Chile. I could get in to see whoever it was that I needed to see. I could talk to them and I did. I told them where I thought that we ought to be going. I made sure that they understood it and I walked out the door of their offices with what I believed was their strong support.

I also had the benefit, particularly up on the Hill (in Congress), and especially in the House of Representatives, of a *Concertacion* of the political Center. We had people like Doug Bereuter, a Republican Congressman from Nebraska. We had Howard Berman, a Democratic Congressman from California. We had the support of people from both parties. There were also some other people who were over on one side of the political spectrum. For example, Toby Wright was way over on the right. He thought that we should be supporting Pinochet and shouldn't support change at all, that it was not our business but was completely the business of the Chileans. He represented a district in Wisconsin and was something like Senator Helms in his outlook. Then there was a Congressman from New York who died of a massive heart attack a few years ago. I can't think of his name right now, but he was the man that I would have typified as being on the left in the U.S.

There was nothing that the U.S. Government under President Ronald Reagan, or anybody else, could do that would sufficiently satisfy the need for justice, peace, and democracy in Chile.

Q: There was the Letelier case.

GILLESPIE: I always put a hyphen in this and refer to it as the "Letelier-Moffitt" case.

Q: You might explain what this was all about. There was also the time when Allende was overthrown and killed. Among fairly moderate people in the United States, there was a lot of focus on all of the awful things that the Nixon administration was alleged to have done in Chile. So Chile was not a really normal country to go to. There were real emotions aroused.

GILLESPIE: However, some of that had been dealt with - I guess that's the best way to put it - in the reports of the Special Committee on Intelligence Activities, of which Senator Frank Church (Democrat, Idaho) was the Chairman. This Special Committee of the Senate was set up to examine the U.S. role in Chile, and particularly the role of the Central Intelligence Agency and others. I had the benefit of these hearings, if that's the right word, and so did Harry Barnes. We knew what the U.S. Senate investigators had concluded and published. This put the situation somewhat in perspective. I think that if you considered what the report of this Special Committee said, it took some of the sharp edges off. The Report said, in effect, "Yes, the U.S. was an important actor in the overthrow of Allende but may not have been THE most important actor in what happened in Chile." That was it in a nutshell.

Yes, what had happened in Chile stirred emotions. It was interesting to me, and this phenomenon struck me, that, first of all, there was support for change within the Reagan administration. There were people within the Reagan administration who didn't agree with this, but the policy line of Secretary of State George Schultz, which really was the policy of President Reagan, was that we support democracy in Latin America. Chile was not a democratic country. Therefore, there needs to be a change in Chile.

Q: Was Jean Kirkpatrick still a "power" at all in the Reagan administration?

GILLESPIE: Not that I noticed. In practical terms I felt no compulsion to clear anything with Jean Kirkpatrick. My instructions were pretty clear - maybe that's the way it was. I felt that it was more important for me to find out who my champions in Congress might be, as I had done in Colombia. I also felt that it was important to know who my opponents might be - or the people who might be trying to work against whatever I was trying to do.

I was able to do that. I found, for example, that Senator Ted Kennedy (Democrat, Massachusetts) was emotionally and viscerally anti-Pinochet. However, he understood very well that it would not do any good to have the new Ambassador to Chile, particularly after the plebiscite, go down there and just keep poking his finger in Pinochet's eye. Nancy Soderberg, who has since become part of our National Security Council leadership in the Clinton administration, was Senator Kennedy's principal staffer. Nancy and I met regularly and routinely on this. Senator Kennedy himself was a little bit distant, because all of this was sort of out of the past. However, every time that the subject of Chile would come up, Senator Kennedy would be back and be alert to it. I found that it was really important to let Senator Kennedy - and Senator Dodd, who had just been to Chile and was helpful in this regard - understand that there had been a lot of change in Chile. In other words, the clock didn't stop on September 11, 1973, when Allende was murdered. I should say died because it turned out that he probably was not murdered. In fact, he committed suicide, which gets to another

point.

In any case, the clock didn't stop when Allende died, and Chile has made steady progress since then. We probably should stop fairly soon.

Q: Let's stop now. What you have really been talking about is the atmosphere regarding Chile back in Washington before you went down to Santiago. You've already addressed what happened in Chile before you got there in terms of the plebiscite. You've talked about presenting your credentials to Pinochet. So we can pick it up again with discussing the issues which came up after you arrived. Could you describe the Embassy a bit and how they were dealing with your takeover of the Embassy from Harry Barnes? We can talk about many other elements, including the economic reforms, and how we dealt with the transitional, Pinochet Government.

Also, a question I didn't ask but which I would like to pursue the next time is, what was the estimate or feeling about Pinochet? I don't mean his psychological profile, but where was he coming from? What were you getting from Washington about Pinochet before you arrived in Santiago?

Today is January 17, 1997. Why don't we start with Pinochet? What sort of profile of him were you getting before you went to Santiago and also immediately from the Embassy staff? In other words, who was this character?

GILLESPIE: As you know, as part of your preparation for going to a post, you have a lot of briefings and meetings with other people in the various communities in Washington - including the intelligence community.

My recollection is that Pinochet was characterized here in Washington as a strong-willed, very rigid individual. I think that he is now 75, in 1997, so, subtracting seven or eight years from that, and he was 67 when I arrived in Santiago. His health, according to the people at CIA who keep track of these things, was supposed to be okay, and maybe even good. He had no serious health problems. His mental state was characterized as sound. So I started with that.

The reading was that Pinochet was very antagonistic, maybe resentful, toward the United States and the positions it had taken. He was a staunch anti-communist. It really wasn't clear until I arrived in Santiago, met him, and had a better view of him to know what that meant. So that was the picture of Pinochet, this very firm and very tough man. Remember that he survived several attempts on his life. The most recent had been a year or maybe two years before I reached Santiago. In this abortive assassination attempt several of his bodyguards had been killed. There had been an attempt to ambush his motorcade. So a lot of attention was devoted to his security. He was not at all universally admired. There were very strong feelings against him, as well as a strong sense of support for him. I guess that's the picture of Pinochet that I had as I went down there.

I think that I may already have mentioned that my predecessor as Ambassador, Harry Barnes, had been refused a *pro forma* request for a departure interview with President Pinochet. I think that Harry had tried to do the right thing, which was to offer to make such a call. However, his request

was rejected. No one really knew how I would be received by Pinochet. I've described the credentials presentation ceremony, in which he affected a certain cordiality, although perhaps that's too strong a word. However, his attitude was certainly not one of rejecting me. His attitude wasn't warm, but it wasn't cold, either. He seemed to display some interest in me.

By 1989-1990 his government was essentially civilian in composition. There was a civilian Foreign Minister, but he had a Deputy Foreign Minister who was a colonel in civilian clothes. The deputy was a serving Army officer who never wore his uniform. He was not normally referred to as colonel, although you could call him colonel. There was no problem with that. The same thing was true in the case of a number of the other ministries. My introduction to Chile, by the way, followed the traditional introduction of any new Ambassador to any country or most new countries which follow what are called the traditions of diplomacy.

I was expected to call on the cabinet ministers and other key figures in society in Santiago. I did so. I presented my credentials on December 15, 1988, the very last, feasible date to do so prior to the summer vacation period. Then the country really went on vacation, so I wasn't able to begin my calls, although I was legitimate and could function as an Ambassador. I couldn't really begin my calls until after January 1, 1989, when people started to drift back from vacation. Remember, it was now high summer in the Southern Hemisphere.

So I began by seeking and making calls on various ministers and vice ministers, as well as others, beginning a process of introducing myself into Chile at the governmental level. My instructions which I, of course, had written or helped to write, were that we were to promote the return of democracy to Chile. That was our primary and overriding objective. My activities, those of the Embassy, and those of the U.S. Government as a whole, were supposed to be calculated and pointed toward doing that.

To me that meant two things. First, be careful. Don't get in the way of what the Chileans themselves are doing. They have a process which, I think I said, was stipulated in the 1980 Constitution, which was largely written by the military government. However, whatever the expectations might have been 10 years earlier, this Constitution had served to bring Chile to where it was in 1989. That is, there was going to be an election in December, 1989, and a new, civilian, elected government. At this point nobody really knew who the candidates were going to be.

The new, civilian government would be taking office early in 1990. It was my judgment that the last thing that the U.S. Government wanted to do, was that, having taken a visible and energetic approach to civic education under my predecessor, and moving or helping the country move along toward democracy, if that's the right word - we should move with great care. Remember that the Reagan administration was still in office at this point. We were accused of all kinds of collusion and various bad things by those who lost the plebiscite in Chile, both before it took place and afterwards. We were allegedly trying to buy the plebiscite and do all sorts of things. We had been very careful to calibrate our activities in ways that would not support those accusations.

So I considered that I was starting out on pretty firm ground. I could say, "Look, in October, 1988, the Chilean people voted in the plebiscite. They made a decision by a 56% majority that they wanted to return to an elected, civilian government. All right thinking democrats in the world

should support them, but it is their decision."

I had to figure out how to deal with the government, and particularly Pinochet and the military in that context. Pinochet was now faced with a *fait accompli* in the plebiscite, which was now over and done with. Pinochet wasn't able to reverse the verdict of the plebiscite. Would he now, as the new year of 1989 began, really comply with the terms of the constitution? Of course, they had carried out an extra-constitutional act in 1973 by overthrowing the government of Salvador Allende. They remained in that position for a long time. What were the military going to do and how were they going to do it? So we had a lot of discussions about this.

In Washington, the results of the plebiscite were considered to be so fresh that people there weren't exactly sure how this situation would evolve, although the odds all seemed to indicate that it would come out the way it did. There hadn't been a lot of thought given to alternatives. As you know, the U.S. does not do much advance planning.

I arrived in Chile and found that there was an excellent Embassy team there. You've interviewed George Jones, the DCM (Deputy Chief of Mission). Ron Goddard had just gone down there in 1988 as the Political Counselor. Ron and I had met each other back in the early 1980s. He is a real Latin American specialist, a Political Officer, a superb Foreign Service Officer. He is currently the DCM, actually, the Charge d'Affaires, in Buenos Aires, until a new Ambassador is named. He will probably continue as Charge d'Affaires throughout much of 1997. In any event, Ron was the Political Counselor. He had an excellent staff of four officers, as I recall it, in that office. One of them was Nancy Mason, who had been my Desk Officer for Colombia. She was the Labor Affairs Officer in Santiago. There were two other bright officers there. The Economic Section was just superb. Glenn Rase was the head of the Economic Section. He is now our Ambassador to Brunei. He had three Americans working with him. They were superb, both in terms of their substantive knowledge of economics, and, what was particularly important to me, their ability to articulate economic issues, the importance of exchange rates, and developments on the economic side, including fiscal policy and the political decisions that were being made and had to be made. In other words, the political economy.

Q: I would imagine that the Embassy in Santiago at this time really needed a top quality economic team to keep you and Washington informed of what was happening. This goes back a way, too.

GILLESPIE: Well, there are two things to say in that connection. First of all, since some time in the mid-1970s - 1976 is a year that kind of sticks in my mind - we had had to operate in Chile in an atmosphere where there was substantial governmental antipathy if not hostility toward the United States Government. Some people compared the atmosphere to the denied status we had in some parts of Eastern Europe. In other words, there was no free, open communication between the U.S. and Chilean Governments. It was not that way at all. At one point we had been perceived as trying to overthrow the Allende Government and supporting the Chilean military in their efforts to do that. That was not true.

Q: Let me stop here just for a moment. Now, please continue.

GILLESPIE: We had a situation in which the officials of the Chilean military government, from

the highest levels, were relatively hostile to the United States. However, the government bureaucracy, although it had not been completely turned over by the military government, now bore a relatively strong stamp of the military government, because it had probably gone through a generation or a generation and a quarter of fairly extensive turnover, in terms of governmental structures and personnel. Military officers had been installed in office as cabinet and sub cabinet officials early on. I think I mentioned that, by now, this initial military influence in the government had been diluted, to some extent. The Ministry of Defense was something of an exception because it was headed by a person in uniform or a retired military officer. I think that he had left the military service. In any event he was at least nominally the Defense Minister.

However, there was the governing military junta, which was composed of three generals and an admiral - Army, Navy, Air Force, and the National Police or Carabineros. Then there was the bureaucracy of the junta, which had a lot of military people in it. There was the staff and a lot of the officials in the various, junta departments. Each member of the junta oversaw certain parts of this bureaucracy.

In any event, what I'm getting around to is that my calls on the cabinet ministers and the heads of the various offices were quite formal and stylized. Some of them were reasonably cordial, while others were not. I was the new American Ambassador. To a degree they had resented and rejected my predecessor, Harry Barnes. However, they didn't know quite what to make of me.

We had a pretty good idea of what their intelligence on me was. That is, that I was a career Foreign Service Officer with more knowledge of Latin America than my predecessor had had. I had just finished service in this very dangerous post, Bogota, Colombia, and I was reportedly in the good graces of Secretary of State Schultz, President Reagan, and other people in the administration because, obviously, I had been selected to come to Chile as the American Ambassador. Was I a bleeding heart liberal and an anti-military person? Well, I had served in the U.S. Army for five years. They knew that and made a point of that.

I've talked about our Political and Economic Sections. We were operating in a situation in which we did not feel that we had access to the usual sources and ways of collecting information in a reasonably decent relationship. In other words, day in, day out contact. Diplomacy is conducted every day for 24 hours a day. You collect information from the newspapers, radio, television, and the people you talk to, including government officials with whom you are in touch, on matters of common concern. That's what you do, but it's harder when you don't have many areas of common interest and you are perceived to be the bad guy.

Since 1982 Chile had been going through a really major economic transformation. We knew that. They were renegotiating their debt and were getting back into the world market. We were interested in that. They did not publish a lot of material about what they were doing. We didn't know whether we could trust what they did publish. So we needed good economists or good, research analysts - intelligence collectors, if you will. That's why we had a fairly large, Economic Section.

Similarly, because during the time of the Reagan administration it had been deemed the right thing to do and in our interest to maintain contact not only with the Chilean government but, quite

frankly, with the opposition to the government, short of the violent opposition, we had done that. To me that proved the value of a diplomacy which, in fact, is open and in which you maintain contact, not only with the in's but also with the out's. You try to get everything that you can from the in's and make sure, as far as possible, that they do everything that you'd like them to do, if possible. You also maintain contact with the out's, not so much because you think that they are going to come back into power tomorrow. However, you know that they are a factor in what's going on.

It is still true today, and we see this in different parts of the world, that, for a variety of reasons, we tend to maintain our contacts with one side or the other. To me, that's not good diplomacy, although sometimes you don't have much choice. When you have a choice, you ought to maintain contact with both ins and outs.

Anyway, we had a substantial Embassy establishment for that reason - because Chile was somewhat of a denied area. We needed to have a lot of contacts because we wanted to know what was going on. Chile was important to us.

During the cold war, remember, there was this term called SLOCs - sea lanes of communication. The thought was never far from the minds of planners in the Pentagon and in military headquarters that, if something happened to the Panama Canal, then Cape Horn was it. For example, shipping from our East to West Coasts was going to have to go around Cape Horn. In fact, even if nothing happened to the Panama Canal, our large carriers and super tankers couldn't go through the Canal anyway. They were too large. So we needed to be concerned about Chile, Patagonia, Tierra del Fuego, and southern Argentina for those reasons. There were strategic imperatives involved - the sea lanes of communication. If bad people could control those areas from the land, that would really compound our problems. So there was interest in Washington in developments in Chile, as to who was in charge, why, and what was going on.

We had a Defense Attache Office with pretty good people in it. They were trying to maintain contact with the military establishment in Chile, and by and large they succeeded in doing so. These contacts weren't always very warm and cordial. However, and this shows you how our bureaucracy works, after 1976, no military assistance was provided to Chile, and military sales had been cut off. However, the military were still dealing with residual programs going back to the period before 1976 - and this was 13 years later! (Laughter) There were accounts to settle, deliveries to be made which had been contracted for previously, paying the bills, and these kinds of things. It was just remarkable.

In Colombia I had had a small, but still active military assistance program. Here in Chile I had an inactive military assistance program - which was somehow still alive, to some extent. There were contacts with the Chilean Air Force, contacts with the Chilean Navy, and we can talk about that. It was remarkable that they maintained these contacts. Not much was going on in terms of contacts with the Chilean Army.

There was a very good CIA (Central Intelligence Agency) station. I was blessed in this way. I had started out in Colombia with an excellent station. I had a chief of station to replace the original chief, who was not so hot. I had good relations with the station as a whole and knew how to

manage contacts with it when the new chief of station arrived in Bogota.

I guess that I am kind of lucky. When I got to Chile, I found that the chief of station was comfortable in the Embassy. He was confident of his own ability. He set out, if not to co-opt, at least to show me that he was going to be on my team and that we were going to work together during this transition. The station had earlier been successful with a lot of the domestic intelligence collection and other programs. Quite frankly, this was because there was no Soviet, Eastern European, or Cuban presence visible in Chile. Our station didn't have the other parts of the task of the Directorate of Operations of CIA to worry about.

Q: Which would otherwise have been taking up their time. I imagine that when you arrived in Chile, you must have had some concern about the CIA operation because it had become such a political point, domestically in the United States, back in 1976. It is an article of faith among intellectuals in the United States that Pinochet was in office because of the CIA. I would think that the CIA station would be a very sensitive office there.

GILLESPIE: It was sensitive, but not in the way you describe it. It operated very normally. The station had a relationship with the Chilean government. The chief of station was known to the Chilean government for what he was and had been declared to it. Most of the people in the station were not declared to the government. However, the chief of station was sure, and we were sure, that they had all been identified by the Chilean military intelligence people. The station had some relationships with Chilean military intelligence but didn't do much with them.

There was a lot of interest in what other countries were doing in and around Chile, including some of the things that the South Africans were doing. There was a lot of activity going on, including the transfer of arms and that kind of thing. However, there was no terrible sensitivity, if you will, about earlier CIA activities and involvements. In fact, over the years the CIA had developed some contacts in the democratic community in Chile, in an effort to learn what was going on in what one would call the opposition. So the CIA had sources of information in those areas and was able to cast some light on what was going on. I found that I had a pretty reliable, intelligence operation.

I found the Defense Intelligence Agency people, like their counterparts in Colombia, were of very mixed quality. They had contacts with the Chilean military and were handling the residual aspects of the previous military assistance program. However, they spent a large amount of time on order of battle information, covering which units were where, how large they were, and what their equipment was. This is all legitimate activity. However, many but not all of the American military people tended to slip into what I called just backstairs gossip. For example, which general was sleeping with which other general's wife, if, in fact, that was going on. Also, who drinks too much, and so on. I guess that all of these are legitimate subjects for collection, but with a couple of our military it seemed to be their main concern.

I talked with the Defense Attache who, interestingly enough, was a naval officer. Because of the question of the sea lanes of communication, the relationship of the U.S. and Chilean navies was close and had been for many years. The Chilean Navy was the senior service, as far as the U.S. was concerned. That's why our Defense Attache was a Naval Officer.

The Defense Attache I had in Chile when I arrived in 1988 was Captain "Pete" Peterson. Pete was an oddball, because he was a naval attache and a SEAL. He was as far out of the ordinary line as you could expect a senior Navy captain to be. First, he was a special operator involved in jumping off airplanes...

Q: You mentioned a special relationship with the Chilean Air Force at that point.

GILLESPIE: Two things had happened regarding the Chilean military during this period of frost in the relationship between Chile and the United States. I think that I mentioned earlier that General Matthei, the chief of staff of the Chilean Air Force, had been recommended to me by Ambassador Harry Barnes as someone to pay attention to. Matthei, in his and the immediately following generation of Chilean Air Force officers, were all fighter pilots. The Chilean Air Force had some transport aircraft, but fighters and light bombers were mainly what the Chilean Air Force had for defensive and attack purposes. They had all been trained in the U.S. back in the 1950s or 1960s. They had gone to Maxwell Air Force Base in Alabama where the U.S. Air Force War College was. Some had gone to Pensacola, FL, and trained there with the U.S. Navy. Others trained in Texas. Many of them wore U.S. Air Force pilot wings, rather than Chilean wings. They were very pleased to do so, and General Matthei and those around him treasured their personal relationships with particular U.S. officers. They maintained these relationships over the years.

They had institutionalized those relationships. I learned that the Chiefs of Staff of the U.S. Air Force all knew General Fernando Matthei, because he had been Chief of Staff of the Chilean Air Force for a long time. They knew the principal Chilean generals who were subordinate to General Matthei. After I arrived in Santiago as Ambassador, I found that one of the earliest official visits to Chile was going to be made by the Chief of Staff of the U.S. Air Force. In the course of the preparations for this visit, I learned about the relationship between the Chilean and U.S. Air Forces.

The Chilean Air Force had about 40 Hawker Hunter, British-made fighter-bombers. These were really old. They had probably been produced in the 1950s. Now they were 35 or 40 years old. General Matthei had a burning desire to replace them with U.S. made F-16's - at that point produced by General Dynamics, which has since been purchased by Lockheed and Lockheed-Martin. In any case, his burning desire, before he left active service, was to have the Chilean Air Force acquire about a dozen, F-16 aircraft from the U.S. and have his air force cooperate, in the fullest sense of the word, with the U.S. Air Force. He wanted his air force to be interoperable with the U.S. Air Force. Every Chilean Air Force officer speaks English very well. They fly, using English language terminology and procedures, and a lot of their training is conducted in English. Their uniforms are far more a mix of U.S. and British models than they are Latin American. They also have some German military antecedents that go back to the 19th century, as does the Chilean Army.

Our Air Force had these high level, personal relationships with the Chilean Air Force. General Matthei had done the right thing in making public the results of the plebiscite. I got to know him. He turned out to be very friendly. He was a member of the Junta, but I could pick up the phone and ask him if he could tell me what was going on with this or that. He would give me an answer or say, "No, I can't tell you." This either meant that he didn't know the answer, which was unlikely, or he

just wasn't going to tell me. I had a very straightforward and honest relationship with him, as far as I could tell. Other Chilean Air Force officers behaved in the same way.

The Chilean Navy had Admiral Toribio Merino as Chief of Staff. He died just recently. Admiral Merino himself had served in combat as a gunnery officer aboard a U.S. Navy cruiser during World War II in the Pacific. His ties to the U.S. Navy were as deep as those of General Matthei with the U.S. Air Force.

It's interesting when you think of it. I've always thought of Navy officers as being very conservative, with a small c. That is, they don't much like change. This doesn't mean political change necessarily, though it could. Much to my interest and surprise - this hadn't been made clear to me and I hadn't heard it in Washington - General Matthei and the Chilean Air Force had this attitude of reaching out to the U.S. in a desire to restore relationships that had been broken off after the coup d'etat of 1973. They wanted to buy U.S. aircraft. However, the Chilean Navy, under Admiral Merino, had accepted the coup d'etat in 1973 but said, "That doesn't mean that we have to change our relationships with the U.S. Navy." They understood that, after 1976, there was no military assistance of any kind. This meant that the U.S. could not provide the Chilean military any benefits.

However, there was no legal barrier to Chilean naval officers being in the United States, nor was there any legal barrier to American naval officers visiting Chile. When I got to Santiago, within three months I learned that there were a couple of American naval officers at the Chilean Navy War College, down in Valparaiso, and that there were - and had regularly been - two Chilean naval officers at Newport, Rhode Island, at the U.S. Naval War College. That situation had continued without interruption throughout this period. Nobody had ever done anything about it, if they'd ever noticed it - not Senator Ted Kennedy, not Senator Hubert Humphrey back in the early years, and nobody later on, including any of the human rights activists who tended to focus on Chile. Nobody had said anything. The way they did it was that we, basically, paid for our naval officers in Chile, and the Chilean Navy paid all of the costs to the U.S. Navy for their people at the Naval War College. In effect, they paid tuition charges to the U.S. Navy.

I also learned that there was a Chilean Naval Officer who was assigned as a Liaison Officer to CINCLANT, Commander in Chief, Atlantic Area, with headquarters in Norfolk, Virginia. CINCLANT is the U.S. Navy Atlantic Command billet, calling for a four-star admiral. The same person is also SACLANT, or Supreme Allied Commander, Atlantic, a NATO command. The Chileans were all plugged into that. No other Latin American country that I know of was there. The Chileans had an office at CINCLANT headquarters. I happened to visit it. Comandante or Capitan Rodriguez, or some name like that, was the Chilean Naval Liaison Officer. That was fascinating.

In fact, another thing struck me before I had been in Chile very long. Capt Pete Peterson, the Naval Attache, said that he had approval from the U.S. Chief of Naval Operations to give such and such a Navy Commendation Ribbon to Admiral So-and-so, who was the Chilean Naval representative in Washington, DC. Peterson showed me his biography. I looked at it, and it turned out that he had had several Navy billets on the way to being assigned as Chilean Navy representative in Washington. So we had him over to the Embassy residence. We popped a bottle of champagne and

pinned the medal on him. There was no press coverage, as it was all done quietly. The Chilean admiral was thrilled to receive this award. About 12-14 Chilean naval officers attended the ceremony. I found that, despite all of the prohibitions, the bars, the bans, and everything else, the military had sustained these relationships over a number of years. There is an annual, Naval exercise run out of CINCLANT in Norfolk called, UNITAS. I don't remember exactly what UNITAS stands for as an acronym, beyond the surface meaning of unity. However, it is the name of a naval exercise involving navies from various Latin American countries. U.S. Navy ships go from West to East one year and the next year from East to West, exercising with naval forces along the way. They show the flag, and it's an example of traditional diplomacy - not gunboat style, *per se*, although there is some of that. It is naval diplomacy. They work the local U.S. Embassies in. It's a very good thing. There had been U.S. naval officers involved in it. Capt. Pete Peterson's replacement, a man named Capt. Tom Smith, had actually come to Chile much earlier as a U.S. Navy "ship driver" commander of a U.S. Navy ship in connection with one of those UNITAS exercises. He knew a lot of the Chilean Navy people and so forth.

Anyhow, I found that there had been a whole range of connections like these between the U.S. and Chilean military. However, there had been a sharp break in relationships between the Chilean and U.S. Armies. The kind of relationships I've mentioned above did not take place although, surprisingly enough, I was skiing in Fortillo, Chile, one lovely day. I was up in a sort of cafeteria line on a beautiful, outdoor deck. There was a Chilean Army Officer there in his skiing uniform. They have a special ski suit which they wear when skiing. He had on a pair of really neat, late model ski boots. He was a lieutenant. I was just wearing a ski suit. I had no idea that he'd know who I was. I said to him in Spanish, "Gee, Lieutenant, those are really spiffy looking boots that you're wearing. Did you get those here in Chile?" I assumed that he had not, because I hadn't seen them in Chile. He said, "No, Mr. Ambassador," immediately recognizing me. He said, "What a pleasure that you are speaking to me. No, I got these boots in Alaska." I said, "Oh, how did you get up there?" He said, "I've just finished a year's exchange with the U.S. Army Cold Weather Command in Alaska." (Laughter) I said, "What?" He said, "Yes, this is a program that began under Ambassador Barnes, and it has continued."

So I found out that these contacts were continuing, despite your impression that nobody would be assigned to a billet like this. That made it different from real cold war incidents. So I found this situation, and that is what I got into. That was all of the official relationships and some of the interesting, cosmetic aspects of the situation.

More serious, though, was our objective of promoting democracy and really pursuing our human rights objectives. Elliot Abrams, the Assistant Secretary of Latin American Affairs, made it perfectly clear to me that this was part of my instructions. I was expected to pursue the objective of promoting human rights in Chile. Ambassador Harry Barnes had done that - going well beyond his marching in a funeral parade.

One of my very first calls in Chile was at the Vicariate of Solidarity, which was run by the Catholic Church. By the way, I also called on the Cardinal Archbishop of Santiago and on the senior bishop in Santiago. Their antagonism toward Pinochet and the Chilean military was palpable. They had never hesitated to speak out. In fact, there was an interesting display of Vatican politics involved. Both the cardinal and the bishop were old. The cardinal had actually retired from more active

assignments. The bishop was going to retire and, in fact, did so while I was in Santiago, because he had reached the mandatory retirement age of 75. My visits to these two prelates made headlines in the press. The headline said, "Gillespie Goes to See the Cardinal." I had a statement for the press for each of these visits, which I issued either as I walked in the door or left - or both. In these statements I made it very, very clear that my position and that of the U.S. was that we supported the return of democracy in Chile and the strict observance of human rights. I praised the work that the two prelates had done in Chile. This was all part of the policy package and set of objectives that we had in Chile.

The Vicariate of Solidarity was really involved in all of this. It had been raided by the police. While I was there, there were efforts to suppress it. I took it on myself to visit the Vicariate immediately after it was reported that there was an attempt to suppress it. There had been a problem with some of its people. I assembled the embassy country team and asked, "What should we do?" The conclusion was, "Let's get the Ambassador physically over there and," as the Latins always say, "visibly showing solidarity with" the Vicariate of Solidarity in this case. I made the visit and came out and made the requisite statement to the press to record the occasion.

It was interesting, because Chile has a fairly sophisticated media, although, even then the government owned and controlled, or had a heavy hand in many elements of the Chilean media. I will go into this later. The press didn't hesitate to report, so there was always photo coverage of the American Ambassador doing this or that - and other prominent personalities, too, not just me. Activities like that always got TV coverage on the evening news programs. I think that doing this established the fact that the U.S. and the American ambassador had not departed from the position of Ambassador Harry Barnes. In essence, I put my own stamp on this position by the way I did it.

I'd like to go back to what I thought our overall approach should be on the transition to democracy in Chile. I had talked to many people in Washington and to the country team in Santiago. I quickly sensed that I had a very competent embassy staff, a very dedicated and hard working group. It works that way in a situation where not everything is perfect. Not everybody loves you and you're in a somewhat hostile environment. You sense that there is a spark and that people are working together. Morale was good, and that soon became apparent.

I used to enjoy our country team meetings. We had a "tank" a supposedly bug-proof plastic conference room developed in the United States and installed at many of our Embassies abroad. The Embassy chancery was located in a crazy, old, 10-story building in Santiago. We had about three or four floors of this building. It was well located in downtown Santiago, but it was very insecure in many respects. We were pretty sure that efforts were being made by the Chileans to bug our Embassy and learn what we were doing. So we had this secure, acoustic conference room, where we would hold our more sensitive meetings.

During my first days and weeks in Chile, in meetings in the "tank," we developed the approach which I thought would work best. Perhaps this was because I had served in the military. From everything that I had read, heard, and seen so far - and I'd gotten this also from civilian Chileans, even in the opposition - there was a high level of respect for individual military officers in Chile. The Chilean military, by any standard, is not particularly corrupt as an institution, although there are individual cases of corruption. There was respect for the Chilean military as a whole, even

though, in many instances, some people also felt a terrible animosity toward the military for what it had done. What struck me and what I emphasized was the word honor.

I talked to my USIS people - Information Officer, Stan Shepherd and the Public Affairs Counselor, Marilyn McAfee - about this concept. She had worked closely with Ambassador Harry Barnes. Stan Shepherd, the Information Officer, was a man of long experience who turned out to be a really good skiing buddy for me. Ron Goddard, the Counselor for Consular Affairs, had an excellent Consul General and a very good staff. I brought him and the Consul General into these country team discussions. I very much appreciated his views. I proposed that we basically take the line that where Chile was today was a function of the Constitution of 1980, which had been promulgated by Pinochet and the military government as men of honor. We expected them to live up to their commitment. That was my basic line. Every chance I got I was going to use it. I would say that this was a situation where the honor of the Chilean armed forces was at stake. They made the commitment to do things this way. I referred to the Chilean Army, Navy, and Air Force and I used the term honor, repeatedly. I kept on saying that. I thought that that was the best way to do it. It didn't make this a U.S. term. That was my line.

When the Vicariate of Solidarity was in trouble, I said, "I do not understand how men of honor - meaning the military - could permit things like this to happen. It's not an appropriate thing to do." This seemed to work pretty well.

As far as the democratic transition was concerned, that first year I was in Chile seemed to be crucial. It seemed to be going along all right, except that the 17-party *concertacion* group which supported the "No" vote was becoming the *concertacion* for democracy. It increasingly looked like the coalition that was going to run the Presidency, in some fashion. The 17-party *concertacion* did not like certain provisions in the Constitution of 1980 as they affected the upcoming elections in December, 1988, and what was going to happen after that. They basically came up with a set of desires, demands, or whatever you might want to call them. They proposed to the military government that these changes be made.

Well, the initial reaction of Pinochet and the junta was that they were not going to make these changes. They said, "No." Well, a lot of pressure was generated, and we added whatever we could to that, though we had to be careful not to appear to be interfering in anything. So it had to be subtle. However, in the final analysis the Minister of the Interior in the Pinochet Government, a civilian named Carlos Caceres, working through the internal processes of the government, convinced Pinochet that they ought to negotiate with the *Concertacion*. The Minister of the Interior felt that this would be okay. He could manage the negotiations, and they wouldn't have to give up more than they had to. This would be an appropriate thing for them to do.

Well, Minister of the Interior Caceres began these negotiations in February, 1989, and continued through March and April, 1989. A crucial event occurred on the afternoon of May 10, 1989. I forget where I was, but that afternoon I received a phone call - maybe it was from the CIA or maybe from Ron Goddard - reporting to me that Pinochet had pulled the plug on the negotiations. He was not going to let Minister of the Interior Caceres go any further, since he felt that he was going to have to give up too much.

Then an amazing thing happened. Carlos Caceres said, "If you do that, Mr. President, I resign." Pinochet had never had people talk to him that way before. He wasn't used to that. Two other cabinet ministers, including Hernan Felipe Errasuritz, the Foreign Minister, said, "If Carlos Caceres leaves the cabinet, the three of us go also." So there were three, key ministers who told Pinochet that they would resign if the negotiations with *Concertacion* were ended. The third minister was the Minister of Mines and Energy. The three of them were all civilians and Pinochet loyalists to the core. So when they said this, Pinochet backed down. I received a phone call at 5:00 or 6:00 AM the next morning saying, "Pinochet has backed down." Meanwhile, we didn't say or do anything. We acted as if it hadn't happened. We just let things ride and kept our mouths shut and our hands out of it. The fact is that Carlos Caceres probably is the reason that the democratic transition proceeded. He then went forward and negotiated. He was a tough negotiator.

Another plebiscite was held in July, 1989, in which the various changes proposed in the Constitution were validated and legitimized. A constitutional amendment was also approved, and that set the stage for what was to follow. Those are the kinds of things we observed.

I had begun a process of introducing myself to Chile and Chile to me, as I indicated. One of the trips that I needed to take was to a city called Temuco, about 350 miles South of Santiago. There was a university there and a lot of activities. It was really a sort of environmental hodgepodge. There were some bad things going on with timber cutting, and other things were happening. I visited there on March 13, 1989, if I remember correctly. I had by now been in Chile for about three months. My wife was with me. We had been having meetings of various kinds.

On the night before we were to fly back to Santiago I received a phone call from George Jones, the DCM, Deputy Chief of Mission, in the Embassy, to the effect that the U.S. Customs Service had just stopped all fruit shipments into the United States from Chile. The reason given was that cyanide-poisoned grapes had been discovered in a shipment of fruit from Chile. This was described as a terrorist plot of some kind to kill Americans. George told me that the Chilean Foreign Minister wanted me back up in Santiago right away. Well, there were no flights until the next morning. I discussed this with George, and we agreed that I had better call the Foreign Minister.

George told me what he knew, which was that a few days earlier we had received a phone call through the Embassy switchboard. Because the call had to do with agricultural products, the call had been passed to the U.S. Department of Agriculture Animal and Plant Health Inspection Service. A young Chilean receptionist/secretary had taken the call. The caller was some man who was ranting and raving about how he was going to cause all kinds of problems for us. He wasn't very specific. The Inspection Service had made note of the call. The receptionist, quite appropriately, reported the call to her boss, who reported it to the Embassy Security Officer. The Security Officer considered that this was not a direct threat to the Embassy's safety, but he had told everybody to be alert to the fact that we were getting threatening phone calls. He had done everything by the book. In fact, because of bomb threats received in the past, he had a taping device attached to the phone. He had said, "If anyone calls again, make sure that we get this kind of call on tape."

A few days later, another call came in. This one was probably from the same person, and the

Embassy taped it. On the basis of this, the Embassy had prepared a reporting cable. I was traveling on this trip to Temuco, so I didn't see the every-day reporting. George Jones had approved the cable and sent it on to the Department of State, saying that we had received this report about Chilean grapes and other fruit that might be poisoned.

You have to put this kind of incident in context, which was very hard for the Chileans to do. A couple of years earlier we had had the Tylenol case, involving poisoning Tylenol pills with cyanide. More recently, there had been an incident in New England of cyanide- poisoned yogurt, on the shelves of grocery stores. Only a few weeks before the phone call to the Embassy there had been testimony, if I remember correctly, by Merrill Streep, or someone like that, about Alar, the chemical used to treat apples in northwestern United States and keep them from spoiling. The allegation was that chemicals like these were going to kill American children - cause cancer and do all sorts of things like that.

Q: The civilian, Chilean government had entered office. During your time in Chile, what was your role and what was happening?

GILLESPIE: It turned out that the resolution of the Letelier case was crucial to clearing the field for U.S. relations with the civilian government, because, beginning in about 1976, the U.S. Congress had passed a piece of legislation which came to be known as the Humphrey-Kennedy amendment. This amendment was itself amended later, but that is just a detail. The original amendment was named for the late Hubert Humphrey, a Senator and later Vice President under President Jimmy Carter, and Senator Ted Kennedy. This law basically put a freeze on U.S.-Chilean military relationships. It provided, after it was refined during passage, that until steps had been taken to bring to justice the murderers of Orlando Letelier, a Chilean citizen, and Ronni Moffitt, an American citizen, no U.S. military assistance, including training, could be provided to Chile.

The Humphrey-Kennedy amendment loomed very large in Chilean-American relations. It had fascinating consequences during the period between 1976, when it was passed, until 1990, when the civilian government came into office in Chile. I don't think that there's much argument today that, because of that amendment, Chile certainly accelerated the development of the Chilean arms industry. Chile became a rather large producer in South America of weapons and ammunition. Chile developed very close ties with the white, apartheid government of South Africa and with the Israeli Government. Neither South Africa nor Israel had any qualms about selling equipment to Chile during the period of the military government. The only criterion of the Chilean military government was that the country selling military equipment to Chile must not be a communist government. In addition to the South African and Israeli Governments, the British Government became very active in working with the Chilean military government.

However, with the Humphrey-Kennedy amendment we had basically said that there would be no more U.S. military assistance to Chile. I don't recall whether I mentioned that prior to 1973, when the military government took over in Chile, there had been fairly close ties between Chile and the U.S. in the field of military assistance. This involved the Army, Navy, and Air Forces of both countries. After 1976, when the Humphrey- Kennedy amendment was passed, all of that began to freeze and dry up. In fact, even today, in 1997, we are still feeling the effects of that development.

In any event, the crucial trigger to relax the restrictions provided for in the Humphrey- Kennedy amendment was taking steps to resolve the Letelier case. In essence it called for the Government of Chile to take steps to bring to justice the killers of Letelier and Moffitt. By the way, since Orlando Letelier had lived in the United States and one or more of his children were born in the U.S., his family had a U.S. citizenship base. Of course, Ronni Moffitt's husband and her family were U.S. citizens. As I mentioned before, they brought a civil suit for wrongful death in a Federal District Court. The judgment was uncontested by the Chilean government. It claimed sovereign immunity and refused to contest the suit. The judge in this case, ruled in favor of the Letelier and Moffitt families and handed down a judgment accordingly. By the time I arrived in Chile in the late 1980s, the total in damages due the two families, with interest, penalties, and so forth, amounted to, if I remember correctly, \$6-7 million. It was a substantial amount of money.

A civilian government was elected in Chile in 1990. It was called the *Concertacion* essentially, a coalition of 17 parties, led by President Aylwin, who was head of the Christian Democratic Party. It was very anxious to get Chilean relations with the U.S. back to normal. One of the principal anomalies or abnormalities was the lump constituted by the Humphrey-Kennedy amendment. I worked very closely with Senator Ted Kennedy and his principal foreign affairs staffer on this, a woman named Nancy Soderberg. Kennedy was very reluctant to see the gates of military assistance open again to relations with the Chilean military. I think that his motivation, which he never really expressed to me, probably included the concern that our military would jump right back into the arms of the Chilean military, or vice versa. He was concerned that our people would be hob-nobbing with the Chilean military.

I won't try to go into the very complicated arrangements involving the murders of Letelier and Moffitt. Michael Townley, an American citizen and the son of a businessman who had been actively working in Chile, was an agent for the DINA, the Chilean intelligence service. DINA developed poison gases, and Townley himself was involved in assassinations. Townley was, indeed, eventually convicted in a U.S. court on another charge, sentenced, and was in jail during this time. As I said before, my memory may be incorrect, and he may have been out of jail in a kind of witness protection program. There was some contact with Townley.

In any event, as I said before, we were convinced, as were others, that the "intellectual authors" of the Letelier and Moffitt assassinations were the then head of DINA, General Manuel Contreras, and his deputy, Jose Espinosa. In this whole tragedy Letelier was assassinated. Unfortunately, Moffitt was an innocent bystander in all of this. She was not a prime target. Contreras and Espinosa were completely at large in Chile. They still retained links to the Chilean military. It was one of those situations where neither had been formally retired or cashiered from the Chilean military in any way, because, as people on active military duty, they would enjoy some of the protections that went with that status. Therefore, they could not be brought into court very easily and couldn't be required to talk about what had gone on.

Thinking that we knew the answer, we always questioned whether General Augusto Pinochet, President of Chile back at the time of the murders in 1974, was aware of the assassination attempt before it happened. We certainly never doubted that he knew, at least after the fact, who had been responsible and how it had happened. In any event, the specific intellectual authors of the crime

were deemed to be General Contreras and Jose Espinosa. I considered it a major obligation of the United States, and I was fully supported by Washington in this regard, that, first, we too wanted to get Chilean- American relations back to normal. We wanted to support the democratic government of Chile as it attempted to begin to assert civilian authority over a military which, under the Chilean Constitution and the realities of the preceding, seventeen years, was in a very strong position. It had a real power base in Chile. It could, conceivably, disrupt the return of democracy to Chile and cause trouble throughout the Western Hemisphere, as a result.

We in the Embassy in Santiago began to work very closely with the civilian, Chilean government. By the way, if I haven't mentioned it before, Chile has a long tradition of democracy, of multiparty involvement in the government, and of all kinds of political activity. When I say political activity, I don't mean it in any negative or corrupt way. We were dealing with a coalition government in Chile. I may have mentioned before that 17 political parties formed the *concertacion para la democracia*, coalition for democracy, which supported the civilian government. It was important for President Aylwin, the head of the Christian Democratic Party, who were sort of the heavy hitters in *Concertacion*, to make sure that they spread the power around.

President Aylwin and his team chose as his Foreign Minister Silva Cimma. His father's family name was Silva, but we always called the Foreign Minister Silva Cimma. He was from the Radical Party, which was somewhat to the left of the Christian Democrats. This party had a very strong, agricultural base. Silva Cimma, I guess, was in his 70s, I believe, at the time he took over the Foreign Ministry.

Silva Cimma knew administrative law. He had been kind of like the comptroller general of Chile, earlier in his life, before the military government took over the country in 1973. However, he didn't know anything about foreign affairs. He really hadn't been involved in foreign affairs very much. Did we discuss the grapes case? A few table grapes of Chilean origin shipped to the U.S. in 1989 were found to have had small quantities of cyanide injected into them. When this was learned, the U.S. prohibited any further import of Chilean table grapes for some time after that.

Q: Oh, yes.

GILLESPIE: That's what I thought. Silva Cimma's daughter had suffered financially from the prohibition of imports of Chilean grapes into the U.S. early in 1989. He regarded the prohibition on the import of Chilean table grapes into the U.S. very personally. He never hesitated to tell me that we in the U.S. had to settle this case because so many Chileans had lost so much money. That really seemed to be one of the motivating factors in his dealing with us. He was otherwise extremely friendly and accessible. I could call him at home, day or night. He would call me at home, day or night. We had long talks. I think that he was trying to learn as much as he could. I think that he did that with embassies from other countries, as well.

So, Silva Cimma was the Foreign Minister. He didn't know how to deal with the Letelier case. It was really his Vice Foreign Minister, a Christian Democrat named Edmundo Vargas, who handled the matter on the Chilean side. This was part of the politics of this issue. President Aylwin had named a coalition partner, a Radical Party member, as Foreign Minister, but he was very careful to name a Christian Democrat, from his own party, to the Foreign Ministry as Vice Foreign Minister.

Vargas is a very interesting person. He had been the head of the Inter American Human Rights Commission at the OAS (Organization of American States) for several years. I think that he was with the OAS for six or eight years. I had met Edmundo Vargas even before I went to Chile, and before there had been an election or anything like that. I had gotten to know him. He had been an expert on international law. He is a soft-spoken, very gentle man. For years his wife taught school in Bethesda, MD. They had a home in Bethesda which they had purchased. As I say, they had lived in the Washington area for six or seven years. So Vargas was not at all unfamiliar with U.S. ways of doing things.

We really were able to work out with Edmundo Vargas the Humphrey-Kennedy amendment affair dealing with the Letelier-Moffitt affair. We spent a long time talking about how to do this. Even as early as 1975-1976 the U.S. had hired a Chilean attorney named Alfredo Echeverri. He was a fascinating man, sort of diminutive in size but huge in brain power and with a very big heart. He had really gotten on top of the whole Letelier-Moffitt case, from the Chilean angle. He had worked with Ambassador George Landau and his successors, right up through Harry Barnes and me. The U.S. Department of Justice had had him under contract for a number of years. He was sort of the U.S. legal affairs adviser on this issue.

Here's an interesting story about how U.S. minds work. As soon as there was an election in Chile, and the democratic system was back in play, I received word that the U.S. Department of Justice was going to cancel the contract for legal services with Alfredo Echeverri, on the ground that it would no longer be necessary to have this kind of legal advice. We went through months of correspondence, trying to convince the Department of Justice that now, more than ever, they needed to have good legal advice, because this was the time when something might be done about the Letelier-Moffitt case in Chile. The Department of Justice had been paying as much as \$20-25,000 a year for over 10 years to Echeverri for legal services. All of a sudden, the Department of Justice decided that it no longer needed Echeverri. It was a Washington type of decision. I had to return to Washington and meet with the Attorney General and Deputy Attorney General to convince them that this was not the case. I got the Legal Adviser of the Department of State involved in all of this. In any event, working with Echeverri, we got from him the idea that the most promising approach would be to put the Letelier-Moffitt case back into the Chilean justice system.

Interestingly enough, in about 1978 the Chilean military government had basically declared an amnesty for all of the events which had occurred up until that time. They thereby amnestied, not only themselves and members of the Chilean military and National Police, but also the people on the other side, including the guerrillas, the left, and various other groups. The Chilean military exempted from the amnesty Generals Contreras and Espinosa. So they were still susceptible to criminal prosecution or to suit of some kind in Chile in connection with the Letelier-Moffitt case. So Echeverri's advice, coming from his angle, was that the Chilean government had the means for dealing with this case in the Chilean legal system. The trick would be to get the Letelier-Moffitt case out of the military court system and in front of a civilian court. Remember, under Chilean civil law the judge assigned to the case is investigator, prosecutor, and judge, all at the same time. He deals with the defense attorneys. In effect, the judge makes the decision as investigator whether there is enough evidence on which to prosecute the case. Then he prosecutes it.

In any event Echeverri was giving us this advice. We wanted to see this matter handled via a legal process, in order to lift the provisions of the Humphrey-Kennedy amendment. By this time the legal action being pursued by the Letelier and Moffitt families was primarily under the control of the Letelier family. Jose Letelier, the son of the late Orlando Letelier, had returned to Chile. Although he still carried a U.S. passport, he had been elected to the Chilean Congress as part of the democratic transition. He was a member of the Chilean Congress and was a very vocal and articulate exponent of justice and human rights and bringing to justice the people who had killed his father and Ronni Moffitt. His mother, Mrs. Letelier, still lived in Washington and had not returned to Chile.

There were U.S. attorneys who had been involved with this case for 10 or 12 years and were still involved with it. They were bringing pressure up here in Washington on the U.S. side through Senator Ted Kennedy and through other members of Congress. The State Department's legal adviser and I developed a very close telephonic and, occasionally, a close face to face relationship, trying to figure out how to deal with this case.

The U.S. Department of Defense was champing at the bit. They really wanted to get back into a normal relationship with Chile. They wanted to supplant the South Africans and the Israelis and anyone else that they could and reestablish relationships with what they perceived as the most professional military establishment in the Western Hemisphere. Indeed, the Chilean armed forces probably were the most professional military force in Latin America and still are in terms of efficiency. Despite all of the problems associated with the 1973 coup d'etat period, the Chilean military were probably the most honest and least corrupt military forces in the Western Hemisphere. So the U.S. Department of Defense did not want to see Europeans establish an influence base in the Southern Cone of South America in that way.

So there were pressures from all sides. With Chilean Vice Foreign Minister Vargas, the number two man in the Foreign Ministry, we worked out what turned out to be the eventual solution to the civilian suit. We used one of the Bryan Treaties for the Advancement of Peace of 1913-14, which were concluded with twenty-one countries - not all of them from the Western Hemisphere - and established five-member commissions to which disputes would be submitted if they had not been settled by diplomacy and were not arbitrable. The treaty calls for the establishment of a binational commission with a neutral chairperson from a third party, picked by the other two countries. I don't believe any of the treaties had ever been used.

In effect, we agreed to use the mechanism of a binational commission, without invoking the treaty, as such, which would have led us to a totally binding result which we didn't want, although the Chileans would have been glad to accept it. Instead of saying that the binational commission would determine a remedy or resolution of the dispute, the Chileans took the initiative in what I think was a pretty slick and fairly bold move. They said that they would make an *ex gratia* payment. They proposed that the binational commission's job was to determine what the amount of this payment would be to the Letelier and Moffitt families.

Q: Tony, was there concern that we didn't want a binding agreement if, for some reason, the decision did not go in a way favorable to us? If this happened, we would be stuck forever and ever with the Humphrey-Kennedy amendment.

GILLESPIE: No, this was the resolution of the civil suit brought by the Letelier and Moffitt families. However, it was obviously crucial to get that settled before we even began to worry about the criminal question. Politically, the Letelier's were not perceived to be a major problem by the Chilean government. This was a U.S. matter which needed to be resolved to clear U.S. decks, as it were, and to clear the Chilean-American relationship of a U.S. problem. The civilian Government of Chile did not perceive the Letelier case as a major problem. The Chilean government was under pressure to ensure that this civil suit was dealt with. The Letelier family was very careful. They didn't particularly want to be painted, and this applied particularly to Jose Letelier, as somebody who was wringing the last dime out of the Chilean government. And a civilian, democratic government at that!

So the Letelier case was perceived by the Chilean government as a U.S. problem with the question coming down to how they would deal with it. That required us, on the U.S. side, not only to accept a formula, but to make sure that the Letelier and Moffitt families in the U.S. and their attorneys, who were the most vocal advocates for them, would not make a major problem out of it and that we would not have a tremendous, Congressional problem.

I spent a lot of time myself in the U.S., in conversation with members of Congress, with the Department of Justice, and with all of the estate lawyers, trying to make sure that, as we moved this matter forward, it would be found workable. As it turned out, the formula held. The binational commission came up with a figure on the settlement. If I remember correctly, it amounted to a little over \$1.0 million, which was then divided between the two families on some basis. I flew up to the U.S. when the checks in settlement of the civil suit were presented. The checks were actually presented to the Legal Adviser of the Department of State, who then handed the checks to the representatives of the Letelier and Moffitt families. I don't think that the families were overjoyed by the amount of the money involved in the settlement. However, like everybody else, they were probably relieved that the matter had been brought to a close. So this arrangement resolved the civil suit.

The other problem involved bringing to justice those responsible for the murders. This took much longer. However, before I left Chile, the case had been heard in a Chilean military court, transferred to a civilian court, and then referred to the Chilean Supreme Court. The Chilean Supreme Court is a presidentially appointed body, but the appointment pool of judges is very limited. The judges have to be people with certain qualifications who have served for some time as judges. When there is a vacancy on the Chilean Supreme Court, the President of Chile is given a list of two or three names by his advisers. He then chooses one of them to fill the vacancy. It turned out that a very upright and very outstanding judge was appointed by President Aylwin as one of his first acts as chief of state. The Chilean Supreme Court has three or four different rooms or *salas*, as they are called, to handle different matters. This recently appointed Supreme Court judge was assigned the problem of dealing with the cases of generals Contreras and Espinosa.

In effect, over a period of many months, he moved that case along to the point where he, in effect, said that Contreras and Espinosa were responsible for the murders of Letelier and Moffitt. The case was not concluded by the time I left Chile. It was concluded after I left, and that is part of another story. What did happen was that I was able to convince the Department of State in

Washington that the matter was being satisfactorily resolved. By the time President Bush came to Chile in 1990, we were able to say that the Government of Chile had taken steps to bring to justice those responsible for the murders of Letelier and Moffitt. The Chilean Supreme Court had moved the issue that far in that period of time because they assigned an appropriate, civilian judge. There was every indication that that judge was going to do whatever was necessary under Chilean law. Nothing had been said in the Humphrey-Kennedy amendment that those responsible had to be convicted in the steps required to bring them to justice.

So, by the time President Bush came to Chile in the fall of 1990, we were able to say that relations with Chile were back to normal or were as normal as they could be. There were no residual barriers left over from the time of the military government in Chile standing in the way of a normal relationship. The Letelier and Moffitt families had the settlement, the Humphrey-Kennedy restrictions had basically been lifted, and that's where we took that. So that was a major accomplishment.

Q: This meant that military to military relationships between Chile and the United States could be restored.

GILLESPIE: Right.

Q: Did you find yourself saying, "Let's not upset some of the people in the United States who still had a residual resentment toward the Chilean military? In other words, we shouldn't jump into Chile with both feet, as far as our military were concerned."

GILLESPIE: I believe that, to a large degree, my successor as Ambassador and I were able to rebuild the Chilean-American relationship and direct it from the office of the Ambassador in the Embassy in Santiago. In this we had a lot of help from the Departments of State and Defense in Washington. The Defense policy makers were very sensitive on this point. Quite frankly, our interest in this matter was reciprocated by the Chileans in a noticeably, differentiated way. The Chilean Army did not then, and this applies even to today, seek terribly close relations with the U.S. Army. As I think I mentioned, the Chilean Navy had maintained fairly close relations with the U.S. Navy throughout this period, so they were very pleased to see the impediment of the Humphrey-Kennedy amendment effectively removed.

However, the fact of that impediment influenced, and continues to influence, the thinking of many senior Chilean officers. You have to remember how these things are viewed. The Humphrey-Kennedy amendment was a major consideration for the Chileans. It was not much of a consideration for most Americans, except for a few American military people at a particular point, who saw opportunities lost to influence the Chileans.

However, the Chilean military believe that they did absolutely the right thing in removing the Allende Government and bringing an end to that experiment in socialism in Chile. I think that they really expected, and in some ways they may have been led to expect, that removing Allende from power would be, if not welcomed by the U.S., certainly recognized as a positive development in the great cold war sweep of things. Perhaps if they hadn't gone out and killed, exiled, or arranged for so many people to disappear afterwards, as well as taking the opportunity physically to

eradicate socialists in Chile, who knows what might have happened? Maybe if this process had been handled more humanely and without the violence, who can say what would have happened. Nonetheless, the Chilean military regarded the overthrow of the Allende Government as a major, positive development. This became doctrine in all three of the armed services of Chile, in their war colleges, and strategic study groups.

The Chilean military also tended to believe that Chile should be self sufficient, should not depend on anybody else, and should not develop relationships of dependence on other countries. So this view affected and continues to affect the thinking of many Chilean military people.

My objective was to begin to rebuild relationships with Chile which would serve United States interests. Remember, this was in the period 1989-1990. We thought that the Cold War was coming to an end but we didn't know exactly what was going to happen. The sea lanes of communication, or SLOCs, around Chile were very important. There were no major guerrilla movements in Chile. There were no internal security problems in Chile which were particularly harmful to U.S. interests. So that was not a problem and in a global strategic sense we wanted Chile as an ally. Quite frankly, I think that it's probably a good idea for the U.S. military to be in touch with other military establishments in the Western Hemisphere than almost any other group that I can think of. The U.S. military establishment is an institution under civilian authority and is a part of our democratic society. Its members are steeped in and instilled with the ideals of democracy and respect for human rights. We can ignore a few examples of practices which ran contrary to this general trend.

One of the first issues which I faced was whether to permit the establishment of a large Military Group in the U.S. Mission in Santiago. I agonized over that decision. I was struck by how much an ambassador really can influence the course of events. I found that the Commander in Chief of the U.S. Southern Command was very chary about opposing an ambassador on a matter like this, particularly in a place as sensitive as Chile. This might not be the same in other places, and I've seen some where this hasn't been the case. However, I was able to go through a careful, analytical process. I discussed this with my country team. My political and economic counselors were in agreement with me.

The Chilean military, by the way, benefits from a device which is left over from the Pinochet era. Remember that the Chilean economy to a large degree was and still is heavily dependent on one mineral export, copper. What the Chilean military government did was to say that, until the constitution was changed, the Chilean armed forces would receive each year 10 percent of all of the revenues from copper exports. This allocation would not be used for day to day operating expenses but rather for capital investments to keep the armed forces modern and up to date. Well, that's a big chunk of money. In effect, it is not in the budget and is not subject to the budget process. Even though the civilian government came back and Congress resumed its former position of power, the Chilean military have a fair amount of cash in their jeans to spend on military equipment. Recognizing that, our own defense industry was interested in what the Chileans might want to buy. The U.S. military saw this situation as providing an opportunity to work with their Chilean counterparts.

The U.S. reaction to developments in Chile was interesting because there were groups in the U.S.

that were strongly opposed to the reestablishment of any kind of military relationship with Chile. These groups tried to fight against all of this. They felt that resuming close relationships with Chile was a bad idea. However, the civilian Chilean government wanted closer military relations with the U.S. President Patricio Aylwin himself; the Minister of Defense, Patricio Rojas; Edgardo Benninger, the Minister and Secretary General of the Presidency, all assured me privately and in confidence, and then more openly, that they wanted direct, military to military relationships between the two countries. They said that it was important to Chilean democracy for that to happen. They said that it was important to the *Concertacion* coalition to arrange for these kinds of normal and, hopefully, close relationships between Chilean and U.S. military establishments. Benninger, by the way, is a brilliant man who is really responsible for the smoothness of the transition from the military to a civilian, democratic government. In the same way, as I think I mentioned, Carlos Caceres was very important in the transition to a civilian government. Benninger will probably wind up in the history books as someone who played a crucial role in making sure that things worked smoothly during the first four years of civilian government.

So these key figures in the Chilean civilian government were basically in favor of this development, and that was the message which I was transmitting back to Washington in my reporting. I said that I was getting this message strongly from the civilian side of the Chilean government. That attitude on their part was very important to making sure that the growing development of relationships between Chilean and U.S. military people could go forward.

So this was a very lively time within Chile. There were, and still are, people whom the Chilean military considers bad and of dubious reliability to Chile. They are anathema. Did we talk about the Reconciliation Commission?

Q: I'm not sure if we did.

GILLESPIE: Briefly, what was to be done when the military government and the military dictatorship ended, when everybody knew that horrible things happened during the period of the dictatorship, and people still had to live with one another? I think that I may have mentioned the inauguration of the civilian government.

Q: Yes, you did.

GILLESPIE: I was telling this story to someone else, though I can't remember whether we reported it or not. If we didn't, I'll put it in here. After the civilian government was reestablished, a systematic way of dealing with the problem of human rights violations committed during the time that the military were in power involved setting up a truth commission. President Aylwin and his government had studied the examples of Argentina, where they had prosecuted and jailed military leaders, and Uruguay, where they held a plebiscite, in addition to other countries where amnesties had been declared. Basically, President Aylwin was faced with an amnesty which had been imposed well before he entered office. He could not easily turn this around in any legal way. He didn't have the power to do so.

Politically, the Chilean National Congress was composed of a Chamber of Deputies and a Senate, whose composition was basically stacked by the outgoing military government under a

constitution written in 1980. It was fascinating. The military government leaders foresaw the possibility of the military in general and people like General Pinochet in particular leaving power. They wanted to keep a strong executive and to limit the power of the National Congress.

One of the last things that General Pinochet did was to make sure that the Congress and the Executive were physically in two different places. He moved the Congress to a god awful, Mussolini type building in the port city of Valparaiso, about an hour and a quarter's drive on a then not very good and still not great highway from Santiago. It was far enough away from Santiago that you could not easily go down to Valparaiso just for the day. It was too long a commute. The ambassador could make the trip in an hour and a quarter with an Embassy driver and with a follow car, but it was a scary trip for passengers not used to it, driving at 75-90 miles an hour. So Pinochet set things up so that the Congress would be physically apart from the Executive.

The Chamber of Deputies is elected by proportional representation, by district and province. The Chilean Senate also has special features. In addition to directly elected members, there are members appointed by position. Certain people hold positions in the Senate on an ex officio basis, including former Presidents, Presidents of the Supreme Court, and so forth. Well, it turned out that everyone who held a Senate seat on an ex officio basis had been a Pinochet appointee. So in addition to the political party split in the elected Senate, there was a group of 11 Senators, if I remember correctly, appointed by Pinochet. Their loyalties were clearly with the military government, whatever their personal beliefs were. They constituted a barrier, if not a total blockage, to any constitutional change. You had to have more than a simple majority to change the constitution.

So, in effect, the constitution couldn't be changed. The civilian government was not going to end the amnesty which it found in place when it entered office. President Aylwin and those around him came up with the idea of setting up a truth commission. This commission was formed from a really broad political and ideological spectrum of Chileans, including both men and women. Its job was to invite anyone to come and give testimony about the events following the 1973 coup d'etat. They invited military and civilians, victims, family members, and all kinds of people to come forward and give their testimony, which was taken privately. The idea was that the commission would then publish the results.

Of the greatest concern were the so-called disappeared, meaning the people who had disappeared from view and of whom there was no real trace. People did not know what had happened to them. It was amazing. I'll have to check the number, but the commission came up with well over 1,000 cases of people who had disappeared. The commission also had a good idea of who might have been responsible for the disappearances. However, the clear understanding was that this would not result in criminal proceedings or civil action of any kind.

The work of the commission went forward, although all sorts of experts from the United States and Europe told people that this process would never work and that it was wrong. Well, the simple fact is that it seems probable that this process seems to have been as good a way of dealing with the situation as anything that anybody could come up with. It allowed some kind of expression of people's views and concerns. It got the facts out. Basically, the commission did its work and has been dissolved. While there are still people who undoubtedly harbor great bitterness and

disappointment, the whole idea of fear has probably been largely reduced, if not totally eliminated. The commission seems to have done its job.

Q: Where was General Pinochet during all of this?

GILLESPIE: On March 11, 1990, he handed over the sash, the emblem of office of the Presidency of Chile, to Patricio Aylwin, the new civilian President. He didn't actually hand over the sash directly to Aylwin. He handed it to someone else, who then handed it to President Aylwin. At that moment General Pinochet reverted to the position of Commander in Chief of the Chilean Army. Under the terms of the Constitution Pinochet was and remains Commander in Chief of the Army until he leaves this office voluntarily or until March 11, 1998, whichever comes sooner. He has not yet left office voluntarily as Commander in Chief of the Army.

President Eduardo Frei Ruiz-Tagle, the current President of Chile, visited Washington on the first state visit of the second term of President Clinton on February 26-27, 1997. Public Television, the *News Hour* program with Jim Lehrer, carried an excellent discussion of Chile, led by the PBS (Public Broadcasting System) correspondent Charles Krause, a very knowledgeable man on Latin America. His report was one of those cases where you know a given fact, and the journalist gets it a little wrong. You wish you could whisper into his ear and tell him that he is wrong. Charles Krause kept talking about General Pinochet on February 26, 1997, as the "head of the Chilean armed forces." He wasn't head of the armed forces. The civilian President of Chile, Eduardo Frei, is the commander in chief of the Chilean Armed Forces. He has a civilian minister of defense, who is part of the chain of command. That's the way it is on paper. Then you have the heads of each of the three armed forces, just as we do. They are the chiefs of staff or, in Chilean terminology, the commanders in chief of the Chilean Army, Navy, and Air Force, as well as the commander in chief of the *Carabineros*, the national gendarmerie or police.

Anyway, Charles Krause kept saying that Pinochet was the Commander in Chief of the Chilean Armed Forces, and I kept wanting to say, as I watched this otherwise excellent telecast, "No, he's Commander in Chief of the Chilean Army."

It's important to keep this distinction in mind. The Chilean Armed Forces, having gone through a military government, a dictatorship or junta, whatever you want to call it, obviously stick together. However, believe me, before General Pinochet left office as President of Chile, the then Commander in Chief of the Navy, Admiral Toribio Merino, who just died a couple of months ago, retired, thereby allowing Pinochet to name Merino's successor, Admiral Martinez Busch. He did so. The Commander in Chief of the Chilean Air Force, General Fernando Mattei, about whom we have spoken earlier, chose not to do what Admiral Toribio Merino did. In my view General Mattei, who is a very solid Chilean democrat, a nationalist, and a loyal Chilean Air Force officer, chose not to retire. He retired a month or two later, after President Aylwin had taken over as the civilian President of Chile. He did this so that President Aylwin would have the authority to appoint the Commander in Chief of the Chilean Air Force. Mattei is a smart guy and a good politician. He had been part of the governing junta under General Pinochet for almost 10 years. Fernando Mattei made sure that President Aylwin would appoint the man whom Fernando wanted to have as Commander in Chief of the Chilean Air Force. This man happened to be Fernando Mattei's deputy, General Ramon Vega, an excellent choice. General Vega is equally comfortable with democratic,

civilian rule.

The Chilean Armed Forces stick together. There's no doubt about that. The case of General Manuel Contreras came to a head in 1995, I believe. As I said earlier, Contreras figured in the Letelier murder case. Contreras was sentenced by a civilian court. He didn't want to go to jail, and there was a flurry of activity, in which the Chilean Armed Forces seemed to be coalescing to prevent him from having to go to jail. Some people said, "Chilean democracy is about to die! The military is about to take over again!" President Frei said to us, "No." I happened to contact him, and others did, also. Echeverri, the Chilean lawyer, said, "Please, do not panic. It's going to work out under our judicial system. The Chilean military is making a statement which it has to make at this particular point. However, the civilian process of justice is working." By God, the Chilean military put General Contreras in jail, as well as Brigadier Espinosa, who had been associated with Contreras in the murders of Letelier and Moffitt! Anyway, the Chilean military stick together, but the fact of the matter is that General Augusto Pinochet cannot today, as he might have before the transition to civilian rule, order the Air Force and Navy to join with him to take some particular action. This is not to say that the Air Force and Navy couldn't join with the Army in taking some action, but Pinochet just doesn't have the power to order such action.

I read recently that General Pinochet has made some statement that he might find it convenient to retire even before March 11, 1998, and take his position as a designated Senator. What he may be concerned about, and I think that this is something that he ought to be concerned about, is that, as time goes by, and these designated Senators disappear from the scene due to age or death, their successors will not be Pinochet appointees, and the ability to amend the Constitution becomes greater. Therefore, there is some risk, if Pinochet waits for another year and a half, that he could see the Constitution changed and he would no longer hold an appointive, Senate seat.

Nevertheless, the Pinochet situation is very interesting. He has been the head of the Army and he still has a voice that can command attention. The press listens to him. They're always wondering what he's going to say. I think that people legitimately wonder whether he's going to try anything, because many people wouldn't put it past him. In my view, whatever he was prior to the coup d'etat in 1973 and the end of the Allende Government, Augusto Pinochet Ugarte, to use his full name, has become an extremely adept political actor. He has a pretty good sense of his own limits and how far he can and should go. For example, he may be talking to the press and saying something. Then, all of a sudden, he'll just clam up. That has two effects. One, he doesn't say too much and, two, he leaves with an air of mystery about what he was going to say or what he might have said if he hadn't stopped.

Tom Boyatt is an officer in our Foreign Service who knew Pinochet well when Pinochet was a lieutenant colonel. I think that Tom was the last U.S. Consul in a town in northern Chile called Antofagasta. Then Lieutenant Colonel Pinochet was a battalion commander or something like that. I happened to see Tom last week, and we were talking about this. One of the things that had struck me about Pinochet was his ability to do and say the unexpected and to manage a situation extremely well. As the situation in Chile was changing, our military people wanted to come to Chile and wanted to begin the reestablishment of some kind of relations with the Chilean military. Our senior military people all wanted to meet General Pinochet. He would meet any four-star general who came to Santiago. However, he would immediately throw them off guard by saying,

"You know, the Chilean military, unlike the U.S. armed forces, has never lost a war. It's a shame that you couldn't manage the Vietnam conflict better. We don't believe that soldiers are managers. We believe that soldiers are soldiers and that their job is to defend the nation, to fight, and to win wars, not to manage. My officers don't get master's degrees in business administration. My logistics people do, but my fighting generals do not." He really got some of the U.S. military angry."

I remember his telling me, "Your military are a bunch of managers. They're not fighters." (Laughter) He loved to do that. I don't think that I've mentioned that on one occasion after the transition to civilian, democratic government, the then assistant secretary of State, Bernard Aronson, came down to visit Chile. I gave a reception in his honor. I used to invite Pinochet, along with the heads of all of the Chilean armed services. He would come to some of my receptions but not to others. Well, he chose to come to the reception for assistant secretary Aronson. He showed up with no entourage. He had a big, security contingent, but they all stayed outside the gate. He came up to my residence in his car, with one aide. He got out, and the aide came in and stood over in a corner. Here was Pinochet in a gray, Eisenhower type jacket. He stood there with a drink in his hand, although he never drinks. He is very abstemious and watches his diet and health very carefully.

Anyway, on this occasion Aronson said that he had never met Pinochet and would like to do so. Bernie and I had talked about Pinochet before. Aronson didn't like Pinochet and didn't like the idea of Pinochet. Anyhow, they talked for 45 minutes. When it was over, Bernie came up to me and said: "Wow! That guy Pinochet is really something! He is smart, quick, knows what he wants, and knows how to deal with people." I said: "Sure, he governed this country for 17 years and did a pretty good job." Of course, I had never met General Francisco Franco or General Josef Tito. You don't hold positions like that for that long without developing some of the skills necessary, no matter what is below the surface.

Q: Before we move to the Chilean economy, did you get involved in any Chilean foreign relations problems? I was looking at the map, and Chile borders on Peru, Bolivia, and Argentina. Argentina immediately comes to mind because of boundary claims, and I guess that the same thing pertains to Peru, too.

GILLESPIE: Chile has latent border problems with both Peru and Argentina. However, those issues didn't impinge too much on U.S.-Chilean relations during my time in Santiago. I remember that Argentina was going through its transition to democracy, and in Peru Alan Garcia was President. Chile does not have formal, diplomatic relations with Bolivia.

Q: Is that because of the War of the Pacific (1879-1885)?

GILLESPIE: Yes. Bolivia wants an outlet to the Pacific Ocean, presumably through what is now Chilean territory. Chile says, "Forget it. You lost the war."

Problems between Chile and Argentina came up during my time in Chile. Discussions began between the two countries and have now led to the resolution of 23 of the 24 border disputes outstanding. The last border conflict is now under some form of arbitration and will probably be

resolved in the next couple of years, which would eliminate all of these problems. In fact, if I remember correctly, just in the last month or two, they have begun to open or to talk about opening a whole series of new border crossing points between Argentina and Chile.

The same thing is now true along the Chilean-Peruvian border. The border problem there has not been resolved. There are mine fields along the border. They are residual, left over from the past. They are not the result of ongoing tension. In fact, I think that the two countries would get rid of the minefields if they could.

However, Chile got involved in disputes with the U.S. on two areas. One of them involved the U.S. intervention in Panama and the arrest of General Manuel Noriega. I guess that that happened in December, 1989. Pinochet was still in power as President of Chile, which was a member of a body called the Rio Group. I remember going to the Chilean government on this matter. We needed Latin American support. We went to the Chileans, and they reluctantly gave it to us. Remember, the outgoing military government under General Pinochet was still in power.

Q: How about Antarctica? I've just finished an interview with someone who was involved in the 1959 negotiations over Antarctica, when Chilean-Argentinean antagonism played a major role. During your time in Chile, did the Antarctica problem come up?

GILLESPIE: Antarctica did not arise in any specific way. However, the Chileans were very careful to assert their sovereignty over part of Antarctica, at every opportunity. You may recall that the Chileans placed and maintained navigational buoys in the channels of what I think they call the Straits of Guerlach and around the Palmer Peninsula or Graham Land. The Chileans claim that those areas are their territorial waters. Chile maintains an active Chilean Air Force Base on King George Island in the South Shetland Islands, which is just offshore of the Palmer Peninsula. This area is a bridge area between the southern tip of South America and the land mass of Antarctica. The Chileans fly the Chilean flag there, and there is a Chilean military presence. That air base is the point of entry and transition for many nations' aircraft going to Antarctica, including those of the U.S.

What I always had to be careful about, and this is an interesting, little diplomatic twist, is that I was invited by the Chileans and by our own National Science Foundation to go to Antarctica on separate occasions. On each occasion, when I went to Antarctica, I was very careful to designate a charge d'affaires in the Embassy, so that it was very evident that I believed that in going to Antarctica I was leaving Chilean national territory. The U.S. does not recognize the claim of Chile or of any other country to territory in Antarctica. The Chileans would always joke and say, "Well, you're not really leaving the country. You're just staying in Chile." I would say, jokingly, "No, I left Chile. David Greenlee is charge d'affaires of the Embassy."

Q: Let's talk about the Chilean economy, from your point of view, when you were there, as well as the ambassador's role in it.

GILLESPIE: When I was in Bogota in 1987, I learned that I might be going to Chile in 1988. I had had the opportunity to meet a former Colombian finance minister, Rodrigo Botero. He is a Harvard graduate, a brilliant man, married to a delightful American woman. When Botero learned that I

would be going to Chile, he began to feed me information about Chile, and particularly the Chilean economy. Botero is an orthodox, Keynesian economist. He would pass me information from Chile, particularly from the civilian, democratic opposition. This was highly critical, but it contained a tremendous amount of information and data about Chilean economic policies and management.

To go back into history, after the Allende regime entered power in Chile in 1970, it had nationalized industries, like most of the other countries in Latin America. Then General Pinochet and the junta came to power and privatized and denationalized the economy. However, for the first few years the Chilean military government borrowed money from abroad and followed a lot of the old practices of Latin America. They borrowed money to the hilt and followed an import substitution policy. From 1973 until the crash of 1982 the Chilean government, under the control of the military, acted like other countries in Latin America. I think that there was a period in the very late 1970s when the Chilean government tried to take a little tougher approach, but that didn't work.

However, in 1982, after the financial crash throughout Latin America and much of the developing world...

Q: You're talking about the foreign debt crisis.

GILLESPIE: Yes, the debt crisis of 1982. The price of oil declined, and many countries just couldn't pay their debts. Well, Chile had an economic crash like many other countries. At that juncture, some economic policy makers and managers appeared on the scene in Chile who basically said that Chile was not going to follow the old ways. Chile was going to change the policies of the past, and they did! They took the bitter medicine of opening up the economy to imports, working down their foreign debt, and selling off state enterprises. Even though Chile had denationalized, if you will, they hadn't fully privatized the economy. They began to privatize.

Q: Excuse me, when you say, "they," I assume you mean the military government of Chile, because it was not just some economists making these decisions. Economists may have been hired to give advice...

GILLESPIE: Let me tell you. The interesting thing is that the Chilean economists had to convince the governing junta that this was the sensible thing to do. This really meant convincing Pinochet. I became close enough to a couple of these economists to learn that convincing Pinochet was not easy. The inclination among the Chilean military leaders was to follow the old system. These economists were the famous group of Chicago boys. These were men who had studied with or at least listened to and purported to adhere to the economic policy approaches or theoretical and policy approaches of Milton Friedman and the very free market and liberal economic school, to use liberal in the classical sense. These Chilean economists ranged in age from their 30s to their 60s and 70s. Remember, the Chilean military was on top of the government but didn't try to supplant civilian bureaucrats and officials throughout the government.

There was a mix of civilians and military people in the government. More often than not, Pinochet's cabinet ministers, with the exception of the minister of defense, were all civilians. There might be a military officer holding a senior position in a given ministry, but most of the cabinet

was composed of civilians, such as, for example, the Ministers of Mines and Education. Fernando Mattei had been the Minister of Health prior to eventually becoming the Commander in Chief of the Chilean Air Force. He might also have been the Minister of Education at one point. That's probably how he was able to supplant the Commander in Chief of the Chilean Air Force when that officer became dissatisfied with military rule and suggested that the military return the government to civilians. So he was out on his ear, and Fernando Mattei was in as commander of the Air Force. With the exception of Mattei and maybe a few others, the members of the Chilean cabinet were civilians.

There was a series of civilians as Ministers of Finance. I think that between 1982 and 1987 or 1988, there were at least four Ministers of Finance. They all followed in this pattern. They tightened up on the budget, particularly spending. They privatized state enterprises, social security, and the retirement system. They accepted high levels of unemployment and lowered real wages in the country. They tried to build additional housing. They took a number of steps which, at the time, were considered revolutionary, unorthodox, and unlikely to work. Before I went to Chile, I was receiving in Bogota, Colombia, a lot of critical comments from the civilian democrats outside the Chilean government, who criticized the actions of the military government as hard line, inhumane, and anti-social.

The election campaign of 1989 in Chile opposed Patricio Aylwin and the democratic *Concertacion* group against two other candidates. One was a businessman who owned the largest supermarket chain in Chile. He had made a lot of money from that. He was quite successful, but he became known as "Mr. Blah Blah Blah," because he talked all the time on TV and in political advertising. The other candidate was Hernan Buchi, who was the last finance minister under the Pinochet, military government. He was a really weird man. I can't describe him in any other way. He's a Chilean of German descent, called Prince Valiant by many of his American friends and detractors because he has blonde hair which he cuts in bangs that hang down over his eyes. He wears his hair long over his ears and almost down to his collar in back.

Q: Prince Valiant is a comic strip character who wears his hair like that.

GILLESPIE: Right. When I arrived in Santiago, Buchi was famous, in a sense, as an active marathon racer, a pure vegetarian, and a physical fitness enthusiast. He was a tall, skinny, lanky man. He was muscular, but not heavy. Buchi had married young to a socialist woman. He had gone to Columbia University and gotten his master's degree in business, not in economics. He was not literally a Chicago boy, i.e., a graduate of the University of Chicago, where Milton Friedman was a Professor, but he was a Chicago boy in all other respects.

He described for me how it was to work with Pinochet. I asked him how easy it was to convince President Pinochet to agree to these various economic actions. He said, "Let me tell you. Every time I sit down in a cabinet meeting or I meet privately with President Pinochet, it's a battle. When I'm in a cabinet meeting, I'm lucky if I have two or three allies out of the 10 or 12 cabinet ministers sitting around the table. The governing junta, as a whole, is always opposed to what I want to do. Essentially, if I can make my case strong enough, then I can often convince President Pinochet that this is the course that we need to follow. However, I do not win all of these discussions, and sometimes I have to do things that I think are not right in terms of a particular step at a particular

time."

Buchi was the candidate who was running against Patricio Aylwin, the *Concertacion* candidate. In effect he was considered, and was, for all intents and purposes, Pinochet's candidate. The belief was that if Buchi had been elected, he would somehow have acted as a surrogate for General Pinochet. I'm not sure that that is true. I don't think that he had a chance of being elected, but in any event, all during that campaign the civilian democrats were arguing that Chile couldn't sustain these neo-liberal policies and that the government would have to provide more help in the fields of education and housing, more of this and more of that, and more public and less private investment. The *Concertacion* approach wasn't totally statist, but it was right in line with the materials which I had been provided with in Bogota by Rodrigo Botero.

If I remember the date correctly, the presidential election was held on December 15, 1989, and the *Concertacion* candidate, Patricio Aylwin, won. Of course, he wasn't scheduled to take office until March, 1990. I had an immediate, hot item to deal with. The Pinochet government, through its Foreign and Finance Ministers, had promised the U.S. Government that it would deal with intellectual property protection before it left office. Even before it knew that it would be leaving office, it promised to deal with this issue. The foreign minister had promised our trade representative, Carla Hills, that Chile would take care of this. Carla Hills had told me that it was time to call in our markers on this matter. She felt that we had to get this issue handled before the Pinochet government left office. She felt that the incoming civilian democratic government was not likely to do what we wanted done, which was to provide full protection for patents.

In Chile the pharmaceutical area was the most sensitive. In Latin America, as you may know, governments have tended to take the view that medicines were special "social goods", and prices for them needed to be controlled and regulated. If they provided full respect for patents, this would mean that the consumer would pay more for medicine, and that would create a real problem. What that had led to was that Argentine business interests had come into the Chilean market, bought up the pharmaceutical industry, and were copying U.S. pharmaceutical products. This was a case of out and out piracy. There was no doubt about it. This involved tens of millions of dollars in losses to U.S. businesses annually in patent protection foregone.

Hernan Felipe Errasuritz, the foreign minister, and Hernan Buchi, the finance minister, and others had all said, "We will pass world class intellectual property legislation. We think that that is right." Well, as soon as they got into the presidential elections campaign, preparations to take action on this issue stopped. Then, when the campaign was over, and they had lost, they more or less indicated, "Hell, that's not our problem any more." This was a real disappointment to us because they had all led people to believe that they really were going to come through on this.

So I thought that I would try this issue out with the new government. I went directly to Patricio Aylwin, the President-elect, whom I had gotten to know during the elections campaign and earlier. I said: "Mr. President, you know that we have outstanding this issue of intellectual property protection. From our point of view it is a very important matter. We want our relationship to get off to a good start. Is there any way that we can begin to make sure that you understand the nature of the problem?" And so on and so forth. Aylwin designated Edgardo Bettinger to handle this. He said at that point: "Edgardo is going to be very close to me in the government. I may or may not

have told you that he is going to be Secretary General at the Presidency." This was the closest thing to a chief of staff with cabinet rank that you could have in Chile. As it turned out, Bettinger was the real political operator in the Aylwin administration.

So I arranged to meet with Edgardo. We briefed him. We gave him the whole background. Meanwhile, we were trying to work with the outgoing junta. They started taking steps which indicated not only that they were not going to do what they said they would do but that they would work in a contrary way. So Carla Hills, the U.S. trade representative, and I decided that we should concentrate on the incoming Chilean government team.

It was in those contacts that I began to sense that a process of - I don't know what you'd call it - realization or understanding of the realities of the situation was beginning to take place. Edgardo Bettinger is a brilliant man, probably now about 73 or 74 years old, full of energy and life. He is very articulate. He taught for a time at the University of California. It became pretty clear that the new government was going to look very carefully at all of the economic policy questions as a package, taking both a macroeconomic and microeconomic approach. Edgardo told me: "We will work with you to achieve this objective. I can't tell you how far we're going to get. We're going to have to work through our Congress in a way that the military government wouldn't have done. However, we'll work with you on it." And they did.

The upshot was that they didn't give us absolutely everything that we wanted to have, but they gave us such a substantial part of it that everybody in Washington up to a very high level was satisfied with the result. In the process I also got to know Alejandro Foxley, who was to be the first finance minister of the civilian government. Foxley had been one of the major critics of Buchi and his predecessors in the military government. Then, all of sudden, Foxley began to sound like one of those neo-liberal thinkers. We heard from him comments like, "responsible social spending," and "we understand the limits on what we can do and can't do." And President Aylwin himself began to say things which, I think, were extremely difficult to say. For example he said publicly to the nation, "We're going to give you a hand, not a handout," "Chileans are going to have to work for themselves" to move forward. The key phrase that began to appear, roughly beginning in December, 1989, right through the inauguration of President Aylwin in March, 1990, was, "the private sector is the engine of growth" and, "in Chile's economy we have to have an active, vibrant private sector." It was said, "We're going to review all of the privatizations that the previous government did but we're not going to nationalize anything."

In a way that was really rapid, when you think about it, although it seemed rather slow at the time, the new, civilian government made a 180 degree turn in their whole approach to Pinochet's economic policies. In some ways they are out in front of where Pinochet was and in some ways they're lagging a little bit behind it. The average is right down the same path. It was really quite remarkable to see.

Now there has been a second transition in the Chilean Presidency. Patricio Aylwin has completed his constitutional term of office and has been replaced as President of Chile by Eduardo Frei, but the present Chilean government carries on right down the same line.

Q: So this policy is well and truly in place. During your time in Chile what was your role with

regard to American business?

GILLESPIE: By 1987 or 1988 Chile's economic performance was very clear to people who were looking for places to make money, particularly in the copper mining business. Chile's levels of direct, foreign investment had already gone up. Remember that this is something that the Pinochet government did. They threw the economy open to foreign investment! They unilaterally lowered Chilean tariffs down to about 11 percent across the board. Basically, foreign investors were and are treated as domestic investors. There is virtually no difference in the treatment accorded them. There is practically no red tape or bureaucratic processes to go through. Actually, the foreign investor gets a slight break. He can choose whether he wants to be taxed as if he were a Chilean national or as if he is a foreign investor. In the latter case he can defer some taxes and have a few benefits that he might not otherwise have. To all intents and purposes the Chilean government has brilliant, younger men who are the heads of the Foreign Investment Office, the Central Bank, and the Tax Service. These are all very bright people who all speak English and some German. They relate very well to foreigners. The atmosphere is very welcoming.

By the time I arrived in Santiago, there was already a large, U.S. investor community. I think that I mentioned in the case of Colombia a phenomenon that is not unique to Chile. U.S. companies, or multinationals, if you will, based in the U.S., have found that, for many reasons, it is preferable to have a non-U.S. citizen heading up some of their operations overseas. As a result, IBM in Chile was headed by a Brazilian. Some of the copper mining companies were headed by either Chileans or Argentines. The head of Chase Manhattan Bank was an Austrian.

I never asked my predecessor, ambassador Harry Barnes, why he handled some things in the way he did. Glenn Reyes, the economic counselor when I got to Santiago and now ambassador to Brunei, told me: "ambassador, I'm so glad that you're here. I've heard about what you did in Colombia. We have a real problems with the U.S. business community here in Santiago. Ambassador Barnes refused to meet in any regular way with the heads of U.S. business firms who did not carry U.S. passports. So we don't have any real contact with people like that. Ambassador Barnes met with them individually and dealt with them that way. Separately, he would, for example, have lunch with those with U.S. passports, but that would exclude the non-Americans." Reyes continued: "That has two consequences. First, I don't think that we're serving U.S. business interests in Chile very well. On a very practical basis, let me tell you. We give a July 4 party every year. My economic officers and I have to go out to these business firms and ask for donations for the Fourth of July party to make it a success. I get the story from them, 'If I'm not good enough to be invited to your ambassador's meetings and take part with your embassy, why should I give you anything for your Fourth of July party?' You could help us a lot if you would review this policy of ambassador Barnes."

Well, I talked to the commercial officer, Richard Hayes. He confirmed that that was ambassador Barnes' approach. I said, "I've never talked to Harry Barnes about this. However, my sense is that this practice is related to the Pinochet government and its nature.

Because of the nature of the Pinochet government and the military dictatorship, Harry Barnes may have been very reluctant to open up very much to non-Americans in discussions of the business and economic scene, as well as the politics that were always part of it. I said that I think that I could

understand this.

However, I saw this as an opportunity. So in January or early February, 1989, right after I presented my credentials, I had the first of several meetings with the American business community, and they all came. We eventually had a monthly breakfast of U.S. business people, but without distinction as to passports. There was a steady stream of U.S. investors coming to Chile. I guess that the fact that we were in a transition period during which things were happening meant that things were more interesting. I made sure that the members of the American Chamber of Commerce in Chile, which was very active, with dynamic people at the head of it, most but not all of whom were American citizens, knew that my door was open to the U.S. investor community.

I'll put in a plug now, because I was just with representatives of U.S. investors this past week. The Business Council for International Understanding up in New York, the Americas Society, and the Council of the Americas were all very active and wanted their members to feel that they could help by having access to the U.S. ambassador. When I was in Chile, I gave them this access, and it worked. I think that we were very helpful to people. In the Embassy I had a top notch team on the economic side in Glenn Reyes and the people who worked for him.

My political counselor, a man named Ron Goddard, who is currently our charge d'affaires in Buenos Aires, was superb. I would always make sure that he gave a political briefing to any people who came to Chile so that they would know what they were getting into. That was terribly important during the transition itself from 1988 through 1989 and then, as the new civilian government took hold. That was a question that most people had.

Q: I suppose that you had to qualify yourself and say that you thought things would develop this way, but...

GILLESPIE: Yes. We would give them the best briefing that we could and say that this was the situation today. Here is how it looks to us, but that is basically it. It was interesting to me that investors who came in to see me and, for example, might have been talking about making a billion dollar investment in Chile, particularly in a mine, have in mind a very long time horizon. They can accept a lot in short term disruptions, including military coups d'etat. Let's not kid ourselves. What they are looking for is some degree of stability over the medium to long haul. They want to look at rules of the game that they can understand and that are relatively consistent. Frankly, they don't want to see the reverse of this. To some degree, they were concerned that a civilian government might come into office and more or less repeat the events of 1970-1973, under the Allende Government, which socialized Chile. As my knowledge of the actors and their approach in Chile in the *Concertacion* Government grew, I was able to say with an increasing degree of confidence that the Chilean government was composed of serious men and women. Something had happened in Chile over the previous 17 years since the Pinochet government took over. The people in the civilian government fully understand that Chile is part of the world. Of course, Ron Goddard and the other members of the country team already had a good understanding of the situation in Chile.

I told visiting business that I had a hypothesis, which undoubtedly was subject to revision and maybe refutation, but it went like this. One of the unintended consequences of Augusto Pinochet and the military government's actions was to consolidate Chile's modernization along neo-liberal

lines. The way it happened was this. Some of the military leaders felt, when they took over the government, that the best thing that they could do was literally to kill all the communists and socialists who threaten long term stability in Chile. The communists and socialists had brought the country to its knees economically and, to a degree, socially, during the three years of the Allende regime, 1970-1973. In fact, the military weren't able to kill all of the communists and socialists. They only killed some of them. That they killed any was terribly sad.

However, what these military people did was either to send, to force, or to encourage hundreds if not thousands of Chileans into exile. Many of these exiles were educated Chileans. Those exiles went to Europe, either to Western or to Eastern Europe. Those who went to Western Europe found that, even though they ended up in places like Sweden, France, and West Germany, there was no built-in, long-term social support system in those countries. Many of those exiles found that they had to work for a living. Since they were educated and couldn't engage in political life, for there was no opportunity for them to do that as foreigners, many of them became managers. Some became owners of enterprises. Those people never lost their love for Chile or desire to return. They started to come back. When they came back, they brought with them what they had learned.

If I may oversimplify it, those who went to Eastern Europe followed one of two paths. One path was to consolidate their communist or strongly social democratic ideology. The others began to look with open eyes at what they saw and said to themselves: "This system isn't working." Remember, this was in the period from the mid-1970s through the 1980s. In many instances they observed communist style command economies. These Chilean exiles were smart people who could see below the surface, and they didn't like what they saw.

Some of the exiles came to the United States. Many of those ended up in academic environments. Some of them said to themselves: "Why does the economic system work here in the United States? Why can't this system work in Chile?" By the way, that kind of question is fairly widely asked in South America, anyway. They wondered why the U.S. didn't have the problems that Chile had and what was different.

Then there was a group that stayed in Chile but was given the opportunity to travel to foreign countries on a short-term basis and then return. They were probably the most heavily subsidized group and didn't have to do all of that much themselves. These people were supported by the Ford Foundation and other, such institutions in Chile.

The unintended consequences was that a fairly large and broadly based group of individuals came into being who had left what had been an isolationist Chile. Remember, Chile is way down at the southern end of South America. People could grow up being satisfied with what they had. One quality of Chile is smugness.

Q: It's called the Switzerland of South America.

GILLESPIE: The Switzerland of Latin America. It's a place where the clocks kind of stopped in the 1950s. When I arrived in Chile in 1989, there was behavior which I hadn't seen in the U.S. since the 1950s or early 1960s. I'm not talking about the drug taking or pot smoking 1960s, but boys and girls holding hands, walking down the sidewalk, dancing arm in arm and cheek to cheek,

and all of that kind of thing.

So one of the unintended consequences of this exile stream was to reinforce the opening up of Chile. These exiles left the country. They came back, looked around, and said: "This isn't going to do. Here is what we need to do." I think that one of the consequences of the exile, whether self-imposed or forced by the military government, was to encourage the exiles to think that Chile should do things differently. I've had former Chilean exiles confirm this to me.

I think that that is part of the reason why Chile not only took the steps to open up the economy and society but the democrats who replaced the military government had seen so much of this change. There are people in Chile today who say: "Why do we have to wait for more trade agreements? We should unilaterally cut our tariffs again. We should open up even further." These people are often social democrats. Carlos Ominami was the Minister of Trade in the new, democratic government. He is a young, dynamic socialist. In some respects he was more free enterprise in outlook than Milton Friedman. I thought, this is really something when Carlos Ominami stands up there and says: "The private sector is the engine of growth. We have to encourage private activity. The state cannot do everything and should not be expected to do so." Here was a man who, almost literally, was running down the street with a machine gun in his hands.

Well, let's talk about narcotics. The way the narcotics question came up in Chile was kind of interesting. We had a very low-level program. George Franguli, who was chief of the DEA (Drug Enforcement Agency) office in the Embassy in Bogota, had been the DEA or BNDD (Bureau of Narcotics and Dangerous Drugs) representative in Chile at the time of the military coup d'etat which brought down the Allende Government in 1973. So there had been some interest in narcotics in Chile. In fact, interestingly enough, there had been a sort of Chilean narcotics cartel that had handled a lot of the financial dealings and the money from the drugs that were produced north of Chile. Some of that financial skill and knowledge, I guess, moved up to Colombia, when the military government was established in Chile in 1973 and really tightened down on the Chilean drug business. I should add that Chile is not a drug producing area. They produce marijuana in Chile, but nothing else.

Q: Was Chile at all tied in to the Bolivian connection?

GILLESPIE: When I arrived in Chile, we had a very modest drug operation in the Embassy. We had one or maybe two people there from DEA (Drug Enforcement Administration). We had no narcotics unit from the State Department. Reporting on narcotics was handled as part of the duties of the political section. Political officers kind of followed the situation and tried to find out what was going on. The DCM (deputy chief of mission) was the narcotics coordinator, as is the case at most Foreign Service posts. He dealt with the vice-minister of the interior, first with the military government and later with the civilian government.

My recollection of the beginning of my direct concern with the narcotics situation in Chile began on a July day in 1989. The plebiscite had been held in July, 1989, I guess, and there were going to be elections in December, 1989. The transition was already under way. I received a phone call from foreign minister, Hernan Felipe Errasuritz. He said: "I wonder if you could come over to the Foreign Ministry and see me, if not this afternoon, then maybe tomorrow." I looked at my calendar

and said that I really couldn't come that afternoon. He said: "That's all right. Why don't you come over at 10:00 AM tomorrow, and we'll have a cup of coffee." I thought that this was an interesting kind of development. This was the man with whom we had dealt on the issue of cyanide contamination of Chilean grapes and all of that. I had developed a pretty good relationship with him, given the overall state of affairs.

So on the following day I went over to see the foreign minister. In this case I went by myself because he had asked me to come over for a cup of coffee. I didn't take an officer with me to take notes and didn't really know what he was going to talk about.

The foreign minister closed the door to his office, gave me a cup of coffee, and said: "I want to talk to you about narcotics. I am really concerned." By the way, earlier in 1989 there had been a seizure of a boat off the coast of the northern part of Chile, with a substantial quantity of narcotics on board. The Chilean Navy, which runs the Chilean Coast Guard, had seized, if I remember correctly, maybe 100 kilograms of cocaine, or something like that. It was a considerable amount. The foreign minister evidently wanted to talk about relatively recent narcotics developments.

The foreign minister said: "We have pretty good indications that there are more narcotics going through Chile, headed elsewhere, than any of us know about. And that's a problem. However, what I'm really concerned about are three things. First of all, we know that our high school children up in northern Chile, near the Bolivian and Peruvian border, are getting access to the equivalent of crack cocaine. That is the result of drug smuggling destined for other places. We think that the payoff is increasingly in narcotics to the Chilean side. Instead of giving these Chileans money, the narcotics traffickers give them some drugs. That is very bad."

He said: "The second thing that disturbs me is that we really are an economic success. Whatever happens in the elections later this year, we're going to continue to be an economic success. I'm convinced of it. Our levels of disposable income are going up. Under those circumstances it's going to be possible for more people to buy drugs in the entertainment, recreation, and tourist areas. There will be more of an internal market in Chile and greater consumption. I am afraid that this will begin to change our society and that it will be a real problem."

Then he said: "The other thing that bothers me is that there are beginning to appear in Santiago and in Vina del Mar, on the coast, people who are buying property and businesses, people who are putting money in our banks and who are driving big Mercedes automobiles. I'm worried about the penetration of our economy by drug money and the laundering of drug money. We want to have an open banking system and don't want to have a lot of disclosure. However, I'm really concerned about it. Whatever happens in the elections, I'm not going to continue in office as foreign minister. However, during my last months in office and on a personal basis, I would appreciate your thinking about how you can help me and us to learn a little more about this traffic and perhaps begin to get some programs in place to deal with it."

So I thanked him, and we talked further about this matter. I went back to the Embassy and talked to David Greenlee, the DCM and also the Embassy narcotics coordinator. We talked about what might be done with both DEA, the INM (Bureau of International Narcotics Matters) in the Department of State, and others.

About four weeks later, in August, 1989, Senator Richard Lugar (Republican, Indiana) came on a scheduled visit to Chile. He met with foreign minister Errasuritz, who mentioned the conversation he had had with me on narcotics but didn't go into it in any great detail. Nevertheless, Senator Lugar was interested. Then we went to the offices of the *Concertacion*, the coalition of democratic parties which sought to elect a democratic government. There still wasn't a formal declaration of Patricio Aylwin's candidacy for President, but he was President of the Christian Democratic Party, the largest group in *Concertacion*. The assumption was that he would probably be the *Concertacion* candidate, but this had not yet been officially decided. I felt that it was important for Senator Lugar to meet different elements of the democratic opposition. By the way, I don't know whether I have mentioned this, but I was the first American ambassador to Chile to meet with the socialists. I made sure that there was a meeting between Senator Lugar and the head of the Socialist Party.

When we got to Patricio Aylwin's office and sat down with him and about three of his key lieutenants, the conversation was going along about lots of things, including the transition to democracy, relations with the Chilean military, and human rights. Senator Lugar is a broad-gauged man interested in all of these things and very knowledgeable. A man named Carlos Figueroa, who was very active in the Christian Democratic Party, was the campaign manager of the *Concertacion* group. He was later appointed Chilean ambassador to Argentina, and now is minister of the interior. During the visit with Patricio Aylwin and his associates, Figueroa said: "There is a matter, Senator Lugar, that we'd like to talk with you about, and that is narcotics." We had no formal agenda for this meeting, but narcotics was a subject which we had not expected to have raised with us. Patricio Aylwin, who doesn't speak English particularly well, though Carlos Figueroa does speak English, said, in Spanish: "I really would like to have Carlos Figueroa set out our view on narcotics for you, Senator."

Figueroa's presentation on narcotics was almost a tape recording of the comments made by foreign minister Errasuritz to me. He started with Chilean youth in northern Chile, increasing signs of drug consumption in the beach areas, disposable income apparently going up making it possible for people to buy drugs and thereby fueling internal drug consumption, and the threat posed by drug money to the financial system and the economy. It was a repetition, almost point by point, of what Errasuritz had said to me. Aylwin, Figueroa, and their associates said that they were going to be elected, were going to take over the Chilean government, and wanted to work very closely with the United States on narcotics problems. There had been no apparent connection between foreign minister Errasuritz and Carlos Figueroa, and I hadn't told the Christian Democratic side what the foreign minister had said.

In effect there are two police forces in Chile. There are the *Carabineros*, a national, uniformed police something like the French *Gendarmerie Nationale*. They are everywhere in the country. They don't have a plain clothes, detective squad at all. There is another force called the investigations police, a plain clothes, criminal investigative body.

On the basis of information that DEA and others had provided, my predecessor as ambassador, Harry Barnes, had tried to persuade President Pinochet to fire the head of the Investigations Police, because he was a crook. The Investigations Police were penetrated to a fare-thee-well by narcotics

traffickers, prostitution rings, bootleggers, and so forth. It was a thoroughly bad group. However, Pinochet wouldn't do anything about the matter, probably because it was ambassador Harry Barnes who asked him to do it, and Pinochet didn't like Harry.

In fact, after Patricio Aylwin was nominated candidate for President by *Concertacion*, I developed a pretty close relationship with him. We shared with him the information that we had about the director of the Investigations Police. Aylwin was not surprised. The man's reputation was bad, anyway. However, Aylwin was not aware of the depth and extent of the corruption in the Investigations Police. We were able to tell Aylwin that, as far as we could tell, the Carabineros, whatever else they had done, were not corrupt and had not been penetrated by the drug traffickers. He should be alert to the possibility that the Carabineros had also been penetrated by drugs traffickers, and this could happen. However, the U.S. did not have any information that this had happened to the Carabineros.

As I mentioned before, we had a very small anti-narcotics program in the Embassy, by Latin American standards. If I remember correctly, it amounted to a couple of hundred thousand dollars annually. David Greenlee, our narcotics coordinator, felt that this was hardly respectable and tried to have this anti-narcotics program budget increased. My recollection was that we had it increased a little bit. However, the fact is that the Chileans didn't want a lot of money. They wanted technical assistance. They wanted people whom they might have some confidence in. Both the Pinochet people and the democrats wanted somebody to help them figure out ways to deal with the narcotics problem.

Remember that when I was in Colombia, my objective had always been to get the Colombian government to develop an anti-narcotics strategy, a strategic approach to the narcotics problem, as opposed to merely reacting to U.S. pressure and then the occasional problem of criminality in the bombings and the rest of it. In fact, ultimately, I was able to persuade the Colombian government to begin to develop an anti-narcotics strategy, but this didn't emerge until a year after I'd left Colombia.

So we tried to persuade the Chileans to develop an anti-narcotics strategy. I think that, given the nature of the problem in Chile, we were able to encourage them to do that. We were able to provide some in-kind help. However, one of our problems was that, right away, the Chileans wanted radio systems that had to be licensed under our export control regulations. This was prohibited by the Humphrey-Kennedy amendment, and so the Chilean government couldn't buy this equipment. That's another example of how these "wonderful" prohibitions and embargoes cut several ways.

Q: Let's stop at this point, Tony. We'll resume this at our next session. We've already covered the Letelier case, the economy and business affairs, narcotics, and foreign and military relations. The only additional question that I can think of right now, and there may be others, is the visit to Chile by President Bush in 1990. I imagine that this was rather important. Then there may be other problems which you may wish to raise.

GILLESPIE: Okay.

Q: Today is March 14, 1997. Tony, let's talk about the visit to Chile by President Bush.

GILLESPIE: Before we start on the Bush visit, let's go back in time a bit and pick up something that I don't think we covered and which relates to Chile and its economy. It has become a major thrust of U.S. policy in Latin America and, increasingly, on a global basis since then. That is, the Enterprise for the Americas initiative. This was really the brainchild of George Bush following a narcotics summit in late 1989 or early 1990 held in the Andean region, involving Colombia, Peru, Ecuador, and other countries, possibly including Mexico.

When President Bush flew back to Washington from that meeting on Air Force One, he said: "We need to encourage the people of these Latin American countries to do something more against narcotics. We need to reward those who are helping us and hold out some carrots for others. I'd like to see if there is something that would be of use in that regard." Two things eventually emerged from that. The man on the airplane who really picked one of them up was David Mulford who, at that time, I recall, was the Under Secretary of Treasury for International Affairs. The two things that eventually came out of this conversation were the Andean Trade Preferences Act and president Bush's Enterprise for the Americas initiative.

The Enterprise for the Americas initiative attempted to recognize the great momentum that had built up following the various financial crises of the early 1980s. It had begun to pick up speed. At that particular moment in 1989-1990 there was a new government in Brazil, in which a bright, hot-shot new President was talking about reforming Brazil's...

Q: Who was that?

GILLESPIE: Fernando Collor de Mello. He was talking about changing people's thinking. I think that I previously mentioned the situation in Argentina where a very traditional and wonderful democrat, Raul Alfonsin, had not been able to manage the economy of Argentina and, in fact, left office a year before the end of his term. He was replaced by a funny - in the sense of strange - Peronista, Carlos Saul Menem, who was elected President of Argentina. Nobody seemed sure of what he was going to do. All of a sudden, it began to appear that he was going to apply some of the same, economic thinking that we had already seen in Chile since the 1980s.

In any event the Enterprise for the Americas initiative tied three things together. First, democracy was the watchword, the by-word. Democracies are what are important in Latin America. Secondly, solid, macroeconomic policies, including the reform of old institutions and the application of more capitalism. The old era of government to government transfers of resources to meet pressing needs is basically over or coming to an end, if not over. Therefore, trade and economic growth are the way that we are all going to have to go. This all coincided with changes in Eastern Europe. The Soviet Union was still the Soviet Union, but it was visibly failing. The Enterprise for the Americas initiative was presented by President Bush in June, 1990, if I remember correctly. It was received in South America and throughout the Americas with a tremendous rush of enthusiasm. The response to it was very positive. Everyone said that it was great, and "This is what we've always wanted." I think that I mentioned that President Aylwin of Chile, who by that time had just taken office in Chile, said in his inaugural address: "We're going to give you, the people of Chile, a hand,

not a handout." This was right in line with the Enterprise for the Americas initiative. In short, this idea caught on tremendously.

There are those who argue, even in 1997, that that has been the basis, the major push point or enticement behind the kinds of economic reforms that continue even now in the Americas.

Flowing from all of that was the question: "Whom can we turn to, whom can we point to as really strong models or examples of how this concept can work?" And Chile, of course, came to mind. Among other things there was a real coincidence of interest. The U.S. was looking for the right kinds of people to help, and the Chilean civilians were looking for something to distinguish themselves from the Chilean military government. By this point, in the spring and summer of 1990, the Chilean democrats had decided that they were going to follow the basic, macroeconomic policies of their predecessors in the Chilean military government. However, they needed to have something else to call it. This kind of new trade relationship with the U.S. looked about right to them. The Bush administration felt very strongly that Chile would be a good example. Therefore, as one of our policy objectives, we ought to try to conclude some kind of trade agreement with Chile.

So I know that President Bush himself, in conversations about Chile, was interested in this. As ambassador, I had instructions to begin talking about a free trade agreement of some kind with Chile, which had largely opened up its economy. GATT (General Agreement on Tariffs and Trade) negotiations, known as the Uruguay round, were going on. U.S. trade representative Carla Hills was finding it very easy to work with the new, elected Chilean government. There was obviously not 100 percent agreement with them, but there was agreement in many areas. The Chileans were becoming an ally in the Uruguay round of the GATT negotiations. So President Bush was viewed in Chile as a major, potential ally by the Chileans. He told us to go ahead and see what we could work out.

When we started talking about a Bush trip to South America, it was obvious that Chile would be on the list of countries to be visited. The plan was initially to have the trip early in August or September, 1990. However, the events in Kuwait intervened.

Q: Tony, one of the main considerations during your time as ambassador to Chile was the sex appeal of the Chilean economy. When you think about Chile, this is the main consideration. There was so much focus on it. Did you or your economic counselor have any inhibitions about reporting on the dark side of the Chilean economy? Every economy has a dark side, and yet this was the big thing going for you. When you report to Washington, negative aspects tend to receive more attention than positive aspects.

GILLESPIE: First, I would like to make a general observation. During the early 1980s under the Reagan administration I had worked on Central American affairs and saw how information was leaked to the press. That was my first real exposure to leaking. I talked about this process to some extent with embassy officers in Grenada, a lot about it in Colombia, and even more in Chile. A lot of this was in the course of normal conversation with them. I talked about how leaks of information might affect our reporting and whether, in fact, we or others were guilty of leaking information. We would see cables coming in from other posts in Latin America, Europe, and Asia. We would

wonder aloud over coffee or on other occasions whether those reports were written in a particular way because the drafting officers thought that they might be leaked or become public knowledge.

I had taken very much to heart something that my colleague, Craig Johnstone, had mentioned to me when we served together in ARA (Bureau of American Republic Affairs) under Assistant Secretaries Enders and Motley. We had been talking about dealing with the press. Craig said: "Tony, I always talk to the press as if I am talking 'on the record.' I simply don't believe in talking 'on background' because it may come back to haunt you. So if you can't say something for the record, maybe it's better not to say it." My response was: "Okay, I understand that, Craig, but what do we do about reporting, when we are talking, not to the press, not to the public, but supposedly to each other, considering that somebody else might take what we said and pass it on to the press as if talking for the record?" Craig Johnstone and I never came to a complete conclusion on that, but I said that that's what bothered me.

My view in Grenada, where we had a lot of things happening, and in Colombia was to take the Johnstone approach pretty much. Speak to anybody as if they are going to remember what you say, but don't hold back. If a development might really be harmful to U.S. interests or to our relations with the country concerned, which is one of our U.S. interests, you have to be very careful about how you handle the matter. Then, in the reporting channel to the Department of State, you try to keep the information as protected as possible. I have the feeling that that sense covers everyone.

Now, regarding Chile and its economy, one of the beauties of the Chilean economy was that it was becoming increasingly transparent and visible. As I think I've mentioned, I was absolutely blessed with two, superb Economic Counselors in the Embassy in Santiago, Glenn Reyes and later Rich Barrington. They felt that it was very important that Washington and their audience there have the straight story all of the time. Their basic inclination was not to classify their reports or to put the most modest controls on the dissemination of their cables. They didn't think that the approach that the Chileans were planning to take, for example, on limiting the flow of short term, portfolio investments was a matter affecting the national security of the United States. Sometimes, because their reports contained information not always available to the public in Chile which they had obtained from someone in the Chilean government working on the issue, they felt that they needed to protect their source. The information itself could either affect markets or might be proprietary, and so might need to be protected. However, other than that, their basic feeling was that we were in Chile to talk about an economy that was increasingly open in every respect, including to outside investment, trade, and to public view.

In short, I never ran into the issue of holding back on economic reporting because of the possibility of leaks. Occasionally, I ran into that consideration on the political side, in reporting on some aspects of the Letelier-Moffitt case and other matters where there was some sensitivity to both the information itself and the source from which it was obtained. However, in terms of telling it like it is with regard to the Chilean economy, being able to do that was an asset, a plus. Being able to report that there was a debate going on within the Chilean government about whether to raise this or that kind of tax, or spend money on this or that kind of thing in the Chilean budget was not a major problem. Now, we reported some Chilean views critical of the United States and of our policies. We were careful not to provide too much protection to reports on such matters. I felt that

it was too bad if we were misunderstood.

One of the problems in diplomatic reporting has come with the information explosion. There is so much reporting going on, and there are two or three ways of calling attention to what you want to say. I think that a very despicable way is by over-classifying and restricting dissemination of Embassy reporting. In other words, you send in a TOP SECRET, NO DISTRIBUTION cable, just to make sure that it is considered at the highest levels of the Department of State. That simply debases the currency. It's a real problem, but it happens. If you make a practice of doing this, it seems to me that it's really a pretty bad thing.

Quite honestly, my view on this matter, and I hope that it does not reflect my own ego too much, was that I did not write very many, first person cables. When I worked as Executive Assistant, Chief of Staff, and later Deputy assistant secretary for Operations under the late assistant secretary for ARA, Tom Enders, I had seen so many good friends and good officers put their feet awfully close to nasty stuff by sending in first person cables. For example, they would report, "I spoke to the President," "I said this," and "I did this," and "He said to me." I decided that that was an arrow in my quiver which was very special. I would be well advised not to use it too often, or it, too, would become very cheap.

I can recall, when the Chilean foreign minister was going to Washington after the poisoned grapes issue had emerged, I sent a cable to secretary of state Baker because I found out by phone that Baker was going to see him and was interested in this matter. So I sent a cable "For the secretary, from the ambassador," saying that Chilean foreign minister Hernan Felipe Errasuritz was coming to see Secretary Baker. Here is what he wants, here is what he is going to lean most heavily on, and so on. I suggested that we should adopt the following positions, and so forth. I got a call back from Secretary Baker later, saying: "Thank you very much. That's exactly what I wanted." When people were going to the U.S. or U.S. visitors were coming to Chile, I would occasionally do that kind of a cable. Occasionally, the political counselor or the DCM would suggest that we do a first person cable. I would generally say: "No, this isn't a first person cable kind of thing. Let's just send in a very carefully drafted cable."

Another challenge on reporting, and it's with us all the time, is the tendency to wait until a report is "perfect" and "right." That is often the worst thing you can do and may make your reporting nearly worthless. Sometimes my DCM or I would say to an officer: "Get something out NOW. If you wait until tomorrow, Washington isn't going to care. So go with what we've got." I guess that that is part of the diplomatic profession as well. However, in terms of being able to lay it on the line or lay it out there, the least problematic area was the economic side of our reporting, because the economic area was so open. One of the many beauties of Chile was that this was a society which was opening up. We didn't have to worry too much about sensitive subjects. What we looked for were the arguments which would convince those in Washington who, we knew, would be reading our cables or taking our information and passing it on elsewhere in the U.S. Government on the importance of certain things in the Chilean view. That is really where an Embassy can play an important role. It's a kind of "I told you so" sort of thing. The least useful comment is to say: "If you'd asked me, I would have told you." I always tried to impress on our officers that the main function of most Embassy reporting was to make sure that Washington had as good an understanding of the situation as we could provide on any of the various subjects of importance.

Have we discussed consular matters?

Q: No, I was going to ask you about that. First, though, I was just going to ask another question on another matter. Just before we started this session, you mentioned that you never felt that you received very good "talking points" from the Department. Would you comment on what you meant by that?

GILLESPIE: I guess that this is something that one learns as a more junior or desk officer. You are called on to distill a set of issues and come up with a way of explaining the matter to someone, telling somebody what the U.S. view of an issue is, and what we wanted people to do. Usually, this involves breaking the matter down into talking points for someone other than the drafting officer to deliver. As I saw it, the people who are putting talking points together know much more about the issue than the post receiving the instructions from the Department. For example, when the Non-Aligned Movement (NAM) is getting ready to have its annual meeting, or whatever the subject is, we get a message from the U.S. Mission to the UN or from somebody in the Department of State, saying: "Please go in to the government of blank and tell them that as far as the Non Aligned Movement is concerned, we want these things and we don't want those things. Make the following points." Then you get a list of points, usually one or two sentences long. You're expected to present those points to the person you are speaking to, pretty much as they are written. That is, a foreign minister, an office director, or a desk officer in the other government.

It often struck me that the talking points we received were poorly prepared. I don't have any in front of me, so it's difficult to come up with a specific example. We talked earlier, for example, about the fact that in many diplomatic services around the world, particularly of countries longer established or older than ours, diplomats are generally expected to be schooled in international law and the history of diplomacy. If you listen to their talking points and see their *aides memoires*, they tend to leave behind with you what is called a "non-paper," regardless of the merits of the argument. These points are laid out in a way that they believe will be persuasive. These documents often follow a highly structured pattern. You start from one point and go on to another.

Q: You're talking about "pieces of paper" or syntheses. You state the problem, make the argument, and then conclude.

GILLESPIE: A lot of the talking points that we would receive from the State Department would be gibberish, or garbage, quite frankly. I wish that I could be more specific about this, but I know that I would have my political counselor or the DCM walk into my office and say: "Here are the talking points, but you can't possibly leave this as a 'piece of paper' with the government. They'll laugh us out of town." This happened in Washington, where assistant secretary Enders or Tony Motley would see talking points of this kind going out. One of my jobs, when I was in Washington, would be to send these draft talking points back to the drafting officer with instructions to start over, because they would never convince anyone. I guess that this goes back to the point that led us into this business earlier. I mean the discussion on how our people are trained to conduct diplomacy and how we actually conduct diplomacy.

As a junior officer I have seen serious and very skilled U.S. diplomats, both ambassadors and other

people senior to me, take a lousy set of talking points, go into the Foreign Ministry, and go selectively through them. They would embroider them. Many times that is the way you do it. I did a lot of that in Chile. I would take some of these talking points with me but would never consider leaving a set of them behind for my opposite number. I would work with them. I would leave some of them out and I would add some others. I would think: "Well, this or that point will make no impact on these people." That was my judgment. That was what I was being paid to do. I guess that's what I wanted to say about that.

Q: You mentioned consular affairs. Were there any consular cases of particular significance during your time in Chile?

GILLESPIE: There were several interesting cases but, I guess, the most important one, in a sense, and certainly one which took up a lot of our energy, was an airplane crash, which occurred in southern Chile. I believe that this may have happened early in 1991. A American cruise ship operator had specialized in handling "Discovery and Nature" tours. He had two or three cruise ships. They were not huge boats and were certainly not the Love Boat type of cruise ships. These were not entertainment cruises. This American cruise ship operator ran, and continues to run, cruises to Antarctica. The point where the passengers change from aircraft to ship or vice-versa was often an airport in Ushuaia, in Argentina, on the Beagle Channel near the southern tip of South America. Ushuaia is right across the channel from Chilean territory. On this occasion I think that a group of tourists left their ship and went aboard a Boeing 737 aircraft belonging to LAN-Chile (Chilean National Airline). The aircraft took off and almost immediately crashed in 25- 30 feet of water. The water in the Beagle Channel is extremely cold, as you can imagine, given the fact that it is located near the very southern tip of South America. I believe that a great many of the tourists from this cruise did not survive this crash, although I don't remember whether all of them died.

The crash took place in an area very remote from the Embassy in Santiago, roughly 1,000 miles almost due South of us, where communications facilities, roads, and undertakers were limited or very few in number. About 20-30 out of the 30 or 40 tourists in this group were American citizens. They were all relatively well-to-do people from families having means in the United States. That really presented the Embassy with a major management challenge. We did what one is supposed to do under the circumstances. We set up a task force in Santiago and eventually got people from the embassy down to the scene of the crash. We worked with the Chilean authorities.

This was one of the very first times that the Bureau of Consular Affairs in the Department sent out a rapid response team to the Embassy to help in the work involved in a disaster of this kind. This team, composed of two or three officers, did a superb job. They flew to Santiago that same day, and one of more of them flew down to the scene of the disaster, arriving at the scene of the crash some 24 hours after it had happened.

It almost goes without saying that this accident shows how traumatic these things are and how much they shock the human system. Obviously, they don't occur where and when people are ready for them. No one is ready for something like this, and I suspect that it is not possible to be very ready. Maybe a crash of this kind can be handled in an almost routine way at a major, international airport. However, in this case it happened at a remote site. The airline was quickly on the defensive to make sure that it was not going to be held liable for what had happened. The executives of the

airline with whom we dealt were friendly and cooperative, but they were very guarded in manner. We could see this element of crisis management. I've always been concerned about how you manage a crisis. Here was a clam up as opposed to telling people what was going on, so that was a problem. However, we eventually recover, in this case it happened at a remote site. The airline was quickly on-

From the management point of view, handling this matter required the whole country team. We had the defense attache involved, because the Chilean civil aviation authorities were a combination of military and civilian personnel who had to be contacted in connection with this kind of accident. Also involved were the air attache, the consul, public affairs and information people, the political section, and many others, one way or another. We had to be fully informed on what had happened, what we were doing, and why things weren't moving faster.

One aspect of handling this situation involved the Chilean legal system. You mentioned the *Code Napoleon* before. We ran into procedures and processes which are just different from those that we have. We encountered official mentalities, if that's the right word, and thought processes that are not in our problem solving tradition. They are in the habit of following an established procedure and have been trained to believe that if they follow this procedure, they have done everything that they need to do. The fact that the established procedure didn't help them identify a body or release a piece of ladies' jewelry to a surviving family member is irrelevant. In the Embassy we found ourselves in the middle between surviving family members and the Chilean authorities on some of these matters. Some of the family members would say: "I don't give a damn about Chilean procedures. I want this or that." On the side of the Chilean authorities they would say: "Look, we're following our procedures. Don't tell us how to do our business." Our officers have to learn how to deal with problems of this kind. If they're good at what they do, they know how to bring both sides as closely together as possible.

So the Letelier-Moffitt issue needed to be brought to an end to some degree, both on the criminal end and on the civil side. If this was not done, it would not be easy to have decent relations, even with a new, civilian government in Chile, no matter what it was or how it was composed. That was also part of my continuing instructions and was part of the real backdrop to U.S. relations with Chile in 1989-1990.

The Chilean military government absolutely refused to deal with this issue in any way. So nothing was going to happen until 1990, when the civilian government took over. However, it was already evident that our relations with the civilian government of Chile would be dramatically affected by how the people in it dealt with this problem in their context.

We know that what is called in Spanish the "intellectual authors" of the crime of killing Letelier and Moffitt (that is, who ordered the murders) were General Manuel Contreras and Brigadier Jose Espinosa. They were the chief and deputy chief of DINA (National Intelligence Directorate of Chile), respectively, at the time of the murders. Then there was a civil suit, in which a U.S. Court has handed down a judgment of "wrongful death" and "deprivation of rights" in favor of the survivors, the families of the two men who were killed. We had to figure out how to deal with this situation. I think that it was a diplomatic "success" for those of us who had to work with this problem. We and the Chileans in the civilian government were able to get this resolved.

RONALD D. GODARD
Political Counselor
Santiago (1988-1991)

Ambassador Ronal Godard was born in Oklahoma and raised in Oklahoma and Texas. He was educated at Odessa College and the University of Texas. After a tour with the Peace Corps in Ecuador, he joined the State Department in 1967 and was posted to Panama, the first of his assignments in Central and South America. These include Costa Rica, Chile, Nicaragua, Argentina and Guyana, where he served as Ambassador from 2000 to 2003. His Washington assignments also concerned Latin American Affairs. During his career the Ambassador served with the Organization of American States, was diplomat in residence at the University of Illinois in Chicago and was Political Officer in Istanbul. Ambassador Godard was interviewed by Charles Stuart Kennedy in 2004.

Q: Today is the 30th of November, 2004. Ron, you were in Chile from when to when?

GODARD: Let's see, I began my tour there in 1988, somewhere I guess in 1988 and I was there until summer of '91.

Q: What was your job?

GODARD: I was political counselor in Chile.

Q: Let's talk about again when you arrived 1988, what was the political situation, the economic situation, and then relations between the United States and Chile.

GODARD: Well, the economy was going great guns. Chile under Pinochet, after some disastrous efforts at state-managed economies and so forth, he had latched onto a brilliant economist. Hernán Büchi created the Chilean economic miracle.

Q: These are the so-called Chicago boys?

GODARD: That's right, the Chicago boys. It worked in Chile. It was not without great cost. There was a lot of tightening their belts and so-forth, but it's an economy that reacted very well to that model. There's lots of enterprising people, highly educated. Chileans are interesting in Latin America. They are a people who save money, so there was accumulated capital in the country as well. So economically they were quite well-off, but they'd been under the Pinochet dictatorship by that time for about 17 years. When I arrived in the country there was already a campaign underway, or preparation for a plebiscite that was supposed to either extend Pinochet's presidency for another, I forget how much it was but I think it was something like seven years I think. Or no, that there would be free elections. So the status of our relations at that point were correct I guess you'd call it because our attitude toward the Pinochet government as it hung on longer and longer had gotten

more and more frosty, but still correct. We certainly had regular contact with ministers at all levels. At the same time, we had initiated a policy of helping those that were working toward the democratic transition in Chile. We had put some money where our mouth was in that country and were financing NGOs (non-governmental organizations) that were working to prepare people for the elections. There was a number of human rights groups that were quite active in protecting people from the oppression of the Chilean government. By that time, most of the atrocities that we read about now, torture and whatever, were behind the Pinochet regime. It was now a pretty peaceful period. He was sort of lauded, especially in conservative circles, because of the economic progress that they'd made, as a model for Latin America at that point. There were some who felt like the kind of economic reforms that had happened in Chile couldn't happen in a democracy, just too chaotic in Latin America, and you need an iron hand to impose a kind of economic discipline. But there was a plebiscite scheduled for October of 1988 as a matter of fact, and I arrived there. Harry Barnes was our ambassador. Very accomplished diplomat who had contacts across the political spectrum, and it was a pretty broad political spectrum in Chile, ranging from Maoist to Pinochet crypto-fascists in some places. My job as the political counselor was one of developing particular contacts with the opposition. It was the DCM and the ambassador who remained high level contact with the ministers and the presidency. We had at that time, limited contact with Pinochet himself. It was limited. He wasn't too happy about the work we were doing with human rights groups and those who were supporting.

Q: Was this a two sided thing? Were we trying to not have too much contact with him too?

GODARD: With Pinochet? Well, I think the embassy's job is to maintain contact with all the sectors and we were certainly trying to do that. There had been a tremendous expansion in our trade with Chile, so there were economic factors there. There were issues in business that we had to conduct with the government, in addition to maintaining contact with the opposition and supporting those NGOs that were working toward the democratic transition.

So we came to the day of the plebiscite and there were moments of crisis and so forth, and I sort of threw myself into learning as much as I could about the electoral process. I traveled quite a bit, went to a number of places. Once you got away from the capital, you found the same thing. There was an upswell of opposition sentiment. But a great deal of uneasiness about whether it would be a really fair election, and whether people were safe to vote in the election, because it was a yes or no plebiscite. They weren't voting on anybody else. They were just voting on Pinochet, whether he would continue in office or not. The long and short of it is Pinochet lost in that plebiscite, much to his utter surprise. Up to the very end, I think he believed that he would win.

Q: This happens a surprising number of times, when especially a dictatorship or a totalitarian government decides, let's turn it over to the people, we'll still get it. Obviously they were reading the tea leaves wrong. Do you have any idea what...

[Begin Tape 4, Side 2]

GODARD: ...nature of the government. They're not going to spill their guts about how they really feel when this stranger comes up and takes down the data on their opinions. So the polls, because of who the pollsters were in some cases, and they were recognized as sympathetic to Pinochet,

were getting the wrong kinds of information because they were feeding that back. And too, I think they had confidence in the intimidation factor, that people weren't going to have the guts to turn him out. Working for him too, the business community had done well under Pinochet, and they were saying that we're behind you and so he was hearing all these warm and encouraging sounds around him. Dictators don't normally have a really good ear of what the opinions of the man on the street is. And he was wrong.

Q: What were you getting?

GODARD: We were talking to the opposition, and the opposition was telling us the opposite. They were doing their polling and they were talking to people in the villages. You also had good contacts with the church that were financing a group that did human rights work that was sponsored by one of the bishops. So we had very good contacts, and we always visited the bishops in the various provinces, and they would tell us where the wind was blowing. So for my travels around, and from what I was hearing in Santiago from the mainline politicians, we felt like there was preponderant opinion against continuation of this government. But we were not confident in the honesty of the process, and so we were encouraging as many observers as we could get in the country to come in. Internationals, they would come in. Of course Pinochet's government was restrictive on that. Who they were, where they'd been. But because he had received international accolades for all of this economic progress, he really was looking for international acceptance as well. So he was willing to allow some international participation. So for that election we had observers from any number of groups.

Q: Did Jimmy Carter come?

GODARD: No, Jimmy Carter I don't think would have been allowed in. But there were people there from the National Endowment for Democracy. They had a sizeable group coming in for the plebiscite. There were groups in Chile that they had been working with over the years. And they weren't the only ones. There were European groups and whatever, observing.

Q: What about how you operated the political section? I've heard both things mentioned about when you've got an election coming up, particularly one which is kind of important. There's a tendency to say, oh we got it right, and be able to go in and say we think so-and-so's going to win. You know, pat on your back, but in many ways the more professional one is, you figure out if A wins you do this, if B wins it means this for American foreign policy. And the prediction in a way is kind of the icing on the cake.

GODARD: Well, we did that sort of analysis. We knew pretty much what to expect from Pinochet. He'd been in the government for 17 years, and we knew what that relationship was going to look like. We didn't see necessarily, if he had won, a deterioration in the human rights situation. It could have gotten worse, but not necessarily. But the main point we were making was that if the other side won, the coalition of parties ranging from social democrats, socialists, Christian democrats, that range. As I recall, there wasn't a conservative party as such that was part of the coalition. But in our analysis we were predicting also good relations with those people, because I knew the kinds of views they held in economy and government. They'd been out of government of course, for a long time. They were very careful in their campaigning and in their conversations with others,

emphasized that actually, of course, we had made some economic progress under Pinochet, and we're quite anxious to preserve and build on that. We want to open the society up more. So we were pretty confident that we could live with the opposition. But at this election of course, it wasn't really Pinochet or the opposition. It was whether or not Pinochet, in this particular election. Later on, there was a clear choice. Pinochet didn't run after that. This was about a year later, there was an election, and Hernán Büchi, actually the man who was the Chicago boy who designed this economic miracle in Chile, was the candidate of the right. And there was Pinochet groups and other conservative right wing groups in the country which supported him. There were a couple of them, Renovación Nacional and then there was a more conservative group. Both of which are still very prominent in the political scene, very active. The opposition put up a Christian democrat leader, Patricio Aylwin, and Aylwin won the election. Aylwin was the choice between the right and the left.

Q: We've come to the election or the referendum. When you arrived there, at one point, Chile had attracted the events there and become quite a cause from many sorts of people including, I like the term, the glitterati, the movie stars, rock stars, and others, for good reason. And then you have the movie Missing, about a young man who was American who was apparently killed during the initial coup, and then a little later, or maybe before, the Letelier case.

GODARD: The Letelier case was before.

Q: Maybe so, but that was simmering. How about all these movements that were going on, how were they by the time you got there?

GODARD: Well of course, the Letelier case was very much alive and we were pursuing it with Pinochet in our day. There were investigations still going on, and just keep hammering away at it. There were limits as to how much you could find out so long as Pinochet was in power. But that had cast a shadow over the relationship in addition to his human rights record. The fact that he had murdered somebody on the streets of Washington was not taken too well in the halls of government in the United States or by the public. I guess I had been aware way back about the number of exiles of Chilean origin coming out of this period. They were all over the hemisphere and they were always sort of intelligentsia, the academics in particular. In almost any country I served there were Chileans who had gone into exile who were at the universities in the countries, in America, they were all over the world. It was an attractive cause, the plebiscite of the no, and they attracted a lot of attention. Ted Kennedy came down after the plebiscite. He had come down during the Pinochet period at one time to make a point, and his movements were restricted and so forth. It was not a pleasant visit. This was before I came on the scene. We had a good number of congresspeople who came down during this period. Senator Leahy and Senator Lugar came down.

Q: These were people basically from the more liberal side of both Democratic and Republican spectrums.

GODARD: Right. They were all very interested in the process. I can't remember at which stage they came to the country. Kennedy I recall came down for the inauguration actually, Ted Kennedy did, for his second trip. The glitterati were, at least during the Pinochet years when I was there, were not in country. They wouldn't have been welcome particularly. We were quite aware that

because of what had gone on before with the overthrow of Salvador Allende and just the prospect of people power being expressed in terms of finally overthrowing what had become a worldwide symbol of right-wing repression, military dictatorship. Was something that got a lot of attention. Sort of like the solidarity movement in Poland. I remember the posters were very much people power things, really lots of flowers and beautiful posters that said "No." That was the message. That was what everybody was voting, they were voting no to extending Pinochet's government. It was a very special period and I count myself very fortunate to have been there and have been a part of it.

Q: What were we seeing when the actual plebiscite was held?

GODARD: Well, I had been put in charge of a monitoring exercise inside the embassy. Everybody in the embassy participated and we had visitors down who were also incorporated into our observer operation. Other embassies were doing something similar as well, but I dispatched officers to all of the regions. They were military regions to begin with but then they became accepted nomenclature for certain geographic regions of the country. So I had people in every region the length of the country, there's not a lot of breadth there, but the length of the country. We had people in every region, every major city. And they were calling in information to us. We set up a command center in the embassy and we were reporting back situation reports every hour out of the embassy. I was in charge of the command center and we'd get these phone reports in from people from Valparaiso, Viña del Mar, or Concepción down south or from up north, and we would collate all this into a consolidated report as to what was happening, what events were going on, and what local chatter was about.. because what we had done was we had people travel to these regions beforehand to establish personal contacts, find out where were the information centers, how would you find out what was going on, call on the local party chiefs, call on the local bishop, call on the local labor leaders. Put your lines out so you can find out what's going on on election day. In some of the outposts, there were great concern that people would just stay away from the polls, that they'd be too afraid to come. As a country, they hadn't had free elections recently. They'd had plebiscites before that were pretty much tightly controlled and limited things during the Pinochet period. But this was of course a really free election. The trends were pretty clear, but it went into the night, and at one point they stopped the count. It had become clear which way it was going. It was at that stage the generals were, "Look this isn't going to be what we thought it was going to be. Our polls were wrong." At that point is when our ambassadors swung into action and went to see the right people in the government and made clear that there would be consequences if they did try to fake this and steal the election. To his credit, Pinochet finally accepted defeat.

Q: Somebody described a thing where, I think it was the head of the air force, was hit by the press when he was going to a conference, and he said, "Well, looks like we lost." And that kind of broke the dam in a way.

GODARD: That's the way everything was going. And Matte was one of the people that our ambassador had seen. Once Matte, as the leader of the air force, declared himself and that's how it was interpreted, the fact that Pinochet was able to maintain himself in power all those years, was a factor of maintaining unity among the service commanders. Their nightmare was the air force against the army or navy. That's when it became clear that it really was going to be accepted.

Q: Was Matte seen by us as somebody who was you might say more liberal, honest...

GODARD: Some of them were kind of hard to read, like the guy who was the head of the Carabineros for instance. The Carabineros are the national police. It's a military organization, organized along military lines, but its functions are police, but they also have shock troops when they were handling civil disturbances and stuff like that. They were very much a part of the junta, the military. The guy in the navy was always very conservative, very right wing. Then of course, the army commander was loyal to Pinochet, so Matte was very much in that group as you could say, he was a liberal.

Q: Were things beginning to get tense? For example, I always think of certain points in Chile before where all the housewives came out and started pounding on their kitchen utensils. Was this beginning to happen?

GODARD: Yeah, I can't remember if it was afterwards or during the lead up to, what they call them is the cassaroles(?), casserole pans. They'd bang their pans. I just can't remember what the cause was, but there were a couple of them where you could hear these pans banging all over the city. Just go out in the backyard and you could hear the pans banging all over the city. I don't know if that's what it would have been what it was for, the opposition, because they were limited in how many public demonstrations they could have. Campaigning during preparations for the plebiscite was really limited on television. I remember I think it was 30 minutes for the opposition and supposedly 30 minutes for the government. Of course, national news was all government, covering what Pinochet had done that day or whatever. But they did give the opposition and the other side a chance to express their views.

Q: Were there any cases at this period of wooly bullies in the right wing getting out there and running around?

GODARD: Out in the countryside there were incidents like that, but they were limited. They weren't pervasive. Our analysis in general was that it had been a fair and honest plebiscite.

Q: Correct me if I'm wrong, but during the Allende time, he was not a benign person either. There was very definite left wing crypto-communist, or whatever you want to call it, movement. In Allende's organization, was he named a controbid(?) or not?

GODARD: He was named a martyr, especially for the left. Christian democrats, of course, had opposed Allende. They were the ones that he beat in the election. But certainly on the left he was a figure of reverence. Christian democrats had no use for him in the opposition, but they overcame that. Managed to work together to bring down Pinochet.

Q: How about the students?

GODARD: Students flared up every once in a while, and there were incidents while I was in Chile. In fact, I had an intern who was out on the streets one time covering the elections, and he got chased by what's called a guanaco. A guanaco is sort of like a llama but it's a wild animal and it spits like a llama does, or a camel does. These were water guns that they had on these armored cars,

and they were chasing this guy around the square. They'd spray them to knock them down or push them back and so forth, breaking up this student demonstration. He was just watching and suddenly his group got targeted by it. That sort of thing went on all the time. At one point we had as a visitor to one of the labor groups that we worked with, Bill Doherty was the head of the AIFLD, the American Institute for Free Labor and Development, AFL-CIO organization. Very proud of the fact that he got sprayed, he got pushed down at one point. He was out there with working people, carrying their placards, the police came in and broke it up. He was very honored to have been part of that. Those sorts of things happened all the time. The carabineros were rough guys, and they had to maintain order in that country with a steel fist.

At one point, I guess it was a reporter was killed. There were several foreign reporters injured and pushed back because they were trying to cover the events of the election and the fact that Pinochet had lost had made them pretty surly anyway, and it got pretty violent.

Q: When you were down to the embassy did you find there was any sort of division, sort of economic section was saying, gee we have a good thing going here, great economy; and the political section was saying, this government is violating human rights. Did you find that or was it pretty much a united..

GODARD: There was some of that, in degrees. All of us admired the economic progress. That's been borne out. Chile's now become sort of a model, the opposition has taken up those, just as they said they were going to do back then, and then build on what Pinochet had accomplished. I don't remember anyone in the embassy being particularly sympathetic to Pinochet himself. He'd just been around too long. There were too many horrible stories that we had heard, what had happened during the bad days of the dictatorship, and then every once in a while these sort of things flared up again. The ambassador followed a very correct course in encouraging a free and fair election, and trying to push for democracy there. I think we were all behind him. We all wanted to see a return to democracy, and that meant Pinochet stepping aside.

Q: After the election, what happened?

GODARD: As provided for, there were elections called. They were a year later. The candidate of the opposition was Patricio Aylwin, and the candidate of the right wing, there was a lot of conjecture that Pinochet would run himself, but he didn't put himself up for reelection again, and instead backed Hernán Büchi and those forces around him. Büchi being the guy who'd been his minister of economy, brilliant economist, and a very young man. Not exactly who you would expect to be the candidate of the right wing. He had a kind of Beatles haircut that cut his head like this, blondish hair, handsome fella, but he lost in the election. It was a hard fought election, it was close, and the thing that was very interesting for me as a political officer to watch and trying to analyze what was going to happen in that election, was how the congress would turn out. The constitution had been written by Pinochet. Among other things, it gave him a position as senator for life. It had a number of other senators who were named by the presidency who were installed in the senate. I did the numbers and I also did the calculations in each province of how we expected the vote to turn out. So I was able to predict that the opposition in that election would win. We expected Aylwin to win and we expected the opposition to win the majority probably in the chamber of deputies, the lower chamber, but it would be very close in the senate and the right

would have a safe majority in the senate. So it wasn't going to be a radical change in legislative activity or anything like that. We had such good contacts during the plebiscite period. These were built up by people who were, as you can imagine, when you worry about whether or not the election is going to be stolen, the folks you want to inform are the foreign embassies. Keep them informed. So we had excellent contacts in the country going into the election. We did a pretty good job of calling that election. It was gratifying for me, because as political counselor I was the primary contact of opposition forces. Now suddenly I saw coming into cabinet positions, the guys who had been my contacts before. The foreign minister I knew quite well, the minister of the interior, all of the major ministries I had a relationship dating back to from when I had arrived. In all, it was a wonderful night, the night that the plebiscite of the no. To see that happening, to see the joy you had shortly after it came about, and then watching many of those exiles we were talking about. Chileans coming home from Sweden, or coming home from Costa Rica, or coming home from South Africa, wherever they were. Heading back to Chile. Very gratifying.

Q: Did you find as so often happens in a country where an embassy, your social life, you can't help but getting involved with people who are doing very well financially in the country. It's true of the United States, anywhere. These are the people throwing the parties, can I ask you over? And usually they are pretty conservative. Did you find that there were tensions there of hostesses coming up to you, how can you be supporting these left-wing hoodlums or something like that?

GODARD: There was some of that. You came across that to a certain extent. I remember being bearded at one point by a lady at a social function who just couldn't believe what we were doing. We should know that salvation of this country, Allende was taking us over the edge and it's only because of the grace of God, Augusto Pinochet, where we are now. Yeah, we had that sort of thing happen. Our social functions, we tried to make them, when we were hosting at any rate, as eclectic as possible because there were so many different political connections there. But we had a lot of contact with the conservative types, and got lectured too, frequently. I remember very long sessions when I went to provinces because when I went out there I talked to the local conservative party leaders as well. They were especially vociferous in letting me know that we were wrong-headed.

Q: What about the spirit of Allende? I think for professional diplomats he was sort of the darling of the left in the United States. But for professional diplomats this man represented a leftist danger. Not necessarily communist, but I mean he was organizing his own almost military force and everything else. Considering how he got into power and the three-way election and he sort of squeaked in that way, what he was doing was kind of a threat to us. Was that whole idea hanging on, that we weren't that enamored by Allende?

GODARD: Well, Allende wasn't much of a factor. Politics had moved on by the time I got there, and the issues were drawn along different lines. His ideas were pretty much a radical solution for Chilean society. Radical revolution was pretty much not in the cards. You had your rightists in reaction to the leftist radical approach. And Chileans, as a result, were sort of rushed to the center, and that option was not there. Things happened like dedicating a statue to Salvador Allende, which of course you never would have had during the Pinochet period, while I was there. Everyone of consequence in the political realm went to that. As I recall, the president I think was there. But that option really had no resonance among the Chilean electorate. The way they had beat Pinochet of

course, was forming, I can't remember the exact name of the organization, but that's persisting. And it includes, it's a broad tent, and they have the more leftist socialist party people, Allende's party, and then they have Christian democrats. Some Christian democrats are very conservative, but they all stay within the same organization. You know, they've alternated. Patricio Aylwin was chosen as the first president under that group, and now Ricardo Lagos who is a social democrat was then the successor. I don't know who would be next, but there will be discussion among them, and they bounce back and forth between those two large segments of the coalition.

Q: Did we find ourselves up against issues or concerns when the election came? This was about halfway through your time there. Did things change?

GODARD: A lot of uncertainty, because it was still a closely divided nation. The election itself between Büchi and Aylwin, as I say, we pretty well predicted that Aylwin was going to win. But it wasn't that big a margin. There were really no contentious issues for us. The Letelier case persisted and later on, as we had the sources come forward, we developed a stronger case against the head of their intelligence service and ended up getting some of the culprits for that. Relations were very good under Aylwin. The president came down.

Q: This would have been George Bush.

GODARD: George H. W. Bush. And we had an excellent visit. State visit with a big dinner at La Moneda palace and all of this. A real celebration in Chilean democracy. I must say, that's when I was first exposed to Bush's special affection toward the diplomatic corps, for the Foreign Service. We sometimes forget, he was a diplomat himself. He was at the UN and he was also in China. He arranged a special event at the embassy where all the families could get together with him and his wife. It was a very nice touch.

Q: While all this is going on, what about relations? Was there any change or any problems of relations, particularly with Argentina, but Bolivia and Peru and all that?

GODARD: During my tenure there, during the Pinochet period there was something like 17 territorial disputes. As you can imagine, that long border between Argentina and Chile, there were about 17 pockets of dispute. Some of them were resolved during the Pinochet period. During Aylwin's administration they had two democracies, one on either side of the Andes. They really went after it and they finally resolved all of those issues between the two countries. While I was in Argentina later on, they finally dissolved the last one. The issues with Bolivia continue. Later on I went to work in the U.S. delegation to the OAS (Organization of American States) and found that every year, Bolivia would insist that on the agenda for the general assembly, they had a general assembly for the Organization of American States, was a review or attempt to open up the issue of Bolivia's being denied access to the sea. Chile and Bolivia had a war in the 19th Century, War of the Pacific. Bolivia lost along with their ally Peru, and Chile annexed what is now the northern party of Chile and one small province from Peru. And there was a treaty, substantively a treaty, signed that was ratified by the Bolivian congress of that time. As far as the Chileans are concerned it's over, and of course the Bolivians make the case that there were extenuating circumstances, that there were particular political...

Q: Ok, but how did this residue of the War of the Pacific come out? Let's stick to the time you were in Chile.

GODARD: Nothing really came out. It was a sort of a pro forma process every year, brought up. Occasionally it becomes an issue internally. In Bolivia in particular, just recently as a matter of fact, they raised it. The time I was there I don't recall it being a really neuralgic point between the two countries. The primary foreign policy question was though, those initiatives with the Argentines.

Q: From the Chilean perspective as you saw it, how did the Chileans think about the Argentineans? What did they think about it? It sounds like almost two different people, I mean really different. One says and the other does.

GODARD: Chileans are very isolated. Those mountains are huge around them. And so, they're different. They speak Spanish of course, but it has a different accent, a different lilt and so forth. They have special words that you don't find in other countries. Just a unique people. They're very different from the Argentines. The Argentines are a nation primarily of immigrants. Chile is an amalgamation of the Spanish and the Indian population there. The history is kind of interesting in Chile. The Spaniards poured thousands of troops into that country to fight the Araucano Indians in the south. It was the longest going war in the hemisphere. So those troops, many of them stayed on and has been the basis, intermarrying with the indigenous population. That's the Chilean population. Whereas in Argentina they pretty well wiped out the Indians. Sort of the U.S. model. It was actually genocide. So it's Italians, and others, more recent arrivals who have populated Argentina. So they are different folks in many ways. So far as their attitudes toward each other...

[Begin Tape 5, Side 1]

GODARD: I was comparing the Chileans and the Argentines. So far as their attitudes toward each other, the Chileans of course being the little guy, were always very suspicious of Argentina. As you know, they came very close to war over some pieces of ice down in the south. Where the line should be drawn at Antarctica, where they actually got the Pope involved as a mediator and settled those sorts of things. That's why it was very important once they both got democracies, to settle all of those border enclaves that still remained. They arranged to have military governments at the same time, and they got along in terms of repressing their own people on both sides of the border. Collaborated, share intelligence about leftist activities, etcetera. They were fortunate in that about the same time that the Pinochet dictatorship was ending, there were democratic elections in Argentina as well. You had two democracies looking across the Andes that met each other, and you had an opportunity for them to actually cooperate in solving those border problems. More importantly, working together economically. There's been an awful lot of trans-border development along the border there. Chilean industry will depend on energy sources on the Argentine side, and there will be the same sort of interdependency in other parts of the country. So now, they're very good neighbors I think, and the old disputes of the past are of the past, and I don't see them being revived.

Q: Internally, how were the indigenous Indian native population? What was the situation when you were there?

GODARD: In Chile, the numbers in the south in particular, the Araucanos still a large Indian population. They don't call them reservations, but there are large communities of indigenous populations in the south. They were not at that point particularly organized as a political force. I'm sure that's changed now. They had their community organizations that were distinct from the political structure of the rest of the country, but I've seen them mentioning in negotiations that will be going on now on indigenous rights in both the UN and in the OAS. They're one of those groups that are much more active now.

Q: Was the Shining Path a movement in Peru? Did that translate at all?

GODARD: It had its roots in the impoverished Andean areas, and never had any impact in either Argentina or Chile.

Q: What was the embassy, in particular the political section, concerned with after democracy came? Were there any issues?

GODARD: Well, it seems like when we have no problems we come up with new problems. One of the most profitable industries back in those days of commerce between the United States and Chile was the export of table grapes. Their seasons are exactly the opposite, so when California grapes were not available, they could put Chilean grapes on the table at a very reasonable price in the United States. It was a huge, growing market. One time, while I was the duty officer, I got a call indicating that they had found evidence of tampering with some Chilean grapes and did some test of those grapes, and they discovered traces of arsenic in those grapes. Well, the FDA doesn't take any chances when something like that happens, and we shut them down. We pulled all of the Chilean grapes, which by that time the distribution system was very widespread across the United States. Millions and millions of dollars were lost in grapes that were en route, or had already arrived or were on the supermarket shelves in the United States. The Chileans were furious. This was a budding industry that they were very proud of. It was one of their most profitable, it employed a lot of people. And they suddenly saw the bottom fall out of it because of one or two grapes. Who did it was never proven. I got the story a little ahead of itself, but what happened was we received a threatening call at the embassy, saying they were going to do something like this. And then, when the FDA examined some of these grapes, they found traces of arsenic. No one was found to be responsible for this call. We tried to trace it, we did everything possible to find out who this food terrorist was. But nothing further was developed. Those two or three grapes that had been tinged were all that there ever was. We did tests on lots more in the United States, but we kept in place this prohibition against importation because of that threat. It was rescinded later on, but the Chilean producers felt like they had been horribly robbed without sufficient cause. They didn't really believe the evidence of the arsenic anyway. There were all kinds of explanations for chemical reactions there. It sounds like this, it could have been something else. Who knows. It's just one of those things that I've never seen complete explanation for. It caused a real problem in our relationship and it lingered on for years after. In court they brought lawsuits trying to get compensation for all of these losses. I think we had finally put it to rest, but it was a big deal. I remember Ricardo Claro was a businessman who was very much into this grape exporting business. He was also the president of the Chilean-U.S. binational center, the cultural center. Became a vociferous critic of the United States. He also happened to have a TV program which he also used to slam us at every opportunity. Back in those days, I don't know, this attitude may have

changed by now, but it made for some difficult times.

Q: I had a long interview with Tony Gillespie who is our ambassador there who said that all of a sudden, grapes became the center of his world.

GODARD: Poor Tony. When he came in, it was a very interesting relationship. An opportunity for the new ambassador to develop this new democratic ally, and a partnership for working a lot of questions in and *bang* there's grapes, grapes took the rug out from under us.

Q: Is there anything else we should cover about this Chilean time do you think?

GODARD: I can't think of anything. Just as a general comment, it was one of the most gratifying tours in my life. I loved the country, but it was also professionally just really rewarding in that the policy was ripe and it gave you an opportunity to share in a very special moment in history of a very attractive country and very attractive people.

Q: Were we pressing to clean up some of the human rights cases?

GODARD: The Chileans were. We didn't have to press because that was a huge issue for the new government. They sort of pioneered the for-South Africa approach. Having this truth and forgiveness kind of, exposing what had happened, there was a commission that had hearings and they had depositions from all of the victims who had suffered during the Pinochet times. These were published and then, where it was appropriate, compensation was paid. Lagos is now talking about compensating torture victims. We didn't really have to push that process. Initially there was an amnesty issued, but now the courts are overturning that in Chile. The Chileans have their own human rights situation very much in hand I think. They're still, as you can imagine, haunted by it, and still trying to resolve some of the shadows that were cast over the future. That's a long term process, but it wasn't a bilateral issue.

DAVID N. GREENLEE
Deputy Chief of Mission
Santiago (1989-1992)

Ambassador Greenlee was born and raised in New York and educated at Yale University. After service in the Peace Corps in Bolivia and the US Army in Vietnam, he joined the Foreign Service in 1974. In the course of his career the ambassador served in Peru, Bolivia (three tours), Israel, Spain and Chile, as well as in the Department of State, where he was involved in Haitian and Egyptian affairs, and at the Pentagon, where he was Political Advisor. Three of his foreign tours were as Deputy Chief of Mission. He served as United States Ambassador to Paraguay and Bolivia. Ambassador Greenlee was interviewed by Charles Stuart Kennedy in 2007.

Q: You were in Chile from when to when?

GREENLEE: I was in Chile from the end of July of 1989 until about June of 1992. It was a direct transfer. In those days it was very difficult to drive from La Paz to Arica, the northern most city in Chile. That leg was a dirt road with deep ruts. But from Arica there is a very good highway to Santiago. It's quite far, well over 1200 miles.

So we sent our car on a flatbed truck to Arica. Then we flew from La Paz—only about a 25 minute flight—to Arica, picked up the car, spent the night at a seaside hotel, and then drove south. It took about three days to reach Santiago. We arrived just before the second of two referendums near the end of the Pinochet period. This one was on a constitutional point needed to clear the way for a general democratic election. It was very organized and orderly and the “yes” votes carried overwhelmingly.

Q: It's a fascinating story, and I'd like to get your view of that. First, could you describe the situation in Chile before you arrived?

GREENLEE: The military government of Chile was losing legitimacy. It had never had legitimacy with the left, but it had a lot of support from the right. The economy had improved a lot and that was welcomed by the right and center right, especially. But the time of the military had run out. Democratization was reaching Chile. There was a sense that a more open system was needed to modernize the economy, to spur greater growth.

The military organized its retreat from government, and it did it through allowing public consultations and the two referendums that opened the way for elections. The referendum that I arrived for was one that really determined that there would be elections. It was very orderly. There was a large majority for elections, I think over 90 percent. Of that something like 56 percent supported what became the Concertacion, the center-left bloc that in December of that year elected Patricio Aylwin to be president.

The military in Chile and the military government tried to protect itself as it retreated from power through quasi-legal devices like amnesties, which much later were overturned. It was an interesting time because there was the sense that Chile was really on the cusp of very significant change. Then elections were held. Aylwin and his *Concertacion* slate prevailed over a right-wing slate headed by a former finance minister named Hernan Buche. The inauguration was several months later, on March 11, 1990, as I recall.

Q: Did you watch the pre-election referendum take place? What was our attitude prior to this crucial referendum? What did we think was going to happen?

GREENLEE: I had just arrived, and I visited some of the polling places with the political counselor, Ron Godard. There were a lot of international observers and the voting was very clean. I think there had been concern that the military would try to fix the vote, but that clearly didn't happen. Maybe it was because of Chile's strong institutional base.

Compared to other Latin American countries I have had experience with, Chile has always had a strong degree of institutional integrity. Even during the worst times of the Pinochet regime, for

example, the national police, the *carabineros*, were respected as being honest. The court system was generally respected as well, although there were horrendous human rights abuses and repression of dissidents during the Pinochet dictatorship.

Q: What was the attitude of the embassy when you got there? The Pinochet regime was very controversial.

GREENLEE: The expectation was that change would happen, and U.S. policy was to strongly support the democratic transition. In the interval between the last referendum and the election there was a lot of political activity. Ron Godard accompanied me on calls at the foreign ministry and other parts of the Pinochet government. It was interesting to go into the Moneda, the imposing building that was the seat of power. It had been strafed by aircraft when Allende was overthrown and it was there that Allende had died—I believe by his own hand, although some dispute that.

After the election we began to work on the preparations for the visit of our delegation to the inauguration. In the last days of the Pinochet regime Godard and I were given a tour of the Moneda by a mid-grade officer. He flung open doors and let us walk about, pretty much where we wanted. He took us down to an underground auditorium, the Salon Prieto. I remember mentioning this to some Chilean, and the guy almost trembled and said, “That’s where the military met when they decided to do the terrible things they did.” It had an ominous feel to it.

It was interesting, the turnover. It went perfectly. I did not attend the ceremony. That was at the new parliamentary building in Valparaíso, on the coast. The ambassador was there. The U.S. delegation was headed by Vice President Dan Quayle. He capped his visit by buying an anatomically correct male doll at a market stall, a pornographic doll. The incident was reported in the Washington Post as a characteristic misstep.

Q: I remember that! A penis popped out or something.

GREENLEE: Yes, a priapic doll. I remember one of our boys, still a young teen, was so fascinated by this that he went to Valparaíso to buy one for himself. It may be still in our stuff somewhere. [laughter] Anyway, on TV I saw Pinochet pass the symbols of power to Aylwin and then sort of shrug, like, that’s it and what next.

Q: A sash.

GREENLEE: There was a sash, and I think there was a medallion, but I am less sure of that. The event was almost anti-climactic. No rockets went off. But it was a moving moment, especially for the Chileans who had suffered repression.

Q: How did you find Chilean society particularly the movers and shakers, as compared to Bolivia?

GREENLEE: Chile basically had a pretty fixed political spectrum. It was roughly divided into thirds—one-third on the right; one-third in the middle; and one-third far left. The political allegiances tended to run in families. If your family was communist, you probably were a communist. There was little migration from one part of the political spectrum to another part. That

was why coalition-building was important.

The Aylwin government, a mix of Christian Democrats and Socialists, principally, worked well. I think we were a bit surprised at how well it worked, and later that it was carried forward as a political bloc. Coming from Bolivia, I was impressed by the orderliness of the Chilean politicians. The Bolivians were more ragged, more visceral, less cohesive in their politics. The political culture in Bolivia was more intense—and frankly for me more interesting. In Chile, holding power was important for the direction of the country. In Bolivia, it was more about jobs—because government was where the jobs were. But Chile had a thriving private sector.

The Chileans were different in other ways. They were quite polished and well educated. They had institutions that worked, a court system that worked, a military that was serious, even though it had done terrible things to people. It was professional and not seen to be corrupt, and a police force that was extremely competent and not as tainted as the military by the Pinochet-era atrocities. Chileans are proud of themselves. Even the ones who had been disadvantaged and jailed saw Chile as special, as a nation.

There was a kind of ethnocentrism in Chile. People would say, “What do you think of Chile?” You would respond, “Chile’s nice.” I used to get this in Israel. “What do you think of us?” “Do you love us?” What was behind that, and what they seemed to mean, was “Don’t you think we’re different?” They would say, “We down here—Chile, Argentina—are different from other Latin Americans.” The code was simple: “You Americans, you know the Mexicans, but we’re not like them. We’re different.” I always had the impression that the Chileans didn’t want to be like us—they wanted to be like the Europeans. They wanted to be seen as cultured, smooth, sophisticated.

Another thing, though, was that Chile was not a totally homogeneous society. There were different ethnic groups. There were Chileans with German names, for example, whose children would go to German schools, who would belong to a German country club and marry someone else of German descent. They might marry across their ancestral lines, certainly, but there seemed to be a lot of reinforcing of ethnicity. There were Lebanese who met at the Lebanese club; there was a club called the Prince of Wales Club; there was a French club. There were ethnic schools, ethnic clubs. This happens in other countries, of course, but in Chile it seemed to me to be more intensive.

There were a lot of Chileans of Basque descent. The foreign minister and the ambassador to the U.S. under Pinochet were both named Errazuriz, but I don’t think they were closely related. Under Aylwin, the Finance Minister was Foxley. Another minister was named Ominami, of Japanese descent. There were a lot of Croatians in the mix, as well as people of German and French descent. President Aylwin had Welsh ancestry. Chileans take pride in their ethnicity diversity.

Q: Was there an Indian element there?

GREENLEE: There had been an Amerindian population in Chile, but they had been pushed away from the areas that became heavily settled. There were little enclaves in the south of Chile, but the Chileans would say that the experience of Chile had been like the manifest destiny experience of the U.S. The original indigenous tribes of Chile fought hard against the Spanish settlers. There was intermarriage, certainly, but it was not like Bolivia, where a very high percentage of the population

was noticeably indigenous, with mixed Spanish-indigenous customs and particular ways of dressing. In Chile you didn't see that. Chileans dressed like middle class people, with the poor being more threadbare.

Q: Who went into the army, the officer corps?

GREENLEE: I think the army was a path to social ascension for a lot of people, but there were well-off types, too. As an institution it was well respected. The navy was perhaps more aristocratic, as was the air force. The national police maybe less so. The army, like the Bolivian army, had been formed by Germans. The uniforms were noticeably Prussian, and well tailored.

They would wear these cloaks that would go down almost to their ankles. When I first came to Chile, I was struck by these guys standing around the Moneda, looking from the rear sort of like Darth Vader, kind of outmoded and spooky. The carabinero guards at the Moneda wore high brown leather boots. It was like World War II German stuff. The tradition of the navy, on the other hand, was British. They were very good at maintaining their ships, but they didn't have many of them. They were a more aristocratic service than the army.

The air force was also professionally well regarded. They hosted an air show every year—FIDAE—and the U.S. air force took part. We brought top of the line aircraft to it. The Chileans had Mirages and old F-5s and at that time were in the market for U.S. F-16s, which eventually they were able to buy.

Several times when I was in Chile aircraft carriers from the U.S. would be moved from the Pacific to the Atlantic or vice versa. They were too big for the Panama Canal, so they would pass through the Strait of Magellan. They would stop at Chile. There would be opportunities for the Chileans to go aboard these carriers, and for some of us from the embassy to visit them as well.

I remember one time we at the airport near Santiago with some Chilean senior military officers waiting to be flown to a carrier at sea. We were to fly in what was called a COD, a small turbo-prop plane that was used to shuttle people from land to the carrier and back. It had to be catapulted off the carrier deck.

We were there waiting, and this little plane taxied up. As it pulled to a stop, its wings folded up. The Chileans seemed pretty excited. The pilot and the co-pilot got off, and the pilot looked small and thin. The pilot's helmet comes off. She was a woman, with long black hair, a Latin woman. She shook her hair. These Chilean admirals and generals were going nuts. They said, "*Mira, es una mujer!*" Well, it turns out she was an immigrant from Ecuador, a U.S. Navy lieutenant commander. She gave them a safety briefing in Spanish and said, "The carrier is 40 miles at sea. I'll fly you out and we'll land in kind of a controlled crash." These Chilean flag officers were amazed. It was a good example of how we were evolving, how dynamic our armed forces were. It turned out there were four or five women on the ship, out of a crew of about 4,000. The captain of the ship told us, "Look, you can't really command a ship this size. What we have here is more like a town. You can only govern it." We watched the "cats and traps." F-14s and F-18s were catapulted off the deck and were snagged on landing by an arresting wire. It was an impressive way to show the flag.

Another of the opportunities I had was to visit Antarctica. With another guy from the embassy I visited Palmer Station, courtesy of the National Science Foundation. We went on a C-130 to King George Island and then by a little ship to Palmer Station. King George Island is a piece of Antarctica where Chile has established a base, in effect a small colony. This is a manifestation of a Chilean “claim” of sovereignty over a slice of the continent. No other country recognizes it. It was interesting to see these little kids in ski jackets with dark sunglasses going off to school there. A baby was even born there the year we visited.

Q: I assume the Chilean military was making a great effort to stay in the barracks and out of civil control. Were they also pointed at Argentina at that time? How was the military?

GREENLEE: At that point, the thorniest border issue between Chile and Argentina had been resolved. There remained a relatively minor dispute in a glacial area in the Andes. The problem that had been settled with the Vatican’s help was about which country should control three islands in the Beagle Channel off the tip of Argentina. In the late ‘70s there was almost a war over that. Look at the map.

Q: There’s a map over there, but we’re doing this on tape.

GREENLEE: Sorry. We’re doing it on tape, but you can see... Well, you can’t really see, but if you go through the Strait of Magellan toward the Argentine side, there are the islands. What the Chileans wanted was a land anchor in the Atlantic. But this had been resolved by the mid ‘80s, a sort of split solution, with Chile getting land but Argentina retaining maritime rights.

While I was in Chile the Soviet Bloc was collapsing, and Yugoslavia was coming apart. What had been the Yugoslav embassy became the Croatian embassy. The ambassador, though, was a Serb and a very nice guy. All of a sudden he was out.

The Soviet Union was also dissolving. The Soviet ambassador became the Russian ambassador. He gave a talk to the diplomatic community about the need to change and move on. Somebody said, “How could you have put up with communism for so long.” The Russian was a very thoughtful guy. He said, “What you have to understand was that for us it was a kind of dream, a very beautiful dream. But it didn’t work.”

This guy ended up at the North-South Center in Miami as a visiting professor. He left Chile for California and took a bus across the U.S. with his family. The old rules, though, were still in place. The FBI apparently was mystified by what the guy was doing. Why was he taking a bus? What was he up to? We had a query about that. But all he wanted to do was get a feel for the country, on the bus.

Q: When you got there, and I don’t want to say the trivial, but were grapes a... I’ve interviewed Tony Gillespie. He said he arrived in Chile happy in thinking that he was out of Columbia, and grapes were something you ate. All of a sudden he had a tremendous problem.

GREENLEE: The problem started before I arrived, but we had to deal with the whole time I was there. Chile was very much in the business of exporting fruit to the U.S.

Q: It's in an advantageous position: good climate, and its season is the exact reverse of ours.

GREENLEE: Right. But the match in trade terms wasn't quite in synch with the seasons. There were problems with "marketing orders," a protective mechanism for U.S. agriculture. Back in '30s, during the depression, banks wouldn't make agricultural loans unless they were sure there would be markets for the crops. So "marketing orders" were implemented to guarantee space in the market for a given crop. This form of protectionism remains in effect for certain crops—like grapes and peanuts.

Chile's growing season is the reverse of the U.S. because it is in the southern hemisphere and we are in the northern hemisphere. There is a period at the end of November until three or four weeks into December when there are end-of-season grapes in California but new grapes ready for sale from Chile. The U.S. grapes enjoyed high-tariff protection under the marketing order regime. Then, a few months later, there are fresh grapes in the U.S. and end-of-season grapes from Chile in a similar overlap. There was a dispute around that. The Chileans would say, "We're free market people; you aren't." They had a point, at least concerning grapes. I don't know how this is being handled now, under our bilateral free trade agreement.

So there was a little bad blood around the grape thing anyway—but nothing like the aggravation caused by the cyanide incident. This stemmed from an anonymous phone call the embassy received. A guy said some grapes en route to the U.S. were contaminated with cyanide. The shipment was tested on arrival and cyanide apparently was detected. So all Chilean shipments were stopped and the producers took a horrible hit. The Chileans were outraged. The testing procedures came under fire. It was argued that there may have been a false positive, since cyanide occurs naturally in grapes. Or worse—many Chileans seemed to believe that it was all a U.S. plot to kill their industry. It got to be real nasty.

When I arrived in Chile, this was in the background of everything, and you'd hear about it again and again. Tony Gillespie was really under the gun. There was a powerful Chilean, a guy named Ricardo Claro, who owned the Santa Rita wine company. He attacked Tony in the media and insulted the U.S. and even our president. The anti-U.S. sentiment around the grape issue was vicious.

We never got to the bottom of who made the call to the embassy or whether it was a prank call or serious terrorist threat. But terrorism was a real concern, on many levels. In fact, absolutely the most dangerous incidents I experienced during my foreign service career happened while I was in Chile. There was an exploding baseball bat that killed a Canadian guy who was playing softball with some embassy guys. It also put out the eye of one of our security officers. In another incident an RPG was shot at vehicle carrying several of our Marine security guards. Luckily, it didn't explode on contact—sort of like what happened to me when I was on a tank with the 11th Cavalry in Vietnam. It was fired at too close a range.

Q: Speaking of terrorism, there was the residue of the Letelier assassination . How did that play out?

GREENLEE: The Letelier assassination—Letelier's car was blown up a bomb under it at Sheridan Circle—was a big issue. The Letelier family was in constant touch with the embassy and was closely connected to Senator Ted Kennedy's office. Our interest was getting two Chilean former military officers, Manuel Contreras and Pedro Espinoza, put on trial for the deaths of Letelier and an American citizen, Ronnie Moffitt, who had been with him in the car. It was difficult because the military remained strong and protective of these guys. The case had to work its way through the courts. It was well after I left before verdicts against these two were rendered, I believe in 1993. They were found guilty and imprisoned. One of the Letelier sons and Letelier's widow were particularly active in driving the case in Chile. The young man, Juan Pablo Letelier, was elected to the Chilean senate shortly after I arrived in Chile.

Q: Were you picking up feelings about the role of the United States during the Allende overthrow and during the Pinochet regime? Was this a more American-left driven idea?

GREENLEE: I didn't have any sense of palpable Chilean interest in our alleged or possible role in Allende's overthrow when I was deputy chief of mission in Chile. But there remained a lot of speculation in the U.S. Maybe Chileans of the moderate-left and center-left were too busy governing and trying not to tear the scab off their precarious relationship with the military to probe too much about our rumored role. The democratic left needed us. The Chilean right was self-justifying and pretty arch with us.

Q: One gets a feeling that an awful lot of people here were saying we were much more involved than we were. I found, for example, the belief that the embassy would just look the other way and do nothing when an American boy was killed, allegedly in the interest of our policy interests, to be very far-fetched. That isn't the way we operate..

GREENLEE: I think that by the time I arrived in Chile the inquiries and concerns were dampened down from what they were.

Q: There can be a problem in keeping overly active do-gooders from the United States from coming down and trying to tell a new government, like the one in Chile, how to run things. We had that certainly in the former Soviet Union. Was that your experience?

GREENLEE: Not so much, although there were certainly strong opinions about what the new government should do on the human rights side. But in other respects, no. There had been plenty of outside advice and influence on how to shape the economy during the Pinochet period-- Milton Friedman, for example, and his so-called "Chicago Boys." But by and large the Chileans are not ones to seek or take advice. There's not a Chilean who doesn't think he's at least as capable and well educated as an American. Certainly we were interested in cooperating with the new democratic government. We did, for example, put the Peace Corps back in. Occasionally there would be a congressional delegation with some sharp advice. But I didn't see a lot of, "We're going to tell the Chileans what to do," or the Chileans saying, "We want your advice on what to do."

Q: It's just that you have this group of Americans that feel they've got the word, and they run around to disadvantaged countries.

GREENLEE: I'd come from Bolivia where the Bolivians are used to being run over from the outside with advisors. The way the Bolivians handle that is they don't tend to say, "No, we don't want your advice." They tend to pick your pockets as you give them advice, and then they do what they want to do. In Chile, it was different. I learned that in the run-up to the election, shortly after I arrived.

The right-wing candidate had been the Finance Minister for Pinochet. His name was Hernan Buche; he was of Swiss descent. He was a young, idiosyncratic guy, an energetic guy—known for riding his bicycle to work. He was preparing to go to the U.S. to meet people. I remember in a staff meeting that somebody said he wanted to do this or that, and it wasn't appropriate. The question was how to get the word to him. I said, "Why don't we just tell him." Silence. Tony Gillespie looked at me like, "He's a new guy. He still thinks he's in Bolivia." [laughter]

The problems we had on many issues was how to persuade the Chileans to do what in the long run we thought to be in their interest as well as ours. An example was their development of a new patent law. We wanted them to have a "world class" law. They wanted to protect their local pharmaceutical industry, which was actually heavily influenced by Argentine investors. Our interests were in play, but so were those of the Swiss, perhaps, proportionately, at least, more than ours. We'd approach the Chileans and they would say, "We're working on a good law." But every time we got a peek at what they were doing, we saw that it was pretty bad. We tried to work with the Swiss. I approached my Swiss counterpart. He wanted results, but didn't want to be out front. Or even on our flank. He said, "You Americans have the influence down here." That was fairly typical of what happened when heavy lifting was needed.

Q: How did you find the other embassies?

GREENLEE: I had a good and consistent relationship with my British counterpart. But most embassies didn't seem to be terribly active in Chile. They were interested in commercial issues, but not in the kind of rough and tumble that I had been used to.

Q: Speaking of embassies—put this as an aside here—the day before yesterday or yesterday, I was interviewing John Limbert. He was ambassador of Mauritania, and he went to the Russian embassy and said it was a magnificent, beautiful thing. Why in Mauritania? Well, apparently when Allende had been elected, the Soviets were going to put up a magnificent embassy in Santiago. It was a pre-fab, and it was being shipped, but all of a sudden the coup came. The Soviet ambassador in Mauritania said, "Hey! Why don't you send it to me?" So they took this embassy—it was already on the ship, so what the hell, let's get rid of it—and built it there.

GREENLEE: That's interesting.

Q: Pinochet. How was he treated, and what was he up to from our perspective after he left the presidency?

GREENLEE: Pinochet, when he retreated from government, continued to be the head of the army. He became a senator for life, with the immunities of a senator. That was not a place of political

power, but it was a position that allowed him to have some insulation from legal scrutiny, at least for a while. That later changed, but when I was in Chile he seemed invulnerable to legal charges.

Pinochet was a very vital older man. Before he turned over the government, I think one time when I was chargé, I had to do something out at the fair grounds, something related to a U.S. exhibition. Pinochet was walking through and I had to shake his hand and so forth. But I never really dealt with Pinochet. Later, when I was the political advisor to General Dennis Reimer, the army chief of staff, there was a conference of western hemisphere armies in Bariloche, Argentina. I sat in on his meeting with Pinochet. This was in late 1995 or early 1996. Pinochet was in his mid or late seventies, I think but he still looked very fit and was very sharp. I remember that he remained fixated on communists—saw them as keeping their heads down around the world, but waiting their chance to come back.

Q: Was there any residue of nazism while you were there?

GREENLEE: There was a lot of mystery surrounding a place called Colonia Dignidad, a couple of hours south of Santiago. It was a closed community established by a messianic German after the Second World War. It was full of blue eyed, lederhosen-clad Germanic Chileans. Colonia Dignidad was a place where people were held and killed by the Pinochet regime after the coup. It was a strange enclave. But apart from Colonia Dignidad, I didn't have a sense of deep nazi influence. But there was, historically, a lot of Prussian-German influence. There had been waves of German immigration going back many years. There was very heavy German influence down the coast, near Puerto Montt, around places like Frutillar.

The Germans came for different reasons. There was a Lutheran group that arrived in the 1800s and also Catholics around the same time. Other Germans came after the Second World War, as they did to Argentina and Paraguay and other Latin American countries. Chile must have seemed a kind of cultural as well as political sanctuary in many respects.

Q: Were any nazi hunters going around there and checking license plates or doing something like that?

GREENLEE: I didn't see it. In Bolivia, there had been some of that, but I didn't have much of a sense of a really aggressive nazi hunting in Chile. There may have been some, but I didn't see it.

Q: Was there a wealthy right wing class, more or less dispossessed while you were there?

GREENLEE: Chile had become very business friendly. Nobody wanted to kill the economic growth that started with the opening of the Chilean system. Remember, this was the time when the first President Bush—H. W. Bush—launched the idea of a free trade area from Alaska to Tierra del Fuego. The finance minister, Alejandro Foxley, in effect Chile's secretary of treasury, when he heard Bush's pronouncement, reacted by saying, "Where do I sign?" That was the position of a center-left government. There were some powerful business people who weren't necessarily political, but they certainly knew about politics and kept their eye on it. You know, people who would get around, go from Santiago to their villa in the seaside resort of Zapallar, by helicopter. There were some very rich Chileans, but I don't think they felt threatened by the tendency of the

Aylwin government.

Q: How did your political section operate? What was the focus?

GREENLEE: We didn't have a large political section. Our emphasis was on knowing key political players in the *concertacion* and opposition. There was a right-wing opposition, which was respectful, not crazy. These were legitimate political people. There had been a long period under Pinochet when political parties were not able to operate, but there were a number of think tanks that served as crucibles for political thought, for parties. In fact, when it was election time, all of a sudden there were parties everywhere. The political section covered all that, just as the economic section followed Chile's economic and commercial progress.

Q: You would think the economic section would be having a ball with the grape issue.

GREENLEE: I am not sure I would call it a ball, but they had a lot to do, backstopping Tony Gillespie and our interests.

Q: How about the media there? How would you describe the media?

GREENLEE: The dominant newspaper was El Mercurio, owned by the Edwards family.

Q: Edwards was a Chilean.

GREENLEE: Yes. The Edwards family is a well known media family. El Mercurio was a respectful newspaper, but it tended to mix opinion with factual reporting. It was nationalistic in tone, with little digs at the U.S. and other countries. The media, the TV, seemed pretty free after democracy was restored, but it wasn't very interesting, at least not for me.

Q: Great on the Telenovelas.

GREENLEE: Soap opera. That's really more of a Venezuelan, Mexican, and Argentine industry.

Q: I watched one of these damn things back in Kyrgyzstan. People were watching the plight of a little peasant Mexican girl who goes to the big city.

GREENLEE: Now it's a big, big industry. Venezuela's really a main player.

Q: What about relations with Peru?

GREENLEE: As an embassy we weren't in the middle of any tensions between Peru and Chile. It was not like when I was in Peru in the mid '70s. Relations between the two countries seemed fairly relaxed and normal.

Q: Was there much sending of children up to college in the United States?

GREENLEE: There was some. I don't know how to quantify that, but there were a lot of

super-educated Chileans. One thing that Harvard has done well with respect to Latin America is providing opportunities at the Kennedy School. I saw the positive impact of Kennedy School alumni in Bolivia and Paraguay, as well as Chile. Prominent local politicians or business people would boast, “Yes, I was at the Kennedy School,” or, “I went to the University of Chicago,” or, “I was at UCLA.” I found that those educated in the U.S. had a different political and economic focus from those who attended La Louvain in Brussels or the Sorbonne or a German university.

Q: When did you leave Chile?

GREENLEE: I left Chile in June of 1992.

Q: How did your wife find it, being Bolivian? How did the Chileans treat her?

GREENLEE: My wife is not political and didn’t try to engage with Chileans that way. She is an artist, a sculptor, and had many Chilean friends. She found any place we lived in Latin America, or any other place, comfortable. Her university and artistic contacts opened a lot of doors for me—every place I served. She liked Chile. I think she probably liked it more than I did. I always found Bolivia more interesting than Chile.

The thing about Chile—the Chileans wouldn’t like to hear this—is that the culture in many ways is knocked off from Europe, or to a lesser degree from the U.S. There are shopping malls that imitate the U.S., circular billboards as in France, architecture derived from Europe. The men dress like Europeans. It would be hard at times to tell a Chilean from someone from the UK, pin stripes, blazers and a school tie. It’s not like Bolivia, with its strong ethnic character.

Q: Not as much fun.

GREENLEE: Not for someone like me. If you want European culture, go to Spain, go to France, not to Chile. If you want unique South American culture, go to Bolivia or Peru.

Q: This raises the question was something you were ever contemplating internally or with your fellow foreign service officers in Latin America who served in Argentina. How come you’ve got Chile and Argentina, both essentially settled by Europeans? Yet Argentina seems to be an economic mess, and it’s been an economic mess. The Chileans, even when they had their nasty coup, at least there was a coup that kept the country in better shape than when it took over.

GREENLEE: I think one reason that Chile has done comparatively well in the modern global economy is that Chile had copper wealth, but it didn’t have the gold and silver that Bolivia had. It doesn’t have the 12 feet of topsoil that the Argentines have. In Argentina you don’t have to work as hard to make the land productive. In Chile you’ve got to be more efficient. That’s Chile’s advantage in the modern world. Instead of having viceroys and large estate holders, the Chileans were more middle class and in that sense more inclined toward democracy. That’s what people say about Costa Rica as well. Costa Rica didn’t have things that the Spaniards really wanted. So they are better off today.

One other thing in Chile. We had a presidential visit in December of 1991. It went well, but it

required a lot of intensive work with the Chileans. One problem was that there wasn't enough hotel space for the George H.W. Bush party. I think they needed 640 rooms and there was a huge U.S. doctors' convention that had taken up most of the rooms. I had to work with the vice minister of interior on that. The Chileans wanted to make sure our president had the opportunity to spend the night. With a certain amount of friendly persuasion the Chilean government prevailed on the hotel operators to shift the conventioners to another Chilean city. Then there were issues of protocol, of the guest list, and so forth. But in the end the visit went splendidly. It was work, though, a lot of work. I could see problems at the seams, but Tony Gillespie said he didn't see them. That was satisfying.

J. PHILLIP MCLEAN
Deputy Assistant Secretary for South America
Washington, DC (1990-1993)

Mr. McLean was born and raised in Seattle, Washington and was educated at Seattle University and the University of Indiana. He entered the Foreign Service in 1962. A Latin American specialist, his service in the State Department in Washington and abroad, primarily concerned Latin American Affairs. His foreign posts were Brasilia, Edinburgh, Panama City, La Paz, Milan and Bogota, where he was Deputy Chief of Mission. In Washington Mr. McLean held positions dealing with Latin American Affairs, including that of Deputy Assistant Secretary for South America. Mr. McLean was interviewed by Charles Stuart Kennedy in 1999.

Q: What about the economic enterprise democracy business, if you were doing that, in South America?

MCLEAN: Well, to just touch on the fact that as part of it, we had another summit on drugs that increased. We had Venezuela and Mexico and San Antonio. Again it was in an election year in 1992, and that was a sort of capping at that particular point that we did have a drug strategy. The Enterprise in the Americas Initiative grew out of the fact that, when Bush went to the first drug summit in Cartagena, on the way back I'm told, I've been told by a couple sources, that he is not a man to get angry but he was annoyed clearly that he didn't have in his briefing books the material to reply to what the Latins wanted to talk about. The Latins wanted to talk about economic development. So he set everyone to work in late February of 1990 to come up with a program. I know we were interested in a program. We were interested in a program that would have elements that would encourage the Andean countries, Colombia specifically, to get on board and stay on board with this. We in fact had been pushing for an Andean preference plan, tariff preferences, and that was a good thing, and that had been announced as part of Bush's plan back in 1989 and was being pushed going through Congress. We also pushed special credits for the EXIM (Export-Import Bank), but I was on the phone continuously with Washington, specifically with USTR (U.S. Trade Representative), to try to shape this program that was coming out. And then I'm told, and in fact I was told specifically in late May, that the program had disappeared, it had been taken off the table. We had had all these inter-agency meetings, and suddenly everything had stopped. What had stopped was that it was taken away and brought over to the Treasury

Department and put into this initiative, which was an initiative to propose to Latin America that there be one free trade area from Tierra del Fuego to Alaska, in effect taking the free trade aspect of NAFTA and pushing it outward. So that caught an almost enthusiasm in Latin America, because the old model of protectionism and state industries, basic economic nationalism, wasn't leading anywhere good for Latin America, and they were ripe for these types of ideas, and they saw NAFTA and they saw the potential for success in that, so they bought on board, and it was a very exciting time, and it gave us an awful lot of oomph in the area. We began negotiating bilateral agreements with each of these countries to have consultative mechanisms with them. I had proposed, and it was adopted in some of them, that they have business groups as one of the dimensions of the dialogue that was set up, and we went forward. One of the first questions was which country was to be the next country after NAFTA, after Mexico, for these negotiations. I pushed very strongly for Chile, which had recently been democratized, which had also made many of the economic sacrifices to adopt a reform plan to open up its markets, and I thought we should give them a double reward as being the first country. It was very difficult to get that done. There was major conflict. USTR did not want to choose Chile because they thought that negotiating with Congress about one country would be as difficult as about many countries, and in some ways they were correct. On the other hand, I felt very strongly that we needed to give Chile that particular encouragement. President Bush was then going to make a trip to the region very soon after I got there. The trip was postponed because of the Iraqi invasion of Kuwait, but he eventually did make the trip in December of 1987 to Brazil, Argentina and Chile with enormous success. It was particular success in Chile, where the President did agree to say openly that Chile would be the first candidate. That came about basically because Ambassador Gillespie, who now had gone from Colombia to Chile, came in and had a very strong showdown with USTR, one of the most heated meetings I've ever attended during my government service.

BARBARA H. NIELSEN
Press Officer
Santiago (1990-1994)

Barbara H. Nielsen was born in New York in 1949. She attended Middlebury College, Indiana University, and Yale University. She has also served in the Peace Corps in Katmandu from 1972 to 1974. Her career has included positions in Montevideo, Tegucigalpa, Dakar, Santiago, Algiers, Stockholm, and Athens. Ms. Nielsen was interviewed by Charles Stuart Kennedy on December 16, 2004.

Q: You were in Chile from when to when?

NIELSEN: From '90 to '94.

Q: What was the situation in Chile when you got there?

NIELSEN: It was a very propitious era. Pinochet had been surprised to learn that the Chileans really didn't want him to continue in power.

Q: He had had this famous referendum.

NIELSEN: Yes, in 1989. He had been voted out and he had graciously accepted that. By the time I got there, the first civilian in many years was the president, President Albin. He was a conciliator. He had the task of reestablishing a democratic society and I think he did that very well. The U.S. was pleased with the turn of events and so we paid much more attention to Chile than we might have otherwise, and we did send lots of high level people, beginning with the President. George H. W. Bush was there in 1990, the first American president since Eisenhower in 1956. It was a big deal for the Chileans. They felt now they were back as a member in good standing of the world community and the federation of democratic nations. It was a good time to be there. We worked on a lot of things with them.

Q: You were cultural affairs officer again?

NIELSEN: This time I was the press officer.

Q: What was the Chilean press like? It was now a full democracy?

NIELSEN: Yes, they needed to relearn a little what that meant. Of course, they had been accustomed to self-censorship at the very least. They were able now to be much more free in their reporting. They also at this time were beginning to establish schools of journalism outside the traditional universities. There were only a couple programs and they decided to create some new ones, quite a number of them. We were helping them with that. They had a system of licensing, a law that required journalists to be licensed. We were not of the view that that was a good idea, so we tried to persuade them otherwise. Although journalism as a whole was rather timid, there were and still are plenty of media outlets. The paper of record is El Mercurio, a family-owned enterprise; it was highly respected, and it still continues to play that role. Somewhat surprisingly, radio is still a very important medium, not so much because of the very long commute times that we have, but rather because of the geography of the country. Chile's considerable length is conducive to communication by radio.

Q: How about TV?

NIELSEN: TV was in its infancy. Of course, they had had TV since the '60s, too, but it was still very much under development. I visited there recently. Now, Chilean television is as proficient technically as anywhere. But at that time, in the early 90s, they introduced the first private TV station. That was something new. I guess you could still say television is fairly conservative and fairly timid by our standards, which is not such a bad thing.

Q: Were they looking at us and asking to go to the United States to learn how to redo things or getting people to come from the United States to get their apparatus restarted again?

NIELSEN: Yes. From the academic community, there were already lots of ties and those were exploited in order to jump-start some of their legal institutions, schools of law, and of course their economic policy. Their economic policy had always been quite influenced by the U.S., as a result of the famous "Chicago Boys" (Chileans who had studied in the U.S.), who were responsible for

Pinochet's economic policies.

Q: Was there much residue of unhappiness with the United States over the events of '73, when Pinochet took power? We've been accused of being behind it. This is kind of dubious, but at the same time, we weren't opposing the overthrow of Allende.

NIELSEN: It's true, we weren't opposing his overthrow. Quite a bit can now be known factually because the State Department's "Chile project" put the declassified cables from that period online and it is freely available. I haven't read all those cables to know just what the naval attaché in Valparaiso knew and when he knew it, so I can't answer the question of what we did exactly. Of course, the accusation from the left was that the U.S. had a leading role in overthrowing Allende. The left threw around a lot of accusations which were not true, one of which was that Allende was killed, but actually, he killed himself. We didn't have anything to do with it. The Church Commission did its investigation. This was Senator Church. I haven't looked at that in a long time to know what was factual and what was conjecture. Chileans who supported the coup, and there were many, did not object to U.S. actions. The hard-core supporters of Allende continued to be generally anti-U.S. for many reasons.

Q: By 1990-'94, was there much carryover? Did you find people fell into these various camps or was that just past history?

NIELSEN: The history was still alive, maybe not surprisingly so, since 15 years wasn't all that long. However, I did not usually encounter people who had been either tortured or who had relatives who had disappeared.

I would sometimes meet folks in the government who were victims of the Pinochet regime and they did not seem to be rabid ideologues. They seemed to have really gone beyond that. At least in their day to day interactions with us, they were cordial and productive. Obviously the subject hasn't been fully closed. During the time that I was there, the 1976 Letelier murder case was still an important hot topic. We were trying to bring to justice those who had been responsible.

Q: Some were in the United States. There were Americans involved as well as members of Pinochet's secret police.

NIELSEN: That's right. Michael Townley, an American, worked with Pinochet's secret police, the DINA, to carry out this assassination. Then he went into the Witness Protection Program. Meanwhile, we were trying to establish the record and then bring to justice some members of the intelligence service who could be considered responsible. That didn't happen until some years later. I had left Chile by then. But it has happened now.

Q: The Letelier case was the bombing assassination of a former foreign minister and his American assistant. They were both killed on Sheridan Circle in a remote controlled bombing in their car.

NIELSEN: That's right, September 1976. They were riding to work and the bomb exploded and Orlando Letelier was killed along with his assistant, Ronni Moffitt. Michael Moffitt, her husband, was in the car as well, but he survived. The United States, of course, noted that this was really the

first act of terrorism on our soil in many hundreds of years. It was something we took very seriously and we pursued.

Q: It took years and years because there were people in the Pinochet government, very high officials, who were involved.

NIELSEN: Yes, definitely. General Manuel Contreras is credited with being the intellectual author of that crime. He has not admitted it, but he's been charged with that and other crimes. He's under house arrest these days.

Q: Were you there when President Bush came?

NIELSEN: Yes, that was our big moment.

Q: What were you doing?

NIELSEN: As the press attaché, I was at the airport putting down the tape to indicate where the nose of the plane should rest and setting up a flatbed truck for the press to file from, installing phone lines and things like that so that the American press was able to cover this event and the Chilean press likewise. It was a very big symbolic moment because presidential visits were infrequent and in the case of Chile, it had been a good long time since the President came. Just the fact that he came, almost regardless of what he said, was significant. That began a string of other high-level visits as well. And lest we forget, presidential visits, complicated though they were then, were nothing like what they are now in terms of how many people are involved – it was relatively few who were making decisions.

Q: Is there anything else we should cover about Chile?

NIELSEN: To continue the train of thought that President Bush's visit in December, 1990 did mark a return to normalcy, to signal that, we sent our Secretary of Defense, who is now the Vice President, Richard Cheney. Up until that time, we had very little or no military cooperation with Chile because we didn't feel that their human rights record was very positive. So, again, we were able to reestablish our military ties and began cooperation in the military field. That was also quite important.

MICHAEL W. COTTER
Deputy Chief of Mission
Santiago (1992-1995)

Ambassador Michael W. Cotter was born in Wisconsin in 1943. He graduated from Georgetown University in 1965 and received a JD from the University of Michigan in 1968. Postings throughout his career have included Saigon, La Paz, Can Tho, Quito, Ankara, Kinshasa, Santiago, and an ambassadorship to Turkmenistan. Ambassador Cotter was interviewed by Charles Stuart Kennedy in 1998.

COTTER: Anyhow, I left there in the summer of 1971. I spoke Spanish when I entered the Foreign Service, and what I wanted to do was go to Brazil. Those were the days before open assignments, and you contacted your career officer and were told where you were going to go. I got sent to Bolivia, which I suppose the system felt was in Latin America, began with a "B" and it was close enough to Brazil for government work. So, I was assigned to La Paz. Again, being a junior officer and not being wise to the ways of the world, I didn't take my full home leave, of course, because the Embassy said that I had to be there yesterday. I was fat, dumb, and ignorant, and showed up fairly quickly. I was very impressed because I had gotten a message from the Ambassador, Ernie Siracusa, inviting me to stay at his house. I thought, "This is what Foreign Service is like." I was very flattered and impressed. I discovered later on that he was going on leave and wanted somebody to house-sit the residence while he was gone, but nonetheless, I showed up in La Paz. It is the highest post in the Foreign Service. The airport is at about 13,000 feet and the capital is about 12,000 feet. When I arrived there, the Ambassador was on leave, and the Political Counselor was on leave. We had a Political Section of four people, counselor, labor officer, one mid-level and one junior officer. In fact, there were two junior officers. I and the other junior officer both arrived the same summer. I'm not sure the second officer had arrived yet, so it was me and the labor officer, and the DCM. I had been there just a week or so, when a coup broke out. Bolivia is known for coups. Historically, there has been a coup on the average of every 18 months. There had been a leftist center government in for about two years, which had also come in via coup, headed by a General Juan Jose Torres. Remember, this was 1971. Allende was in Chile. One really has to take these things in context. It frustrates me so much, when you now see revisionist history, after the Cold War is over, which simply discounts how all of us felt in the early 1970s about the course of the fight against Godless communism and for domination of the world. In fact, that conflict was in serious doubt in the late 1960s and early 1970s. We were clearly engaged in ideological, and in some places, a shooting battle. There were clearly sides on these things. In Chile, Allende was the wrong side and Pinochet was the right side, with whatever casualties came later, as a result.

Q: I have a question about Bolivia. Were you, particularly in the Political Section, getting information about Allende in Chile. What sort of terms were you hearing about Allende?

COTTER: Not positive terms. I mean, Allende was running Chile into the ground. I visited Chile during the Allende period and was struck by the fact that there were no goods to be had. You would go by shops after seeing things in the window, and one could go in and ask about them. The only thing the shop had were those things in the window, which they couldn't get rid of, or they would have no reason to stay open. It was a terribly depressing place to be. What you don't know about these things is, how much of this is reality and how much of it was perception. Clearly, wealthy Chileans were bailing out as fast as they could. I know colleagues who served in Chile at that time were buying Colonial furniture for practically nothing. The U.S. Government, in those days, because of Congressman Rooney was very limited as to what kind of real estate we could acquire, but we bought some houses in those days from people who were trying to bail out.

Allende's agenda was clearly to carry out a socialist revolution at that time. Indeed, the more radical followers of Allende were not the communists, but the socialists. The Socialist Party in Chile was more radical in those days than was the Communist party. It was the young socialists who were pressing Allende to carry out even more radical change. I know when the Pinochet coup

took place, the pretext they used was that there had been an inflow of arms from Cuba, as well as Cubans, and that the more radical elements under Allende were preparing a coup to carry out the revolution. We tracked this very much and were interested in it. Bolivia had had its coup. The sense was that the Chilean military and the Chilean Right looked at the Banzer coup and our reaction to it, and they took a signal from it as to what our reaction would be to a coup in Chile. I think the record has become clarified over the years. I don't think we were involved in the Pinochet coup, but I think it is fairly clear that we certainly made it clear that we would be perfectly happy to see that change of government take place. I think in Chile the same thing happened that had happened in Bolivia, where both the left and the right, particularly the right, had a hit list of people. I think in Chile, as in Argentina, they went considerably further than they had gone in Bolivia, in terms of picking up family members of people they couldn't find. I see today where Pinochet is. I must say that as I look back on this, in hindsight, and with what the Pinochet government accomplished in reforms in Chile, that it is probably fairly cold to say so, but the cost of human lives that it took to bring about those reforms in Chile was probably cheap at twice the price. I know that it is politically incorrect to suggest this, but the fact of the matter is that, if some 3,000 Chileans died, there are a heck of a lot fewer than Salvadorans and Hondurans died, or than have died in most other conflicts, and in order of magnitude, less than what died in Argentina, where the estimates are ten to twenty thousand babies being sold, and everything else, which didn't happen in Chile. In fact, when you look at Chile today, and I served in Chile in the early 1990s, it was, at that point, the only truly reformed liberal economy in Latin America. It was reformed in ways that the Argentines are still struggling with, somewhat unsuccessfully. The Brazilians really haven't come to grips with reform yet. Chile was reformed in a way that opened the economy up to foreign and other influences. One of the things that was true in Latin America in those days, and is still true in many areas, is that these aren't really market economies. Most of them are oligopolies. But, you have a number of families who run things, and they run things very happily for themselves. So, the market is divided up, prices are controlled, and things are divided amongst these groups with very little true competition. Most of them don't want outsiders in. Most of them are not really open to true competition. The Pinochet revolution changed that significantly. It broke the power of what had been extraordinarily strong labor unions. These are labor unions that are somewhat reforming in Argentina. The Argentine experiment under Menem in the 1990s is a very critical one because it is a question of whether you can reform, create a liberal economy, under a democracy because there is a clear pain to this. If you have a statist or statist-type economy where lots of people work for the government, and you are going to change that and increase the private sector and reduce the role of government, people are going to be put out of jobs. If it works right, they will find new jobs and revitalize the economy. But, the fact of the matter is that you are throwing people out of work. In very few places are people going to vote to have themselves thrown out of work. So, there is a question whether you can do this democratically. Menem, indeed, I think, has gone a long way toward succeeding in it.

Peru had acquired MIGs, and Argentina and Chile were almost at the point of war in 1979 and 1980 over the Beagle Channel. The Beagle Channel goes along the Straits of Magellan. You may recall that Chile and Argentina almost went to war. One of the complaints that the Chilean military, Pinochet, and the Chilean Army have against us was that our embargo on arms to that military government began seriously at the end of the 1970s. From the Chilean perspective, in their time of national need, when they were faced with the prospect of war, the United States was not there for them. In any event, one could see the potential for a continental war occurring, as everybody took

advantage of something else. In other words, you could see Chile and Argentina fighting over the Beagle Channel. It was predictable had that occurred, the Peruvians and Bolivians would have taken advantage of the Chileans being engaged in the south to try to regain their lost territories from the war. It is 90% certain that would have happened. A Peruvian would have had to be a traitor to its country not to take advantage of that. Indeed, one of the Chilean military's problems has always been fighting a two-front defensive war. How do you fight in the south, in those areas that were not defined with Argentina, and at the same time, in a country that is 3,000 miles long, fight in the north to protect the territories you won in the war in the Pacific? Well, if Peru had become engaged in a fight with Chile over that area, it is again 95% certain that the Ecuadorians would have taken advantage of this to regain their lost territories in the Amazon. So, the threat of fighting between Chile and Argentina in 1979 and 1980 had implications that went far beyond Chile and Argentina itself. I really believe that it carried the seeds of a continent wide conflict. Happily the Argentine/Chilean conflict was settled. That was the reason they called the Pope in, and the Pope negotiated a satisfactory settlement. But, it was extraordinarily dicey there for some time. You had military forces, which had some upgraded equipment. The Air Forces, in particular, had new toys which they would have liked nothing better than to try out.

By the time I was going to Chile in 1992, we had phased out most small country programs. I remember a couple cases in Latin America where we were down to \$500 million dollars. At that point, our embassy in the country would say: "We don't want it. It is more work to us to administer a program of \$500 million than it is to get any use out of the money."

Q: Well, you moved in 1992 to Chile.

COTTER: To Santiago, Chile as a Deputy Chief of Mission (DCM).

Q: How did that come about?

COTTER: Well, actually, I give great credit on this to Curt Kamman, who was the Ambassador. I was up for reassignment and DCM jobs, of course, appear on the bid list. I bid on Israel, Chile, and Turkey. DCM Turkey was the job I really wanted. When I met with the new Ambassador there, whose name now escapes me, soon after he was confirmed, I learned he had already made his decision. He didn't even bother to look at who had bid on the position. Curt Kamman, to his great credit, looked at those who bid on DCM Chile and interviewed people. I had never met Curt before I interviewed with him for the job, and he offered it to me. I must say that in that case, the bidding and interviewing process, from my perspective, worked. I was hired by an Ambassador whom I did not know before I took the job. A week after that I was offered DCM Tel Aviv, by Bill Harrop. He, of course, had been my last Ambassador in Zaire. I agonized for a while about this and decided that Chile was the place I wanted to go. I had done enough work on and about Israel in PM to realize that the embassy in Tel Aviv, frankly, works largely as a visitor center. Our policy regarding Israel isn't made at that embassy. It does have an extraordinary number of visitors. I knew that Tel Aviv had bad morale problems and a bad physical situation. I decided that I didn't want to do that. It turns out, of course, that Bill Harrop was there for only about a year when he got himself on the wrong side of the Clinton administration and was removed. Curt Kamman had gone out to Santiago at the beginning of 1992, and then I followed him out around July 1992.

Q: You were there from 1992 until when?

COTTER: January 1995.

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

COTTER: Chile is a great place. I arrived in Chile at a very exciting time. The referendum that brought about the end of the Pinochet government had taken place in 1989. In 1991, the first elected civilian government came into office, under President Patricio Aylwin. So that government had been in office a little less than a year when I arrived. This was a time when Chilean democracy was still sort of feeling its way. It was also a time when there was very great anticipation that Chile would be the next country to join NAFTA. NAFTA had been negotiated by the Bush administration, and Bush had also promised President Aylwin, during Bush's 1991 Latin America trip, that Chile would be the next country invited to join NAFTA. The way these things go, during the presidential campaign, Clinton and the democrats, campaigned against NAFTA. Low and behold, everybody was surprised when Clinton won the election. It took Clinton about a year to realize NAFTA was a positive thing, and in the meantime, proponents of the treaty in the Senate and elsewhere almost defeated it. Passage of NAFTA came within a whisker of being defeated. NAFTA has come down, through history, as a great victory during the Clinton administration. It is sited as where Clinton really proved his spurs in Foreign Affairs. Well, there wouldn't have been such a problem passing NAFTA if Clinton had been in favor from the beginning, instead of screwing around for a year. But then, he had some real problems within the democratic party.

Q: I just wrote down "grapes." I had a long interview with Tony Gillespie. Could you explain what the "grapes thing" was?

COTTER: Yes. I forget the dates, 1987, maybe, or possibly as late as 1989.

Q: It doesn't matter.

COTTER: Chile, of course, exports a lot of fruit to the United States. If you are eating grapes in the United States in the winter, you are probably eating Chilean grapes. If you eat peaches or pears, or most other fruity in the winter, it is probably Chilean fruit. As a shipment of Chilean grapes was arriving in Philadelphia, the Animal Health Inspection Service, which is responsible for inspecting these things, received an anonymous call that the shipment contained contaminated or poisoned grapes. Inspectors opened a couple of crates and found what was alleged to be grapes laced with cyanide. They then seized the entire shipload and dumped it and put an embargo on all Chilean grapes. With the delay in shipping time, this being the height of the grape season, Chileans had, undoubtedly, a hundred million boxes of grapes, either on the high seas, or ready to be shipped. They were told they couldn't ship them. The embargo got lifted 10 days later, during which time, the Chileans claimed that they had suffered significant losses. Figures for those losses are sort of like those for Mobutu's wealth. Every time you turn around, the figure goes up geometrically. But, nonetheless, they had clearly lost money. The Chileans have always maintained that there were never poisoned grapes - that the whole thing was done to embarrass them, the Pinochet administration, that it was a put-up job. They would say, "How is it you can have a whole ship load of grapes, and you open one or two crates and find the cyanide laced grapes." Before dumping it,

the inspectors looked at the rest of the shipment and found no other poisoned grapes. Gaining recognition that the US had made a mistake and getting economic compensation for their losses occupied significant effort on the part of the Chileans all during the time I was there. Actually, the case finally got resolved in, I think, 1996. The Chilean growers, like their counterparts in the United States, are very powerful. When we would talk to the Foreign Ministry about the issue, its interest in grapes was minimal, but there was a significant lobby in Chile that was demanding that their national honor be swaged. We worked very hard on this issue, and we can talk about some of the interesting aspects of how we tried to deal with this.

Bush's ploy, when the Chileans raised the issue with him, was to say, "Look take it to court, everybody else does."

So, we told the Chileans that they really needed to pursue their remedies in the US court system. After much hemming and hawing, they finally hired some lawyers and filed suit in federal court. As I recall, it was under the Federal Tort Claims Act. They claimed that they had suffered significant economic damage because of activity by either the United States Government or its agent. When the case went to court, the first thing the Justice Department did was to claim sovereign immunity. So then, the Chileans complained to the embassy that we had told them to go to court. Our answer was "Yes, but we didn't say that when you went to court we would deny ourselves all legal defenses to such a suit. Anyhow, happily, the court threw out the sovereign immunity defense. But, ultimately, as I recall, the Chileans did not win in court. We tried a number of ways to solve the problem. Don Planty, who is now Ambassador to Guatemala, was then Director of the Latin American Bureau's Office of Southern Cone Affairs, which included Argentina, Chile, Paraguay and Uruguay. Don tried to work out with the Foreign Ministry, a way to somehow come up with a solution that looked like we were paying something, but weren't. The Foreign Ministry, at that point, had said, "Look, we will take care of the compensations internally, but we have to have something to take to the growers, a package of things that would look like concessions on your part." So, Don went around US agencies to try to hunt up things that we could perhaps do without, but that could be sold by the Chilean government as concessions on our part. This ultimately became a cropper for two reasons. First, the Foreign Ministry and Chile couldn't sell it to their people. Second, and this underscores one of the difficulties the State Department has in carrying out foreign policy, was our inability to organize the package. U.S. government agencies notoriously carry out their own foreign policy. State, if it's lucky, is aware of what they're doing, but half the time simply doesn't know. In this case Don Planty convened an inter-agency working group to talk about this. He said, "Look, we need to put a package together, so why don't you guys all go home and think about things you might have been thinking of doing with Chile that we could package together in this." There were a number of things, it turns out, in agriculture that USDA was not only interested in doing it but eager to do. In the end, USDA went ahead and announced these things on their own while we were trying to put together this package. They never made such announcements through our Embassy in Santiago. They would call in the Chilean Embassy in Washington, or they would simply have a press conference. I remember one day in Santiago, reading about a series of steps USDA was taking, things we hoped would be in this package that had just been given away by USDA to no broader USC at all. Poor Don Planty, in spite of consulting and instructing people, was never able to get everybody's act together.

USDA has a lot of programs in Chile. I should say that one of the offshoots of the great fiasco was

that Chile ended up being one of two countries in the world where plant inspections take place outside the US. I'm sure there are more by now where we actually inspect fruit and vegetable exports, in the country itself. There was had a full time team of APHIS (Animal and Plant Health Inspection Service) USDA plant inspectors, assigned to Chile. They preinspected grapes, stone fruit, kiwis, and anything else destined for the US right in Chile. The theory behind this was a very good one, I think. It was better to find problems before the fruit got shipped than it was once it was ashore in the United States. Generally, we are not talking about looking for cyanide poison but rather for insects, primarily. The thing that allows Chile to be able to export fruit to the United States depends upon Chile keeping those fruits and vegetables free of a number of pests, such as the Mediterranean fruit fly. Chile has a great benefit there because of its geographic isolation. It is surrounded on the east by the Andes Mountains, on the north by the Atacama Desert, which is the driest desert in the world, and on the west by the Pacific Ocean. They really have a unique ecosystem, which is easy to isolate from outside influences. The Chileans have been fruit-fly free for a number of years.

Anyway, APHIS did a lot of this inspecting. The interesting thing about it is that the costs, all except for APHIS inspectors' salaries, were paid for by the Chilean growers. In other words, those who had great interest in having the inspection done before they went to the expense of shipping the fruit paid a surcharge that paid for all of the costs of running that office. Basically, it was staffed on a full-time basis by two people year round, and then we would bring in additional inspectors during Chile's main growing season. Happily, that is winter up here, when a lot of these inspectors otherwise were in a lax time. It really worked out very well. The only cost to U.S. tax payers was the salary of the two inspectors who worked full-time in Chile. Their housing was paid, and their travel expenses were all paid by the Chileans. It really was an excellent example of using the user tax to do something very well. AMPHIS had inspection stations both at the seaport and at the airport. In addition to the fruits I mentioned, the Chileans have a booming business exporting asparagus, strawberries, raspberries, things that don't travel very well that are shipped by air rather than by sea.

Chile is a fascinating place. Very often people talk about the Clinton administration, and to some extent the Bush administration before it, in establishing democracy in all of Latin America. In fact, Chile has had a very long and very vibrant democracy. I think most Chileans saw the Pinochet era as a clear aberration from what had existed before. Chile is a very conservative, very correct society. I would guess that the level of government corruption there is lower than it is in our country. Civil servants are paid living wages. They take pride in their work. Trying to bribe a police officer is the fastest way to land in jail. They have a long, and very good history of democratic political life, going back more than 100 years.

Q: What were you getting, while you were there, about reflections on the Allende period?

COTTER: That their views on Pinochet depended upon where people come from in the Chilean political spectrum. Unfortunately, that spectrum has been very broad, and traditionally, it has been about a third on the left and a third on the right, and a third in the center. This means that it is very hard to get anybody elected with a majority. Most of the period during the 1950s and 1960s, the right had unified behind the Christian Democratic Party and managed to win all the elections. Allende, a Socialist, was elected with perhaps 25% of the vote because the right split. In hindsight,

that split was a disaster on its part because it meant that there was no unified candidate from the center right. As a result, Allende, with 25% of the vote, won. So, his administration was tainted from the beginning because he certainly couldn't claim to govern with the mandate of the people. Nonetheless, he proceeded to take his mandate seriously and began to carry out a radical restructuring of Chilean society. Interestingly enough, I think, it turns out that the more radical people in his administration were not the Communists but the Socialists, particularly amongst the young people. The right in Chile believes that the Socialists were in the process of turning the country into a socialist country on the model of Cuba. Certainly Allende had very good relationships with Cuba. I think there is no question about the fact that the commitment was there to create a socialist Republic of Chile. Too often people in the US look at that period from the perspective of today, with the Cold War over. But you need to understand the 1970s from the perspective of the 1970s. What Allende was trying to carry out was not something that the US wanted to see. Had it been successful in a country like Chile, it would have had real impact all over Latin America. In any event, the Chilean military took over in 1973. There is still a lot of dispute about how many people actually died during that period. Chile had a Truth and Reconciliation Commission after the civilian government came in, which identified a total of about 3,000 who were either known dead or missing. Now we read in the newspapers about what people claimed went on during the Pinochet era.

The Pinochet era had two sides to it. That is one of the things that often makes it difficult for us to understand these issues. While on the one hand, it was very clear that people were tortured and killed and disappeared without benefit of any judicial process, the Chilean right has always maintained that it was involved in a civil war and that war time rules, as opposed to peace time rules, should govern. They claimed to have found caches of weapons from Cubans. They said Allende's security forces were not the normal police forces but rather armed socialist party militants. But the other side of the Pinochet government was the radical restructuring of the Chilean economy along liberal lines. It is famous for "The Chicago Boys". Pinochet looked to the University of Chicago for a model of how to carry out economic restructuring. He got Milton Friedman in spades. To me, there has always been a question about how to succeed with this kind of market restructuring. The Argentines are still wrestling with this question. Chile was, as are almost all countries in Latin America, very state sector oriented. The private sector was always there, but it always enjoyed a set of cushy relationships in a very protected economy. Happily for carrying out reform, under Allende, Chile had fallen apart. There were no goods to be bought; there was rampant unemployment. Nothing functioned; the government had no money. So, when Pinochet came in, he had a lot of flexibility in putting things back together in the Chicago school sense - a market-oriented, private sector-focused economic model. In other words, he didn't have to fire hundreds of thousands of government employees. Most of those government employees had no jobs under Allende, as the country simply ceased to function. Pinochet simply didn't hire them back. His government restructured the economy with a much smaller public sector, a much more open private sector, open to foreign investment, open to true competition. They actually carried out a number of reforms that we in the US are still wrestling with. Chile was the first country to privatize its social security program. There is a safety net for the poorest people, but other than that, every worker contributes 10% of his or her salary, which is matched by his employer. The employee then has a choice of several investment plans to put that money into. There are seven or eight companies, including some American firms, that manage these funds. This is exactly the kind of thing we are now possibly talking about doing. Chile reformed its national health service in the

same way. They have a very basic, and not terribly good, safety net, but beyond that, it has privatized health insurance plans that workers could sign up for, which include a contribution from the employer. Chile is rightly seen as the one country in Latin America that carried out the market-based reforms that we have been preaching for a long time. So what has always made it difficult for us to evaluate the Pinochet era was on the one side the perceived human rights situation, and on the other side the fact that his administration successfully implemented the economic model that we were preaching around the world.

The Chileans are very highly educated as a society, and so Chile was a much easier place to carry out these reforms, than in a Bolivia or a Peru. There are very few Indians in Chile. The Chileans dealt with their Indian problem the way we did. They killed most of them and put the rest on reservations in the south. Their Indians, as a matter of fact, are now reemerging as are our American Indians, in terms of reevaluating the agreements they had with past governments and in demanding their rights. For instance, American Indians travel to Chile on their Indian nation passports, which are recognized by the indigenous peoples in Chile, who also carry their own nation's passports. Anyhow, Chile is the kind of place where reform is possible. Once you start with a fully non-functioning economy, and you apply principles in an egalitarian, non-corrupted way, you can carry out reform. For instance, I have never heard any accusations that either Pinochet or any of the other people in his government were ever corrupted by the system and co-opted by economic powers. That happened in the military government in Ecuador, where I served. It certainly happened in military governments in Bolivia, Colombia, and Brazil. It didn't happen to Pinochet. By 1989, Pinochet agreed to hold a referendum on whether or not to return the government to civilians. He thought he was going to win. He thought there was no chance he would lose, but in fact, he did. It was very close, 55 to 45, something like that. Again, to his credit, he said, "Fine, we have lost, we will turn it over to the civilians."

Q: At one point, there had been quite a flowery, both in the, you might say, Marxist, Trotskyist, the whole thing of extreme left wingers who not only were in Chile but came down there. By the time the Pinochet regime was over, had they been either eliminated or had left, or was there any residue there?

COTTER: Yes, there was the residue. Most had gone into exile, although during the Pinochet regime there were a number of terrorists incidents carried out by radical elements. There were a couple groups, the NLM, National Liberation Movement, for example. There were a couple that were even more radical than that. In 1986 or 1987, they carried out an almost successful assassination attempt against Pinochet. They assaulted his car with rocket fired rifle grenades and small arms. Pinochet always traveled in a three-car motorcade and had security cars. Then, there were three identical armored Mercedes Benzes. One never knew which of the three he was in. Indeed, when they attacked his motorcade, as I recall, they got the wrong car. Yes, there was still a network of these people. It had changed by the 1990s. A number of them had left Chile and gone to Central America during the civil wars there. A number, most of whom had since moved to Cuba were still living in Cuba. The Chileans have tried to get a number of those people extradited to serve trial, but they have had only some success. But terrorism still existed when I arrived. There had just been a serious terrorist incident directed at us in 1991. It was a horrible kind of thing when you think about it. We had a softball league. One day, at one of the softball games, there was a booby-trapped bat that exploded just outside the dugout. It killed a Canadian and blinded our RSO

in one eye. The story, as it came down to me, was that there had been a disputed play just a couple minutes before, which had emptied the dugout. This bat was lined-up crosswise in front of the dugout. When it exploded - of course it was a metal bat - it sent shrapnel all over. While I was there, after the return of civilian government, there were occasional incidents directed at American companies. They almost always involved a rocket grenade fired at a building, the Coca-Cola building or the IBM building. I think, by now, those radical groups have pretty much been eliminated. The Chilean security services have arrested most of them. Once there was a return to civilian government the Cubans pretty much cut off their support, and without funding and a place to go, it was very difficult for them.

A lot of interesting things happened in Chile when civilians returned to power. A lot of people had left in voluntary exile when Pinochet came in. Many had come to the States. We were very active, particularly the U.S. Democratic Party, in assisting Chileans to get placed here. So, there was a number of people who went to school here, got their degrees here, and taught or were working here. When these people went back to Chile, they had a major impact. First off, most of President Aylwin's cabinet was educated in the United States. They had more Ph.D.s from American universities than we had in our cabinet. You can argue whether that is positive or negative, but there are a lot of Ph.D.s from American universities in the Chilean government. There were excellent relations with the Democratic Party, which worked out very well when Clinton won in 1992 because the Democrats had longstanding relationships with many of the senior Chilean officials.

So, we started off with a very good feeling on the part of the Chilean government toward the United States because a lot of these people felt that indeed we had saved them and had provided them the opportunity to improve themselves. Again, I think one of the very interesting things about Chile that demonstrates what kind of place it is that when it was possible to go back, most of these people did so, often leaving excellent jobs to do so. I don't think there are a lot of Central Americans, now that the civil wars are over in Central America, who are hastening to go back. I, for a long time, as a matter of fact, maintained that the war in El Salvador and the splash over in Honduras was really a plot by both the left and the right because nobody in Central America wants to live there. They all want to live in the United States. One way you do this is to have a war, and then, everybody on the right can come to us and say, "We have a lot of money." So, we let them in. Then everybody on the left can come because they can all claim political persecution. If you carry this on long enough, there won't be anybody left at home. But, anyhow, the Chileans went back in droves to take up their lives. The people for whom it was more difficult, and as an observer who it was more interesting to track, were the many Chileans who had gone to live in East Germany and in Russia. Of course, Chile's return to democracy occurred just about the time the former Soviet Union was imploding. The Chilean government organized and paid for repatriation flights, and tried to find jobs for these people. But, they weren't coming back with Ph.D.s from American universities, speaking English. They were coming back speaking German or speaking Russian. In many cases, their return was quite bad. They had fled from Chile, where the socialist revolution had failed in 1973, and gone to countries where it was succeeding, only to find, 15 years later, that it had failed in those countries as well. Particularly those Chileans who had been in East Germany came back very disillusioned with what they had seen. They had a very difficult adjustment to make. There are still several hundred, I think, who haven't returned.

When I got there in 1992, Chile was already booming. One of the rules we have in the Foreign Service is that we can't invest in stocks in a country in which we served. That is unfortunate for all the people who have served in Chile from 1989 to 1992 who could have made a killing in the Chilean stock market. Even by the time I arrived in 1992 the really fast money had already been made. Anyhow, Chile is a very robust place, in which the economy is growing and is very well managed. It certainly is a country which qualifies, by all measures, to be a partner in NAFTA. One of the real problems for the Chileans in that regard is that everyone recognizes that they should be in NAFTA. But, for what if considers very good reasons, the administration has held off from doing so. There have been several proposals in Congress to approve an expansion of NAFTA just for Chile. But, the Clinton administration has always said, "We can't do that. We are trying to maintain rules. The whole idea is that there will be an American Free Trade area for all of the countries when they achieve certain criteria to be able to join, and therefore we are not going to approve a bill just for Chile." This really frustrated the heck out of the Chileans, who had worked very hard with friendly people in Congress. They had gotten so frustrated that they had gotten Congressmen to introduce a bill only to have the administration say, "No." How the Chileans think about it now, I'm not so certain. They had worked very hard, even then, when they wanted to get into NAFTA, on diversifying both what they exported and to where they exported. Up to Allende's day, and I think, even during part of the Pinochet era, their main product and almost sole export was copper. They had two really. They exported copper and fishmeal. But, they, like Peru, discovered that fishmeal is a very untrustworthy export because of El Nino and some other ocean currents. They would have abundant anchovies for four years and no anchovies for three years. But, copper was Chile's main export. I suppose it accounted for some 80% of their hard currency. By the time I was there, copper was down to 40% of their export earnings and falling. The Chileans had done lots of things. Fruit is the example that people know. Wine is the second one. Chilean wine is now plentiful here. Even when I got to Chile in 1992, its wine was common in the US, well not that common, but available. But now Chilean wine is a first choice for lots of people, and they have done amazing things in improving the quality of their wines.

Another way they have developed things... It's a very interesting little story. Back in Allende's day, ITT, the International Telephone and Telegraph Company, was expropriated by the Chilean government. Then, it was roundly criticized for having been involved in the Pinochet takeover, having financed it. This was when there were claims that the CIA had financed the coup as well. I think I mentioned before, the US doesn't like expropriations without compensation. So, when the Pinochet government came in, if it was to hope to have any kind of economic relationship with the United States, it had to deal with these Allende expropriations. The upshot of the ITT one was a settlement which involved, a not-insignificant amount of money, 10 or 20 million dollars, that was paid by the Chilean government. What they worked out was an entity called the Chile Foundation. The Chilean government paid its compensation into the foundation, and ITT put in some money as well.

The Chile Foundation's purpose is to try and find ways to diversify Chile's economy and exports. So, the foundation goes around looking for products that Chile can produce and export. One of the things they came upon early on were fish, specifically salmon. Again, now when you shop in the stores in Washington, you see fresh Atlantic salmon everywhere. Very often it is clearly marked as imported from Chile because although the breed is Atlantic salmon, they are not coming from the Atlantic, they are coming from the Pacific. They are farm raised in Chile. There are wild salmon

down in the fiords of far southern Chile, but not enough to catch in a commercial way because the Andes are so close to the sea that the rivers aren't long enough to allow a big breeding population. Chilean commercial salmon are all farm raised. Chile has a number of fresh water lakes in the south where they raise fingerlings. Of course, salmon migrate to spawn in fresh water, and the young are born in fresh water migrate back to the sea. So, they fertilize eggs and hatch the eggs in fresh water tanks. When they reach the age when normally salmon would migrate to the sea, they put them in tank trucks with oxygenated water and drive them out to the coast, where they have enormous underwater pens. If you fly over the area, it looks like a series of sunken ships, which are the salmon pens. This is a very big business. The Chileans are, I think, the third largest salmon exporters in the world, after the United States and Norway. That is an industry that was developed by the Chile Foundation using these research monies. The foundation has also done this with a number of other kinds of fish. When I left, they were looking very hard at farming turbot, which is a great delicacy in Europe, primarily. It is a large flat fish, sort of like flounder.

One of the other products where the Chile Foundation did a lot of work developing, and the Chileans are now doing a lot of exporting, is lumber. Chile's climate is very interesting. The country is 3,000 miles long, and at its widest, 150 miles. In many places, it is about 30 miles wide, but because of the length, it encompasses an incredible variety of climates. The northern third of the country, as far down as Santiago, is really desert. The Santiago area has been irrigated for 400 years with snow from the Andes. The middle third is comparable to Oregon in the United States, temperate, great for growing fruits and vegetables and for grains and whatnot. The southern third of the country is glaciers and fiords and ocean. Chile has a long growing seasons because they can stagger them the length of the country. But it also turns out that down in the southern region, between the good farming area and the fiords, is an area of forests. There are types of pines, because of the humidity, that will grow to maturity in 11 years. In comparison, pines need 20 years to mature in the southeastern United States. So, they have done an awful lot in forest farming. Now, the wood from these pines is not high quality and is largely used for wood chips, although they are now doing quite a bit of pine furniture and you actually find some assemble-your-own pine furniture from Chile in the US. But, it has mostly been exported in the form of wood chips to Japan. In recent years Chile has expanded into industries that process these chips into pressed board, plywood and the like.

Development of the forest industry has not been without controversy because in order to plant pines in some of these areas, they have cleared slow growing, very rare, hard growth forests. Again, there are a lot of the same debates in Chile over this as you find in areas of the United States; how much of your virgin, first-growth, native forest ought you preserve, and where do the economic interests versus the ecological interests come down? In any event, they ship a lot of forest products. When I was there, about one-third of their total exports went to Europe, about one-third to the Americas, and one-third to Asia. The Chileans felt that they had insulated themselves pretty well, unless there was a global recession, and that, with luck, at least one or two of their markets would be solid at any one time. Unfortunately, I think what we have seen with the recent downturn in the Asian economies, and the impact that has on global markets, is that the Chilean economy is so small it is inevitably affected by these global problems...

Q: Let's stick more to the time you were there.

COTTER: During the time I was there, Chile was in great shape. Its economy was growing at 8% a year.

Q: What about relations with Argentina during the time you were there? Did you get involved with that at all?

COTTER: They had quite good relations with Argentina and were working very hard when I was there on solving the last couple of border worries. I think I mentioned that when I was in Ecuador, they had almost gone to war over the Beagle Channel, which had finally been given over to the Pope to arbitrate. The Pope had come up with a solution that actually favored Chile, and the Argentines accepted it. By the time I was there, there were three little pockets of disputed border up in the mountains that both countries were trying very hard to solve. But both countries were having to deal with irredentist groups at home. Every time they came close to a solution, someone in one country or the other would say, "We won't give up an inch of territory to those no good people on the other side of the mountains. This is territory we fought and died for." What you are talking about in almost all of the cases are glaciers high up in the Andes. Areas that are uninhabitable by anyone and don't mean anything. Of course, that doesn't make much difference to irredentists. Chile began cooperating with Argentina in a number of ways at that time that they had not before. The two sold electricity back and forth, and when I was getting ready to leave, Chile was finalizing negotiations for natural gas purchases from Argentina. This was something very important for Chile because it is an energy importer and has lots of air pollution problems. Their problems are the same as those Los Angeles has always suffered from. They have mountains to the east and prevailing winds, in the winter particularly, from the west. So there are a lot of inversions. Thus, natural gas, for taxis, trucks, and buses, would be very important. The thought of being dependent upon Argentina for something as important as energy resources had always been anathema in Chile, but they were overcoming it. The liberalization of the economies in the area had really wrought enormous changes, because what you found was Chilean companies providing electricity in Buenos Aires after Argentina privatized. You found Argentine companies owning things in Chile, but you also found Chilean companies, very often in partnership with others, such as Americans, active in Argentina. A number of American power companies have invested in the power sector in Latin America, which is one of the first sectors to be privatized. Often there is a consortium with an American company, a Chilean company, and a Spanish company buying power distribution and power production in Argentina, and vice versa. So, the economic ties between the two really drove improving political ties.

The military services, while I was there, even began talks. The Chilean military had never had regular talks with the Argentines before. What happened was that the services varied on this, depending upon their individual tactical concerns. The Air Forces worked quite closely together. The Armies talked mostly because you can't fight a ground war in Southern Argentina and Chile. The Chilean Army is much more concerned about the desert plains bordering Peru and Bolivia. The services that didn't get along very well were the Navies, which of course were the services that had confronted each other historically, and the Navy conversations didn't go anywhere near as far as those between the Air Forces. I remember when I was there, the Chileans and the Argentines were wrestling with modernizing their Air Forces. Recall the problem I mentioned when I was in Ecuador. Fifteen years later and it is the same thing. The Chilean Air Force, at this time, had F-5s, original F-5, and some Mirages, old French aircraft. They wanted to upgrade to more modern

fighters. This was an interesting debate because they didn't have a lot of money. There was now a civilian government in Chile, and when Pinochet turned power over to the civilians, the military reserved a couple of areas, such as providing that Pinochet would be commander of the Army until a mandatory retirement age. He just retired last year at age 87, something like that. They also mandated that the armed services would get a set percentage of hard currency earnings from copper exports. But even those earnings don't get you to the point where you can spend \$100 million on F16s. Washington was very worried about whether we should let the Chileans buy modern US aircraft. I said, "You know, to me, they are going to have to get this past their own Parliament. If they can, more power to them. But, I don't think, for a minute, they are going to get this past their own Parliament. Why should we be the bad guys when we can let someone else be the bad guys?" At one point, I even suggested to the Chileans that what they ought to do is get together with the Brazilians and the Argentines because the Argentines were also talking about upgrading their air forces. I suggested that if they got together to buy a wing (18-24) of F-16s jointly, they would form three squadrons run by all three countries. I noted that if they came in with that kind of proposal, the U.S. government would never be able to tell them they couldn't do it. Unfortunately, that idea was still too radical.

Anyway, Chile had pretty good relations with Argentina. One area where they stayed at arm's length from Argentina was Mercosur, the southern South American common market, which included Brazil, Argentina, Uruguay and Paraguay. The Brazilians, particularly, have never liked the idea of NAFTA or what we promoted at the Miami Summit of the Americas in 1993 - a Western Hemisphere Free Trade Zone - because they saw that this would be dominated by the US economy. Whereas, Brazil is so large, it could dominate South America's economy. So, you know who dominates in Mercosur. Paraguay and Uruguay don't have any power at all. Even Argentina is so much smaller than Brazil that its influence is limited. In any event, as we were wooing Chile to join NAFTA, Brazil and Argentina were trying to convince it to join Mercosur. Chile kept them at arm's length all the time I was there. Since then, as it has become clear they weren't going to join NAFTA in the near future, they have moved closer to Mercosur. They are not full members, but they are associates. But, not being in Mercosur was one area where their economic policies and Argentina's didn't mesh. One of the problems was that the region still has to deal with is reliable east to west transportation routes. The Andes which cause a real problem, but there are also the historical enmities between countries, so there has never been very good transportation between Argentina and Chile. In what must be a 2,000 mile border, there was one major crossing, which was from Santiago to Mendoza. It consists of a two-lane highway which crosses the Andes something like 13,000 feet. It is out of commission most of the winter because of snow and avalanches. It has dawned on both the Chileans and the Argentines that their access to markets in the other ocean would be a lot better if there were reliable transcontinental land transportation routes. The interesting thing about this is that as we were preparing the final papers to hand over the Panama Canal to Panama, and talking to Americans about this, no one was very interested. The Panama Canal has little economic importance to the US at this point. The big tankers can't go through it. Basically, it is only barely competitive with rail or truck across the US. But, to Chile and Argentina, it is really important because Chile's access to Eastern United States' markets is by ships that go up the Pacific and through the Panama Canal. Similarly, Argentina's access to Western American markets is up through the canal. The alternative is going around Cape Horn. These countries have a great interest in the Panama Canal being run in a decent way, or alternatively, the creation of reasonable rail, highway connections that will allow them to move

goods across.

Q: Looking at it from our embassy's perspective there, what were the issues we were dealing with?

COTTER: NAFTA, grapes. To some extent, the aftermath of the Pinochet era, although more on a watching brief. The Chileans were the first country to have a truth and reconciliation process. The civilians recognized when they came in that revenge wasn't possible and decided that the important thing was to get the facts about what had happened out and let bygones be bygones. They had a Commission that worked for about a year or 18 months. It finally published, I think I mentioned earlier, a volume listing the people they determined had died, and those who were missing, that they hadn't been able to determine what had happened to them. Actually, Chileans later provided advice to the South Africans when they were trying to deal with the same thing. We followed that process quite closely. We also did an extraordinary amount of trade promotion in Chile. American companies were coming onto Latin America in quite a big way in the early 1990s. Chile was an easy entry to the Latin American market because it was easy to set up a company and firms could hire very qualified local people. Chile gave American firms a good base for marketing their goods in the rest of Latin America. The embassy hosted many trade missions from US states - Wisconsin, Mississippi, Massachusetts, and others. We spent more time at trade promotion probably than most anything. The other thing as DCM that I spent a lot of time on was moving into a new embassy. In Santiago, the State Department built one of the last Inman buildings. Inman buildings are those named for Admiral Bobby Inman, who after the bombing of the embassy Beirut, headed a Commission to decide how we could prevent this kind of thing from happening again. They came up with recommendations that cost a lot of money because of building design and location requirements. Unfortunately, Congress appropriated monies to build these new, safer embassies for only a few years, and then everybody forgot embassy Beirut had ever been bombed. At that point, Congress stopped providing those sums of money, and the State Department stopped spending them. So, the whole thing died. Now there have been the bombings in Nairobi and Darussalam, and the process is repeating itself.

Q: These embassies were blown up last year.

COTTER: Had there been Inman buildings in those places, they would not have been damaged so badly. My guess is we will do the same thing now; throw a bunch of money at the problem for a year or two and then forget about it. In any event, embassy Santiago was a great example of how we could screw these things up. The process of designing and building an embassy takes an enormous amount of time. I think the Santiago building design was finalized in something like 1985 or 1986. Construction, which had been delayed for a number of reasons, began only in 1991. The building was finally completed, and we moved in on July 4, 1994, which was 18 months late. Part of the delay was the Foreign Building Office's (FBO's) fault, and part of it stemmed from problems dealing with the Chileans and having to try and use local providers who couldn't provide things that we needed. For many years, Embassy Santiago had been in an office building downtown, on the fifth through the tenth floors. This caused a lot of concern, particularly after the 1993 and 94 bombings in Buenos Aires. No, not two years in a row. I think there was a year in between the bombings. One was the Israeli embassy and one was a Jewish community organization. These bombings were very much like the Oklahoma City bombing, a truck vehicle laden with explosives pulled up in front of the building and was set off. It was precisely for this

reason we are now trying to get embassies that are set back from roads, and away from streets. In Santiago, our embassy was on a main street, a block from the presidential palace and across the street from Citibank. If someone had really decided to bomb it, they could have gotten the American embassy and nasty Citibank with one big bomb. There is absolutely no way to close that street off. These buildings are old enough that if a bomb had gone off it would have caused a lot of damage. Perhaps less than other places because Santiago is very much an earthquake zone, so buildings tend to be built stronger. I must say that a major concern of mine, particularly after the first bombing in Buenos Aires, was how susceptible we were, as an embassy, to having the exact same thing happen.

The new embassy was built in town, but in a new area that was opening up to businesses. It was really quite an imaginative design, and very much a secure Inman building. It was the butt of many jokes as it was being built because it has an incredible amount of reinforcing bars in the concrete. The Chilean newspapers took to calling it "The American Bunker," claiming that it was being built to withstand nuclear blasts. As I understand it from the builders, it was built that way because of the earthquake threat. But all in all, it was quite a nice building. It had the advantage of reducing what used to be a very difficult forty minute commute down to about a ten minute commute because the commercial center of the city was moving out toward the residential areas where most of us lived in. Getting that building finished and approved, getting us all moved into it, and dealing with all of the issues surrounding a new building, took up a large amount of management time for me as DCM. I said the building was designed in 1985 or 1986 for our staffing at that time. Subsequently, as USG downsizing became popular, the number of Americans assigned went down. By 1994, when we moved in, we had too much space in the controlled-access American spaces, but we didn't have enough space for local national employees (FSMs). So, we were already dealing, when we just moved in, with cramped FSN quarters, and having to figure out ways around that.

The move also underlined how sensible it was for the USG finally to move to ICASS (the International Combined Administration Support System), which is the new way in which the Foreign Affairs agencies share out administrative costs, to replace the old FASS, Foreign Affairs Support System. Under the old system, State was responsible for all the overseas physical plant, and other agencies had no financial responsibility for it. Under the new system, while FBO still built the building, agencies in effect paid rent, as part of the share of upkeep of the building. One of the effects of the system is that when the rent bills come in, agencies take a different look at their staffing needs. This never happened in the past. There were never any costs to DOD, USIA, AIDCIA, or anyone else from growing because they asked for space and they got space. This was the case in Santiago where many agencies, for other reasons, had downsized but still had enormous amounts of space in the new building. When we went to them and said, "Well, how about giving up some of that space?" The answer was, "We can't do that, and this is secure space." Well, my guess is that if they are talking about this now in Santiago under the new system, those agencies would take a different view of it. They are now paying for square footage that they are not using. When we finally got the building built, it was a wonderful building that does us proudly as an embassy. But I must say, the management time spent on working on this was very great.

Another problem was caused by the 18-month delay in completing the building. Once construction began, the State Department's willingness to put maintenance money into the old embassy went

down to nothing. So, there we were here in an old building that needed upgrades but was getting none. As the heating system failed and as the water pipes failed, the answer was “Don’t worry, you are moving into a new embassy.” Well, as the delay grew from six months, to a year, to 18 months, we literally had our fingers in the dyke in several places in the old building to keep the place running until we could move into the new building.

Q: Today is the 4th of February 1999. We had some trouble with the other machine. Mike, could we reprise what we were talking about? We were talking about Antarctica.

COTTER: Chile and Argentina extend down close to Antarctica. If you look at a map, there is a peninsula that sticks up from Antarctica, and comes close to those countries. They are separated from it by the Drake Channel, which is the main passage through Cape Horn. Chile and Argentina are among a number of countries that have territorial claims in Antarctica. The U.S. doesn’t. We have always maintained that the white continent ought to be saved as an international zone for scientific exploration. A number of other countries, primarily but not solely, those that are contiguous to Antarctica take a different view, and assert territorial sovereignty claims. Under the Antarctic treaty all countries agreed to place those claims in abeyance. In any event, that peninsula is very popular for scientific stations. One main reason is that in the summer the snow all melts and it is solid ground, which makes it easier to build and support bases. That is good for countries whose technology doesn’t really go as far as supporting bases on ice. On that peninsula, you find, in one very small area, a large number of bases, including Chinese, Russian, Polish, British, German, and Argentine of course. All those bases are fairly near one another. Unlike the situation at our McMurdo base where we land aircraft on skids, the Chilean base has a true asphalt airfield. This airfield is only open during the summer and is very limited. It is just a runway with no parking areas and no instrument landing capabilities. Aircraft fly in and have to pick up or leave passengers and cargo and take off right away.

The US has a scientific station a little bit further down the west side of that peninsula, called Palmer Station. The base is essentially open for scientific work about four or five months a year. The National Science Foundation runs it. We fly in scientists at the beginning of the southern summer, in November, and then fly them back out again in March. The flying is done by the New York Air National Guard, out of Schenectady, which has a lot of experience flying in snowy conditions. It flies C-130s, which are the largest aircraft that can get into that base. They come down in November, as one of their training missions and have aircraft there for two weeks or so. Scientists fly commercially as far as Punta Arenas, the southern most town on the mainland of Chile, and then continue to the Chilean base on the C-130. We also operate two scientific research vessels out of Palmer Station and Southern Chile. Those vessels are actually on station all year, I think, and during the winter work the edge of the icecap. So, you fly down to the Chilean base, and then take one of the research vessels for an overnight run down to Palmer Station. I had an opportunity to take this trip. Timing is chancy. You may be in Punta Arenas a couple days because if the weather isn’t good enough, and anticipated to be good enough at the Chilean base for the plane to make the two-hour flight down, and make it back, they won’t go. The scientific research vessels are quite nice. The older one was leased from a Norwegian firm and has a Norwegian crew. People would complain about the food, which tended toward boiled potatoes and cod. The other vessel was a new vessel built in Louisiana, which operated under contract from the National Science Foundation. It is quite a fine vessel, which even had a Cajun cook. The base at Palmer

Station is quite small. It only has several buildings with dorm type sleeping quarters and then common rooms. The scientists study primarily animal and plant life. The krill is a very popular subject of study, as are the various animals that feed off it. Seals, penguins, and lots of birds feed off krill or each other.

Chile actually has a number of remarkable areas. The southern third are fjords and glaciers off the permanent Andes snow cap. Chile has a couple spectacular national parks in the area. There are also some very good white water rafting rivers, which cause us a little bit of a consular problem. Every year, several people die on the most popular one, the Futaleifu. During my tenure we had a couple of cases where consuls had to go and repatriate bodies. Chile also has what the locals claim to be the southern-most town and the southern-most inhabited area on the globe. Puerto Williams is on the south shore of the Beagle Channel. On the north side of that channel, a little further east is the Argentine town of Ushuaia, which claims to be the southernmost city in the world. Puerto Williams is quite a bit smaller. What it is best known for is its little post office. When you visit Puerto Williams, the only stop of interest is the post office where tourists can get postcards stamped as coming from the southern most town in the world. Around the side of an island a little east of Puerto Williams is Puerto Toro. It is essentially a Chilean Naval base, but it has a school and church. It bills itself as the southernmost inhabited area in the world.

Q: Well, did we get involved at all in the problems over the Beagle Channel or Chilean sovereignty, Argentinean sovereignty and Antarctica, while you were there, or was it solved on an international level?

COTTER: That was settled on an international level. I think I mentioned earlier that they got the Pope to mediate and settle the Beagle Channel dispute in 1980 or 1981. There were, as I think I mentioned, still a couple of outstanding territorial disputes. I think they are all solved now, but there were three remaining, all of them up in the Andes in very inhospitable areas. The Chilean and Argentine border, at that point in the south, was quite well defined.

Q: When you are talking about the Andean border and all, were there any problems of Indians up there? One thinks of Peru and the Shining Path and all that, as an Indian movement. Was there anything of that nature in Chile?

COTTER: The Chileans and the Argentines dealt with their Indians pretty much the way the Europeans and the North Americans did, which was to kill as many as possible, either by disease or violence. The others were pushed back into reservations. The reservations were fairly high up in the mountains. There is quite an active effort by the indigenous people of Chile to regain lost rights and to get back some of the ancestral lands they once had. There is quite an active indigenous handicraft movement as well. I think I mentioned that there is even a passport that indigenous tribes travel on. North American Indians would travel to Chile not on a U.S. passport, but on an Indian nation passport, which was recognized by Chilean authorities. I don't know whether Chilean Indians could get into the United States on a similar document. My guess is we probably do recognize them, if for no other reason than our treaty obligations with the Indian tribes in the United States. The indigenous Chilean groups are very small and have lost a lot of their language. I think one of their challenges is retaining their tribal identities and language and culture.

You asked me about Pinochet while we were there, and I should talk a minute about that. When I arrived in 1992, the issue of Pinochet and the role of the military was on everybody's mind, if not on everyone's lips. It was very clear that deals had been cut and that the return to civilian government was not without compromises on the part of the civilians. Part of that was accepting changes to the constitution that had been put in under the military government. Those changes did a number of things. For instance, they gave Pinochet and the other commanders of the military services who had been members of the Junta, quite a long period of time when they could remain on duty. I'm not sure whether it was written in terms of for a period of 15 years or up to a certain age, but I know Pinochet certainly remained commander of the Chilean Army up until, I think, 1998. It is important to emphasize that he was Commander of the Army, not of the Armed Forces. The Chilean services don't always see eye to eye. I think you mentioned earlier the referendum that kicked the Pinochet government out was successful in part because the Air Force Commander announced that they had lost before others, who might have wanted to, had an opportunity to stuff ballot boxes. But, nonetheless, Pinochet was still Army Commander, which was an influential position. He is also entitled to be senator for life. The Constitution also allows for a number of other appointed Senators, who had had fairly long terms, and all of whom, of course, had been appointed by Pinochet. These were compromises that actually made it very difficult to amend the Constitution because they created a block of permanent senators who could prevent amendments they didn't like. The other compromise, of course, was accepting the amnesty laws that had been passed by the military. Anyhow, Pinochet stayed as Army Commander and was very visible. Our relationship with the Chilean Army was, as I think I mentioned, not very good. We cut the Chilean military off from assistance and sales at about the time in the late 1970s that the Beagle Channel dispute heated up. By the time I was in Santiago, the Chilean Army was still not dealing with us. They wouldn't buy American equipment, although the other services would.

The organization of Commanders of Armies in the Americas, something like CONCAA, meet every year. The tradition has been that they would meet one year in the United States, the next in another country. General Sullivan was the Chief of Staff of the U.S. Army in 1992 or 93 and during one of these meetings somehow hit it off with Pinochet. Pinochet was quite a Napoleon buff. I recall seeing at the military academy a small collection of Napoleonic books and artifacts that Pinochet had put together. Sullivan, I seem to recall, was also a Napoleon buff. In any event, they hit it off. By 1993 or 1994, the conference was held in Brazil. At most of these conferences, a lot of business was done away from the formal sessions, in bilateral meetings. In most of the bilaterals, our chief of staff holds court and his colleagues come to him. Well, he tried to set up a meeting with Pinochet, who wouldn't come to the American Embassy for the meeting. Sullivan finally went to the Chilean Embassy. That cemented their relationship even more, the result of which was that General Sullivan made a visit to Chile. This must have been spring 1994. In any event, I was Charge d'Affaires at the time. I hosted a lunch for Sullivan and, as usual, we invited Pinochet. Normally, he regretted all our invitations. Well, in this case, we got word that Pinochet would like to attend the lunch. So, he was invited. The security people came around to the house the day before. My staff, to their great credit, allowed his people to check the ground floor but wouldn't let them up into our private quarters. Pinochet came and had a good time at the lunch. He is very charming but difficult to understand because he garbles his words a lot.

Q: Was there a concern on our part of contact with Pinochet, or had the decision sort of been made that the Chileans had made their compromise, and we are going to play it straight?

COTTER: That is pretty much what we had decided upon. Our view was that this was Chile's business, and Pinochet was an official in the Chilean government. We worked with the Chilean government, and therefore in areas where Pinochet had authority we would deal with Pinochet. Again, since he is Commander of the Army, that was a fairly narrowly circumscribed area. It is not as though you run in, have dealings with him on a regular basis. It was only when we had a military visitor. The issue came up a number of times of his possibly traveling to the US, for instance, to participate in the CONCAA conferences. His people would ask us and the answer always was that we couldn't guarantee immunity to him. Diplomatic immunity would not protect him from private suits filed against him, and our recommendation was that he not go to the States. He never did.

ROBIN WHITE
Director, Bilateral Trade, Economic Bureau
Washington, DC (1996-1998)

Ms. White was born and raised in Massachusetts and educated at Georgetown University. After graduation she worked briefly on Capitol Hill before joining the Foreign Service in 1973. A Trained Economist, Ms. White served at a number of foreign posts as Economic and Commercial Officer. In the State Department in Washington, she occupied several senior positions in the trade and economic fields. Ms. White was also a Japan specialist. Ms. White was interviewed by Charles Stuart Kennedy in 2005.

WHITE: In the summer of 1996, I became the Director of the Bilateral Trade Office in the Economic Bureau. That had two divisions for developed and developing countries. We worked various free trade agreements, including NAFTA, the Generalized System of Preferences for developing countries and other bilateral issues. We had to coordinate closely with the regional bureaus.

The China Most Favored Nation (MFN) issue was a major issue during that time. We worked with USTR and the China desk to get the Chinese government to improve their trade practices but also faced a yearly Congressional vote on the continuation of MFN tariff treatment for China.

Q: In the first place, were you working on adjustments to the finished NAFTA or were you working on new members?

WHITE: NAFTA was still evolving. The dispute settlement process was developing as cases were brought we wanted to make sure the procedures were in order. There was increasing political opposition to free trade and a lot of it was focused on the plan to expand NAFTA to include Chile. I don't think it came to a Congressional vote because it was determined that it wouldn't pass, though Chile met the economic criteria.

Q: What was the problem with Chile?

WHITE: It was hard to understand as Chile posed little threat to American interests. Even the agricultural products would come in on a different cycle. The opposition seemed to be more the ever-present populist sense that somehow freer trade disadvantaged American workers. It was a feeling unrelated to facts.

More specifically, the opposition focused on the labor and environmental provisions. The argument was that there would be a race to the bottom. Under NAFTA the rule was the country had to abide by its own labor and environmental standards. The labor movement felt that Chile's labor laws were too weak. I assume that the environmental movement was also saying that the standards weren't high enough and therefore it disadvantaged the U.S.

End of reader