

PARAGUAY

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JOHN L. DEORNELLAS
Economic Officer

Asuncion (1956-1959)

John L. DeOrnellas was born in Alabama in 1921. He received his bachelor's degree from Spring Hill College. His career included positions in Mexico, Paraguay, Ceylon, Honduras, and Dominican Republic. Mr. DeOrnellas was interviewed by Charles Stuart Kennedy in December 2002.

Q: You were there from '56 to the end of when?

DEORNELLAS: The end of '56 till early '59, April '59.

Q: Was Stroessner the head?

DEORNELLAS: Stroessner was the military guy that was the head of the government. I'm not sure whether he was the real power or not, I don't remember that he worked that hard at the job, he was a drunk and a lecher, and so on like that, really. They had a minister of the interior, using "interior" as the French do, or like the British would say the "Home Office." He was a sinister so-and-so. You could look at him and wonder if he was a Nazi fled to South America [laughs.] But he was a Paraguayan, ultimately, a Spanish name. You know, a sinister so-and-so. The Paraguayan people, I loved them, they were wonderful people, but the government was really awful. The place was just so darn primitive. Fortunately, we didn't have any serious medical problems there. We didn't have any children old enough to need real schooling, a couple of them went to kind of a preschool which wasn't too bad. Careerwise, it was a better post than Mexico, I guess. It was culture shock, all Latin America, the culture shock being so vastly different than Mexico City.

Q: You were an Economics officer.

DEORNELLAS: Yes, I did a lot of commercial stuff.

Q: What were our commercial relations with Paraguay?

DEORNELLAS: Well, actually, it was a much more interesting assignment than anybody would have expected, I suppose including me. When I got there, because the international – two things happened in the international organizations – they were both interesting. One I played only a minor role in. The World Bank did its first refinancing, the first threatened default of World Bank loans occurred in Paraguay when I was there. So I worked a little bit on that with people from the World Bank. That got smoothed over with agricultural equipment which had wound up in Argentina and Brazil; it was a little too sophisticated for the Paraguayans. Just a corrupt military dealer who didn't have the import licenses and whatnot, and simply sold the stuff off to other countries. But what was continuing and very interesting was the relationship with the International Monetary Fund, which had decided to try to use Paraguay as a kind of pilot project for liberalization of trade and exchange in Latin America in general. In '56, along in there, there was still a lot of this blocked bi-lateral trading stuff going on and very rigid exchange rates and so on. Well, the Monetary Fund, in the form of some Chileans working for them, dreamed up the idea of using Paraguay as a test or demonstration for relatively free trade and flexible exchange

rates. We participated in that, it was a kind of secret treasury backup to the stabilization fund of the Monetary Fund. So we had a lot of involvement in that. For instance, there was a Turk who came down there as a resident from the Monetary Fund for about a year, who was a very sharp [economist], Doctorate degree from the London School of Economics, and he had actually been Treasurer of Turkey. He got in trouble with the Turkish regime, not so much I think because he was Kurdish, ultimately, but because he exposed some dishonesty. To inflate the paper currency, they were actually running the serial numbers in duplicate. He was very sharp and very dedicated, but he didn't know Spanish, so he relied on us quite a bit to help him with language and familiarity with this and that. But one thing that this gentleman I mentioned, that wound up in Texas, appreciated was I got this [idea] that the Paraguayan government was willing to make that deal with the military friend. A lot of people thought they wouldn't do it because it was going to deprive the military of its racketing import permits that they had been using. Well, what they did was, of course, we didn't know for sure how they were going to do it but I got the feeling they were going to do it. What they did was give the military the smuggling rights, meaning not so much to bring the stuff into Paraguay, per se, which they didn't have to smuggle now that they had the new import permits, but they got the rights to be the people to pass it on, as they had done in effect with the agricultural equipment. They were doing all kind of stuff: silk stockings, and so forth, would get consigned from Europe or the United States, or whatnot, to Paraguay, and then the Paraguayan military would arrange to smuggle the stuff into Brazil and Argentina. And that's how they got their payoff, ultimately, was from doing that. But in the meantime, the Monetary Fund got the demonstrators [convinced that] it wasn't a complete disaster to free up trade and exchange.

Q: Was there much commercial interest in Paraguay on the part of the United States?

DEORNELLAS: Not much, no. A little more than you might think in some fields. They were still using American automobiles, actually. I remember sending a trade list in once about tobacco products, reporting that there didn't seem to be any representatives of American tobacco products there. Later we heard that the American outfits were selling a lot of tobacco in Paraguay, I wasn't much of a smoker and I wasn't buying stuff on the market anyway, but in any event, it turned a lot of it was coming in indirectly. It was a very strange, backward place when I first got there. The fellow I went to work with, deliberately, I think, asked me on my first exploratory trip downtown, to pick him up some razor blades. So naturally, I went into a pharmacy, and asked for razor blades. "Sorry, don't have any." Went to two other pharmacies, don't have any. Finally, one of the guys said, "The place to find them, you deal with these guys out on the corner with the bags." It turned out that these guys who used to smuggle stuff from Argentina had these little posts out on the corner. You could buy razor blades out there, not in the regular stores. But that changed with this Monetary fund program.

Q: What was the read on Stroessner from the Embassy?

DEORNELLAS: Well, I'm not sure anybody admired him, by any means. We had a military attaché who was a very hard working guy, very successful fellow, he even picked up a little Guaranee, the indigenous language. And he actually used to go and see Stroessner, he had rented a house across the street from Stroessner's mansion. He kind of got to know Stroessner personally, I guess. The rest of us, of course, didn't have any contact with him. I don't have any

reason to assess the guy positively, frankly.

Q: I mean, I've heard people say Stroessner was the only man who really worked in the government, practically.

DEORNELLAS: Well, I'm not sure Stroessner was calling the tune, frankly, I think he had various people who think and do for him, would be my guess. These were people who thought the authoritarian regime was more successful than other regimes.

Q: I think so, well, I mean, it wasn't that it was that successful, but it just was that he was sort of dramatic and would show up on time and try to get things done. This was just -

DEORNELLAS: Well, the funny part is the man was probably at least as swarthy as the average Paraguayan. His mother was Paraguayan and, you know, *Mestizo*. He had the German name from his father, but he was a pretty swarthy guy. I mean, there was some real Germans there. The hotel that I stayed at for quite some time was run by some blondish types that really were German. And there was a German school there, I mean, they taught classes in German, actually. Private, but at any rate... But Stroessner himself, I think it's a little bit odd to call him Germanic, he was a bit of a tyrant, but maybe more in a Latin American sense of "tyrant" than Germanic. He used to import girls from abroad for his sexual interests. I thought of him much more as a goof-off than a worker, what I was aware of.

Q: Well, no, I mean, this was one person observing this. What about, did we have any feeling about smuggling, or is this just not our business?

DEORNELLAS: Well, when we set up this Monetary Fund, theoretically, that was going to remove the need for smuggling, theoretically. What I talked about really developed a little bit further down the line, I guess, as a way of kind of paying off the military. I don't think there was that much ferment going on. The Paraguayan people were very stoic by and large, they weren't used to really having representative government, rights, and so on. So I'm not saying an awful lot of tyranny was necessary, but Stroessner was really a creation of the military. He depended on the military to really stay in power. So he needed some way to pay them off and even after I got the scoop that they were going to make the deal, some people in the embassy couldn't believe it because they said the military just won't permit it probably, they were going to lose their - what amounted to kind of like a smuggling racket or import permit on a favoritism basis - they were going to lose that sort of thing. It did go through. There was a gentleman who was of Germanic orientation, you might say, or whatnot, in a good sense, that ran the Central Bank there. We kind of relied on him quite a bit. Used to worry about whether he could manage to stay in power, but he did, through the time that I was there. He was a big asset to us and the Monetary Fund both. The only thing that bothered me about my relationship with him, and I wasn't in his office that often, but on occasion I was, he had a private elevator. Elevators were very rare in Asuncion and I'd been stuck in elevators in Mexico City and I didn't relish that. Especially in a backwards place where I wondered when and if they'd ever repair the elevator. But it was a little sticky, you know, you'd give business to Storm, his surname was Storm, actually. And he'd usher you to his private elevator to leave the building. [laughs] I used to get in the thing and sort of pray that it wouldn't go bad on the way - I never arrived by elevator, I'd come up other ways.

Q: How were relations during that period between Argentina and Paraguay?

DEORNELLAS: Well, interesting you should bring that up. They had a bilateral trading agreement which supposedly was, you know, blocks. The Paraguayans thought they were being taken advantage of, maybe they were, for generations, I guess, all of their history. The route to the outside world really lay through Argentina, take the river down through Argentina. They felt like they were involuntarily sort of a satellite of Argentina and there was certainly some truth to it. The Brazilians were making a point of cultivating the Paraguayans and they were helping to build their highway from Brazil into Paraguay, actually a bridge, as I mentioned, it goes over the Parana river. But in any event, the block trading agreement was probably not as disadvantageous as they sometimes thought, but the one thing that got me in trouble there, and fortunately the embassy didn't hold it against me, they said I was appreciated in the embassy, but the Paraguayan government got very annoyed with me because they were trying for a PL480 deal to get American flour in there so that they could raise some money. The PL480 deal, you know, they only had to come up with local currency, you know, for an exchange, and they can sell the stuff and generate the money for their purchases. So, in any event, they were pressing us for a PL480 agreement, and I happened to know on the block trading agreement with Argentina, they had a huge surplus which they weren't using. The flour from Argentina was cheaper than any flour from the States. So I made that point to the Ambassador, he was a non-career man, and he didn't handle it very tactfully. They found out that I was the guy that had demonstrated to the Ambassador that their Foreign Minister was lying to him about the situation, claiming they were short on money. So they didn't quite get around to shipping me out, but there were some people in the government who weren't that happy about, but you know a lot of the time, it was my job to take care of the Ambassador from the U.S. But the people, really, were a remarkably stoic people and I hope things are improving now somewhat. I think they are, they did get rid of the Stroessner regime eventually, and I think things have picked up. It almost couldn't have gotten any worse [laughs.] But I think it has gotten somewhat better.

Q: Now, there were some that said you had to be careful at night because there were packs of wild dogs around.

DEORNELLAS: Well, I didn't have trouble with the dogs, fortunately, in our time, but they had cattle wandering around all over the place. The joke was that there were far more cattle in Paraguay than people. Unlike so many places, it was not overpopulated. Partly because they had that Chaco war. It really wasn't seriously, if at all, overpopulated. They had very limited resources, but all right, there weren't that huge numbers of people. One night that I was there - I had never owned a full dress suit, actually, of my own. One night I was there, the protocol officer was out of town and he dubbed me his backup, kind of thing. I think he had arranged this before I had even heard about it, and I didn't think of myself in that regard at all, certainly. But in any event, I had, I thought, an excuse, I said, "Murray, I don't even own a full dress suit." "Oh, John, I'll leave mine here." He was going to leave the country for a few days, vacation. "You can use mine." So in any event, I get all decked and the blasted full dress suit was a reception at the main club in town for the visiting President of Chile, who was a general at that time. In any event, it was pouring, there are no storm sewers, by the way, no sanitary sewers, no storm sewers. So the car was parked in the street really. I had to wade through the water to get in the car in my full

dress suit. I start out, and just as I'm turning the corner, the lights finally swing around, you know, in the car. All of a sudden I see this cow wandering in the street. I just managed to dodge this cow. I'm thinking man, this is great, it's the capital city all right, and I'm decked out in this full dress suit for this reception. I've got to wade through the water, dodge cow in the street getting there. So I get there, I got to the dinner, I don't know a darn thing about protocol. And I get there, and I find out that the chief of the American military - he was a full colonel, a chicken colonel, as they used to say - is upset because his place is not at the main table, whereas the lieutenant colonel, who was the attaché and knew of course [Spanish] and all that, was at the head table. So the chicken colonel is telling me I'm the protocol officer, "You've got to get this changed, can't have this light colonel outranking a chicken colonel, that's not how this works." I'm thinking my god, what the hell do I do now? It suddenly dawned on me that I'd heard somewhere that under the agreement between the Defense Department and the State Department, the attaché, whoever is the senior military attaché - we only had one - whoever is the attaché, protocol-wise, ranks right behind the DCM, and I thought that was true, I don't know where I'd even heard it. At any rate, I told that to the guy, in other words, my point is he might have a point in a sense, but on the other hand, you've got an agreement between the Defense Department and the State Department against you here. I didn't dare into the notion that, "Well, Tom knows the President far better than you do." I mean, there were reasons for it. But I didn't want to do that. But in any event, I came out of this one.

Q: You left there in - what year did you leave Paraguay?

DEORNELLAS: April '59. I went to work at the Department in a little thing called the foreign reporting staff. We were evaluating economic reporting from various countries.

HOWARD FRANK NEEDHAM
Public Affairs Officer, USIS
Asuncion (1960-1962)

Howard Frank Needham was born in California on March 23, 1913. He attended the University of California from 1934-1935. Needham joined the U.S. Army in 1942 and was enlisted for three and a half years. In addition to serving in Paraguay, Mr. Needham served in India, Guatemala, and Nigeria. This interview was conducted by G. Lewis Schmidt on March 29th, 1990.

Q: And when, then, did you leave Guatemala? And where did you go from there?

NEEDHAM: Well, I left Guatemala for Paraguay. I was promoted to public affairs officer and direct-transferred to Paraguay in June of '60. And that began another story.

Q: Okay, from Guatemala, then, you went to Paraguay. So why don't you go ahead with your aims and interests and activities in Paraguay?

NEEDHAM: Paraguay was a different program entirely. I replaced PAO Byron Winstead in

1960, in July or June. And I found a much smaller program than the program I had been working with in Guatemala, and one of totally different character.

Q: You were there as PAO in 1960?

NEEDHAM: Yes. And this difference in program character was essentially attributable to one man's personality, that of the last and longest-term dictator in Latin America, Alfredo Stroessner, who had succeeded to power through a coup several years earlier, and, even now, is only recently out of office.

The ambassador and his counselors were required to work very closely with the president. Embassy relationships were almost on a one-to-one basis with President Stroessner and members of his Cabinet. The USIS operation was less involved in these substantive matters than we had been in Guatemala or in other posts in which I had served.

After the initial getting acquainted period, which lasted a month or two, I found that the post was, generally, well equipped, but seemed to lack program direction, particularly among the operating sections. And I began to go through the sections and determine such things as key audiences for motion picture activities, key audiences, or needful places that would welcome exhibits, and to cultivate the few newspapers that existed in the country; and to strengthen the press section, establishing a closer liaison with the working Paraguayan press.

A major asset to the post, already a long time in place, was the binational center in the heart of Asuncion, the capital. Here, we had a long-standing program of languages, exhibits, lectures, social events, dances, concerts, seminars, and it was a rather well-used facility and the only one of its kind in the capital. It was popular with the families and the students of the opposite political persuasion; that is, opposite to the president's persuasion.

Q: That was the Colorado Party?

NEEDHAM: That was the Colorado Party, and the opposition was known as the Liberal Party. At times, I often wondered if our binational center hadn't become a Liberal redoubt, because over the years the open academic atmosphere had proved very invitational to people who thought of themselves as being a suppressed opposition.

It was difficult, at times, to ignore this fact. When it reached a point where I thought it might be embarrassing to the embassy, in its relationship with the president, I would cultivate the Colorado side of the community in an attempt to stimulate events which were of less political persuasion. It was a continuing thing to watch. Fortunately, it never became serious.

We did find, at the beginning of the second year, a need out in the countryside. In the second largest city in Paraguay, Villarica, we found a certain intellectual life and community, evincing an interest in establishing a binational center if we could provide some help. They had a building and land already held aside. The building, a former mansion, needed refurbishing. It was a large building. It had a ballroom which would become an auditorium. It had an extensive service kitchen. It had several large rooms, which would make library sections -- very pleasant. And it

had good grounds, which could serve for outdoor social occasions. It was located in a good neighborhood and we saw very little objection to raise against it. We promised to take it under advisement.

I did this, and discussed it with Ambassador Harry Stimson at the time, who thought that it was a worthy idea. We were preparing a request to the agency for supplemental funds to make a grant, when a committee from Villarica appeared in my office one day and announced that they had already launched a fund raising committee in Villarica. So this all worked quite rapidly, and about eight months later we had a full day of dedication ceremonies which the ambassador attended. This is probably the only binational center that was ever built entirely with local funds.

That about describes the program that we instituted. We did pay a little more attention to the boondocks audience than I have indicated so far, particularly in the third year. There are a number of communities along the Paraguay River, which borders the west and the south of Paraguay, an inland country. We operated a small launch, with a motion picture crew, up and down that river, two or three times during the year; equipping the launch with motion pictures, pamphlets and exhibits materials, and establishing contact with many of the villages along the shore of the river.

We also did a similar-type program inland, using an ox cart to reach certain places which were not connected by any road. But this, perforce, was given less emphasis in our program work than the capital itself, where 75% of the people in Paraguay reside and work.

Q: Are these field operations largely motion picture in character?

NEEDHAM: Yes, yes. Illiteracy still exists in remote parts of rural Paraguay.

Q: I suppose some distribution of pamphlets?

NEEDHAM: That's right. While we were doing this, establishing an American presence of educational and friendly interest in the country and its people, the ambassador and his counselors were pursuing a very sensitive, substantive program with a "difficult" president. I think that Ambassador Snow was most influential with President Stroessner in rescuing the guaraní from really serious threatened inflation during the year 1962.

Q: The guaraní being the monetary unit of Paraguay.

NEEDHAM: That's right. I can't remember just exactly what the exchange rate to the dollar was, at that particular time, but it was extraordinarily high; I do remember that. Ambassador Snow convinced President Stroessner that an approach to cure this threatening situation would be to have an IMF, International Monetary Fund, team of experts come in and do the survey and make recommendations.

To our surprise, President Stroessner agreed. He, perhaps, had no other choice. I think the ambassador played this ploy very well, because in the space of several months the president proceeded to accept almost all the recommendations of the IMF team. He curtailed certain

outgoes in the national budget and instituted some reforms in taxing; and, in general, took domestic measures to curb inflation in the country.

Eventually, he was at the point, in terms of the guarani's value, where he could have dismissed the IMF monitoring operation, which was continuously going on. And for a while, Ambassador Snow was concerned that the president might do that. He finally broached the situation to the president, and to his great relief, President Stroessner said, "I wouldn't be without them." And so, they continued in place and were still in place when I left in late 1962.

ROBERT C. BREWSTER
Ambassador
Paraguay (1963-1966)

Ambassador Robert C. Brewster was born in Beatrice, Nebraska. He received a bachelor's degree from the University of Washington in 1943. He joined the U.S. Navy in 1943 and later completed two years of graduate work at Columbia University. Ambassador Brewster entered the Foreign Service in 1949. In addition to serving in Paraguay, he held positions in Nicaragua, Germany, and Washington, DC. This interview was conducted by Charles Stuart Kennedy.

Q: Well, speaking about this, should we come to your next assignment, which was as deputy chief of mission to Asuncion in Paraguay, where the ambassador was William P. Snow. How did this assignment come about and what was the situation there at the time?

BREWSTER: The assignment came about in a curious manner. Again, I had not been approached by personnel as to what my future assignment was going to be as my third year with the Inspection Corps came up. I thought I would like to be DCM. I went to the assistant secretary of ARA, who was Ed Martin at the time, and whom I knew from my days with Dillon. I told him my desire. Ed, who had and has total recall, started down the continent and said, "Now, in Mexico, so and so," and he went through the whole continent and said, "It's all full," so that was that.

Then the person who was assigned to go to Asuncion, George Newman, who was a politico-military officer, was drafted to go back to London. I was apparently among several candidates proposed to Ambassador Snow. He knew me slightly, I gather, from my time with Dillon, and selected me, so that's how it came about. Then two weeks before going there, I was asked to go as deputy principal officer in Hong Kong, a job for which my wife would have given her right arm. [Laughter] I could not accept it, obviously, although it came from a former principal officer in Stuttgart, who called from the airport as he was leaving and said, "Won't you come out?" I wasn't able to do so. It wasn't a decision I regretted, but it would have been different there. Asuncion was, again, a dictatorship under Stroessner, who, after all, only left last year.

Q: Actually, early this year. I was doing an interview in January this year in which the man I was talking to, Gale McGee, was saying -- and, of course, Stroessner has been there forever --

and a week after our interview, he was no longer there.

BREWSTER: Not only was Stroessner there forever, so was his entire cabinet. It was simply incredible. I was never back after I left in 1966, but occasionally I would see some member of the cabinet up here, see that he was in Washington. It was the same person who had been there 20 years ago, now in his '80s and presumably being helped, but nevertheless still there.
[Laughter]

I enjoyed the experience tremendously, though it had great frustrations. The Paraguayans are quite a people apart. They, first of all, have their own language, Guaraní, which I think almost no American has ever spoken in the embassy. The military attaché when I was there learned it. They are extremely confident people as a result of their having withstood the combined war efforts of Brazil, Argentina and Uruguay for five years.

Q: Was this the Chaco war?

BREWSTER: No. This was the war about the time of our civil war in 1860, '65, '67, which almost decimated the country. In fact, it did decimate the male population of the country. But it has given them a tremendous confidence -- I used to have, and so did our military personnel, have regular discussions with the Paraguayans and what we were doing wrong in Vietnam, and they had absolute confidence in talking to us about it.

Further, they were the most difficult people I have ever negotiated with. They're absolutely obdurate on almost all point, whether you were dealing with problems relating to American missionaries -- and there are quite a number in the country and they occasionally got themselves in difficulties and always in remote places -- or whether they were dealing on the specifics to bring the Peace Corps into Paraguay, which we finally succeeded in doing. But I have a great deal of respect and affection for them.

Q: What were our American interests at that time? We're talking about 1964-66 period.

BREWSTER: It's a question that there was never a satisfactory answer to as far as I was concerned. [Laughter] There was presumed to be a US interest in it. For instance, at the time of the Dominican undertaking, the Department solicited Latin American troop contingents to be part of the peace force, or whatever it was called at that juncture, in the Dominican Republic. Our ambassador sent back saying, "Are you serious? Do you want Paraguayans?" Paraguay had been an anathema to the Kennedy Administration, and the Johnson Administration had perceptively changed." And the Department said, "Yes," and so, of course, the Paraguayans volunteered. So a Paraguayan contingent duly was picked up by the US Air Force and taken to the Dominican Republic. From Pariah it became a partner suddenly. [Laughter].

Well, there was a specific US interest. They were among the few countries volunteering. [Laughter] Beyond that, there was, certainly when I first went there, a generalized push toward political development, which was inherited from the Kennedy Administration, which had made remarkably little progress in Paraguay and which made very little under whoever. The interest in drugs had not started, although there was considerable interest in the smuggling business, but this

was only peripheral. It had no direct effect on the United States. It's hard to be specific.

Q: I was just going to say that it obviously (unclear) United Nations votes from time to time.

BREWSTER: Sure. And they generally voted on the side of the United States. These are things that made it very difficult when more generalized issues of political democracy, civil rights, whatever it might be, were brought up when the Paraguayans were consistently voting with the United States on keeping North Korea out of the UN, all these issues that we were busy flogging our customers about through all this time.

Q: I was just wondering. You mentioned the Peace Corps. Why were we pushing so hard to put the Peace Corps in?

BREWSTER: Well, first of all, the Peace Corps had been banned from there by either Bobby Kennedy or Shriver, simply on the basis he wasn't going to have it there. Those of us who were in Paraguay felt that distributing Americans around the country to give a visible example of what we're like and what democracy was like and teaching some of the things that might be useful to them would have a greater effect than general exhortation to change. So I think that's what our main interest was in the Peace Corps. And the Peace Corps administration changed, and they decided they wanted to be in here. It was not an issue we pushed repeatedly, because we were given to understand it wouldn't be considered. But eventually it was and I think it was well that it happened.

DALE M. POVENMIRE
Reporting Officer, U.S. Department of Labor
Asuncion (1964-1966)

Dale M. Povenmire was born in Columbus, Ohio in 1930. He received a bachelor's degree in political science from Baldwin-Wallace College in 1952 and a master's degree from the Fletcher School of Law and Diplomacy in 1953. Mr. Povenmire served in the U.S. Navy from 1954- 1957 and entered the Foreign Service in 1957. In addition to serving in Paraguay, he served in Chile, Zanzibar, Portugal, Venezuela, Brazil, and Italy. This interview was conducted by Morris Weisz on January 29,, 1994.

Q: And from Zanzibar you went to Paraguay?

POVENMIRE: In Paraguay I was in the political section and was also designated as labor reporting officer. This was 1964 until 1966.

Q: What was the nature of the government?

POVENMIRE: Alfredo Stroessner had been in power since 1954. Between 1948 and 1954 Paraguay had had eight presidents, four in one year. From extreme instability, Paraguay went to extreme stability.

Q: What was his labor policy?

POVENMIRE: Paraguay had a very tame labor confederation, the CPT. When I did the annual labor report I made about ten or twelve recommendations, which rather shocked some people because I don't think that Embassy, Paraguay had made policy recommendations on labor for a long time. One of these was to establish an AIFLD (American Institute for Free Labor Development) program. At that time AIFLD's Bill Doherty had a reputation among our embassies in Latin America of being something of a bull in a china shop. He operated pretty independently and I think a lot of our embassies were reluctant to be involved with AIFLD. This is the feeling I had.

Q: This is after Serafino Romualdi?

POVENMIRE: I met Romualdi once, when he came to Paraguay [just before he retired as director of AIFLD].

Q: Am I to understand that a guy like Romualdi or Doherty could come into Paraguay? The impression I had was that Stroessner was such a dictator that he would not have allowed them into the country.

POVENMIRE: I did recommend that AIFLD come in. Ambassador Snow approved this recommendation; it went through channels. As a consequence Jesse Friedman came down from Peru, where he was assigned with AIFLD. That is where I first met Jesse. I have always liked him and we work well together. Eventually AIFLD sent in two Paraguayan exiles, one by the name of Lava, and another with a Basque name. Unfortunately these two came in as labor organizers and were perhaps too effective. After about six weeks they were picked up by the Paraguayan police and thrown into jail.

Q: It was possible that Romauldi came to visit Jesse. You knew that Jesse was his stepson?

POVENMIRE: I did know that. My recollection is that Romauldi swung by first in order to evaluate the situation. It was not an official labor visit whatsoever.

Q: Anything you would like to say about Bill Doherty, Jr., would be useful in terms of other comments we've had, including from his brother who didn't get along with him too well.

POVENMIRE: I was just going to add that these two Paraguayan exiles who came back to Paraguay had a lot of courage. When they were thrown into jail Bill Doherty and several others from AIFLD came down to Paraguay to visit them and to talk to the Paraguayan authorities. I think that also demonstrated a lot of individual bravery on the part of the AIFLD people. It was still a difficult time in Paraguay and I would not have wanted to have had to do what they did.

Q: Were these two citizens of Paraguay?

POVENMIRE: They were Paraguayan citizens, yes. After several weeks and Doherty's visit they

were released from prison and allowed to leave Paraguay again. I think a tacit, unspoken compromise was reached whereby AIFLD was permitted to establish a labor training institute in Asuncion but supported no further outside efforts to organize unions within the country. Basically the creation of the institute was a positive thing in that it demonstrated to Paraguayan workers that they weren't left in a void where the only alternative was communist underground subversion, that there was a free labor movement out there which was sending help and training into Paraguay. The institute was something that worked because it eventually created a cadre of people who had some knowledge, some training, in what a free, legitimate trade union should be.

I might mention that during the time that the two Paraguayan organizers were active I hosted a party at my house for them and also invited the leaders of the tame Paraguayan labor confederation, perhaps naively but also in hope of facilitating a meeting between them. I think, in retrospect, that we were fortunate the evening ended with only verbal fisticuffs instead of an actual brawl. It was an exchange of opinions that was educational all around.

Q: The AFL-CIO did not get a black eye internationally then by allowing themselves to be seen as being used, by cooperating with the Paraguayan authorities?

POVENMIRE: I think, Morrie, that there was a very careful division so as not to be seen as cooperating with the government, or even as cooperating with the established trade union confederation. This was an independent institute which maintained a separate status and as a result I think it was played well. During the turmoil that followed Stroessner's decline and the turnover of government there, the elections and all the rest, I think the fact that we had an established and operating AIFLD training program was an important and positive influence on the attitudes of the Paraguayan unions.

Q: The local tame labor confederation was affiliated internationally in any way?

POVENMIRE: It was affiliated with ORIT [the Inter-American Regional Organization of Workers]. I know that Arturo Jauregui came through Asuncion while I was still there and gave a useful press conference. [Secretary General of ORIT at the time.]

EUGENE F. KARST
Public Affairs Officer, USIS
Asuncion (1965-1968)

Eugene F. Karst worked for the Office of War Information during WWII and then later worked for the State Department. He served in the Philippines, Argentina, El Salvador, Brazil and Paraguay. He also worked for Voice of America. Mr. Karst gave his interview in 1999.

KARST: My final overseas assignment was Asuncion, Paraguay. There I had a chance to meet the President, also regarded as the dictator, Stroessner. Shortly after arrival, I was invited to go with him and several cabinet members and other officials to fly in Cessnas to the interior of the

country for city hall dedications, graduations, and similar events. I believe I was included in the trip because Stroessner wanted to make his own assessment of me, the new PAO. Our conversation was brief but pleasant.

There was one special aspect to seeing the President of Paraguay, which is generally a tropical country. On the day before New Year's, I was told that all embassy officers were to greet the President at noon on New Year's Day and we were to wear white linen suits, I had been in the country just a few weeks and did not own a white linen suit. So, on December 31, I was going from store to store trying to find a white linen suit. I was taller than the average Paraguayan and perhaps a bit broader in the middle so my search was in vain. Finally, I was able to borrow pants and a jacket from the brother-in-law of a USIS employee but it still was too small. I am sure that Stroessner observed me with an ill-fitting white linen suit as I shook hands with him.

As the following New Year's Day approached, I bought a white linen suit from an embassy officer who was leaving Paraguay so I would be ready for the presidential reception. But a few days before New Year's the word came from the Paraguayan protocol office that white linen suits no longer would be the required costume for the reception. Though I was out of style when wearing it later occasionally, the white linen suit, which fitted me perfectly, was comfortable on those very warm tropical days.

PETER M. CODY
Director, USAID
Asuncion (1967-1971)

Peter M. Cody was born in France to American parents on July 30th 1925. He received a bachelor's degree from Yale University in 1947 and a master's degree from Yale University in 1949. Mr. Cody served in the U.S. Navy from 1943-1946. His career included positions in Mexico, San Salvador, Cambodia, Laos, Paraguay, Ecuador, the Philippines, Lebanon, and Washington, DC. Mr. Cody was interviewed by Melbourne Spector in 1993.

Q: At least 1941. Your next assignment was to Paraguay, Peter.

CODY: Yes. I had accepted the position in Paraguay because it was an opportunity to be the director in an albeit considerably small program than a deputy in a larger one. Paraguay turned out to be a very fascinating place to be in a number of ways. I think in any country you go to, you become swept up into what's going on. While it may not be very important in other places around the world, it suddenly soon becomes the center of your own life and existence and thoughts and worries.

Paraguay is a country with a quite different history than any other country in Latin America. It is the one country in Latin America which is basically bilingual and practically all people speak Guarani as a second language. A number of people speak it as a first language. They speak it without any complexes. That is, they weren't ashamed to speak it. Guarani was the native Indian

language, and 90 percent of the Paraguayans speak Guaraní. If they were young men, they learn it in the Army, if no place else. If they are women, they learn it from the servants. But even the president spoke it with pride when I was there. Therefore, unlike countries like Bolivia and Ecuador, where there are a large number of people who don't speak Spanish, people from the better classes who speak Quechua and Aymara, which they speak in those countries, probably wouldn't tell you they do so. It's not a matter of pride with them but rather to the contrary.

So on one hand, it was a bilingual country. Secondly, in large part because of the war of the Triple Alliance (which took place right after our civil war) in which Paraguay took on Argentina, Brazil, and Uruguay at the same time, and for a while was winning, and finally lost the war with only 28,000 males of reproductive age and 128,000 women, the income was much less skewed. That is, the upper class was wiped out in that war. The upper class did not support Solano López, who was the dictator of Paraguay, who pushed the war. While during the years that followed some people did acquire wealth there was not the skewed income distribution found in other LA countries. Hence, there wasn't the same social and economic distinction that you find in so many other countries of Latin America.

Thirdly, Paraguay is a country, in a sense, by accident. If a few things had been different, it would have been a province of Argentina. If Francia, the first dictator had not closed Paraguay off from the outside world, it probably would have been. But Argentina continued to provide an outlet for poverty. If you didn't have a job, you didn't go to the slums of Asunción; you went to the slums of Buenos Aires. In fact, the word "paraguayia" in many parts of Buenos Aires was a synonym for domestic servant. So you did not have big slums, you did not have a lot of poverty. You had people living in the countryside with low incomes but they generally regularly had meat to eat. You had people living in town with low incomes, but not the extremes that you found in other parts of Latin America such as Mexico City, Caracas, Rio de Janeiro and São Paulo.

So in many ways it was an easier environment in which most people lived. Also it was more of a backwater than most countries in Latin America. And while it had a dictatorship, it was a relatively benign dictatorship if that is possible. Paraguay had a very different and hence interesting history in that sense. Early on there were three dictators, Francia and the two Lópezes, who ruled until the 1870s. Then it had a series of presidents, some of them quite democratic. But around the forties, they had very frequent changes of government. They'd had a couple of revolutions. Many people had been killed. They were tired of this kind of life which had gone on for twenty or thirty years,

When Stroessner came to power, similar to Fernando Marcos, he was welcomed because he brought an end to this kind of uncertainty and constant strife and intermittent violence. He was by Latin American and by world standards a relatively humane, benign dictator. That's not to say that people weren't put in jail arbitrarily and enemies silenced, but there weren't that many enemies around. When there were incursions from Argentina, which there were a few, the peasantry generally stood up and pointed them out, so they were quickly dispersed and may have been executed or killed. There were some people mistreated, without a doubt, and some people kept in jail without due process for a long time. But by relative standards, it was a less harsh dictatorship, but still a dictatorship.

The key was that the government provided stability. Stroessner himself liked stability. When I was there at the end of the '60s, there were members of the Cabinet who had been there since the beginning in '54. He didn't like changes. He liked the people around him and wanted people he felt he could trust, though in the end General Rodriguez his "consejero" forced him out. There were some occasions he had to make some changes, but some of these people stayed on until he left, which also meant, while the Paraguayan society is not all that open a society, it's relatively open. So after a while you're more of an insider, and once you're inside, you know everybody. Therefore, once you've made that transition, it makes it (from the point of view of an AID person) a reasonably easy place to work. You reached the point where before they asked you for something publically or formally, they came and asked you first informally whether the answer would be yes, so that you didn't have to make a public statement and say, "No." You sorted it all out beforehand. I had one major exception to this because the Minister of Interior didn't know the rules or didn't play by them in this one instance. But in general, you could settle things very quietly before they ever happened.

I was in Paraguay for four years, which was as long as I was in any other place. I was also in Ecuador for four years. By the time I left, I couldn't go to a cocktail party without knowing 80 or 90 percent of the people at the party and having some sort of good relationship with each of them. And that included the opposition people as well. It was a small country, a small population.

Now, whether, in fact, the projects that we did *in toto* made an impact on development is something open to question. It would be interesting to go back and see what they were. We did specific things. We built the runway at the airport. Okay, there was a runway there. A plane came in. How much of that contributed? If we hadn't done it, what would have happened? We built the road from Asunción to the Brazilian border, and then when it came apart, we fixed it up again.

Q: When you say you built a road to the border, what about the institution that was supposed to maintain that road? Did you have anything to do with that?

CODY: Yes, but I'm not sure how much impact we made. I worked quite closely with the Minister of Public Works, had good relations with him and so forth. I also worked with the Army Corps of Engineers even more closely, as a matter of fact.

Q: They also worked on the road?

CODY: Not on that road. On other roads. We did a lot of farm-to-market roads, and that's where we put the bulk of our PL 480 monies.

Q: Sounds like a pretty good use.

CODY: We built quite nice demonstration schools going from the first grade to high school. They were regional centers of excellence, about three or four of them, and from that they were supposed to spin out and produce and up-grade other schools. For that we brought in the University of New Mexico to help us. Whether, if I went back to look at them now they'd be

there and be worthwhile, or all run down, I'm not sure. But the concepts were good. I have a feeling that a lot of our aid was superficially effective and didn't really get at the root structure of their society to make all that many changes. We started a family planning program there. It was one of the earlier ones in AID. In fact, I was invited to Washington by the then head of AID, Dr. Hannah, to make a presentation of the Paraguay family planning program. Not that it was so great, but it was a first step in a difficult place. We had anti-malaria programs. We were in all the right areas -- education, health and agriculture.

A funny thing. One interesting development, Paraguay, as most countries, consumes a lot of wheat. Their total consumption was about 100,000 tons a year, and they produced about 10,000. The rest they bought from Argentina and obtained under PL 480. So they very much wanted to become self-sufficient in wheat production. We didn't say that we agreed that it was possible for them to become self-sufficient, but we'd help them substantially increase output. We jointly raised production to about 40,000 tons. But then we became worried about what they would do in the off season. At our suggestion they planted soybeans. I understand today the soybeans are far more important than the wheat.

In total it was a very traditional kind of AID program, and the individual projects seemed good. We put together a private development bank. The government agreed that 50 percent of the money was to come from subscriptions of individual Paraguayans, 25 percent came from the banks, which were all foreign, seventeen of them. We convinced all seventeen to take in shares. CONDESSA was the name of the bank. And 25 percent came from ADELA, which was a Latin America investment corporation. Then the technical assistance that helped the Paraguayans manage the Bank was provided by ADELATECH, which was a technical arm of ADELA. But it was the sort of country where the sub-secretary for economic affairs in the Ministry of Foreign Affairs, a fellow named Julio Schoup, number three in the foreign ministry, and I could personally reviewed, name by name, and decide who could invest in this corporation and who couldn't invest in this corporation, which most foreign governments wouldn't let you do. So I was accused by the opposition lightheartedly one time of being the *cahero*, cashier, of the Colorado party, which was Stroessner's party. [Laughter] But I was good friends with lots of people in the opposition. You could know everybody after you became accepted.

Stroessner himself was rather interesting person, given the position he held. He was a shy man, basically, unlike most world leaders and particularly unlike most Latin American leaders. He seldom, if ever, made speeches, but he always was there. If we had a program on education, an inauguration, for example, the Minister of Education made a speech and Stroessner just sat there. If we had one on agriculture, the Minister of Agriculture would speak. But Stroessner was always there. The only time I ever heard him make a speech was an impromptu one to a group of Paraguayan businessmen, and he did quite well. But they all mentioned him in their speeches 16,000 times. It was always referred to as "Mi general," "Generalissimo," or whatever. He didn't have a lavish lifestyle, though his children had it a little more lavish. His daughter and son-in-law and the latter's father were in the gambling business and various other enterprises, but Stroessner personally had a fairly modest style. He was an early riser, surprised the hell out of official visitors. They'd be told, "You have an appointment to see the President at six," and they'd discover it was six in the morning. And on New Year's Day, he started receiving visitors, (which is customary to go visit the President), at four in the morning.

Q: Four in the morning?

CODY: Yes. He would get up early in the morning and personally drive his jeep around town, with nobody else in the car, to see how things were going. He was not much of a conversationalist. Most of his conversation with someone like me was, "We're the most anti-communist country in South America and we ought to receive more aid, because we're really on your side and you're giving more aid to some of those countries who are not so anti-communist."

A little anecdote. One time I was alone with Stroessner in his office and he's sitting there next to a big bank of telephones. One of them rang and he picked it up, said a few words, put it down, and said, "Wrong number." [Laughter] Only in a country like Paraguay can somebody call and get a wrong number and it's the President on the line who personally answered the phone. Or maybe it was a wrong number within the palace.

Q: When he said he was a best friend of the United States, being anti-communist, was that also his reason for giving refuge to ex-Nazis? Or were there many ex-Nazis in Paraguay?

CODY: That era had pretty well passed by the time I arrived. There were a lot of Germans in Paraguay, and his grandfather was one of them. They came at different times, as early as the 1870s. I think there was persecution against Catholic Germans at one point, or maybe it was economic reasons that made them come to Paraguay. They came other times before the war, after the war for economic reasons, and there were some ex-Nazis. The only war criminal who was ever proven to be there of whom I am aware was Dr. Mengele, the "angel of death". Under the Nazis he performed medical experiments on children in one of the concentration camps. He subsequently died in Brazil. Earlier he had lived in Paraguay openly and had been given citizenship, if I'm not mistaken. That was sometime before I arrived there.

There were always rumors that Martin Bormann was in the back room of the palace, but, in fact, it turned out not to be true. To my knowledge there were no Nazi criminals. Now, there was a man who used to be openly visible at the pool at the Guarani Hotel, with one leg, who had been an ace in the Luftwaffe, but he wasn't a Nazi war criminal. He'd been a Nazi pilot, but nobody was looking for him. Nobody was looking for him having committed crimes; he just was an ace in the Luftwaffe.

The other notorious person we had there was August Ricord, the real "French Connection". Ricord was finally extradited and put away in a US prison. I believe he is now dead. He was convicted as one of the masterminds of the drug trade. I think it was heroin in this case. He ran a little restaurant and motel called the Paris Nisa, and, in fact, it was the only French restaurant in town. The restaurant wasn't bad. I think at the motel you could rent the rooms for fifteen minutes. But the restaurant was all right. It was rather interesting, because in the way a French restaurant works, you walk in for dinner and the owner comes up and shakes your hand and says, "Bonsoir," then comes by a little later and asks you how the meal was. He performed that role. He had another French exile there who was escaping not drugs but rather an illegal diversion of funds. Travers came to Paraguay en route to Tangier, with half a million dollars in cash and marketable securities.

So to what extent Stroessner was involved in these things, to what extent his people, to what extent he knew that his people were, is not fully clear but there's no doubt certainly some of his generals were and if he didn't know it's probably because he didn't want to. Our ambassador, Ylitalo, a Finnish name, came a cropper on his mishandling of seeing Ricord was brought to trial in the US. though eventually he was brought here and stood trial and went to jail, though he'd never been in the States before, but on the grounds that he had been responsible for things that happened in the States by shipping drugs.

For Stroessner, I think money was a source of power, not a source of opulence. That is, he didn't lead an opulent life. He had a long-term mistress whom he kept in fairly nice but modest quarters, with two children by her. He had three children by his wife. He'd had the mistress since she was sixteen, and at that point she was in her forties. So it wasn't promiscuous. [Laughter] But money, I guess, was power. What he was a master at was just balancing one general against another, because otherwise some other general would have come along and knocked him off, which had been happening earlier where one general succeeded another. In fact, I had a friend whose father was a general who had been president for eleven days. Time went by so fast (when you're having fun) that by the time he was deposed, they just called him up and said, "You're no longer prez." He hadn't had his picture taken with the presidential sash, but they said, "You can come back to the palace and have your picture taken with the sash on." [Laughter]

Q: How were your relations with the embassy?

CODY: When I first arrived, Ambassador William Snow was there. He had been the DCM when I was in Mexico. He was a career ambassador, had been ambassador in Burma and had been ambassador in one other place.

Q: Iceland?

CODY: Something like that. He was a career ambassador. He left within a very short period of time. Two ambassadors followed him. The first one was a political appointee, Benigno Hernandez from New Mexico, a lawyer, who was basically a very well-intentioned person, I would say, but he was over his head. He spent his time on things that interested him rather than setting some sort of priorities in terms of his job. Also, I think he was lazy. I don't know that he would admit to the that. I think he probably privately would admit to being over his head.

To give you an example, one time I asked to see him. We had a Project Heifer program. That's where you send a few farm animals to demonstrate the improvements that better breeding can make in livestock production. We had a plane coming in, an \$18,000 project, but he had taken a great interest in this and he wanted to make sure that there was a veterinarian at the airport, adequate transportation and so forth, so nothing untoward would happen to these animals. The effort had some public relations value. He needn't have been concerned. We were aware of all this. In addition to this, I had \$2 million worth of PL PL 480 monies that he had to approve basically to build farm-to-market roads and do some other development activities. He signed that off in two minutes, and we spent two hours talking about the \$18,000 Project Heifer. This was typical.

He became very enthused about the Mennonites. There are a lot of Mennonites in Paraguay for a number of reasons, and they've done quite well with very little. He thought we could use this to show the Paraguayans what they ought to do. The Paraguayans weren't about to learn from the Mennonites, and the Mennonites were not about to teach the Paraguayans. You didn't have to look at the cultures of both of them very long to see that neither one was interested in the other. That's why they were in Paraguay, because they could maintain their separateness. But he pushed this sort of thing. Hernandez didn't really worry about the big issues or even know what they were. So he and I had a fair amount of not personal antagonism, because I liked him personally, but a difference of opinion which then he took, at the end, rather personally. I think he probably thought, with some degree of correctness, that I was saying that I was smarter about AID issues than he was, and he was the ambassador and that wasn't right. And that's always a problem you run into. Fortunately, most of the time I had a regional director supporting me in Washington, Jim Fowler, who, in fact, came down once to mediate, who was very good. So in that case I had good relations with the government, good relations with Washington, and not such a hot ambassador.

Hernandez was followed by a much different kind of ambassador, who was less excusable in many ways, Raymond Ylitalo. Raymond Ylitalo was a "career Foreign Service officer." His brother was also a contributor to Senator Mundt's campaign, from South Dakota. Senator Mundt had protected Ray. This was his first ambassadorial post. He had been consul general in Tijuana before he came, and after Paraguay he became consul general in Toronto. So he was technically a career officer because he'd been in the service twenty years, but, in fact, was a political appointee. He didn't speak much Spanish, was basically an alcoholic, and I would say incompetent. He and I had seemingly good personal relations. The only thing he was worried about was in my relations with the government being so good, he felt was a reflection on him. Initially he tried to say that I shouldn't talk to ministers; that was his job. Then he soon discovered I wouldn't work that way and he admitted that I should talk to ministers, but he didn't like it. From his point of view, that was the only basic difference. In fact, I ran into him once afterwards and he said, "Oh, you should have stayed, Peter, because you'd have helped me with the Ricord problem." He muffed it. Ricord was all set up to leave on a plane that belonged to a certain agency, and Ylitalo muffed it. I was not involved. So that was one case where I had good relations with the government and Washington.

Paraguay is a country where I'd really be fascinated to see someone make an analysis of the aid program over the forty some years we were there. The individual projects, at least when I was there, were going pretty well, with minor exceptions. I wonder what kind of difference we made. I have a sneaking suspicion that it wasn't much.

THOMAS F. JOHNSON
Rotation Officer/ Student Affairs Officer
Asuncion (1968-1971)

Thomas F. Johnson was born in Illinois and was educated at Union College and

the Free University of Berlin. He entered the Foreign Service in 1967 and has served in various posts in Paraguay, Germany, Liberia, Mexico and Singapore. In Washington, DC, Johnson served in the USIA as Inspector, Deputy Director of Acquisitions and Area Personnel Officer for Europe. Mr. Johnson was interviewed by Charles Stuart Kennedy in 2003.

Q: What was Paraguay like when you arrived there?

JOHNSON: It was rustic and provincial. The country and system were very much under the influence of General Alfredo Stroessner. I got there just before his inauguration, for I believe his third term. The city was very safe and quite clean. Trash pick up was accomplished by a fleet of small trucks. However cows who wandered around town got first crack at the garbage. I have a wonderful photo of a cow eating slop from bucket in front of the national executive mansion.

When I arrived in Asuncion I was put up in the Grand Hotel del Paraguay. It had a lovely garden full of squawking parrots. "Contrabandistas" met in the spacious bar to conspire leisurely over expensive Scotch. On my first Sunday I walked down along the river into the humblest neighborhood of Asuncion and felt no fear at all.

My boss was Gene Karst, who had been spokesman for the St. Louis Cardinals, and I did my best to mask my ignorance of baseball. He and I got along just fine. I did the usual rotation through the various sections of the embassy. I spent several months as commercial officer, a short time in the consular section. It was a great JOT year. Gene Karst was replaced by Dick Wooton, and we had an inspection. In the inspection, the post did very poorly on the cultural side and the CAO (Cultural Affairs Officer) finished her assignment. I had an onward assignment to go to Cuzco as Bi-national Center Director, but I was asked to stay in Asuncion as the Student Affairs Officer, which was a wonderful assignment.

Shortly after I arrived, I suppose I came close to terminating my own assignment through my own ignorance. Stroessner was being inaugurated, and we had a delegation of modest caliber from Washington because President Johnson didn't want to be associated with the man. The Peace Corps Director called me and said, "I've got someone coming over to dinner and I wish you would join us." It turned out that it was Graham Greene. He and I seemed to hit it off, and in my total naivety I said, "Tomorrow we are going out to the Iguazu Falls. We have a plane, and I'm sure there is an extra seat on it. Would you like to join us?" Greene replied, "I'd love to." Well, I did this without calling or consulting anybody. Early in the morning, we showed up at the airfield, and the ambassador looked at me and said, "Who's the hell is that?" I said, "Graham Greene, I hope you don't mind if I bring him along." Well, the ambassador was a very conservative Republican judge from New Mexico, Benigno Carlos Hernandez. There was this long silence (and I realized I could be screwed) and he drawled, "You know, I always wanted to meet the bastard." The two got along famously. I have wonderful pictures of Ben Hernandez and Graham Greene. And that went into my efficiency report as a particularly shrewd move on my part, but of course it was simply a mindless blunder that turned out well.

Q: How was the social life for a bachelor in Asuncion?

JOHNSON: Just adequate. We had a monthly poker game among several junior officers. Paraguay was still a very traditional society. With few exceptions, anytime I invited a Paraguayan woman to dinner I had to take along her sister or aunt. I dated an embassy secretary but we were on different wave lengths. Meanwhile I had been corresponding with Carolyn Fitch, who I had met at the Library of Congress. She had left Washington to spend two years in the Peace Corps in Ghana. I assumed that nearly all of Africa was in the southern hemisphere, so I suggested to her in a letter, "On your home to Oregon, why don't you come by Paraguay?" She did. Carolyn liked Paraguay, took Spanish lessons and found a part-time job teaching English. One thing led to another, and we went home and got married on December 27, 1969. It is a family joke that I married my lovely wife for her money. We used the \$3,000 Peace Corps gave her at the end of her tour of duty to help pay student loan. Quite aside from her role as a loving and attentive wife, Carolyn was a great asset to my career.

Q: What was your training year like?

JOHNSON: Gene Karst was a nice guy but he was pretty clueless when it came to planning. I concocted my own program and filled in where there were vacancies in the embassy. For example, I was the commercial officer for two months. During that time I worked under the unofficial supervision of a wonderful local employee, Henry Cuppens, a Belgian immigrant. I regret that I avoided the administrative section. I would have greatly profited from a few weeks of budget and fiscal work. I did a bit of consular work while the head of the section was upcountry saving an American from a lynch mob. Our countryman had been accused of murder but his real transgression was philandering- a very dangerous habit in Paraguay. I also spent a month at USAID during which I wrote a report on a failed attempt to establish a college of liberal arts at the National University.

I spent a month as the ambassador's assistant answering correspondence from Paraguayans and screening visitors. When an American nun asked to make an appointment with the ambassador, I asked her what she wished to talk to him about. She replied, "I need several hundred dollars." "What is the money for?" I asked her. "Oh, I can't tell anyone that!" (No appointment.) A campesino wrote to tell the ambassador that he had heard on the Voice of America that every week hundreds of cars were abandoned on the streets of New York City and would we please send him one, preferably a sturdy jeep. I responded on behalf of the ambassador and explained that the vehicles were in such bad condition that he would not want one.

While still a JOT I prepared the budget for USIA Asuncion. Jim McKernan, the IO (information/press officer), had prepared the last several budgets. Shortly before he was to start on the new budget he was called back to the United States on a family emergency. Gene Karst, who getting ready to leave the country, asked me to do the budget. I pleaded with Mary Frisco, the CAO (cultural affairs officer), to help me. She replied haughtily that she "was too busy", so using the current budget as a model, I produced a new budget. I exacted my revenge on the CAO by shifting most of the resources of the cultural section to the press section. Unfortunately a few months later the cultural officer was sent packing following a bad inspection report and I took over most of her duties. Tom Martin, the new IO, was not always sympathetic to my pleas to shift some of the funds back to the cultural section.

Q: I assume you worked for more than one ambassador while you were in Asuncion. How would you compare them?

JOHNSON: It was a small post, so although I was very junior, I had extensive contact with both Judge Benigno C. Hernandez and Ray Ylitalo. Hernandez was a political appointee. He spoke excellent Spanish and knew everyone who mattered. He seemed to be well respected in the State Department. He was a very reserved, all business. Ray Ylitalo on the other hand was a career FSO (Foreign Service Officer) but well connected on the Hill. He reportedly owned his posting to his friendship with a senator. Ylitalo was a complete extrovert who wandered through the chancellery visiting informally with his American and Paraguayan staff. He was prone to offering lavish praise and to outburst of anger. Ylitalo was a bird hunter and we spent many Saturdays together. He had a special fondness for USIA and held our contact work up as a model to the other sections.

The Ylitalos had two daughters in their 20s who were often at post. I was best man at the wedding of the older sister. Carolyn caught the bridal bouquet and was the next bride.

Q: Did you have much contact with other agencies in the embassy?

JOHNSON: I spent a fair amount of time dealing with USAID (U.S. Agency for International Development) on educational programs. I had several friends among the Marines. I socialized with Lt. Bob Orbello, an officer the military assistance office. Bob's job was to help the Paraguay army improve its medical services both to its soldiers and to civilians. I realize military assistance in Latin America comes in for a lot of criticism but while I was in Paraguay the U.S. Army trained a number of Paraguay soldiers to be paramedics. They were often the only qualified medical personnel in rural areas. This was a very cost-effective program. Bob probably made more money buying and selling antiques than he did as a soldier. He had an encyclopedic knowledge of antique firearms.

I had a friend in the other agency, a delightful little guy who had spent many years in Cuba prior to Castro taking power. On a quiet afternoon, and there were many quiet afternoons at the embassy, I would call him and ask if I could join him for a cup of coffee. He invariably consented and he would regale me with accounts of life in pre-Castro Cuba. He was a great story teller.

Q: Posts like Asuncion must have attracted colorful people, right?

JOHNSON: Yes and no. The embassy was a mixed bag. We had some odd ball staff and of course there were legends about officers who had served there previously. One story concerns a frosty ambassador who discovered his nubile daughter skinny dipping the embassy with several Marines. Another story was of Pappy Winstead, who had been public affairs officer in the 1950s. It seems that Pappy convinced Washington to buy a sort of house boat that he could take up and down the rivers of the land-locked country showing informational films to the inhabitants. When the real purpose of the boat – fishing - became apparent Pappy was forced to sell the barge. However Pappy had the last laugh. His final overseas assignment was to a Caribbean country. Pappy inquired whether he could design his own packing crates. There being no prohibition in

the manual, Pappy was given the go ahead. The crates were odd looking but held his household effects. Upon arriving at his new assignment he unpacked his household effects but left the crates to dry in the sun and then one morning some workmen appeared and by sundown Pappy had a 25 foot sloop. He had ingeniously evaded the regulation against shipping a pleasure craft at government expense.

Dick Wooton, Gene Karst's successor as Public Affairs Officer, was a fine musician. Over a period of about ten years he memorized every piano work by Johan Sebastian Bach. Wooton had a fabulous collection of jazz on reel to reel tapes. I copied many onto reel-to-reel tapes which helped save my sanity during an assignment in Liberia.

Wally Keiderling, the Bi-national Center Director, had a great passion in life: playing the balalaika. He once rented a train for an outing in the name of the bi-national center for his contacts. It was a great party, although I am not sure if it was a prudent expenditure of funds.

We had an eccentric chief of the consular section who built a one-man helicopter. Ed Costello, a USAID economist, collected guns, including a small cannon. We would hoist it on top of his VW station wagon and take it out to a gravel pit to shoot it. The first time we fired it campesinos crowded around, many of them down range. We told them to get back. They didn't. We missed our target and hit a date nut tree scattering nuts everyone. Suddenly the campesinos were gone. On the way back to Asuncion a small bus was tailgating us. I waved a Zippo lighter out the window as if to light the fuse. The bus quickly turned off on a side road.

Our economic officer had a familiar name, Charlie Brown. I sometimes went hunting with him. He had served in Mexico in the early 60s and told me a story that is typical of the nutty things Foreign Service Officers experience. It seems that an American family (father, mother, two teenage children and a grandmother) were vacationing on the coast. It came time to return home. The brother and sister persuaded the parents to fly back to the U.S. with the understanding that the siblings and grandma would follow a week later. Unfortunately a couple days after the parents departed, granny died in her sleep. The kids panicked and rolled her corpse up in a rug, which they tied securely to the roof of the vehicle and headed for the border. Not too far south of the Rio Grande, the kids stopped for gas and apparently both went to the restrooms at the same time. When they returned the car, cum rug and granny, was gone. After the shock wore off, they called the consulate. Charlie was duty officer. He drove up to meet the pair and interviewed them at length. "Their story was so absurd," he told me, "I figured it had to be true." In ensuring weeks a helpful Mexican doctor issued a death certificate so that the grandmother's modest estate could be settled. The car was eventually located abandoned in a remote village. There was no sign of the rug or its contents. Charlie surmised, "After the thief unrolled the rug, I doubt he ever stole another car, at least not from an American teenager."

Q: Was Asuncion a hardship post?

JOHNSON: Yes, in more ways than one. Shortly before I arrived the 15% differential had been abolished. We deserved that 15%. During the summer, November to March it was very hot. Temperatures in the high 90s were common. During the winter a damp cold in low 50s killed many Paraguayans. There was the threat of disease: hepatitis, malaria and rabies. Vampire bats

were common, some with a wingspan of two feet. Because of a lack of good refrigeration, food poisoning was always a threat. The wife of a colleague nearly died from eating a deviled egg at a reception at the home of the foreign minister.

Unless you enjoyed the outdoors there was little to do in Asuncion. During my first year, the pouch arrived once a month, thus one would get five news magazines at once.

American Express canceled my credit card because, contrary to my instructions, it sent the bills to my home address and not to the embassy post office box. There are no letter carriers in Paraguay.

Driving was fun. When Paraguayans reached one of the city's traffic circles they often took the shortest route around the circle which kept you on your toes. They slowed down for stop signs and did not go through stop lights, because there were no stop lights anywhere in the country. Travel at night was particularly hazardous. I almost rear-ended an ox cart on the road to the airport. The campesino had only a dim lantern hanging on the back gate of his cart.

Q: It rains pretty hard in Paraguay, doesn't it?

JOHNSON: Sometimes the thunder clouds would be so dense that it would absolutely dark as night before the heavens opened up. One day I took a diplomatic pouch out to the airport and put it on a flight to Buenos Aires. It poured while I was on the tarmac and I was soaked. As soon as the plane departed I drove back into town in my trusty VW bug. The skies had cleared but the streets were still awash. As I headed down Avenida Espana toward my home, townspeople waved me to use a side street. Well of course I knew the street was flooded and I was driving an unsinkable bug. I knew what I was doing, that is until the car began to rock gently and fill with water. I had not reckoned with the space around the brake and accelerator. Grabbing an empty Planter's Peanut can I began to bail, which caused great amusement among the onlookers. Finally the car settled on the street in about 18 inches of water. Having had their fun, several boys helped me push it to the curb. A tow truck was called. My VW was dried off in a nearby Shell station and I was a little wiser that evening.

Q: Was it all bad?

JOHNSON: Of course not. Washington left us alone. Moreover we could hop on US Air Force transport flights on a space-available basis and fly all over Latin America. Carolyn and I took flew free of charge from to Lima. The food was wonderful. Beef, chicken and river fish were readily available. Immigrant colonists from Korea and Japan provided lots of great fresh produce. Asuncion had an excellent brewery. German colonists produced an "earthy" red wine. Restaurants in Asuncion were plentiful. You could sit out under the stars and listening to a trio of guitarists and a harpist while leisurely supping on a thick eye of the round with a salad of palm hearts. If you weren't careful, you could spend six or even seven dollars a person. We loved it.

Q: Was there much of a diplomatic life in Asuncion?

JOHNSON: I was a very junior officer so I wasn't invited to many diplomatic receptions except

those in our embassy. I knew the German cultural attaché. He would complain to me about the TV series “Hogan’s Heroes” which ran to Paraguayan TV. He felt the series made the Germans look dumb and or evil. I never told him that our dog would bark furiously at any TV program that contained snatches of German, such as the World War II series “Combat”.

During my first year at post I was befriended by a junior Japanese diplomat, who had a very large expense account. He was supposed to make valuable contacts in the Paraguayan business community, but since he spoke only very halting English and no Spanish, he couldn’t do much. He loved to eat well and talk about movies. Every couple weeks he invited me to lunch at the most expensive restaurants. At the conclusion of the meal he would announce that I was Emilio Sanchez de Vega or some other fictitious businessman. Perhaps the embassy caught on, for he was called back to Tokyo.

Q: Was there a lot of gossip in Asuncion? After all, it was a pretty small town.

JOHNSON: I once suggested to my maid that she shop three times a week rather than six times a week. Her horrified response was, “And miss all the gossip?” Gossip was a form of free press. It was like today’s internet -- unstoppable. For example, the foreign minister was discovered having an affair with the wife of the chief justice. Scandal! Notch one for the foreign minister. The chief justice was banished to Brussels as ambassador. About a year later the foreign minister toured the European countries and called on all the Paraguay’s ambassadors. What must have been a very strained dialogue during the tea party in Brussels made for savage commentary back in Asuncion.

Q: Paraguay is famous for its Nazis. Was the country full of Hitler’s cronies?

JOHNSON: I once saw a picture of Hitler in a rural general store in the village of Hohenau in southern Paraguay. However there were no Nazi bigwig in Asuncion, at least that I knew of. However Joseph Mengele, the chief doctor of Auschwitz lived in Asuncion under the protection of the Stroessner. I am told the Nazi doctor had Paraguayan citizenship. My wife and I were friends with Israeli ambassador Verone and his wife. I asked the envoy one night over dinner why the Jewish state did not snatch Mengele in an operation similar to its capture in Buenos Aires of Adolf Eichmann. Verone looked at me sadly and replied, “You can only do that once.” Actually there were good political reasons for leaving Mengele alone. Paraguay was very supportive of Israel in the United Nations and Israeli needed all the friends it could get in the international body. Mengele eventually died in Brazil. He drowned. I like to think an Israeli held his head under water. I certainly would have done so had I had the opportunity.

I never detected anti-Semitism in Paraguay. Unlike in neighboring Argentina, the Jewish community was small and not at all prominent.

Q: Can you define what a Student Officers Officer did?

JOHNSON: It was a wonderful position. I really had two jobs: one cultural and one political. Too junior to be given the rank of cultural attaché, I was named “chief of the cultural section.” I smoozed with artists and writers. Paraguay is full of bad poets. I also handled much of the

Fulbright program and international visitor grants. Fulbrights are for an academic year and provide for Americans to study and do research abroad and for foreigners to do the same in the United States. I had a wonderful local staff to assist me.

As Student Affairs Officer I really worked for the embassy's Political Counselor, Dan Arzac, a great guy. He made no secret that he was gay and no one made an issue of it. My primary duty was to try to identify rising political figures among university students and young professional and cultivate them. I probably spent 80% of my time with members of the opposition.

In those days the embassies had real resources. For example, a political contact invited me to attend a two day meeting of the Radical Liberal Party in Concepcion, a town more than a hundred miles north of Asuncion. However the day before we were to embark on our trip, it rained hard and the road was closed- a common occurrence to protect the dirt roads from being rutted by trucks. No problem. I ordered a small plane and we flew up to Concepcion. His arriving in a private plane boosted his prestige and cemented our friendship. Later I wrote a detailed telegram to Washington describing the two day gathering. Other than the desk officer probably no one read my priceless prose. I also authored a lengthy analysis of target audiences for the public affairs officer. While declassifying State Department files 40 years, later I found the analysis and released it to the National Archives.

In the autumn of 1969 we had a Student Affairs Officers conference in Quito with about 20 junior officers from all over Latin America. It was a wonderful opportunity to exchange ideas and meet colleagues. We had the resources in those days to organize and attend such conferences. It was wonderful. I used the trip to travel to see several cities in Ecuador, including Cuenca, where I met a very energetic Peace Corps Volunteer who was a real community leader. He was brash but likeable.

Q: You were the new boy on the block, what was our feeling toward Stroessner?

JOHNSON: He was a sort of caudillo. "Big Al", as many of us in the embassy called him, had grown with his job. He was an excellent politician with a common touch. Even the lowliest "campesino" could show up at the "Casa Presidential" and wait patiently. Eventually he would get his interview with Stroessner, who was not himself corrupt. He lived modestly. He attended state functions with his homely wife and spent the nights in a small house our near the airport with his mistress, whose photo was never in the papers. A single jeep with a couple of bodyguards followed him to and from home.

When a subordinates got too greedy he might find himself transferred to the a lonely station in the Chaco or perhaps a meaningless post abroad. There were, however, several figures in the government- including a general who later became president- who were completely above the law. Paraguay was rapidly becoming a major transit point for narcotics.

Meanwhile Stroessner was growing complacent. His figure as a traditional "caudillo" was becoming obsolete, especially as the country was opened up huge hydro electric power projects. As a result of electricity exports, millions of dollars flowed into the land locked nation and as the pie grew bigger, it became too large for one man to manage – especially for an individual with

only a very modest education. The Paraguayans had never had a democratic election, although there was some political freedom. Opposition political parties operated openly and elected members of the national parliament. Debates in the parliament were often heated. As in most authoritarian states, the limits on political agitation were unwritten but perceptible.

Today Paraguay is democratic, but the average Paraguayan is worse off. Corruption, inflation and crime are all way up. There are car-jackings in Asuncion, something that was unheard of in the late 60s. There has been a huge influx of illegal immigrants. If I were a campesino, I would rather live in an egalitarian society with an authoritarian government than in an authoritarian society with an egalitarian government. You could compare with another Latin American country which might have a democratic government but also racial discrimination against the Indians. In Paraguay anybody can be president. Skin color does not matter. Connections do.

Q: Regarding narcotics, how big a role did Paraguay play in narco-trafficking during your time there?

JOHNSON: First an aside about a little cloud that hung over my position when I arrived. My predecessor and the State Department junior officer trainee were kicked out of post for bringing in marijuana seeds through the diplomatic pouch. They shared a house and for some reason fired their gardener who got back at them by telling the administrative officer, who doubled as the post security officer, that they were growing more than petunias in their garden.

One of my political contacts told me that a general was growing a lot of marijuana on his farm. I was skeptical and asked for proof. A few weeks later when I returned to my office after lunch, my secretary told me that my contact had stopped by and, finding that I was not in, left a bag on my desk. I read the newspaper for a while ignoring the bag. Finally my curiosity got the better of me and I opened it and found about of 100 grams of marijuana. Fortunately the Marines, who had swept my office for unsecured classified material, had not opened the bag. I announced to my secretary that I had forgotten something at home, and with the bag securely tucked under my arm, headed for the airport- a long lonely road. When no cars or pedestrians were visible I dumped the bag into a ditch and returned to the embassy. I asked my political pal not to leave anymore presents on my desk.

As for drug trafficking in and out of Paraguay, until 1971 the embassy was apparently unaware that one of the biggest smugglers on the continent was operating at the edge of Asuncion. Frenchman Auguste Joseph Ricord, a former Nazi collaborator, was smuggling a ton of pure heroin to the USA annually through Paraguay. I don't recall how the embassy found out about him. We did not have a resident DEA (Drug Enforcement Agency) agent. Ricord was living in an unassuming home and, as I recall, operated a restaurant as a cover for this operations. He was arrested by Paraguayan authorities in early 1971. The U.S. wanted him extradited to face trial in our country however we had no treaty with Paraguay governing drug trafficking. Ricord was an embarrassment to the government in Asuncion and the Frenchman's demise probably could have been arranged without too much trouble. "He tried to escape and...." However Washington wanted him alive for interrogation. Ironically the case was assigned to the judge who was the husband of the embassy Spanish teacher. This particular judge happened to be one of the really honest men on the bench in a country where justice was often for sale. Meanwhile, Ambassador

Ylitalo was a by-the-book former FBI agent. Thus as far as Ylitalo was concerned everything had to be perfectly legal. Meanwhile Washington was going nuts trying to get its hands on Ricord. I don't know how extradition was arranged because it occurred after I departed for my next assignment. The story had a happy ending: Ricord was sentenced to 20 years in prison in 1973. I hope he did every day. [For details on the case, read Evert Clark's and Nicholas Horrock's Contrabandista, Praeger Publishers, 1973.]

Q: You mentioned looking at political people. Here you've got Stroessner, the caudillo. What were the political parties? How did the embassy envision the role of these politicians?

JOHNSON: I think our main role was to foster the economic and political reform. Paraguay played no role in the cold war and it certainly was not necessary to encourage the government to be anti-communist. The people I felt the strongest affinity for were the reformists within the Colorado party, because they had to walk a fine line. If they moved too fast, then they were pushed aside or even got in trouble. If they didn't move fast enough, they risked being shunted aside by other reformers. I think in the long term the reform movement within the Colorado Party had a major effect on Paraguay's development.

I had excellent contacts with student leaders. I worked hard at nurturing these contacts, and young "politicos", both in the Colorado Party and in the opposition, were receptive to dealing with American diplomats. The most satisfying aspect of my assignment was sitting on the low wall in front of our house reasoning with student leaders, many of whom were bitterly opposed to the Stroessner regime and skeptical of US foreign policy.

I remember on one occasion the President of Argentina paid a state visit to Paraguay. A number of students ignored government warnings and demonstrated against the Argentine caudillo. One of them, Jorge Lara Castro, a good friend whose mother was a leader in the opposition Radical Liberal Party was beaten very savagely. His mother, Carmen Lara Castro, visited him in the hospital, which was near the American Embassy. Jorge's face all swollen and he was in great pain. Jorge tried to whisper something to her – she couldn't understand him at first, and she told me -- and I take this as a very high compliment more of American foreign policy than of me personally -- "Tell Tom. Tell Tom." Soon after leaving the hospital Mrs. Lara Castro called me and described Jorge's condition. I immediately briefed the ambassador, and the embassy made a formal overture to get Jorge released. A few days later I was attending a session of the national parliament and Jorge was released to his mother on the floor of the parliament. Jorge's release triggered a heated debate during which an opposition deputy insulted the Colorado deputy. A fist fight broke out between the opposition and the Colorado deputies, which I reported by cable in very florid terms. I received a commendation for the cable.

To help demonstrate the embassy's continued concern for Jorge's welfare, I drove Jorge to doctor's appointments for several weeks. The police, who had staked out the Lara Castro residence, noted my presence but did not follow me.

About ten years later while I was serving in Mexico City I heard that Jorge was also living there. I tried to contact, but I didn't try very hard. I was afraid if we met one another again we might find we had grown apart.

Q: Did the government always deal so brutally with the leaders of the student opposition?

JOHNSON: No. I think the government preferred to exile its opponents. Jorge Lara Castro had publicly provoked and embarrassed the regime, thus it reacted violently. One of Jorge's associates, a young physician, Diogenes Gallagher was sent into "internal exile". He was ordered to run a rural health clinic in the south central part of the country for two years. Carolyn and I visited him there one weekend. He showed us around the village and gave us a tour of his little clinic. Then we sat down in the shade of a large mango tree and I asked our host, "I bet you miss the excitement of Asuncion."

Diogenes laughed and recalling the folk tale of Brer Rabbit and the Briar Patch, he said, "Stroessner doesn't know it, but he did me a great favor. This is my briar patch. Today I sutured a deep machete wound on a man's leg. Later I certainly saved the life of a woman who had been bitten by a viper. I have delivered over a one hundred babies and treated countless children for disease. To hell with politics! I am a physician. I don't know if I will ever go back to the "good life."

One student who got into big trouble had no political motives. A young neighbor was cramming for final exams when the family next door acquired a very noisy parrot. The student asked the family to keep the parrot inside so he could in peace however he was rudely rebuffed. Fed up with the screeching, he blasted the bird with his shot gun. Within a couple hours later plain clothes police arrested the student. It seems that the next door neighbors were friends of President Stroessner and the parrot belonged to the general. After several months the student was released

Q: Latin American countries have a cherished tradition of exiling their citizens to neighboring nations. I realize that Paraguay was an authoritarian state, but were there exiles in Paraguay?

JOHNSON: That is an interesting question. I know there were some Argentines who fled the military dictatorship and were allowed to live in Paraguay as long as they refrained from politics. I also knew a couple of young Bolivians who had been living in Asuncion for five or six years. I asked one Bolivian what he thought about Che Guevara. He smiled and remarked, "Only one of those bastards from Buenos Aires could be so arrogant to imagine that he could go to a province whose language he did not speak, whose culture he was ignorant of and whose social system he looked down upon and think he could start a revolution. He got what he deserved."

Salvador Allende came to power in Chile while I was in Paraguay. Many wealthy Chileans, thinking the country would be taken over by Bolsheviks, sold their property and moved abroad. Some came to Paraguay, a bastion of anti-communism. Viva Stroessner!

On a humorous note, I was talking to a Bolivian student who confided in me that he knew for sure that the United States had placed nuclear powered submarines armed with ballistic missiles in Lake Titicaca. I suppressed a laugh and asked what advantage the great imperialist power would derive from having such a sophisticated weapon system in that remote body of water. He glared at me and announced, "Because the Titicaca is so high, the missiles can achieve greater

distances more easily.” (It is really hard to argue with such profound stupidity.)

Q: You think of Paraguay sitting there and assume it exists on illegal goods going back and forth from Brazil to Argentina and that sort of thing. What was that situation and what sort of role did it play in the country?

JOHNSON: It was still a very rural country. Only about a tenth of the population lived in Asuncion. As I have already noted driving was an adventure. When you came to a traffic circle, Paraguayans often took the shorter way around which was a harrowing experience if you were coming the other way. Most of the action was out at the airport. 707s would arrive from Raleigh-Durham full of cigarettes. They would be taxed about eight cents a pack and offloaded. Lots would be put on smaller aircraft. You'd see these little twin engine planes taking off at dusk destined to Bolivia, Chile, Argentina, and Brazil. As far as the government was concerned these exports were none of their business. It was a win, win for the Paraguayans.

I remember going with Carolyn to a village on the Argentine border. We were visiting Klaus, a German priest, and sitting on the porch of the general store. Shadowy figures materialized from across the little stream, the Rio Pilcomayo, which marked the boarder with Argentina. The men negotiated their business in hushed tones, exchanged goods and money and disappeared. Those who were nosy got hurt and of course, we didn't.

The priest lived a very simple life. His possessions consisted of a horse, a rifle, which he carried a rifle wherever he went, and a bed roll. Most of his meat came from animals he killed. He often invoked the power of the church in defending the rights of campesinos. The local authorities respected him and left him alone. With an important job to do and a minimum of possessions, I have often thought of him as the freest man I ever knew.

Klaus told me a wonderful story about the parsonage he often visited in Asuncion. It seems that the basement was infested with rats. Since the priest never went into the basement, where poisonous spiders also thrived, a parishioner provided the padres with a small rattle snake which soon fattened itself on the rats. The snake was named Freddy. The sun shone particularly brightly in the bathroom and the snake liked to warm itself behind a thin plywood partition which surrounded the base of the flush toilet. Although the rattler could not enter the bathroom, the priests were careful not to disturb its siestas. One day the monsignor came for lunch. After a hearty meal the monsignor asked to use the lavatory. The man of the cloth was wearing heavy boots and apparently while sitting on the toilet he must have kicked the partition, which occasioned an angry rattle from Freddy. The monsignor exited the bathroom his britches around his ankles and without the benefit of opening the door. The story of “el padre volando” (the flying priest) quickly made the rounds in Asuncion.

Carolyn and I knew an American priest in a village about 100 miles north of Asuncion. He ran a school and health clinic in what was a “company town”. The lumber mill owned everything, including the store and most of the houses of the workers. One day the priest was taken ill and sought out the doctor at the clinic. The physician immediately diagnosed the problem as appendicitis and invited the clergyman to pull up his shirt, drop his pants and get up on the table. “Don't you want me to take off my boots?” the priest asked.

“No. That’s not necessary”, responded the doctor pulling on his surgical gloves and readying the anesthesia.

Life was tough in the campo. Infant mortality was very high. And while Carolyn and I could discuss almost any subject with this priest, the one thing about which he was absolutely irrational was birth control. In spite of Paraguay’s high infant mortality rate and malnutrition among children, he insisted stubbornly that God would take care of the newborns.

Q: How did you travel in Paraguay?

JOHNSON: On official trips I used an embassy Jeep with four wheel drive. But most trips we made in our VW bug which made it over the worst roads. The government closed the dirt highways when it rained to keep them from being destroyed by trucks, so one had to be careful about the weather. I went on trips with USAID officers into the interior in chartered single engine planes. The aircraft carried sirens under their wings to scare the cattle off the run ways. The government operated a no frills domestic airline TAM (Transporte Aereo Militar). The planes were DC-3s flown by very skilled Paraguayan Air Force pilots. I know of only one fatality on TAM. A contrabandist was transporting a small refrigerator to Pedro Juan Caballero on the Brazilian border. The plane had a bit of a rough landing. Unfortunately the refrigerator was not tied down and the contrabandist was crushed when the refrigerator end up in his lap.

Q: Were there road blocks?

JOHNSON: There were and you had to be careful to stop. A couple years before I arrived at post a US military officer who was assigned to our embassy drove past a road block at night. Perhaps he didn’t see it but a soldier stepped into the street and fired a single round from his Mauser. The bullet killed the officer’s young daughter who was sitting in the back seat of his car.

One day I was visiting a Peace Corps Volunteer in the campo and we drove past some saw horses and little shack at the side of the road. I thought it might be a road block but continued on. Then I looked in my rear view mirror and a soldier was standing on the road pointing his rifle at us. I hit the brakes and jammed the jeep into reverse. I shot backwards and demolished the saw horses. The PCV and I got out the jeep, apologized and put the soldier’s road block back together. The soldier looked at us stoically.

Q: What was the mass media like in Paraguay?

JOHNSON: Radio. Television was limited to Asuncion. As I recall, there was only one channel and it was black and white. Asuncion had two dailies “La Tribune” and “ABC Color”. Both were good papers. Neither was a Colorado Party organ, although both journals accepted unwritten limits on press freedom. One of the two – I have forgotten which – printed a harmless joke about the Chaco War, a bloody conflict with Bolivia in the 1930s. Someone high in the government was offended by the irreverent tone of the joke. The reporter of the article suddenly disappeared. We learned that he had been given a month-long tour of the battlefields by two army officers. The journalist was then released after being warned against making light of the nation’s

sacrifices in future articles.

“ABC Color” was a tabloid which had a major impact on literacy. Paraguayan men and boys are avid sports fans. The daily contained extensive coverage of sports, particularly soccer and basketball. It wasn’t uncommon to see men and boys huddled around the latest edition of “ABC Color” slowly reading the articles about their favorite team.

Q: How did USIA interact with the media?

JOHNSON: VOA produced packaged Spanish language programs on reel-to-reel tape which we placed on stations both in the capital and in the provinces. Many of the programs were devoted to rural development, which supported the economic assistance efforts of USAID and the Peace Corps. Most of the tapes were about 20 minutes long.

We also provided film clips to the television station on events such as our successful effort to put a man on the moon in 1969. USIA delivered a steady flow of printed material to the newspapers which usually appeared without attribution to USIA. We never paid for placement.

USIA Asuncion published the only TV guide in the country. In addition to the program schedule we included articles on American culture and international development. The guide was of course in Spanish. In the 60s and 70s the Agency had a very large book program which subsidized the translation into Spanish of hundreds of American titles.

Q: You were Paraguay in the days when 16 mm. film was a major medium for USIA. What was that like?

JOHNSON: Film had a big advantage over its successor, video tape recordings, in that you could reach a large room full of people with a 6’ x 8’ screen. USIA had a large production and acquisitions budget for film. Most of the films we received were documentaries and were in Spanish. I recall one long weekend Carolyn and I and Dominiquez, my audio visual technician, drove deep into the campo to a rural community where we showed films to people who had never seen a motion picture. Some of the campesinos had a hard time understanding how the image was projected on the screen. They clearly enjoyed the evening and presented us, particularly Carolyn, “la senora alta” (the tall woman) with fresh eggs and produce.

Carolyn and I endeared ourselves to many Peace Corps volunteers by showing films in their villages. I am not sure if the films had much of an impact on rural audiences, since many spoke on their native Guarani.

Q: Describe briefly the nation’s economy.

JOHNSON: The large majority of Paraguayans were involved in agriculture, mostly subsistence farming. The campesinos had chickens and pigs and raised a few crops on small plots of land. Yucca was the main source of starch but it contained few vitamins. Hundreds of farm laborers worked as cowboys on large ranches. Particularly in the Chaco, the western half of the country, estancias were huge. Rainfall was limited and unpredictable thus five acres were needed to raise

a single beef cow. Total annual exports in 1970 were only about \$64 million, primarily beef and lumber. Today the annual value of Paraguay's exports exceeds \$3 billion.

Incidentally in 1970s according to our statistics on exports, Paraguayans smoked more American cigarettes per capita than any populace in the world. Of course the vast majority of the cigarettes were re-exported as contraband to neighboring countries.

Q: How about U.S. investment in Paraguay?

JOHNSON: The total value of U.S. investment was a few million dollars. Americans owned several ranches and a slaughter house. In the mid-60s about 25 families bought land in northeastern Paraguay near the Brazilian border. Their goal was to produce coffee for the U.S. market. Paraguay incidentally was the only country in the world that sold more coffee than it grew. (Since it couldn't fill its own quota, it smuggled coffee in from Brazil, repackaged it and sold it as its own in the U.S.) Unfortunately frost wiped out the coffee plants of the Americans three out of the five years. Nearly all gave up and went home. Clarence Johnson, the leader of the colony, stayed in Paraguay and is probably buried on his failed coffee farm.

Q: How did Paraguayans view the U.S.?

JOHNSON: Most Paraguayans had a favorable opinion of the United States. No other country in the world has a state named after a US president. Rutherford B. Hayes arbitrated a border dispute between Paraguay and Argentina, in which Paraguay got most of the land in question. Of course some Paraguayans thought the CIA controlled the world and Peace Corps Volunteers were sometimes asked what they were up to. One PCV we knew in the southern part of the country finally responded to persistent queries from the village police chief with the confession that he was sending parcels of chicken feathers to NASA.

“What does NASA need our chicken feathers for?”

“Well, chief, you have probably noticed that the Russian space craft come down to earth on solid land while the US capsules have to be retrieved out of the ocean. We have determined that the softest chicken feathers in the world come from chickens here in the southern part of Paraguay. For the last two years I have been sending back quantities of feathers which will be made into a big pillow which some day our astronauts will land on in the Arizona desert.”

“That's very logical. This will be our secret.” The police chief never bothered the volunteer again.

Q: What was the role of the Catholic Church in fostering reform in Paraguay?

JOHNSON: By the late 1960s, the church was a major actor in the reform movement. About 95% of Paraguayans are Roman Catholic. Jesuit priests were particularly active in the Catholic University. We sent one Jesuit, father Oliva, to the United States on a 30 day International Visitor Grant. When he returned Ambassador Ylitalo went to the airport to receive him and make sure the government let Oliva off the plane. Eventually the authorities revoked Padre Oliva's

residence permit and expelled him from the country. I later visited him in Chile.

The police imprudently beat up a priest and the officers responsible, including the chief of police, for the act were barred from entering churches. This was particularly painful for the police chief who could not attend the wedding of his daughter.

Q: Back to smuggling. Did smuggling play any role in the political situation? Were there pro-smugglers and anti-smugglers?

JOHNSON: Sure. The opposition was constantly harping on the corruption in the government but it was so institutionalized both Colorados and opposition benefit. My wife, who was a teacher at the international school, noticed on a registration card of one the students under and father's occupation that one little boy put down "contrabandista." It was a thoroughly honorable profession. The taxes were so low on liquor and so forth that we didn't bother to carry much in the commissary. You could go down to the port. I remember entering a wholesale liquor store at the port. A Uruguayan naval ship was in post. An naval officer said stood at the counter and said, "I'll take twelve of this, ten of that, and eight of that and so forth." He was not talking about bottles but rather cases of Johnny Walker, Beefeaters and Old Granddad. At the conclusion of the order, an ensign handed a thick pile of bills, thousands of dollars, across the counter. It was kind of Hong Kong free spirit in a way. I'm not so sure contraband was terribly pernicious to the society.

Q: I was Consul General in Naples and they used to have smuggling boats come in. There was a game they would play. Ships would be offshore, and motorboats, all painted alike. They would have dummy packages and the Guardia de Finance would come out and try to stop them. I remember members of the authority were having a dinner party, and after dinner in those days we all picked up a cigarette to smoke and they were talking about this. I asked how many of you have a tax stamp on your cigarettes and not one of them did.

JOHNSON: At least the Paraguayans had tax stamps. As far as the government was concerned, it was the other country's problem for having too high taxes.

Q: You can't ask for a South American country more remote, but this was a time of great protests about our involvement in Vietnam. Did this cause a ripple in Paraguay?

JOHNSON: It did. In fact, not long after news got out about the My Lai massacre, one of my employees quit. He said to me, "I love my work but I can't be associated with a country that committed My Lai." Human rights played a key role in our foreign policy toward Paraguay. We were the number one aid donor to Paraguay. We tied the release of political prisoners to continued aid. We persuaded the government to permit exiles to return to Paraguay and we cajoled the regime to release political prisoners and allow them to leave the republic. When I arrived in Paraguay in 1968 there were an estimated 200 to 250 political prisoners behind bars. Three years later the number was down to less than eighty. Of those eighty, some may not have even been genuine political prisoners.

We had one terrorist attack while we were there. It was against the Israeli embassy. PLO

assassins killed one Israeli and wounded several more, including my neighbor, a second secretary. The three gunmen were reportedly quickly captured and interrogated for a few hours and then shot.

My main security concern was not terrorists but rabies which was rampant in the country and spread by vampire bats. Sometimes vaccinated animals got rabies because corrupt importers of medicines sold outdated or diluted vaccine. One evening we learned that a neighbor's dog had been diagnosed as rabid. During the next several hours I counted more than 50 shots. Any dog running free was cut down. The following morning the streets around our house were littered with the bullet-ridden corpses of dogs and cats. Paraguayans have an admirable sense of community activism.

Q: I'm told that you had to be careful at night because of packs of dogs.

JOHNSON: One night my wife and I were out walking. I usually carried a gun for that reason. We came over a hill and there were about ten dogs coming right at us. I stuck my hand in my pocket and no gun. It was a nightmare. Fortunately there was a rock at my feet. I threw it. My aim was perfect. I hit the lead dog. The pack swerved and was gone. Then I realized that the pack was not coming at us, but was composed of a couple of bitches in heat and their suitors coming behind them. If I had reached in my pocket and pulled out my 25 caliber pistol and shot a few of these dogs, the life insurance policy on my own dog would have been canceled that night. I'm glad I didn't have a gun. Except in rare instances, I don't believe diplomats should be armed.

Q: Was there any spillover from world terrorism other than the PLO? I'm not sure of my time, but in Uruguay the Tupamaros, were doing their thing? Was there any reflection of this?

JOHNSON: No, Uruguay was very distant. Carolyn and I transited Montevideo shortly after Don Mitriane, an AID officer, was killed. The streets were empty. We registered at the hotel as "Mr. and Mrs. Thomas Smith." No one asked to see our passports and we ate in the hotel.

About a year later we were in Santa Cruz in eastern Bolivia, when we were told that there was a rumor that someone was going to kill a gringo that evening and that we should leave our hotel for the relative safety of the consul's residence. Our colleague had a revolver in one hand and a glass of booze in the other. He assured us in slurred speech that we were quite safe. Carolyn and I retired unusually early that evening. The next morning the Bolivian government provided us with a very professional bodyguard who stayed with us until our plane departed for Asuncion.

Q: Did anyone ever try to seek political refuge in the embassy while you were there?

JOHNSON: Late one night a Paraguayan employee arrived at our house and awakened us. She told me that a cousin was apparently being sought by the "piribui" (those who walk on hair) e.g. secret police. She wanted to know if I could help him. I agreed to talk to her cousin who was waiting outside. I don't recall what his problem was but I suggested that he remain in my living room while I consulted with the embassy political counselor, Dan Arzac. I drove over to Dan's house and related what had happened. Dan agreed that while the man's concerns were credible, it was probably not necessary for him to try to flee the country. Early the next morning, Dan made

called some contacts in the ministry of interior and arranged for an official to interview my employee's cousin. No American attended the meeting, but the matter was quietly settled and the man was not arrested.

Q: Did attacks on American diplomats elsewhere in the world have any effect on your life in Asuncion?

JOHNSON: Ambassador Gordon Mein was shot to death in Guatemala in 1968, but that was regarded as too far away to change our tranquil lives in Paraguay. However the kidnapping of our ambassador in Brazil changed things. That evening Carolyn and I had a gathering at our house for student leaders and a number of young Americans, including the two daughters of Ambassador Ylitalo, who showed up with two burly Paraguayan escorts. One of the student leaders promptly asked me why I allowed members of the hated secret police in my home. I pleaded ignorance and asked one of the sisters what was up. She explained that Ambassador Elbrick in Brazil had been kidnapped and that they had been assigned bodyguards. I had to act quickly to prevent my guests, most of whom were members of the opposition, from leaving, so I ordered the bodyguards to wait outside. At first the cops refused to leave, but then I invoked diplomatic immunity for my household and gave each a glass of Scotch. They sat on the low wall in front of our house and enjoyed their drinks.

A few weeks later Ed Costello and I were bird hunting with Ambassador Ylitalo on a large ranch. Ylitalo had refused police protection. Suddenly four horsemen approached us. Perhaps foolishly, I had secretly appointed myself the ambassador's bodyguard. I reached in my game bag and dropped off the safety of my 9 mm pistol. Ylitalo heard the click and asked me what I was doing. I smiled dumbly as the horsemen drew closer. The Paraguayans rode up to the other side of a fence and stared down at us from a distance of about ten yards. Apparently their curiosity satisfied, they nodded silently and rode away. The muzzle of my gun followed their departure. Perhaps my actions that day were ill advised. On the other hand, I figured that in a hostage taking situation, junior officers are expendable.

Q: So was security at the embassy tight?

JOHNSON: I recall being called in at 3:00 a.m. to handle an urgent message. I put on my bathrobe and drove up to the chancellery. The gate to the compound was open. The door to the chancellery was open. The Marine guard handed me the urgent cable which of course was not so urgent. I noted "no action required" and was back in bed ten minutes.

Q: Did Henry Kissinger or anyone else make trips down there?

JOHNSON: Dr. Kissinger never showed much interest in Latin America. I believe he once referred to South America as, "a dagger pointed at the heart of Antarctica."

However I was in Asuncion for the not so famous Rockefeller Mission. Nixon sent his former GOP rival to survey the economic needs of Latin America. The whole thing was a joke. Americans studying the needs of others while awakening unfulfillable expectations.

I was in charge of the youth portion of the governor's visit. I set up a dinner at my home for youth leaders with the mission's youth advisor. Young political leaders came to meet with the big gringo. At a time when we were cutting back on economic assistance, yet Washington sent a delegation around Latin America asking how it might provide more assistance. A lot of us in the embassy were ashamed of the costly charade. The Paraguayans presented Rockefeller with a wish list that was absurd. They wanted among other things, a new railroad.

When Rockefeller arrived at the airport, two things amusing things happened. When Rockefeller got off the airplane, he saw lots of people waving red flags. He was visibly taken back, but was assured that in Paraguay red is the color of the ruling Colorado party and that he was perfectly safe. So Rockefeller almost sprinted down the stairs to glad-hand the reception committee. Perhaps being a man of diminutive stature, Rockefeller appeared to be happy to be among other vertically challenged people.

Meanwhile his press plane missed the warm reception because it was late getting off the ground in Brazil due to a problem with a reporter's passport. When the press plane arrived I was sent up to check the mood of the journalists. I peeked in door and was welcomed with applause. The carrier had opened the bar and these guys were totally schnookered. On the way into town I had to restrain them from leaning out the window shouting at girls. The trip was a meaningless boondoggle and they knew it.

Q: Speaking of the press, how did Stroessner get along with foreign correspondents? I gather there was not much of an international press corps in Asuncion.

JOHNSON: To respond to the second part of your question first, there were zero correspondents in the Paraguayan capital. As for "Big Al" and the foreign reporters, he handled them shrewdly. He would agree to see a journalist and then would let him hang loose for a couple of days. The journalist would enjoy the great food and Argentine wine and modest strip shows. Then the phone would ring about three a.m., and an aide would inform the groggy newsman that the President will see him in 45 minutes. Well guess who had the initiative for the first half hour of the interview which usually didn't last more than 45 minutes? Stroessner was no fool.

Q: What did you do for fun in Paraguay?

JOHNSON: The embassy was divided between the tennis players and the fishermen/hunters. There were lots of excellent tennis courts and plenty of time to play. I did some fishing in the rivers but what I really loved was bird hunting. Two USAID officers, Ed Costello and Tony Kranaskas, spent many Saturdays hunting. Rising before dawn we headed out into the countryside, stopping briefly in a village to buy fresh "cicha", a native bread baked with cheese. It was delicious when it was hot and useful as an anchor when it was cold. Ambassador Ylitalo sometimes joined us. He was an excellent shot.

We also spent many weekends on ranches riding horseback and hunting. I proposed to Carolyn on a starlit night on an estancia of more than a quarter million acres.

Carolyn and I spend many weekends visiting Peace Corps volunteers. We always took along

some item from the embassy commissary, such as chocolate chips, and a bottle of bourbon. We often invited volunteers to parties at our home. One weekend we were driving through a German colony when I heard the unmistakable sound of a Bavarian band. Rounding a curve we saw nestled among the palm trees a "Turnverein" e.g. (gymnastics club/recreation center. Then it dawned on me that farmers were celebrating Fasching (carnival). I spoke to an organizer in German and we were invited to have as much lager, sausages, sauerkraut and pig shanks as we could hold. The evening came to a bleary conclusion at the Kegelbahn (nine pins).

Q: Did you visit the border areas with Argentina and Brazil?

JOHNSON: I have already related our foray into the Chaco along the Pilcomayo River which separates Paraguay and Argentina. That area of the Grand Chaco, by the way, is named after President Rutherford B. Hayes, who arbitrated the demarcation of the border between the two nations. We saw a copy of the agreement on the wall of a frontier city hall. We also traveled up Salto de Guaira, which is now the site of the largest hydroelectric power dam complex in South America. When we were there the border was literally a board fence in the rain forest. We crossed the river on a wooden ferry. On the Brazilian side the local "commadante" received us warmly and hosted us for lunch. He had received academic training in Kansas. Later in the day we ran across a colony of sixth generation Hessians, whose ancestors had fled to Brazil to avoid military conscription. They spoke a dialect of fossilized German which was long extinct in the fatherland. I could barely understand them. I wish I had had a tape recorder.

Carolyn and I spent a long weekend in a colony of American coffee farmers outside Pedro Juan Caballero on the frontier with Brazil. The Americans had gone to Paraguay with the promise of cheap land and a good income from coffee. The land was cheap but their crops were destroyed by frost three out of five years. Nearly all had gone home and Clarence Johnson, the founder of the venture, died a broken man. The border between the two countries ran down the main street that separated Pedro Juan Caballero in Paraguay and Ponta Pora in Brazil. The area was notorious for contraband and drug smuggling. Disputes were settled "out of court." Bodies were regularly dumped in the middle of the main street making it inconvenient for either police force to investigate. On our way back to Asuncion, I asked a priest sitting across the aisle from us in the DC-3 if it were true that on an typical weekend, there were a half dozen "accidentados" in the twin cities. He thought for a moment and shaking his head responded, "No, senior, we have not had a weekend that quiet in a long time."

ROGER C. BREWIN
Deputy Chief of Mission
Asuncion (1969-1972)

Roger C. Brewin was born in Columbus, Ohio. He entered the U.S. Army in 1944. He received a bachelor's degree from the University of Miami in Ohio in 1948 and a master's degree from the Johns Hopkins School of Advanced International Studies in 1950. Mr. Brewin joined the Foreign Service in 1951. His career included positions in Switzerland, India, Bolivia, Paraguay, Iran, and

Washington, DC. This interview was conducted by Charles Stuart Kennedy in 1990.

Q: Then you were assigned to Paraguay as Deputy Chief of Mission (DCM) from 1969 to 1972. How did this assignment come about?

BREWIN: I was in the War College from 1968 to 1969. The Paraguay job was to be vacated in the summer of 1969. I was very interested in becoming a DCM, so I had my name put forward. I had done well in the Personnel job. The then Deputy Assistant Secretary for Administration, Findley Burns, who was to succeed Rodger Abraham, had a good opinion of me. So when I expressed my interest, he said it was fine with him. He knew the Ambassador, who was also going to be new. So Burns talked to him and got his approval.

Q: What was the situation in Paraguay between 1969 and 1972?

BREWIN: It was the same situation that had been in existence for many years and was to continue until last year when Stroessner finally left. Stroessner had come to power in 1954. He controlled the country. It was said that a sparrow could not drop from a tree without Stroessner knowing about it, which was probably not much of an exaggeration. We had an AID program, which was not that small despite the size of the country. There were about nine officers in the US military group basically providing training, but there was also some military equipment assistance. So all elements of a country team were present even though on a small scale. As far as any of us could see, Stroessner was the power in the government and that that would continue for the foreseeable future, although there was wide-spread electoral abuse in terms of ballot counting. No one believed that Stroessner could lose even an honest election. There were some storm signals, however, quite evident. The Catholic Church had had a conference in Medellin, Columbia earlier in 1969 during which some strong statements were made about the need for the Church to become closer to the people, to become more vocal for the need for greater social justice and greater compassion for the under-privileged. The documents issued during this conference were taken very seriously by several bishops in power, one of whom was an American. It is fair to say that from 1968-69, a division opened up between the Church and Stroessner in what was otherwise a happy relationship. The events in the '70s and early '80s culminated in Stroessner's over-throw could be perhaps traced to the period we are discussing. In fact, General Rodriguez, who over-threw Stroessner and kicked him out of the country, had been implicated in a coup not long before I got there in 1969. Stroessner, rather than treating Rodriguez roughly, just remonstrated with him, exiled him for a time and told him not to ever do that again. That was obviously a mistake.

Q: What were American interests in Paraguay in the early '70s?

BREWIN: One interest which came to the fore was the drug interest. We had an interesting case. The Embassy became for all purposes a "one issue" Embassy. We tried to get our hands on one man -- August Ricord, a Frenchman -- whom we thought initially was being protected by the government. This became a real problem for the Ambassador in terms of his relations with Washington and for the Ambassador in terms of his relations with his staff. It was a difficult time. We got our man after sixteen months of badgering the Paraguayans. He was given a thirty

year sentence by a court in Miami, of which he served about seven and then returned to Paraguay. It was a difficult period.

Q: The Ambassador during this period was J. Raymond Ylitalo. What were his problems with Washington and his staff?

BREWIN: The problem with Washington was trying to convince it that he was being as vigorous as it thought he should be in getting the suspect turned over to the United States. Washington's view was that Stroessner ran the country and therefore he could give us the man we wanted. The issues of due process and the Paraguayan courts and the extradition process that the Paraguayans kept raising were not credible, in Washington's eyes. Eventually Washington had to acquiesce and had to let the Paraguayan court system do its will. But Washington frankly felt that Ylitalo was not being zealous enough in pursuing this interest. Washington was absolutely stunned as we were at the post when the court found in the first instance in favor of Ricord. It found that the extradition treaty between The United States and Paraguay didn't apply to drug offenses. This was impossible for Washington to believe that such a decision could have been made without it first being cleared with Stroessner. We finally got over that hurdle and eventually we got our man, but not before we had to break some crockery.

As for staff, there were many who didn't think that the Ambassador was aggressive enough initially. There was a time in the first few days when the interests of US law enforcement first became known to us when two people came to Asuncion. They didn't want to use the extradition process because it would have been too time consuming. They had their plane and just wanted to take him out of the country. At that point, people thought that we should be able to lay hands on the man. My view, which was opposite of the Ambassador's, was that it had to be made apparent early on in the process that this was just not any extradition case; that there was a political dimension to it; that it was a political issue between the two governments; and that the people around Stroessner -- there were certain pipelines to him used for differing purposes -- must be given the message that we were serious about this issue. Eventually, that view prevailed because a higher court decided that the suspect was extraditable. Most of us believed that a purely traditional decision -- in the sense that we would understand that the judicial operated independently from the executive in Paraguay -- was a laughable notion. Most of us believed that only a political dimension would succeed in convincing the Paraguayans to surrender the suspect. I am not so sure that the Ambassador seized that understanding in quite the way he should have in the first few months of the case. To the Paraguayans credit, though, they did jail Ricord, without bond, and kept him until the case was finally resolved in the courts.

Q: How did the CIA operate in this situation?

BREWIN: The station in Asuncion was small. It had its own interests and it was perfectly prepared to be helpful as much as it could. But this issue really revolved around the Embassy making its view known to President Stroessner. The station couldn't do much beyond that. So it could not really help or hinder.

Q: How about AID?

BREWIN: AID was useful in terms of getting our view of the issue to the various Ministries it dealt with. All the Ministers were of course Stroessner appointees. Some were generals who were friends of Stroessner since their junior officer days. AID was useful in that way. The assistance program was fairly large for a country the size of Paraguay. We had programs in agriculture, education, small manufacturing, but mostly agriculture and education.

Q: *Did you have any problem justifying an assistance program to a dictator?*

BREWIN: That was not a major problem. We realized that there were "red light" and green light" countries on the human rights cum political democracy front. Two favorite countries would have been Columbia and Costa Rica while Cuban would obviously be an unfavored one. We tended to believe that Paraguay was in an "amber caution light" zone. There was just so far that Stroessner could go before jeopardizing assistance levels, particularly military aid. He seemed to sense that as well to a degree. We talked frequently to the political opposition and didn't hide that fact; we talked to some dissident Church people from time to time as needed and the government knew that was happening and didn't express any particular objection. It was certainly away from the posture that the Reagan administration took in its last years under Assistant Secretary Abrams. I was stunned in respect of how wise and needed was the opening of society to democratic dissent.

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GEORGE W. LANDAU
Ambassador
Paraguay (1972-1977)

Ambassador George W. Landau was born on March 4, 1920. He served in the U.S. Army from 1942-1947. He joined the Foreign Service in 1957. Ambassador Landau's career included positions in Uruguay, Spain, and Venezuela, and ambassadorships to Paraguay and Chile. He was interviewed by Arthur Day on March 11, 1991.

LANDAU: I remember when I was nominated to Paraguay a very senior officer told me, "I understand you are a reserve officer" and I said, "Yes, I am a colonel in the reserve and I might even get a promotion later on." He said, "You know, Congress takes a very dim view of that; they will think you will mix military with civilian matters." I said, "Well, I hardly think that could have been the case." But he said, "If I were you, I would resign so that if any Congressman or any Senator should ask you at the hearings you could say, 'Yes I was in the reserve, but have resigned my commission.'" I did just that. I sent a letter to the Assistant Chief of Intelligence (ACSI) where I had my mobilization assignment in the Pentagon, and said that I would go off to Paraguay as chief of mission so therefore I regretfully had to resign my commission. That was in 1972. After I got to Paraguay I kept getting news bulletins from ACSI and so finally I wrote them a letter. I said, "I still get your correspondence and you know I have resigned my commission." I got a letter back saying, "No, that letter is not on record, we chose to disregard it". So I stayed in the reserve until 1975 when my mandatory time was up. It goes to show that being in the reserve can sometimes come in very handy as it turned out in my career.

Really everything, as you so well know, is pure chance and not career planning. Career planning simply does not exist except in the minds of the excessive number of personnel people. What happened was that I was in Montevideo for five years first as commercial attaché and then chief of the economic section. During that time Bob Woodward was chief of mission.

Q: *What years were those?*

LANDAU: 1957-62. Bob went on; he left in 1961 to go to Chile for seven weeks and then became assistant secretary, and eventually wound up in Madrid. He liked my style and I certainly liked him very much and admired him, and his wife Virginia. So he told me one day, "If you want to come to Madrid I might have an opening." I immediately agreed and after Bob got to Madrid he dropped me a note saying that much to his surprise he thought he had an opening in the economic section but this did not turn out to be true. The only position was the third one in a six man political section. I immediately told him that I would take it although I had been chief of a section before.

Q: *So you had been chief of a section but you were prepared to take this post?*

LANDAU: Right, I spent three wonderful years in Spain with Bob, in the political section and I advanced from the number three position to the number two position, which was very interesting. I dealt with the opposition and the Foreign Office. I learned a great deal. From there I went to the Canadian National Defense College and again I had quite a lot to do with the military. I had fully expected after the Canadian Defense College to be assigned to Ottawa, which I should have with the knowledge and contacts I had acquired, but Secretary Rusk in 1966 reorganized the Department and did away with the unnecessary layer of deputy assistant secretary. Of course you never 'do away' with these, like certain insects they just burrow in the ground and survive. He cut out the idea of another layer. What he wanted to have was the Secretary, the assistant secretaries and the country directors. He started the idea of the country directors. At the time he was concerned with upcoming base negotiations with Spain and Portugal and so he decided to take out those two countries from the Office of Western European Affairs and make it into a new country directorate. I was tapped for that job and came to Washington and became the country director for Spain and Portugal.

Of course I merrily dealt with two military governments. Nobody wanted to go to lunch with me other than the country director from Greece, Mr. [Daniel] Brewster, or of course my friend who handled South Africa. The latter was very actively working against his clients while I tried, not necessarily to take the side of my clients, but to see that they got at least a fair shake. I was on the job for six years, which is somewhat of a record in the Department, but I enjoyed it very much and was able to get a base agreement under Nixon, after the Democrats had failed, in their efforts. This was unfortunate because Secretary Rusk had tried very hard, but we had known from an unimpeachable source that one former ambassador, a political appointee, had told the Spanish government that it did not make any sense for them to negotiate with the Democrats, that they could get a better deal from the Republicans. So therefore when we went for the last trip with Rusk to Spain, we were treated somewhat shabbily. Which was so unlike the normal way the Spanish react, but they were so absolutely sure that they would do better with the

Republicans. Of course it showed that this particular political ambassador did not possess any wisdom -- I had always suspected that. It was very clear that the Republicans who became aware of what he had said were chagrined about it because neither the Republicans or the Democrats can set the terms of a base agreement. The money has to come from somewhere and Congress was just equally unimpressed to make a deal with Spain under the Republicans as it was under the Democrats. Senator Fulbright and Senator Symington wanted a treaty and not an executive agreement so the same onus was borne by both parties. It was a very difficult thing. Anyway somewhat with mirrors we were able to stitch together an agreement with Spain and then a base agreement with Portugal. I was not the negotiator, it was Under Secretary Johnson, Alex Johnson, who did a marvelous job; I was the action officer and was very much involved. And suddenly I got well known in the Seventh Floor because I dealt with them, keeping of course my assistant secretary well informed. At the end of the arduous six years with both agreements signed and delivered I was given my first embassy.

The first time I got a call from Secretary Rogers whom I knew quite well from our trips to Lisbon to deal with the Portuguese, not an easy feat. Whatever you agree with them in one meeting is forgotten in the next one and one starts all over again. This annoyed Rogers, who is an excellent lawyer. He looked at it from the legal point of view more than from a diplomatic point of view. He was quite unhappy with the Portuguese. Anyway, Rogers called me in and said that he had just forwarded my name to the White House, to open an embassy in Bangladesh. When I heard that my heart sank, because while I was at the Canadian Defense College we visited Dacca, which was still East Pakistan.

Q: This would have been the first embassy since the break?

LANDAU: That is right, we had a chargé, and I would have been the first ambassador. I wrote my wife from the Defense College trip that there were only two places that I would rather resign than go, one was Dacca and the other was Calcutta, and here I get this offer. So I came home and told my wife about the great honor that was bestowed on us -- tentatively -- and she pulled out the postcard I wrote to her. I said "Well, I will just have to swallow my statement because you don't turn it down if you get it offered." As it turned out the White House did not look with favor on this for reasons which had nothing to do with me, it had to do with that Bangladesh and Pakistan had to be filled at the same time and the White House did not like the man who was recommended for Pakistan so the deal fell through. I was not all that unhappy because about one month or six weeks later I was nominated for Paraguay where I spent five years. It was an interesting post. There my former military relations came in good stead. I had a good relation with President Stroessner. This is one of the basic things that people do not seem to understand. When you are assigned somewhere you may not like the government, you may not like the person you deal with, nevertheless you must have a solid relationship if you want them to do things for you. All I wanted to do, all I was instructed to do was either deal on narcotics matters or deal with human rights violations.

Q: That is one of the questions I wanted to ask you about your assignment there. What instructions were you given before you went?

LANDAU: When I left for Asuncion in 1972 I was sent there because the Department was

unhappy with my predecessor who had not wanted to go there. He was an excellent Finnish speaker, but Finland was filled with a political appointee so they gave him the next available post. Paraguay was the hub of drug traffic, but not the drug traffic that we know now, it was still the European-Corsican connection. There was a Corsican drug smuggler by the name of Ricord whom we wanted extradited. It was very difficult. My predecessor got him extradited, but at great cost and the Department decided to change him and I was sent instead. The only instruction I got in 1972, and I went over to the White House had to do with cleaning up the drug traffic. In 1972 the words human rights were never mentioned. When I got to Paraguay I found out that a lot of people were in jail without charges and some had been there for fifteen or twenty years, but I must say I did not get a single inquiry from the Department or Congress for the first year and a half. Then all of a sudden it became very, very much the new thing.

Q: What was the occasion for that?

LANDAU: What had changed, of course, was that Nixon had left. It started under Ford, not under Carter. There were some Congressmen who were interested in specific countries, and it was our great mayor (of New York) Ed Koch [who was a Congressman at the time] who was interested in Uruguay and it was a man who is now the mayor of Minneapolis, Fraser, who was interested in Paraguay. I got a slew of letters from Fraser about the human rights violations and the prisoners. I was able to do a number of good things because most of the people were really arrested mindlessly because a middle level government functionary had problems with the person. When you brought it to the top, to the Foreign Minister or to some other ministers, they all told me that this was not an important case, but they never did anything about it. They just told me that it was a manageable thing for me to talk to Stroessner, that everything had to be decided by Stroessner.

I saw Stroessner every day, as did everyone else because at the time Stroessner either inaugurated a school, or there was a parade, or a new highway, but there was a public function every day -- usually at 8 o'clock in the morning. All the cabinet and all the ambassadors were invited. Usually my colleagues went sporadically. I went whenever I needed to see someone because it was the easiest way to do business in Paraguay. The phones did not work too well, moreover the office hours are from seven to eleven and after that everyone disappears. So I could talk to the Minister of Education, the Foreign Minister or to the President himself, and get matters settled. Then of course you had to rush back and immediately write a letter because they would forget what they told you on the dusty road.

I used all those outings to tell Stroessner about X, Y and Z and how there was great interest and how it would affect relations with the United States. There usually was no great problem; he said, "Sure, sure". Then I had to negotiate his approval to me with the Minister of Interior who did not believe me and had to check back but eventually we got a lot of people out. And so that was very handy. Now, after President Carter came in the emphasis shifted tremendously. The Paraguayans understood this change -- I would not say they cleaned up their act, I would say they were more forthcoming. The only thing they were not forthcoming on was the fact that the U.S. wanted very much for the OAS human rights commission to visit Paraguay. I must have made innumerable demarches, talked to everybody under the sun, including Stroessner, and he said, "Well, yes, we will have to find the right date" etc., etc. It went on but the commission

never got there.

I remember still vividly how poorly top level meetings are structured. Because as you will recall in 1977 we signed the Panama Canal treaty and all Latin American presidents were invited and all U.S. chiefs of mission accompanied their presidents, and every one had a bilateral with President Carter, including Stroessner. Of course President Carter was briefed of the main problem that we had not been able to achieve to get the OAS human rights commission in. So we got to the White House and Stroessner was very pleased and he told the president how he had done many things and how he had built schools and that there were no real problems in Paraguay, no social inequities. Mostly it was not true, but it sounded good. Carter listened very attentively and asked some interesting questions. Then Stroessner as a throwaway line said, "Of course Ambassador Landau talked to me about the human rights commission and we are very willing to find a mutual agreeable date". Carter said, "That's good". That is all he said. Stroessner went home and since he was expecting big pressure from Carter, on this matter, the commission never went.

My reputation of being able to handle the Paraguayans and get something we wanted, namely the individuals who were in jail, etc., eventually gave the White House the idea that I would be a good man to go to Chile where the human rights violations were really very severe.

ROBERT E. WHITE
Ambassador
Paraguay (1975-1980)

Ambassador Robert E. White was born in Massachusetts on September 21st, 1926. He received a bachelor's degree from St. Michael's College in 1952 and a master's degree from the Fletcher School of Law and Diplomacy in 1954. He served in the U.S. Navy from 1944-1946. He entered the Foreign Service in 1955. His career included positions in Ecuador, the Dominican Republic, Honduras, Nicaragua, Colombia, and ambassadorships to Paraguay and El Salvador. Ambassador White was interviewed by Bill Knight in 1992.

WHITE: When the Carter administration came in I was made ambassador to Paraguay. I was in Paraguay from '77 to '79. That was a fascinating tour because the human rights policy was given great emphasis under President Carter. If there was ever a country that needed some pressure on human rights it was the government of Alfredo Stroessner.

There was some truly wonderful and exciting things that happened as a result of the Carter human rights policy and the way we applied it in Paraguay. Far too many incidents to recount.

Q: Please give us some examples of the kinds of things that were done.

WHITE: Two incidents. The first involved a prominent opposition politician, Domingo Laino, who went to Washington in 1978 under a grant from the State Department. While he was there

the Acting Secretary of State, Warren Christopher, received him and he told Secretary Christopher and the press that Paraguay was a repressive dictatorship that violated human rights. This action violated the rules of the Stroessner regime which said that one could, within limits, criticize the government inside Paraguay. But on the outside, and particularly in Washington, that was forbidden. So when he came back he was only home a day when the military kidnaped him. I sent an urgent telegram to the Department and I got instructions saying this is totally unacceptable. So, under instructions, I spoke to the Foreign Minister who adopted the line that even in the best regulated countries robberies, murders and kidnappings take place and that the government had absolutely nothing to do with this. Of course, everyone knew better. So the opposition came in to see me and said that the government intended to kill Laino. I said I didn't know exactly how to handle this but that I would go that evening to call on Domingo Laino's family, and if you want to tell anyone that I'm going to be there, that's fine. So I went and the next day all of the newspapers had photographs of me with the Laino family. I was in effect giving condolences on the disappearance and in effect expressing concern.

The next day I got a rocket from the Foreign Ministry. The Foreign Minister told me I was interfering in the internal affairs of Paraguay. I said the obvious thing: that, as the government bore no responsibility for this incident, it was just one friend calling on another friend and expressing concern. But I then handed over a very stiff note from the State Department. I said you have to understand that nobody in Washington believes the government's disclaimers and unless Domingo Laino reappeared rapidly and unharmed, there were going to be serious consequences for relations with the United States.

Later on, according to people within the government who became friends, it became clear that this was only the second time that Stroessner had ever reversed himself. The death warrant of Domingo Laino had already been signed. He's now the vice president of the senate and a leading candidate for the presidency -- a leader I am proud to say who had a good experience with United States officials.

The Stroessner regime was in essence a military mafia. Shortly after the Laino incident a group of campesino and labor leaders met in a rural monastery -- a perfectly legal, peaceful get together. The military came in and tortured them and threw them in prison.

I recommended in a telegram to the Department that we take a very serious view of this outrage. I recommended that we consider taking the AIFLD (American Institute for Free Labor Development) office out of the country. I recommended that an AIFLD team come down and that the probable result should be to move out the AIFLD. entirely.

Well, there was nothing that could have galvanized the AIFLD. like the prospect they would lose a country office. Within two days the head of AIFLD and a high level group from the AFL/CIO came to Paraguay. We mounted a serious and effective effort and in the end all of these labor and campesino leaders were tried and found innocent and the soldiers who were guilty of the torture were given a minimal slap on the wrist. In the context of Stroessner's Paraguay this was heady stuff.

There was a steady series of encounters with the Stroessner regime that resulted in a great

improvement in the human rights situation -- to the point that Paraguayans refer to this time as the "Paraguayan Spring" when they had an umbrella of U.S. and international human rights concern.

One of the things I tried to do, with considerable success, was to involve Europeans in this effort. I had regular meetings with the European ambassadors to discuss the human rights situation and what we could do about it.

Q: Before we move on, what happened on some of these issues?

WHITE: Well, what happened was a continuing struggle by the opposition to change the Paraguayan reality. Every ambassador that succeeded me took a strong stand against human rights abuses. I think this was one of the real strengths -- the fact that there was consistency in U.S. policy. I think, through four ambassadors. Finally, in 1989, I believe, Stroessner was ousted by his own people. A transitional president came in and, in effect, the whole Paraguayan political system has since been overhauled, democratized. They'll have their first serious contested election for the presidency next year. But for the last few years there have been no serious violations of human rights. There have been some problems over the rights of peasants and their land but otherwise a steady improvement in the human rights picture.

In Paraguay, there wasn't all that interest and properly so. It is a small, out of the way country. On the other hand, I have to say that the Secretary and the Deputy Secretary were very interested that the human rights policies worked in that country. That there was measurable progress. The reports that came out of Embassy Asuncion demonstrated that if you applied human rights in an intelligent, sensible way you got results. I had trouble with AID because I said we should cancel the AID program in Paraguay. It serves no purpose in a corrupt country like Paraguay except to demonstrate to the people that we are supporting the regime. The money is largely stolen or wasted. I realized then how you come up against an entrenched bureaucracy. There was deep anger at my advocating an end to assistance programs.

JAMES J. GORMLEY
Chief, Economic Section
Asuncion (1978-1981)

James J. Gormley was born in New York, New York in 1932. He received a bachelor's degree in management from Fordham College School of Business in 1954. Mr. Gormley served in the U.S. Army from 1954-1956. He entered the Foreign Service in 1964. In addition to serving in Paraguay, Mr. Gormley served in Mexico, Vietnam, and Thailand. This interview was conducted by Charles Stuart Kennedy on October 20, 1992.

Q: You then left Bangkok in 1978 and you were off to Asunción, to Paraguay, was that it?

GORMLEY: Yes.

Q: How did you feel about going to Asunción?

GORMLEY: Well I didn't want to go. The job I had wanted was the political-econ job in Singapore, which would have been a very nice job and a logical one to take and Personnel had said that they would arrange it and they didn't come through. You were in a time of what was called by the acronym GOP, which I think was Global Outlook Program or something like that. Kissinger had gone, I think, on a trip to Latin America and found the Ambassadors he was talking to knew nothing about arms control or European affairs and he was furious. He said what you need is to shake up people and send them to different areas of the world. So as it turned out I was assigned to Asunción as head of the economics section and the head of the political section was someone who had spent his entire career in south Asia.

Q: Just one question before we move to that, since you were in the economic section what was our impression during the time you were there of the development of ASEAN, because it was essentially an economic alliance.

GORMLEY: Well I don't know that it was essentially an economic alliance; to the extent that it was anything it was more political than economic. These people are more natural competitors than customers for each other and I never took ASEAN that seriously. I don't know what it is today, it seems to be an occasion for the Foreign Ministers to get together and have their parties. I do remember one occasion -- I went through so many Prime Ministers when I was there -- after the military came back in 1976 they put in a dreadful incompetent little man called Thanin as Prime Minister, a puppet; unguided he would do the weirdest things which even the military didn't want. He had gone down on some trade mission to Singapore and been completely flummoxed by Lee Kuan Yew. Lee Kuan Yew had gotten him to make all sorts of concessions that certainly the bureaucrats had not wanted. I had a friend in the Finance Ministry and I said, "How can you allow this guy to be in the room alone with Lee Kuan Yew?" And he said, "God, we can't even trust him with Suharto." Before we leave Thailand -- certainly there was an awful lot of pessimism around 1975 about being the next domino, by the press, by a lot of casual observers. And certainly the US Commerce Department wrote a very negative report on doing business in Thailand. I happened to be back at the time and they looked at my report on economic trends in Thailand at the time which I think started out with "Thailand is not a teetering domino." They said, "your report completely contradicts what we have in this report, how do you account for that?" I said, "I account for that because you are wrong." I remember a Memcom, which I still have, of a conversation with a group of Thai economists in the summer of 1975 in which the whole conversation was basically so upbeat on long term, at the same time there was this panic in the streets and in the reporting going on in the states.

Q: It shows an inability to understand the situation.

GORMLEY: And Solarz came out and Solarz...

Q: This is Stephen Solarz who was a very influential Congressman in dealing with Asia.

GORMLEY: He was a freshman at the time and he knew everything, of course, that's the way

most freshman Congressmen do, and he insisted that he have a meeting with the lower level officers of the Embassy as he didn't want to be brainwashed by the Ambassador. So he came in and his general thesis was that this country was on its way to the same thing that Vietnam was, including the Vietnamese Army. And we said "this is nonsense, this is not going to happen, this country is not militarily strong but it is a terribly strong country culturally and the Vietnamese will never make a foothold." And he said, "Tell me why it is different." And I must admit Solarz is very educable because at the end of that meeting I think he went out and realized that he was not in another Vietnam. Solarz also became one of the leading champions against the Khmer Rouge later on; Solarz was a very knowledgeable guy by the middle of his Congressional tenure, which I guess is now ended.

Q: And then you went to Asunción where you served from 1978 to 1981 as economic and commercial counselor. What was the situation in Paraguay in those days?

GORMLEY: This was the Carter administration and one of the Carter administration's basic tenets was human rights and we had a marvelous opportunity for enforcing this in Paraguay. One, it had a certain notoriety as a human rights abuser and two, it wasn't an important country and therefore subject to being beaten up on. And it happened! It was somewhat ill-timed from the point of view of our economic interests since for the first time in Paraguay's history it was economically important in one respect, they were in the midst of building the biggest dam in the world which had enormous contracts for construction, for turbines, for generators, for all sorts of things. Both Allis Chalmers and Westinghouse were salivating, and General Electric, over these contracts. Both of these dam projects were not carried on by Paraguay alone but mainly by their bigger neighbors, one by the Brazilians and one by the Argentines. We gave a tremendous amount of support to the effort by Allis Chalmers and Westinghouse to very little avail because our competitors, mainly the Europeans, had no such qualms about human rights.

I think one of the reasons our human rights policy was successful there, our economic policy was not, was partly that Stroessner was no dummy, far from it, and he realized from our pounding on him that he no longer needed to be as authoritarian as he had been in the past. In the course of the time that the principal Ambassador, Bob White, was in Paraguay, you went from a few hundred political prisoners down to about three, which was a major accomplishment. I suppose feeling good is something we like to do. My job was economic and I did try to promote our economic interests, but without great success. I also had to fill in for the political officer when he was out and I became very friendly with the major elements in the human rights movement in Paraguay, which had some very, very good people. I remember having someone say to me "The hall of justice in this country is centered in this Embassy." That makes you feel good.

Q: What was your view of Stroessner at this time? This was getting near the end of his regime.

GORMLEY: He was ousted in about the beginning of 1989, so that is about eight years down the line. There were constantly rumors of his imminent collapse while I was there. I had a sort of grudging admiration for the old bastard; for one thing, he was certainly no Somoza, is no Somoza -- he is out of power but he is still alive. And there was a certain amount of contrast, for instance when Somoza was resident in Paraguay for a number of months there was cause for you to focus on the differences between the two. Stroessner was not a hog, he did not keep the graft

for himself, everyone had their share; he was a man profoundly contemptuous of human nature -- which I guess I am too. He was a brute, but I sort of admired him.

Q: In one interview, which I didn't do, with an Ambassador that came a little later...

GORMLEY: After White was Lyle Lane and after Lane, I think, Clyde Taylor?

Q: This was the man who went then to Chile.

GORMLEY: I know who you mean. That was before I got there, George Landau.

Q: He said that seeing Stroessner he would always go to receptions in the morning for opening a bridge or opening a road because it was the only time you could sort of catch people "at the office." Stroessner was continually complaining about the people around him, saying that here he was a good German trying to get things done in a Latin country and he couldn't get people to do the work.

GORMLEY: Smuggling was the biggest industry in Paraguay until you had this enormous expansion in the 1970's -- the building of the big construction type of dams and an enormous expansion of agriculture largely promoted by Brazilians because in the 1970's Asunción, Paraguay, became a Brazilian colony virtually which Stroessner allowed to happen, he had no choice.

Q: Well I was saying that Stroessner found it hard getting people to work.

GORMLEY: Well before those genuine economic developments the principal industry was, and it is still important, smuggling. You bring in cigarettes, you bring in whiskey, you bring in electronic equipment in enormous quantities and then smuggle it into Brazil and Argentina. Of course at times it has also been cocaine.

Q: Cocaine was not a problem then?

GORMLEY: During the time I was there DEA closed down its office in Asunción which I guess was their feeling that there was not much point to it. I believe they have reopened it since.

Q: What was your feeling about Robert E. White, a career Ambassador, who became when the Reagan administration took over a very controversial figure? They claimed he was too strong on human rights. What was your impression of his style of operation and effectiveness?

GORMLEY: White was sort of a cowboy, but a tremendously personable guy. I know of no Ambassador that I liked more. He did have a fairly wild style and he certainly did everything to get himself PNGed. I think one of the reasons he never was was that Stroessner realized that it would not hurt him but help him. I liked White a lot; of course he went on to El Salvador, where he really got into trouble. He was in trouble with the right wing long before that, I guess based on what he did in Paraguay because Helms violently fought him getting the El Salvador position. He was certainly a practitioner of strong, public diplomacy.

ARTHUR H. DAVIS, JR.
Ambassador
Paraguay (1982-1985)

Arthur H. Davis, Jr. was born in Brockton, Massachusetts. He served in WWII where he received training as a meteorologist leaving the service as a warrant officer and weather forecaster. Later he was elected county chairman of the Republican Party in Jefferson Count. Davis served as the Ambassador to Paraguay in 1982 and later served in Panama. Mr. Davis was interviewed by Charles Stuart Kennedy in 1991.

Q: *What was the political-economic situation in Paraguay? You got there in 1982.*

DAVIS: I got there in July of 1982.

Q: *And you were there until 1985.*

DAVIS: Nineteen eighty-five. When I arrived, of course, the only thing the United States was doing for Paraguay was fifty thousand dollars a year on the military education and training program, because there still was its human rights record. The main thing was that Paraguay was rated high on the list, particularly in the Western Hemisphere, among those violating the human rights of their citizens. And we did have a confrontation, from 1977 on, when Robert White was there, where he had no real rapport with the president of Paraguay. And we still continued that.

In fact, my first meeting, it was quite interesting, I went down there, and when I was received by President Stroessner (I always like to tell this story because it developed into something later on), I presented my credentials, he asked me to come and sit with him, I sat down, and, after exchanging greetings from President Reagan to him personally and so forth, he turned to me and said, "I'm so glad you got rid of that Carter gang. You know, they almost wrecked our relations with all that stuff about human rights."

I didn't realize he was going to bring it up that early, so I said to him, "Well, Mr. President, the human rights policy of the United States government has not changed with the President. That is something that all of the people--Democrats, Republicans, liberals, and the conservatives--believe that each and every citizen of this world has basic human rights."

And he turned to his foreign minister (this was on a Friday) and said, "Benisto, I want you to meet with this man Monday morning. Meet with this man Monday morning!"

So we wasted no time in letting them know that the human rights program started by Jimmy Carter would be continued, even though we might not do it in such a confrontational manner.

Q: *You were there in sort of the waning days of Stroessner, weren't you?*

DAVIS: Well, he lasted until 1989. I would say that the human rights situation had greatly improved.

You have to remember that when Robert White went down there in 1977, it was estimated that sixteen hundred to seventeen hundred political prisoners--people like you and I and our wives and children and other friends--who had gone against Stroessner had been thrown in jail for three months, four months, five months, some up to four to five years, with no trial, just badly treated, tortured, thrown into filthy pits, and kept up all night so they wouldn't get enough rest. That was in 1977, when the Carter ambassador arrived.

When I arrived in 1982, just five years later, there were thirty-two political prisoners. And when I left, there were only two.

Q: Well, looking at this objectively and at some distance, was this because of a change within Paraguay, or was it because of our interest in human rights and pressure?

DAVIS: Oh, no. No, it was definitely the work of the State Department in human rights. First of all, when he had acted strongly, which I believe finally took effect '77 to '80, all aid to Paraguay was cut off. The only thing that kept on was that training program, which was of benefit to us because it was the only way we could get the young officers out of Paraguay and up to the United States to realize what democracy was. Of course, the USIA kept going, but a scholarship program, whether it's military or civilian, I think is a good one, because it gets these officers up there to find out that things are not done like that any more, and that the police force does not represent a military government but the people.

We got our message across clearly. And the next Monday, when the foreign minister called me in, he said, "Mr. Ambassador, the president was very disturbed that on your first meeting you had a conflict about human rights. What is your problem?"

And I said, "Well, human rights is not my problem, it's your problem. You know, until the human rights situation that exists in Paraguay today is corrected, the relationship between the United States and Paraguay will be very tense. The United States Congress will never give any money or give any help as long as there are violations of human rights."

And we kept that theme up. That just came to me at the time, and after that, myself and the deputy chief of mission/political officer, that was the argument we used: "Look, human rights is not our problem, it's your problem."

Q: Well, how do you work on this? We had basically cut off all aid and major contact, probably major visits, and everything else since '77, I would have thought that Paraguay would have learned to adjust, and Stroessner had his own agenda. Why was he...?

DAVIS: Well, see, along with that, the United States Embassy, whether it started in the '70s or whether it had been going on, but it was very well-handled in Paraguay. George White would invite all the opposition to his parties, and some of the senators and congressmen did not like

that, particularly. When I got there, I invited both. The American Embassy, I would say from '82 to '85 and continuing on after that, probably, was the only place where you could get the opposition and the government officials there together--in a very tense situation, but at least they could talk and converse.

It was amazing. It's a small country, everybody knew one another, you knew one another from school. I remember I was in Paraguay last year, and I was talking to one of the Mapocos who had been exiled for twenty-five years and then brought back, he was saying that he'd never forget the night he went to my residence. One of the men brought back had been picked up and badly treated for three or four days, and, finally, through the efforts of the embassy, we got him out. And on the day we got him out, we had a reception at the residence. And so Mr. Casabianca asked me if he could bring this gentleman along. And I said, "Be sure to. I'm glad he's out, bring him over." And when he came in, the man who threw him in jail, Ministro Montenegro, who was minister of interior, a very vicious, very tough, cruel man, when he walked in, he greeted him and said, "Oh, (whatever his name was) Carlos, how are you, I'm so glad to see you," as if nothing had ever happened.

And that happened not only here, but it happened in Eastern Europe. When I was in Czechoslovakia, I was talking to the foreign minister, a man who had been shoveling coal three months before and was now foreign minister when Havel went in. He was saying, "I will never forget that, ten years ago, the American Embassy invited us into their residence. That was the only way we got to talk to reporters and talk to other diplomats. Gradually other countries followed suit, but you were the people that came and gave the opposition faith."

And that's what we did in Paraguay. The opposition finally felt they had somebody.

Q: When you went out there, obviously, in Paraguay, I'm sure human rights was at the very top of your list, wasn't it?

DAVIS: Yes.

Q: But were you under any either instructions or constraints? For example, one thinks of the right wing of the Republican Party with Senator Helms of North Carolina saying we're putting too much worry about human rights, we've got other things and all that. What was sort of the atmosphere from Washington that you were getting on this?

DAVIS: Well, I tell you. First of all, the State Department backed me up a hundred percent. I remember I went back one time and I met with Senator Dodd, and some Democrats who you might classify as liberal to moderate, and Jesse Helms, and Armstrong. And every one of them, the first thing they did when I walked in was to congratulate me on what I was doing in Paraguay. Whether it was conservative Republican, or liberal Democrat, or moderate both, they were a hundred percent behind me.

And then Tony Motley and I...

Q: Tony Motley at that time was...?

DAVIS: Was the assistant secretary of Latin American Affairs. We decided that you don't get much done if you have conflict with the man making the decisions. And when you talk about executive authority, that's what you have in Paraguay. I remember one day I was in President Stroessner's office and he was signing the permissions for people to bring their diplomatic cars in. No decisions are made without Stroessner knowing about it. So you were not going to get anything done. For instance, the people in jail that we got out would never have got out if I didn't have a rapport with President Stroessner. In fact, in spite of our conflicts, every time I called him, if I called him Monday or Tuesday, I went in to see him Thursday or Friday. And we established very early it would be one-on-one. We met alone, so we could talk frankly.

Q: *Obviously, you speak Spanish.*

DAVIS: Sí. And he always kidded me about my accent. I used to tell him, "If you think my accent's bad in Spanish, you ought to hear in English."

Q: *Yeah, well you've got a good New England accent.*

DAVIS: Yes, but it doesn't help me in Spanish. When I first went down, it was very difficult because I hadn't spoken it for about twenty-six years. But Stroessner had a great sense of humor.

Another story about Stroessner. When I first got in, of course I had traveled many hours, I think it was twenty hours or so, to arrive. And when I arrived, of course my whole contingent was waiting there to greet me, and they grabbed me to go on television. And so I went on the air with my speech, no matter how tired I was, but somehow that just came out, and it went very smoothly.

But, about three months later, he said, "You know, I was down in Villarrica, and one of the ladies down there said she heard you speak when you arrived at the airport. And she was saying you spoke with so much warmth. You mentioned how your son had been down there with the amigos, and how you had always looked forward to coming back and thanking the people for treating your son so well, and you had never expected you would come back as the ambassador of the United States. She thought that was very warm."

And so I'm beaming all over.

And he looked me in the eye and said, "Then she said, 'What kind of Spanish is that he was speaking?'"

But we kept it up. We kept fighting. We did it with Paraguayans, too.

Q: *Let's talk about this one-on-one with Stroessner, a very important figure. He was the head of government, in one form or another, for how long?*

DAVIS: Since 1954.

Q: *Fifty-four to '89.*

DAVIS: When I arrived, he had been there over thirty years.

Q: *Well, looking at this as an exercise in diplomacy, here you are, you have something that he probably doesn't want to hear, how did you maintain relations? Say, somebody would be thrown into jail, a Paraguayan, you want to get him out, how could you get somebody out of jail?*

DAVIS: Well, it was kind of interesting. Usually something would come up coincidental at that time. And I remember one time they printed a document, which they claimed came from the Agency, and it had...

Q: *You're talking about the Central Intelligence Agency.*

DAVIS: Yes. And they printed that to prove that Raul Bastos, one of their famous authors, had gone to Cuba during the '60s. What this was, was a list of people who had traveled to Cuba during that period. I was furious that that document was exposed and they claimed it came from the US government. So I went in to see Minister Montenaro, the minister of interior, and we really went back and forth about this trying to bring the United States into their problems, that the United States was not involved in this, and that Raul Bastos had not gone to Cuba. We knew that, wherever they got this document, it was just a list of people who had made inquiries about going to Cuba, and that, whether he had gotten a visa or not, he hadn't gone. So, when we were walking out, he said, "Well, the president is very sad that you are so concerned about this, and he wants to know what you can do."

And I said, "Well, I would like you to tell the president that I would like to see..." and I listed seven men. I said, "These men have been thrown in jail. Their wives and families are waiting. One of them has a son who is supposed to return to go back to his third year of medical school. He can't leave because his father was thrown in jail. And I wish you would tell the president that it would make a good impression on the United States, who I represent, if those men were let out."

And, within days, the president's secretary called me and gave me the dates when these men would be let out--except for one man. I tried to push that, and I always felt that maybe I just went too far on this, because, sometimes in the first days of...this was in my first year, in '82. I said to the president, "You know, you let out the other man involved in this same land dispute. *Malgarejo*" (and I forget the other guy's name), "you didn't let him out. You know, Christmas is coming, wouldn't it be a nice thing to show a little amnesty over Christmas and let him out so he can spend time with his family?"

So he said, "I make those decisions. When I think he should get out, he'll get out."

He let him out right after New Year's. I think he did it to show me I could not tell him when the man should get out. So I never made a deadline and never mentioned a date again. (I made one exception to that while I was down...) But he took it. And maybe, I think, it was because we were really very frank with one another.

In November, sometime around the 10th or 11th of November, he came to my house for lunch. And he had never done that with an ambassador for many, many years. He got there about 12:00 and we finally broke up about 3:00, and we went over all these different things. He was an amazing student of the military. We developed a very close rapport, because one thing, no matter what happened, many people came to the embassy... I remember there was a Venezuelan woman, married to Hugo Sagayere, who was a real radical, but he was badly treated and thrown in jail. And when he got to Argentina, he was a very good friend of Alphonsine. Because a lot of the Paraguayans, you know, at one time they claimed there were a million Paraguayans in exile. A lot of them did work for the Paraguayan government and got to know the people over there. But he sent me a very lovely letter, sent a letter to the State Department and thanked them for his release. And yet, at that same time, she was Venezuelan, but she got no help from her own embassy. But I went in and said, "Look, what is going on with Sagayere? You know, his wife comes in to see me." And that happened with several others. But, whenever they called me afterwards, I would say, "Talk to the president's secretary. The president made that decision." I would never claim credit. The United States never claimed credit for anything we did.

Q: *Well, the president never would get after you and say, "What business is it of yours?"*

DAVIS: Oh, yes. Yes. We got to the point that, when they closed the *ABC* newspaper, I made a very...

Q: *ABC newspaper being what?*

DAVIS: The biggest newspaper of the opposition was run by a gentleman called Aldo Zucoleo. First of all, in 1983, I was going to go to Mexico, and I heard rumors that they were going to close the *ABC* newspaper, so I asked for an audience with the president. And I said, "Mr. President, I've heard these rumors. I hope they're not true. But, you know, nothing will get more bad reaction from the United States Congress than the closing of the newspaper. Freedom of speech and freedom of press is something we all believe very much in the United States. And if you ever expect me to get any way to help you, either military help or any aid to help your followers [?], I can't do it if you close that newspaper." And I asked him probably at least five times not to close the newspaper. He would not give me an answer. We went on for probably forty-five minutes to an hour, back and forth, and he kept saying, "Don't mention it again!" And I kept mentioning it. After a while, he would grin when I mentioned it instead of getting mad. But he finally said, "I tell you what. I will not close the newspaper unless I talk to you first. I know you're going on a trip, but I will find you someplace, and I will not close it until I have talked to you."

And that's when he and I had an interesting time after that, because then we both wanted to get back on a level keel again. And so we talked about Martin McMahon, one of the American ministers who stayed with Paraguay all through the war that took Biley Arnsen.

The president said, "I tell you, Mr. Ambassador, the State Department asked all their ambassadors to find out what's going to happen after Stroessner. Yesterday afternoon, I was sitting in my garden, you know what a beautiful day it was, and I was thinking, you know, I'm

seventy..." (at that time I think he was about seventy-four or seventy-five) "I'm seventy-four years old and I like this job. The ministers bother me and a lot of the people bother me, but I like talking to my people that come in and things like that. I'm going to stay on this job, and I plan on living for a hundred years. So you tell the State Department that they don't have to worry about that question for twenty-five or thirty years."

So I wrote that back to Tony Motley and he got the biggest kick out of it.

See, another thing. When I first went down there, anything the ministers heard, they would repeat to the president. So I would say things. For instance, when I first got there, Montenegro said, "Mr. Ambassador, we have only twelve political prisoners."

And I said, "Minister, if you or the president were one of those twelve, I don't think you would say 'only.'"

And the president got a kick out of that. He said, "You know, I told Montenegro that was a wise thing to say. You say 'only twelve,' or 'only two,' or 'only one.' If you're that one, we don't say 'only.'" So he kidded me about that.

And so, when we made our strong stand against the *ABC* newspaper closing, that created a big tension between us. That was a very tense time. First of all, I made that whole statement. Jack Landon, who is now the ambassador to Suriname, was my political officer, and he practically had it ready anyway, because he knew the night before, they were going to do it. So we had it all ready when they did it, we put it out, and then we sent it up to the State Department for them to use in the noon brief. We never had that cleared with anybody; we did it on our own. And we started out: "The Embassy of the United States in Paraguay deplores..." We used the word "deploro," and I guess they don't use that much in Paraguay, because, after that, every time Stroessner got mad, he'd say, "Mr. Ambassador, yo deploro!"

But that was a tense time, and we carried it out. He had been doing very well, and so we had agreed that the military unit, the parachute jumpers and the band from the US Southern Command, would come down on May 15th and march in their parade. And he had evidently notified his military friends in Argentina and Bolivia and everything else that we were coming down. So, when he closed the newspaper, I immediately got an audience with him and we went back and forth. First, Montenegro wanted to meet with me, he didn't want me to meet with the president. But I met with the president, and I said, "Mr. President, I want to tell you, if you do not open that newspaper, the band and the parachute troopers will never come to Paraguay as long as that paper is closed."

And that bothered him more than anything I did in the over three years I was there. He couldn't understand. "Why would you do that? This is a military thing. They're coming down. Well, I will go over your head."

And I said, "You don't understand. You don't go over an ambassador's head. I report to the President of the United States, and nobody goes over my head."

And he said, "If you cancel that, I will be very... It will wreck our friendship."

I said, "Well, you have hurt our friendship by closing the *ABC*."

But he never opened it. He never opened that paper. But he was mad. He told that story many times about how the ambassador canceled out the military unit.

Q: As time went on and you were able to get more people released, were there other things flowing from the United States? Were you able to get certain things? For example, that troop presentation, which would have been fine, but something happened to cancel it.

DAVIS: Well, we did... In one year, '83, I had been there about a year, he was inaugurated, and they had gone for quite a while. In fact, the *ABC* newspaper, *Zucoleo*, remarked on how human rights had improved. But he said, see, what still is I can't... He can't go too long, he feels he has to do this periodically. At one time he said to me, before I brought it up, "Mr. Ambassador, don't talk to me about lifting the state of siege."

I said, "Well, Mr. President, you knew I was going to bring that up, because the United States cannot imagine why anyone would have a permanent state of martial law."

He said, "But, you know, Mr. Ambassador, I've been in for over thirty years and I'm in my '70s. If I lifted that thing now and let people go around and do what they wanted to do, they would say the old man's getting soft, he doesn't have the strong hand. First thing you know, we'd have Communists all over my country."

I laughed and said, "I don't think you're going to get many Communists in Paraguay; I think the feeling here has been brought up so long it won't happen. But it really would help your position if you did it."

See, this is one thing I think sometimes people don't realize, that no matter what the country is, it's very important to a dictator, a president, a prime minister, or anybody to have the people think the United States gets along with them. Even Stroessner, who once told me about an article on Switzerland, "Look, I don't care. What do you think I care what Switzerland thinks? I don't care what Germany thinks. I don't care what England thinks. I don't care what the United States thinks." But he did. There was nothing to force him to let those people out of jail when Carter's human rights started. There was nothing to force him to agree with me. He could kick me out of the office if he wanted to. But he wanted...

One of the big thrills he had...Tom Andrews was finally going to come down and visit Paraguay. Can you imagine what happened? That was the highest-ranking State Department...

Q: Tom Andrews being the...

DAVIS: Assistant secretary of Latin American Affairs. He would have been the highest-ranking member of the United States government to visit Paraguay other than military. And he canceled out on me on Saturday, when he was supposed to come in on Monday.

Q: *Oh, God.*

DAVIS: But let me tell you how Stroessner was. So I said, "Fine, the only way you can cover this up is by having President Reagan send a cable down to Stroessner saying that a very important event is taking place and Tom Andrews is involved, he has to be in Washington." That cable was on the front page of every newspaper, and it was better than Andrews's trip, because it showed that he got a message from President Reagan.

Q: *Outside of human rights, when you went there, what were American interests in Paraguay?*

DAVIS: Well, mainly we had the banks down there. We had your private people in cattle and in commodities. And, other than that, it was mainly a few people down there on private functions.

Q: *So basically there was no really major US interest in Paraguay.*

DAVIS: Oh, no. No.

Q: *There wasn't really a concern about a Communist uprising or takeover or that sort of thing?*

DAVIS: No, no. I tell you, our big concerns, of course, while I was down there, were Mengele, and drug trafficking.

Q: *Could you explain what the Mengele situation was.*

DAVIS: Well, see, Mengele, right after World War II, first went to Argentina.

Q: *Well, who was he?*

DAVIS: Mengele was head of the camp...

Q: *A German concentration camp.*

DAVIS: He was the one who made all of the experiments with twins and also with trying to create a perfect race, and also made lampshades out of skin and did all these horrible things, and killed thousands of Jews. Well, when he got out (and I've checked and it really looked perfectly all right with me), he went to Argentina first. And when he first came to Paraguay, there was no list out listing him Joseph Mengele, so he received a Paraguayan passport. (He probably paid for it, which is done by a lot of people, but he did have a passport under his own name.) So, naturally, when they were searching for these Nazi war criminals, a lot of the Germans did get into Paraguay, there's no doubt about it.

You know, you've got to remember that Paraguay was 3.2 million people, twenty-five percent of those of German descent. Most of the developing of the land in Chaco is done by the Mennonites, who are very strong out there. Stroessner himself was of German descent, too. And

they have German settlements down in south, so there is a huge German influence. So there were a lot of them naturally that would come in.

Well, Mengele did get properly treated, and he made a lot of friends. He had a hardware store, I think both in Encarnación and...came up weekends, drove by Jeep all the way up and spent his weekends with several friends, in Asunción. He had left long before I got there, but people still thought he was hiding in Asunción or someplace in Paraguay. And so senators and congressmen and Klaus Barbie and those people all looking for him came down, convinced he was in the country. And, I will say this, those were the people who said, "Look, you tell us where he is, we'll go out there with you. You tell us where you want us to go, we'll go there. If you think you know where he is, we'll go secretly anywhere you want us." But Stroessner always claimed that he had left and gone to Portugal, and then later left Portugal and went back to Brazil and settled in the São Paulo area. And that's what it turned out he had done. He sent cards to people from Portugal after he left. And then a few people, when he got back, got some cards from Brazil, so that's how Stroessner knew about it. But Stroessner was not particularly... I would say this, after all, his father came over from Germany, he was a first generation Paraguayan. But he always spoke Spanish, he would not speak German. He spoke Guaraní, the native language of Paraguay.

Q: Well, you mentioned the Mengele case, were you sort of having to fend off attacks from people in the United States claiming we were trying to cover up for this for some reason?

DAVIS: Oh, yes, from people I consider dear friends now. Congressman Solarz was convinced that I was buying the Stroessner line. And then one of the groups that came down was...I forget the name of the Nazi hunter...

Q: Weisenthal, was it?

DAVIS: Weisenthal contacted me, and I told him no sense coming down because we have no proof he's here. But he got a lot of pressure from the girl that ran against D'Amato one term for congressman from New York.

Q: Holster?

DAVIS: Holstmann. She came down with a group and a rabbi and everything, and they put on some pretty good demonstrations and everything. But the man who was president of the Supreme Court at that time told them, "Look, I've put everything at your disposal. Tell me where you think he is and we'll go get him," but they never could come up with anything. They sincerely thought he was in Paraguay, no doubt about it. Congressman Solarz was convinced he was in Paraguay. And he could have been, easily, you know, in Paraguay, you've got landing fields all over that country and out in the outlandish places, very easily he could be there.

Q: Well, you said the Mengele case was one thing, and what was the problem?

DAVIS: Well, then, of course, with the northern outlets for Bolivian cocaine, we had a serious problem with cocaine being brought down through Paraguay into Argentina or into Brazil, and we had to, you know, keep on our toes on that.

Q: Well, did you have a sort of a narcotics unit at the embassy?

DAVIS: No, we had one in Argentina and one in Brazil, who came in periodically.

Q: What sort of reaction were you getting from the Stroessner government about this problem?

DAVIS: Well, Stroessner kept telling me how he was ready to fight any way he could against drugs. He never mentioned this to me, but his boy, Freddy, was involved in drugs and still feeling the effects of a bad drug experience, way, way back, probably in the '60s or '70s. And, although he always pledged his support, we also had great indications that many of his military people were involved in it.

Also, another time, we captured about ten containers at the Brazilian entrance, on the eastern end of Paraguay, which were seized and brought into Paraguay. And, finally, they were shipped back to Germany, to the Merck & Co. They were never delivered to their ultimate destination.

Q: While you were there, did you get involved in any disputes between Paraguay and Brazil or Argentina?

DAVIS: No. Of course, Paraguay had very good relations with Brazil, though. It still does. The Itaipú Dam opened while I was there, and that was a big event, and the construction of it, and all those events.

Paraguayans love the United States and its people. They love everybody. Of course, everybody goes in there. Paraguayans love to have foreigners come in their country. But the Americans are special.

And when I left, three Marines, with their gunnysacks and walking behind him, marched in his parade. He used that many times, later, to show me how much love there was for the United States. Because, from the time they started on this two-mile front of the parade, the Paraguayans not only stood and cheered, they stood up and applauded. And the Marines said, "It wasn't so much the walking, we were so emotional, because people were just yelling things to us and cheering us on."

And then Stroessner said, "Where else could you do that in Latin America? In some countries, they would throw tomatoes; in other countries, they'd spit on you; and in other countries, they'd throw rocks at you. But, in Paraguay, my people all cheered you."

Q: Well, speaking of this type of thing, you were saying you were working to get the opposition to come to your house, and getting them out of jail. Were they telling you that maybe you were getting too close to Stroessner? Was this a problem? What sort of feedback were you getting from the local people?

DAVIS: No, I always told them, if you want me to help you, I have to have the man who makes the decisions. And Sagayere, particularly, said, "Well, Mr. Ambassador, I think it's smart. You're representing us in human rights, but you're also able to help us. I don't know how you can keep Stroessner doing this, but it's working." And it did work.

Stroessner never had any real friends, you know. The only people he trusted were the people he had known all his life. Even his ministers were not close to him.

I remember one time at the Korean Embassy I was with about six or seven ministers, and when he came in late and the Korean ambassador brought him up, he came to talk to me about something he was peeved about, and the seven ministers all came practically to attention. Not one of them said a word until he talked to them. This was about a member of his own party who I had had at my house, who he didn't like, who was an outcast there. He said, "I hear about your party you had for so and so." (I've probably got his name on record).

I said, "But he's a member of your own party."

He said, "Yes, but you know he's a maverick, he's not supporting me."

I said, "Look, first you're telling me you don't want the opposition, now you're telling me you don't want a member of the Colorado Party there."

And then he would turn to a minister and say something and they would talk. But not until he had talked. And some of these ministers had been with him ever since he had been president--thirty years. So he did not develop close relationships.

So I think the fact he and I went back and forth, I think he appreciated the American ambassador doing that, even though we went back and forth.

When I left, for instance, I said, "You know, Mr. President, I want to tell you one thing. We've had a lot of controversy, and you and I have had many arguments, but I think that at least we've kept our confidences."

And he said, "Yes, I was telling my minister the other day, no matter what we've said, or some of the things I've said while I was mad at you, and the things you did, you never went out and told people. You got people out of jail, you never went and told them he told me to do this, he told me to do that. We both kept our confidences."

And then I said, "Yes, but there's one thing I have deep regret about. I'm leaving the country and the *ABC* newspaper is still closed."

He said, "I told my ministers you would not be able to leave the country, you'd come by to say goodbye to me and you can't leave without bringing up the *ABC* newspaper."

Q: Well, now, were you sort of playing a solo instrument, or were the other embassies chiming in? You know, the British, the French?

DAVIS: The first British man, without instructions, was very out against human rights violations. When they seized Domingo Laino because he came out with a book, *The Businessman Dictator*, about Stroessner, the British Embassy was right there at the house. He and I worked very closely together.

The Spanish Embassy, whenever I went someplace that I thought we could make a stand, the Spanish ambassador would go with me.

The Venezuelan ambassador wanted to do more, but he could not get instructions. For instance, he kept one of the men who was sought by Stroessner as an exile. He gave him asylum in his embassy for months; he was in there for months. In fact, we kidded about him having a man who came for dinner.

The French ambassador, in his way, worked differently, but he was very effective. And, through his contacts with the press and things, he was a lot of help.

And Argentina wanted to do more. When Alphonsine went in, his first ambassador came over and wanted to work closely with me on human rights. But then Stroessner implied that his borders might be a little tight if they did, so Alphonsine had enough problems without getting involved in human rights. But the Argentine ambassador was very definitely anti-human-rights violations. He helped a lot.

Most of them did.

Q: How about within the embassy? Who was your DCM?

DAVIS: Well, I started off with a great one, Ford Cooper. I released him early so he could go to Finland to be the deputy chief of mission there, but he was with me for about a year and did a great job. Roger McGuire was my political officer. I kidded them both that they got this poor political appointee, and I get there three months later, I'm a human rights activist. No, they were great, and their wives were great with my wife. And then, of course, Jack Landon, who now is the ambassador to Suriname and was chargé d'affaires in Nicaragua when they kicked out the gentleman who is now ambassador to Brazil, Minton, was my political officer, took Roger McGuire's place. I had a very fine guy in USIA, a public affairs officer, Robert Mineteo. My country team was my deputy chief of mission, who later became Dan...(I can picture him), he was great. Jack Landon was great. My country team was basically the political officer, deputy chief of mission, my military defense attaché, and also the public affairs officer. They were a great help to me.

Q: Well, what about the CIA? Again, this is an unclassified interview. Did you find it a supporting element or not?

DAVIS: Well, in Paraguay, I found it very beneficial.

Q: *What about the military?*

DAVIS: Well, see, when I got down there, the former ambassador had restricted his military people. The head of military affairs and the defense attaché had orders not to go to Stroessner's...Thursday was the military day for Stroessner. That's when he was a general and they used to go over there and greet him, the defense attaché and the head of the MILGROUP. So when I got down there, they talked to me and I said, "Gee, I want to know everything I can, so go ahead." And that was a great source of information for me. I had guys named Don Stevenson and Chuck Frey, both colonels, who did a great job for me. Chuck Frey found, when the president got peeved about things and they didn't want me to come in, he would send messages back, "You tell your ambassador that I am very mad about this," and things like that. So they were a great help to me, for a small post, you know.

Q: *Was USIA able to operate within the...?*

DAVIS: Yes. In fact, we had over two thousand students learning English in the...we had a binational center in Paraguay, practically run by local Paraguayans.

Q: *So there wasn't a real restraint on the normal USIA functions?*

DAVIS: Oh, no. No, no, no. No, they operated, they put on plays, they worked very well with the artistic groups. Of course, USIA, in the embassy, most of the people in there were opposition, because that, for a while, was the only place they could get jobs. So Stroessner knew that, but they were not violent opposition.

Q: *During the entire Reagan period (and you were later to get much more involved) our policy in Central America, particularly dealing with Nicaragua and El Salvador, was very controversial throughout the world. How did that play in Paraguay?*

DAVIS: Well, of course, Paraguay was very much in favor. They would have liked to have sent troops up to throw out the Sandinistas. Stroessner's favorite remark was: "Paraguay will fight communism with the United States, without the United States, and, if we have to, against the United States." So he would have loved to have sent troops up there. He was hoping they'd call on him to send troops. He sent troops up to the Dominican Republic, you know, and they always remember that.

Q: *What about Cuba? Was Cuba at all a factor?*

DAVIS: Oh, there were no Cubans in Paraguay. No communist countries were in Paraguay except Yugoslavia.

CLYDE DONALD TAYLOR
Ambassador

Paraguay (1985-1988)

Ambassador Clyde Donald Taylor was born in Columbia in 1937. After receiving his bachelor's degree from Wheaton College in 1959 he received his master's degree in interdisciplinary studies from American University in 1961. His career has included positions in Panama City, Canberra, San Salvador, Teheran, and an ambassadorship to Paraguay. Ambassador Taylor was interviewed by Charles Stuart Kennedy in January 1996.

Q: Today is March 21, 1996. All right, so Paraguay, 1986?

TAYLOR: 1985. I arrived in the first days of November. Stroessner's birthday was imminent and the Palace wanted to schedule my presentation of credentials quickly so I could participate in the birthday events.

Q: Stroessner being...

TAYLOR: Alfredo Stroessner was, I think, completing his 32nd year as El Maximo, the military-political president of Paraguay. I presented my credentials with a lot of ceremony and protocol, which is customary in small countries that compensate for other things by emphasizing formalities. I had already been told that I had the largest pictures to date of an arrival on the front pages of the newspapers. Again, that had a lot to do with the Palace, because although there was limited free press, there was a strong influence from the Palace. They were determined they were going to have an Ambassador they could gain approbation from. I, of course, believe that in the course of representing one's country's interests, if you can develop good relations, that's a nice byproduct, but that is a byproduct, that's not the primary purpose.

Of interest is that I was told very clearly that in the course of presentation of credentials, there would be about a maximum five minute period where you sat next to the President, and this conversation should be limited to pleasantries; and the President would not bring up policy, and neither should I. At the actual event it was not a matter of seconds before the President was complaining about our assistance programs to Bolivia. Bolivia represents their most recent adversary from the War of the Chaco in the '30s, also called the War of Standard Oil. And I tried to not answer, to put that off for another time, and said I'd be glad to discuss it, but he fussed at that point about that aid.

Anyway, I started off on a good footing, and that was in the summertime of Paraguay in the Southern Cone. I adopted an approach to establish a footing that had served me well as an Economic Officer. In advance of coming, I'd asked my deputy, the DCM, to identify key interest groups, key personalities, associations, that I should call on. During that summer I would dedicate myself probably half time to doing these calls to establish contacts, understand the lay of the land, and give people a chance to get to know me, but also to take whatever measure of me they wanted to make. Well, apparently nothing like this had ever happened before in Paraguay. I would make an appointment, let's say with the manufacturers' association, and I'd ask to call on the General Director or the President. I would explain very carefully, or my Social Secretary would, that this was not just a protocollary call, but I didn't have an agenda. After about the first

day of this, I started finding the entire Board of Directors of these organizations there, and a healthy representation of the press. While I never encouraged this, it became somewhat of a media event. I kept trying to make it low-key, and I didn't want to build expectations that I was coming there with some new largesse or what have you. But this went on for about six weeks.

The time came to face the question of meeting with either the patsy opposition parties, which I did, and then to meet with the one party that was truly opposition, that served purposes of the government because they could say, "We really have an opposition party." That party used its legal status to associate itself with three other parties that were not legal, but whose leadership was not rounded up unless they crossed some ill-defined line by the government. This group was called the Acuerdo Nacional (National Accord.) So I said, as I did to other parties, "You are welcomed to come to my office, or I'll go to your office." And they said, "Well, why don't you come to our place?" It was called the Casa del Pueblo (House of the People.) And so while I was meeting with the legal opposition party, I was meeting also with this group in the National Accord.

I happened to have met that morning with General (and future President) Rodriguez, head of the Army's Corps One. It happened to come up that I was having that meeting with the Acuerdo that day; there was nothing secret about it. Well, a firestorm broke out after I'd had that meeting, and some things began to turn. This was a country that had never enjoyed democracy, a country similar to many in the Third World where you are known by your family's political affiliation, e.g. whether or not you're a Liberal or a Colorado/Red Party, which was President Stroessner's party. You were either known as being for the government or against the government, which made the role of a diplomat like that of journalist, politicized, since there is no room in the middle for an objective stance. Despite efforts to convince people it was part of my writ, part of my instruction, to meet with opposition parties, and that my predecessors had also done that, it was a constant basis for irritation, at least as the government saw it.

U.S. policies toward Paraguay and Chile in those years, in the mid-'80s, played out a purpose for the Administration of President Reagan. The Administration was under criticism for its policies toward Central America. Some, certainly some in the Democrat Party, faulted the White House for not being as strong on human rights as it should be, rather that it was reinforcing some military regimes in Central America. Remember, that was the period of the mining of the harbors off of Nicaragua.

Q: Yes. Was Jeanne Kirkpatrick still in the Cabinet?

TAYLOR: Jeanne Kirkpatrick was in the United Nations Mission. She was part of the backdrop in my going to Paraguay. She had gone through the Southern Cone during the transition to the Reagan Administration, and I had seen reports that she had told the Argentines who were still in their dirty war period and Pinochet operating in Chile, "not to worry" about the Reagan Administration's policies. I remember she espoused this policy that authoritarian regimes should be accorded a more benign approach, even a favorable approach in our policies, as long as they weren't totalitarian, because an authoritarian regime, as long as they were anti-Communist, could be wooed into democracy and to support our positions.

Well, Paraguay clearly fit the mode of an authoritarian regime. There was a good deal of freedom, certainly of movement, of religion, of job mobility, things like this, but it was definitely authoritarian. So there was this policy confusion at the time. As it turned out, however, and under Secretary Shultz and Assistant Secretary Elliot Abrams, Paraguay and Chile, were clearly labeled authoritarian regimes. We, Ambassador Harry Barnes in Santiago and I, were under instructions to aid and abet the development of democracy, to be very alert to human rights abuses, to offer within our normal historic bounds of prudence encouragement to those who were trying to open up a pluralistic society, and to use some of our organizations, such as both the Democrat and Republican Institutes, the National Endowment for Democracy, and other apolitical organizations, to maintain and develop our ties.

This situation, I think at least as far as Paraguay, meant that not only owing to being a country where we had no strategic interest, but because of what I just said about the need for policy balance, gave the Ambassador in Asuncion a lot of discretion. It meant that he or she could put a lot of personal stamp on how they implemented policy. It was interesting that because of the campaigns against our policies in the Paraguayan press, one would think that I did a major job of public diplomacy. I don't personally view it that way. Only toward the end of my three years, after the Palace had successfully jammed the major radio station, which of course they had licensed, and Assistant Secretary Elliott Abrams had called in the Paraguayan Ambassador in Washington and read the riot act and there had been a number of approaches in the OAS and the UN on this, did I speak out locally and that was to quote the exact statement of Elliott Abrams. That was the only time that I went on record with direct criticism. Now, clearly, in talking with people, it wasn't hard to infer criticism of the nature of the government and even specific situations such as denials of human rights. Nonetheless, what happened on at least five occasions within those three years was that in response - in four cases, in response to times when Secretary Shultz or President Reagan in speeches listed Paraguay as a military or non-democratic state, (such as in UN speeches or congressional testimony), the Palace would issue an attack against the American Ambassador, yours truly. And this attack would go on for a minimum a week and as long as 13 days, I remember. You have to live there to appreciate it. It was seen in the headlines in all the dailies. It stirred up people to call for my being declared persona non grata, screaming accusations of interference in internal affairs, this kind of thing. And also, they would rehash false accusations that I was spending all my time with the opposition, etc.

This started an interesting cycle each time, that was so predictable it was a bit amusing. The diplomatic corps, these opposition groups, or just middle of the road decent people would besiege the Embassy with expressions of support; the Spanish word is to make you solid with the person. And since they listened in on the phone calls to the Embassy, my private and general lines, they knew all this. And it was the unusual Latin American ambassador who didn't call to offer support, and they knew, of course, that they could be overheard. When I thought that the Palace's attack had pretty much run its course, I would usually pick up the phone and I call the Minister of Interior Montanaro, who was also the President of the Colorado Party, and the most quoted in the attacks. I would say, this was almost like a regular programmed routine. I would say, "Mr. Minister, it seems that your government's trying to have conversation with us through the newspapers; wouldn't it be better if we spoke together. It never failed that he was cordial in his response, we would have an immediate appointment, we would have a cordial meeting and we would air things. It was really amusing. As I say, the one time out of the five when it was

stimulated by local event was when I made the statement about the jamming of the radio station.

Q: Whose radio station was this?

TAYLOR: This was a private radio station that was based on a U.S. model. The owner had gone to the States and picked up the whole concept of call-in talk shows and successfully adopted it. The station was called "Nanduti," a word from the local language, Guarani, and it was the most popular radio station in the country. Now the jamming of that, just like the closure of the newspaper ABC Color, during Ambassador Davis' time, became two of the most prominent cause celebres of the Interamerican Press Association. It kept Paraguay on that agenda, on the UN human rights agenda, on the OAS human rights agenda, all the time. But the regime being, during my three years in its 33rd to 35th years, had really become intolerant of criticism. If they could not control events, they lashed out.

I remember one accomplishment in many efforts to try to improve things. At a reception at my Residence, the person in charge of press/public affairs at the Palace was there, Anibal Fernandez, and Foreign Minister Carlos Saldivar were there. Something that had just happened on a visiting journalist occasioned a discussion. I asked them, "Are you aware that you are doing something that is unique in the world? Not even communist countries do it." Now, this was a regime that prided itself on being more anti-communist than any, and so I got their attention, and they said, "What's that?" I said, "Well, you require any visiting journalist to give up all their equipment, cameras, whatever, at the airport, and to retrieve them down at the press office at the Palace, and be fingerprinted." And I said, "I've checked, and I know of no place in the world where they fingerprint visiting journalists." I said, "Doesn't it strike you as in a correlation that these journalists, even if they did arrive in an objective frame of mind, would quickly become biased against your government, which is the accusation you always make - that the international press is biased?" It was a good conversation, and it was one of the few times that resulted in a decision. And from that day on, they ceased fingerprinting foreign journalists.

We used to joke often in the Embassy that if the country would spend \$10,000 on a good PR consultant, they could turn their image around, because they did very dumb things.

Q: Excuse me, but before you went, had you, given that Stroessner had been around throughout the career of just everybody in the Foreign Service by this time, were you given sort of briefings, or about people who had served in Paraguay, not necessarily ambassadors, but former ambassadors, anyway, about the guy and how he was seen and how to work with him?

TAYLOR: Well, because of this long time that it took to be cleared and confirmed, I had an unusual opportunity to meet with people. A key former ambassador who was very helpful was George Landau. I'd also met with Bob White who'd been ambassador before Art Davis. Of course I met with Davis, who was still the incumbent ambassador, several times when he was in Washington, a number of former employees. There was one former Embassy Asuncion officer in my office in the Narcotics Bureau. They all told me about the uniqueness of the Paraguayan people, the beautiful things, the maybe strange things, because it's very landlocked and tends to have some excessive areas of pride and obsession with its history.

I loved the personality of the Paraguayan people, I thought that for a country that would have many reasons to have some complexes, they were rather complex-free. I mean, they didn't have inferiority complexes, they didn't seem to have a superiority complex, they certainly had a sense of revanchism when it came to Bolivia; they always saw the Bolis, as they called them, hiding in the bushes ready to take their land.

Anecdotally, there's a funny story on that. I kept hearing stories about the Bolis as I was being indoctrinated by my new Paraguayan friends, and they were talking as if the Bolivians were mounting an army, an invasion any moment. And so one time I heard it from a very senior person that the Bolivians still in their official maps defined the area of the Chaco, which was under international recognition a part of Paraguay, as disputed territory. And I thought I would call their bluff, so I sent a cable up to the Embassy in La Paz.

Q: Who was the ambassador then?

TAYLOR: I can't remember.

Q: It wasn't Ed Rowell, was it?

TAYLOR: No, he came later. And I asked them to check this out. Well, back came the Defense Attaché saying that in the defense schools, all the maps showed the Paraguayan Chaco as disputed territory. What do they say, "Even the paranoid have enemies?"

Probably the outstanding characteristic of the Paraguayan is that they were captive of their history. I remember a clear example when I called on the head of a steel mill that was being built; it was destined to be a white elephant. (When Stroessner fell, it became a big issue, because it had squandered about a half a billion dollars on this thing.) Anyway, I remember meeting with mill head. I wanted to find out, really, about the steel mill. Instead, for one hour I sat and listened to his rendition of Paraguay's history. This to some extent is what I heard everywhere. It wouldn't matter if I was calling on a pharmaceutical manager, government official, educator, whatever, I would hear Paraguayan history, because, obviously, it's unique, no one else has the same one, and it is a peculiar history.

Here's a country that under Solano Lopez, the first dictator in the mid-1800s, acquired a storehouse of gold, much like Peron did after profiting from World War II. And so Paraguay equipped itself rather magnificently to the point that at the time our Civil War was winding down, it was engaged in the War of the Triple Alliance, from I believe 1865 to 1870. Seen as rather incredulous now, and perhaps then, Paraguay simultaneously took on Brazil, Uruguay, and Argentina, and they came within a whisker of winning. And had they cut their losses several times during that five year war, they would have ended up with a rather huge piece of territory, but he Solano Lopez wouldn't quit. Notable in the devastating results was that Paraguay was left at war's end with something on the order of between 10 and 20 thousand males of all ages. So you can see there's some justification to a sense of being captive to history. The War of the Chaco, one fought for three years with Bolivia in the 1930s likewise was a very hemorrhaging war.

What made serving there so interesting, as I say, was not current U.S. national interests, but the fact that we'd had such a large hand in their history. We were the mediators in both of those wars, the Triple Alliance and the Chaco War. Rutherford B. Hayes, a president who is frequently overlooked in our history, signed the one-page arbitration that ended the dispute over the Chaco, an area equal to about the size of Oregon. There's a department in the Chaco, which is an area equal to about the size of Oregon, that's named Departamento Rutherford B. Hayes, and you pronounce that in Spanish, of course they don't say the "Ah." It comes out "Ayes." I recall when I made visited the department capital and called on the governor. In preparation, I went to USIS and said, "You don't happen to have a picture at all of President Hayes, do you?" Well, they had a negative. We blew it up and framed it ready for presentation to the governor. Coincidentally, the wife and children of Ambassador Satiros, who was serving in Jamaica and with whom I had been in the ambassadorial seminar and all the Senate confirmation, were visiting us. Traveling with them was their son's academy roommate, who just happened to be Rutherford B. Hayes the what, the eighth? Well, I had this young man and these houseguests in tow when we went out across the Paraguay River to the Hayes Department and presented the picture. The Paraguayans were dumbfounded to actually see flesh and blood of this young man who was Rutherford B. Hayes the whatever.

But the U.S. not only arbitrated these two wars, but in the period after World War II, up into the 1970s, over \$200,000,000 worth of aid to that country. That was a country in those days of 2+ million people, it was only 4.2 million when I was there. There was not an area in the social or physical infrastructure where we didn't play a significant, if not innovative role; by innovative I mean starting a public health program, starting potable water; it's a fascinating history. And in the third year of my time there, we sprung a few dollars and had a contract done to write up that history. The product documented well this terrific legacy of human and resource investment that was worth telling.

I feel comfortable in saying that certainly when I was there - it may have changed somewhat since - it was the most pro-American society maybe in the world, but certainly, in this hemisphere. This presented problems to the Palace, because the Palace felt that the U.S. had stigmatized them, had relegated them to pariah status. Of course Stroessner had not had a Head of State visit for 10 years, when the Pope visited as the first Head of State. They desperately wanted approbation from any country, and so they would go at this issue that we had abandoned them, a faithful friend. They would recall that they had been with us in the Dominican Republic intervention, had voted with us in the UN, etc., and yet we had abandoned them. Often they would add that they were willing to send troops to join us in the Central American war if we would but ask. Of course, in speeches I could point out that we were in fact giving them more in real dollars via the multilateral banks than we used to in bilateral, and that assistance via multilateral organizations wasn't conditional as it likely would be bilaterally, as in the case of Bolivia, conditional on performance on narcotics control or something.

Anyway, it was a legacy that was fun to enjoy, because you had this dichotomous situation where, even at the National University, and certainly in the streets and the countryside, the American Embassy and the American people were really loved. And the Palace had this real dilemma, because they were trying to convince the people that the U.S. had sinned in abandoning them in the sense that we didn't give them approbation.

So our goal was to try and build for the future, for the post-Stroessner period, to try and uphold principles of pluralism, civil rights, and democracy, yet maintain correct relations so we could have access. I made a special effort to develop apolitical vehicles to accomplish these goals. We expanded the Peace Corps. Whereas in most countries the U.S. binational cultural centers (BNCs) were fading out, we saw ours as being good vehicles for getting the American message across.

Q: Binational centers being mainly...

TAYLOR: Cultural centers.

Q: Cultural centers, but a big effort is made to teach English, isn't it?

TAYLOR: English teaching, but they have active libraries and provide a platform for speakers from the States as well as artistic and musical events. During the time we were there we had the bicentennial of the American Constitution; it provided an almost Teflon platform for doing things that otherwise the government would be comfortable to control or even shut down. If you say you're inviting a constitutional expert to speak on the Bill of Rights, how can they say no, and it's hard for them not to let someone from the National University, which is under the control of the ruling party, to be on the forum of lawyers in that seminar. So we got a lot of good mileage out of the bicentennial of the U.S. Constitution.

Well, in any event, we rejuvenated a second BNC and had a third one begun while we were there. We authorized the increase of the Peace Corps up to 200; it was about 110 when I was there, it was about 150-160 when I left.

And then another program that was fascinating, that continues, is the Partners of the Americas. President Kennedy started this also during the Peace Corps era. U.S. states have partnerships with countries in Latin America. And it was Kansas that had the partnership with Paraguay. There was a very strong program, everything from musical exchanges, ceramic techniques, Special Olympics, agriculture, you name it. The five or so Kansas state universities gave Paraguayan students state tuition rates, resident rates. Thus, we would have at any given time two to three dozen Paraguayans in college or grad school there; a very good program. My wife and I were guests in Kansas of the Partners Committee and met with the governor, university presidents, several mayors, civic leaders and businessmen - all committed to the partnership program with Paraguay.

So there was plenty to do, even though we didn't have big trade or many other policy issues. We had the narcotics issue to work on, certainly, because it was a transit country for drugs and chemicals used in drug processing. It was also a country where there was a lot of laundering of money. We bordered Bolivia, so both Argentina and Paraguay got a lot of the overflow of its drug trade.

I guess it was in the last year I was there, early 1988, there was a major political development in that the mainline, relatively moderate (less authoritarian) element of the long-ruling Colorado

party, the "tradicionalistas," was ousted through illegal maneuverings by the militant ("militante") circle around Stroessner. They were concerned that Stroessner, who was in his late 70s, have a desired successor. They felt they had to make plans to ensure that his son, Gustavo, then a lieutenant colonel in the Army and not endowed with great talent, would somehow be promoted and be ready to succeed his father if something happened. So they did what we call in Spanish an "entraco," a seizure of the party. They told all their precinct chiefs that they better either pledge themselves to the new militant leadership or they were out of the good graces of the party. And in Paraguay, you didn't go to the local office of the Ministry of Education or Public Works or Health if you wanted things, you went to the Party headquarters. So this threat created major turmoil in the Party. It meant that in the last year I was there, when the militants were in charge, that things were even more difficult.

Having said all that, when I left, I was given farewells (despedidas) by all five factions of the Colorado Party, including the "militantes," as well as by other opposition party, which I like to see as some documentation that I had maintained access and correct relations with everybody. I also had fun as I left in being able to give the product of that history of U.S. and Paraguayan cooperation through foreign assistance, to the new "militante" Foreign Minister and to the President.

So when we left, we felt that we had, taking into account the rather complicated environment, accomplished our goals of encouraging and supporting those who were being courageous in the human rights/civil rights area, building the apolitical programs, defending our interests, advancing the narcotics questions and the like. Oh, yes, we got the DEA office reinstated. And, although it was a turbulent period, I took with me and continue to have some terrific friendships. President Stroessner was overthrown three months after I left, and the subsequent Congress invited me to come back, sent me a beautiful letter, so it was, I still have very good feelings about that country.

Q: Well, did you have much contact with Stroessner, or was he removed because of age and because of his own style or something. Did one see him much?

TAYLOR: You recall I said that they wanted very much to have approbation, so early on, they invited me to accompany the President on various ribbon-cutting ceremonies. My predecessors had given me a heads up on this, warning me that the Palace would try to get the U.S. Ambassador in a role of approving the Presidency. I accepted an early invitation to one of these, and then I only accepted other ones if I knew that other members of the Diplomatic Corps were invited. But the singular invitations I didn't accept anymore.

I saw the President on several calls, certainly, in my period, but he did not see many ambassadors and our policy towards Paraguay of course did not enhance nor call for casual personal contact. My military chief would have seen him more, because every Wednesday he held court with the military hierarchy in his role as Commander-in-Chief, wearing his uniform. This meeting, in the Chief of Staff's offices, included the Defense Attachés and the military assistance (U.S. Office of Defense Cooperation) chiefs in those missions that had them, and his generals. He was much more available to the military than to the Diplomatic Corps. He was a micro-manager on the military side; they said he knew when a shipment of fuel moved to a fort, a small shipment of

munitions moved; he knew the inventory of munitions at each fort. He could control factions, and he controlled the promotions of all officers from second lieutenant on up.

But I had scores of meetings with the Foreign Minister, and with other ministers, and in the most difficult times, I maintained contact with the Head of the Supreme Court. It was a period where we had constant dialogue. But the Palace would go through hot and cold cycles on relations with my embassy. We would learn that the Palace had put out the word that cabinet members can't come to your receptions, and that might last for a couple of months, and then they would be back. One of the things I worked on before I went there was to invite the U.S. Military Commander-in-Chief from Panama, the CINC, to visit. That took some effort, because I had to convince Assistant Secretary Abrams that it would be done with the objective of trying to open up a dialogue with the President, because the President respected military much more than civilians. And I had a personal friendship with General Galvin, the CINC, and could assure Abrams that as a well-reputed soldier-diplomat, Galvin would act consistently with U.S. policy. So he visited twice, and they tried to manipulate him both times. I recall the second visit well. When the Palace realized that they weren't going to control the substance of visit, and on the day before the well planned three day visit that included a call on President Stroessner, the President took about five of his cabinet and went (I like to say "fled") to Brazil. That was truly an act of cowardice; he didn't want to hear what he knew that a four-star general from the U.S. was going to tell him. It was all the stranger since Stroessner never left the country.

They also had a very hard time accepting that a four-star general came at the invitation and approval of the American Ambassador and would say things that his civilian bosses approved. This was very difficult for the Paraguayan mind to accept. I also invited Ambassador Vernon (Dick) Walters, who as then U.S. Delegate to the U.N. He had a long, long history with Paraguay from when as an Army LTC he a Defense Attaché in Brazil. He'd met Stroessner when he was a colonel, and had maintained acquaintances with Paraguayans. And as we all know, he has a remarkable memory, which included Paraguay's history and recollection of those who made up Stroessner's circle. My wife, who had been giving a seminar at the Embassy in Buenos Aires, was invited to come with him when he flew to Asuncion. She was amazed, as he would name the islands in the Parana and Paraguay Rivers as they were flying up; the man has an encyclopedic memory for places and names, you name it. He came, and they tried to manipulate his visit by saying that he represented the true U.S. government, but Walters was very clear that in endorsing the President's Ambassador and in also telling Stroessner he had to change, echoing our basic message that instability can result from a resistance to change. (Of course the Palace put out a version of the Walters visit that said he expressed support for Stroessner. In a beautiful development, a Paraguayan journalist caught up with Walters in Europe, mentioned what the Palace said of his visit, and Walters set the record straight. In one of those ironies, the story came out in one of Asuncion's papers.)

"Stability" was a cardinal virtue proclaimed by the Stroessner regime. While the government would say it was a democracy, it really meant when it proclaimed its virtues of "Peace, Prosperity and Tranquility" that it gave what so-called democracies didn't. When I arrived, talk about life in Paraguay after Stroessner was taboo; he was treated as if he were not mortal. And it was easy, in sort of an academic discussion, to point out that a static government that couldn't respond to legitimate change, whether it's technology or what, created a real potential for

implosion. And we could say that even though we didn't have strategic interest in the country, we certainly didn't want to see Paraguay becoming an island of instability; it already was host to enough different ill winds. It had a thriving Arab community, and this has occurred in just the last year, when the anti-Semitic bombings in Buenos Aires, those were done by people who were living in Paraguay. So I made these efforts with both the CINC and Dick Walters to get through to Stroessner and his clique, but of them prospered. But at least we could say we tried.

Q: Were there human rights issues which you could make... In the first place, were you getting information on people who were incarcerated for political purposes, and did you make any effort or were you instructed to make any effort to try to get them out?

TAYLOR: When my predecessor three times removed, Bob White, took up residence in Paraguay, there were said to be 1200 political prisoners. When he left, the figure was 20. There were several when I was there, but that's all, it was way down. The human rights violations were much more in the area of political association, free press/media, and the judicial process. The latter is still widespread in Latin America were, even apart from police abuse of power/torture, you hold people for years before you bring them to trial. There was torture in Paraguay, but not like there had been, dropping them from planes and putting them in the water tanks and things like this.

We had a famous Captain Ortigosa, who was incarcerated, and the report went out worldwide that he was in sealed, windowless room, and we were able to ascertain that the story wasn't correct. We found ourselves often being used by the European ambassadors, who were kind of weak-kneed on pursuing human rights cases. I remember particularly one time the Italian ambassador, who was known as a neo-monarchist, had instructions to inquire about this Captain. He was so nervous because he didn't want it to appear to the Stroessner government that he had an interest in human rights issues, that he came to me and wanted all the information he could get from me so he could answer his government.

On another case was when the Italian Government wanted to extradite one of their citizens who was well known as captain of the local aero club and in thick with the Stroessner group and the military. He was alleged to be guilty of a number of crimes including assassination. Knowing that the local ambassador was incompetent, we provided detailed information on this person to our embassy in Rome to give to the Italian government.

Probably my most difficult moment in those three years, though, was in the context of the Haitian crisis, when we suddenly had a desperate need to find a home for Duvalier, "Baby Doc," as we called him.

Q: The son of "Papa Doc."

TAYLOR: Yes. The Department identified countries that they thought were potential homes for Baby Doc and sent out very firm instructions. And the instructions were go to the highest level as quickly as possible and make the following points, all of which pointed out the strategic need to get Baby Doc out of Haiti in order to enhance the prospects for Haiti's political change, etc. "You would be a great partner in this effort if you would receive him." Well, I got this message out of

the cold, and was appalled. Here I am sitting in a dictatorship under instructions to avoid anything that conveys approval, and consistent with that would be to avoid things that give Stroessner leverage over us, create obligations.

Q: Yes.

TAYLOR: And so I got on the secure phone and I inquired about this. I said, "I've been around long enough to know this is not the kind of cable you find as a vehicle for discussion, when told to do it," but I told them I was going to come in with a reclama, and I really wanted them to take it up with Under Secretary Armacost. And so I sent in a reclama; I told them it was highly unlikely the Paraguayans would receive him, if for no other reason than they're very racial society in terms of Blacks and they wouldn't want to take a Black. But in their own funny way, they would also see themselves further poisoned in the eyes of the international community by taking this piece of political garbage.

But my key point was that they could have a political football with this; it would give them the political opportunity to ask, "Well, what are you going to do for us?"

Well, my front office took it up with Armacost and lost. I got a repeat instruction, and so I went and saw the Foreign Minister and gave it my best. I was so pleased when they came back and said no, they didn't want this political garbage. I was most glad because if they'd have said yes, would could have had a difficult period.

The other very difficult time came in 1988 after one of these Palace-led attacks against me in the press. It involved a group called Women for Democracy that was apolitical, if you can say that in that society. (The two women co-chair were the sister-in-law of the Foreign Minister, a Colorado, and the wife of a prominent constitutional lawyer, well identified with the Liberal Party.

I'm describing an incident that was unique; not only my experience, but without doubt in our diplomatic history. This Women for Democracy group, a group patterned very much after Argentina's "consciencia" movement, had seen how the press had been going on for almost two weeks on this attack and decided to host a dinner to honor the American Ambassador and his wife. We were supporting this organization with National Endowment for Democracy money, so we knew the group. And so we got this invitation to go to a very large private home. It was a coat and tie dinner for 300 people.

We accepted the invitation; it was just an "omenaje" dinner, an event honoring us. Well, the dinner was supposed to begin at 7:30, but they asked all the guests to be there at 7:00, and we were supposed to arrive at 7:30. I got a phone call on our own radio system from the DCM who was there with our Embassy people, saying, "Got a problem. The National Police have cordoned a six-block area around this private home, and are forbidding anyone except diplomats from entering." There are some European and Latin American diplomats among the 300, but in each case they elected to stay with their Paraguayan friends. And the 300 people are outside this perimeter singing national songs - as happens in many countries, you sing patriotic songs, and you know you can't be charged for that, but everyone knows you're singing it for a different

purpose.

So the question was, should we come or not? And we decided it would look very bad if we didn't come, and so we went, and we were allowed through. We got there and found about 30 people in the home, mainly our own Embassy and then those who had been preparing the food. I would say about 30 minutes after we arrived, as we were out in the garden, just sort of near the house and the patio, we smelled some teargas wafting down from where the crowd was, and we're commenting on it. We could hear the grenades exploding. Suddenly, we saw two policemen look over the roughly five-foot wall of this private property, and they lobbed a canister of teargas at us. It landed about three meters from me, very potent, very strong, and we all raced into the house and shut the sliding glass doors.

The hostess was beside herself, because she was very concerned about us. A comical aspect is that she took my wife and me into a very nice library for privacy and comfort. Of course this is a very warm climate, so wanting to make us comfortable, she immediately turned on the air conditioning unit, which of course sucked in the teargas.

The other comical aspect is that I always had bodyguards, and the bodyguard was assigned by the anti-terrorist squad of the National Police. Under the arrangement we provided them training and some equipment, another anomalous relationship we had with the government. And this young man, Rojas, of course had been trained on how to handle teargas. So he was going around helping everyone in the group, putting salt in their nose and then wetting cloths and helping us all, and here it's his government providing all this atmospheric.

We're in the meanwhile on our handheld radios talking to drivers and the embassy home base, trying to determine what to do. Finally, we decided it was okay to leave, so we returned to the Residence, and I called the Foreign Minister from there. I feel convinced that the Foreign Minister did not know anything about this. I had been in his office up to an hour before I left the Residence, and what I learned later was that his sister-in-law had called him while I was there; I remember his taking a call during my call. And that's because she had had the first inkling that they were going to cordon it off. We later learned the exact words of the President's call to the head of the National Police to do this.

Well, I say this is unique because I don't know of another occasion when a head of state has directed that the American Ambassador accredited to him be tear gassed. It is not a record in diplomatic annals that I aspired to, and unfortunately, it began about a seven-week period whereby in an understanding with the Department we agreed that I should only talk to the Foreign Minister until there was an adequate resolution of this act.

Deputy Assistant Secretary Bob Gelbard of our Latin American Affairs Bureau managed this. As most embassies, we had a chance to look at the draft diplomatic notes and protest. I saw earlier drafts but did not see the one that finally went to the Paraguayan Embassy. It demanded the kind of apology that I would have told them you cannot expect from a dictator; you won't get it.

So it held things up for a long time, and when we finally got what we thought was an apology, and publicized it that way, that of course was grinding glass into them, and they denied having

made an apology, and we had to sort of proceed on from there. But it resulted in an editorial in the New York Times that highlighted the Paraguayan action and praised our stance for human rights and democracy, and it recognized that it was an unusual thing.

Paraguayans, a number of them, point to that incident and the Pope's visit as being two defining things that showed the weakness of the regime. What happened when the Pope visited is that again they showed their political stupidity by trying at the last minute to change part of the Pope's itinerary. He had decided to meet with some social groups - were groups that the Palace didn't like - and so they tried to change it. The Vatican came back and said if they wanted to change it, the Pope would scratch his visit. Stroessner's crew backed down. But all this got known and it was quite a dust-up.

Also, of course, the Pope's visit advertised the President's own dysfunctional family: he didn't live with his wife, he had a pathetically drug addicted alcoholic son, he had a daughter who had troubled marriages, he had a son that was homosexual in a country that did not accept such, he had a some divorcees, and it was rumored that he had fathered some 88 children; all in all a very interesting family. Some of these features, not surprisingly, were writ large among his cabinet ministers, especially separated or divorced spouses, and this in a country that wouldn't allow divorce. So here on the occasion of the Pope's visit you not only saw the President's family, standing together for the first time that the public could remember at the airport having to face the difficulty of being next to each other and not really knowing how to talk to each other, but then when we were in the palace for a major reception, we saw the Cabinet officers and those heads of state agencies with their wives, who on many occasions they were not living with or were not faithful to, also together on this occasion. So the Pope's visit pushed a lot of hot buttons. I exposed some vulnerability, and at the time it was a regime that was trying to be salvaged by this militant wing of the Colorado Party.

Q: You left there when?

TAYLOR: I left the second of September 1988.

Q: And Stroessner was overthrown...

TAYLOR: Not yet. Before I left there had been rumors for quite awhile that he had kidney stones, and we heard about enormous pain, reluctance to surgery, etc. He didn't want to go under any surgery as he was fearful of anesthetics, of being out of control. He didn't want to leave the country and yet he didn't have full faith in domestic surgery, so he was a troubled man with this. We'd get stories about enormous pain he was going through and about a planned surgery by an imported surgeon. What was discovered just two weeks, I think, after I left, was that he had prostate cancer. And this was when his mortality really got registered.

We knew that the head of Corps One, Andres Rodriguez, had been at various times plotting a coup. We knew the personalities involved in this. In effect they advanced plans by a couple of years because he was going to do it when Stroessner was a little weaker and older. We'd heard that the group of militants had a five-year plan to move Stroenner's son into the Presidency. They advanced their plans because of the illness of the President, and they started cleaning house by

arranging for the retirement of senior military so that the President's son could move up in rank quickly. One of the mistakes they made was to arrange that the General Rodriguez of Corps One, the most powerful general apart from the President, become the Minister of Defense, which was strictly an administrative job. That, if nothing else, fed the coup plans. The coup was planned to occur on a number of different dates, but the President wasn't where he was expected to be, and so it finally didn't happen until sometime in January of 1989.

JAMES F. MACK
Deputy Chief of Mission
Asuncion (1986-1989)

Mr. Mack was born in Connecticut and raised in New York State. After graduating from Cornell University, he joined the Peace Corps and served in Honduras. In 1966 he joined the State Department and was sent to Vietnam in the CORDS program. Mr. Mack's other overseas service was primarily in Latin American where he served as Political Officer and Deputy Chief of Mission at a number of posts before being named US Ambassador to Guyana. Ambassador Mack was interviewed by Charles Stuart Kennedy in 2004.

Q: This is a good place to stop and we will pick this up when you left in '86, Where did you go?

MACK: I went to Paraguay and became the DCM. That was my big promotion.

Q: Stroessner was there!

MACK: Alfredo Stroessner was there and in fact was overthrown toward the end of my tour.

Q: Next time we will pick it up '86 and off to Heir Stroessner. STOP!

Today is the 28th of November 2005, and we are off to Paraguay and it was '86. You were there from when to when?

MACK: I was there from 1986 to 1989.

Q: What was the state of play in Paraguay at the time first in Paraguay itself and then in American/Paraguay relations?

MACK: When I arrived Stroessner was in his 33rd year in power. And his relationship with the United States was very poor. Because of obviously the U.S. did not take kindly to his form of one party rule, which was really a dictatorship, albeit a popular one. There were continuing civil and human rights violations of opponents who were still being arrested. In the electoral sense, Stroessner did allow some prominent politicians from the opposition party to come back to Paraguay and there was an election. And of course Stroessner overwhelmingly won the election.

There was a joke told in Paraguay about the how the Americans are always boasting about their extraordinarily modern system for tabulating presidential votes, how they did all these projections within an hour of the closing of the polls based voting patterns in certain precincts, how the prognosticators could predict with a high deal of accuracy who would be the next President of the United States. According to the joke, when Stroessner heard about the American boasts, he responded that all this was very impressive but that he was able to predict the results of a presidential election in Paraguay years before it was held.

Q: Did we have any particular issue with him other than he was a dictator?

MACK: Human rights and lack of political freedom in the country. Those were the major issues.

Q: There are dictators and dictators. What kind of rule did he have at this time?

MACK: Well, when he came to power, the country had been in the midst of a long civil war. He put an end to it and put his party, the *Colorado* party, in power. He really brought order to the country. There was no question that he enjoyed a lot of popular support.

The country had been in shambles due to years of chaos. Stroessner began to bring order to Paraguay. He made some major infrastructure improvements over time. For example, the water out of the faucet was good to drink in most Paraguayan towns. This is quite an achievement for a third world country. You could drink the water.

Having served in Central America and been sickened with dysentery and every other intestinal bug known to man, I thought that was a rather impressive achievement.

Over time he established a decent phone system and a fairly decent road system. He negotiated an end to a border dispute with Brazil regarding where in the Paraná River to draw the line, paving the way for the construction of the Itaipu dam between the two counties, which at that time was the largest hydraulic dam in the world. I am not sure whether the Three Gorges dam in China now is the largest. But Itaipu was absolutely huge. Paraguay's half the electricity produced was about 20 times the demand in Paraguay at the time so Paraguay then was able to sell 95% of it so to Brazil which largely financed the project with the World Bank.. So by putting an end to this dispute, essentially inundating the disputed area in a huge lake behind the dam which became a bi-national entity, Paraguay was able to take a gigantic step forward in terms of energy independence. The project employed a lot of people, gave opportunities for a large number of Paraguayan firms to get lucrative contracts. I am sure not all of them were awarded based on merit. But, nonetheless a lot Paraguayans learned a lot of skills in the process. And he did the same thing with Argentina down stream in the construction of the Yacyreta dam which was well underway at the time that I was there. So he really did bring progress to the country.

On the other hand, like most dictators or authoritarian figures, he did not know when to leave. If he had left five or ten years earlier he would have probably gone down in Paraguayan history as a greater leader despite his strong-arm rule. He basically overstayed like Marcos and Fujimori did, as did a lot of others.

The fact is that Stroessner may even have had the support of the majority of the population at the time he was ousted. The Colorado Party through which he ruled was very well organized right down to the grassroots. He spoke Guarani. Many loved him. Many did and obviously many did not. Many left the country because of him. But even people who did not support him recognized that he did a lot of positive things. But he stayed on too long. He had many of the same acolytes with him including ministers who had been with him since almost the beginning. Those running the country were almost a gerontocracy, if that's the word. The average age must have been seventy or seventy-five for the ministers. And by and large they were corrupt but very, very loyal to Stroessner.

And that was the situation when I got there. Our ambassador was very direct in dealing with Paraguayan Government on human rights issues and as a result our relations with the government were very, very poor.

Q: Who was the Ambassador?

MACK: Clyde Taylor was the Ambassador when I arrived. I remember for example that Ambassador Taylor was going to be awarded some sort of certificate of recognition by a group of women who were trying to support democratic change in Paraguay. These were not leftists by the way. These were, I think, people who really did want to see real democracy come to Paraguay. They were middle and upper class women and who had invited Ambassador Taylor to an evening social event at which they were gone to give him an award recognizing his support to human rights and democratic change.

I went with Ambassador Taylor. When we got to this development of very nice new houses, we found it had been completely cordoned off by the police -- the entire development, I don't know, maybe twenty or twenty-five houses. No one was allowed to cross the police lines. The only people who got in were the women who had arrived very, very early to help set up, plus Ambassador Taylor and yours truly. We were able to talk our way by the police lines, I guess they didn't want to cause an incident by refusing to allow the US Ambassador to enter a house.

So we went inside and found maybe twenty people drinking wine and eating canapés around the pool. All of a sudden a smoking missile of some sort lands, on the deck of the pool. At the time I thought it was a firecracker, but it turned out to be a tear gas grenade shot at the order of the Chief of Police, an old Stroessner loyalist, who had decided the festivity had gone on long enough. Had been watching us very closely. Just over the wall.

And at that point we retreated inside the house to the bedroom of the woman who hosted the event. All twenty of us were crammed in there. Unfortunately, she had the air-conditioning going because it was very, very hot in Asuncion. And, of course the air-conditioner sucked in the pepper gas and after a few minutes it became rather intolerable inside. At that point, the Ambassador called his trusty driver and bodyguard and we were whisked off to safety. Of course, the Ambassador filed a protest for what happened with the foreign minister.

To give you an idea of the type of relationship that we had with Stroessner, the Chief of Police clearly was orchestrating all this. We saw him physically present outside the perimeter and

clearly he gave the order to launch the tear gas grenade. I am sure he would not have done that without approval from a higher authority. So, this gives you an example of the kind of relationship we had with the Stroessner government.

Q: What was Stroessner doing to his own people. Were the jails full of dissidents?

MACK: Well I don't think that at that point after thirty-five years in power Stroessner had the jails filled with dissidents. There were a few but at that point most who had actively opposed the regime had simply left the country or shut up. I don't think there was a huge group that were actively protesting. He had the place pretty well tied down. This brings us to an event celebrating his seventy-fifth birthday, which was a national holiday by the way, to which the diplomatic corps and spouses were invited. At that point, I was in my third year as DCM and Tim Towell had replaced Ambassador Taylor. The annual event was hosted by the Presidential Escort Regiment, which was basically his Praetorian Guard. At that event all the senior members of the military were there. It was a big event.

Then somewhat after that, not too much actually, a curious event happened. Unbeknownst to the U.S. Embassy, his "consuego" General Rodriguez – consuego in this case meant that Stroessner's son was married to General Rodriguez' daughter - was plotting against Stroessner. Understand that the two were very close, General Rodriguez was his senior general and Commander of the First Cavalry Division and when I say Cavalry I literally mean literally that. I paid a major in that division to teach my young son how to ride!

In any event, President Stroessner kept his Presidential Escort Regiment stationed very near where he lived. Gen Rodriguez' division was on the edge of town. Theoretically this arrangement provided protection to Stroessner. But it turned out that unbeknownst to the U.S. Embassy, the plot was beginning to thicken.

General Rodriguez apparently had become convinced that Stroessner had lost confidence in him. At least this was the story that I heard later. When Stroessner called Rodriguez in, Rodriguez assumed he was going to be axed so he claimed he couldn't go because of a leg injury. At that point, Rodriguez' group decided to strike first. A few months before, Stroessner had undergone a prostate operation that did not go well. Apparently there was a lot bleeding and his long recovery led to speculation that he was dying or even had died. This led to some jockeying among various factions for advantage just in case Stroessner did not survive. Some of Stroessner's people must of picked this up and for some reason believed, maybe correctly, that Rodriguez was suspect. In any event, thinking that Stroessner was moving against him, Rodriguez decided to move against Stroessner.

This was almost unthinkable in the context of a rule that had gone on for 35 years. We in the American Embassy saw some clues but never put the pieces together because we could not conceive Rodriguez would overthrow Stroessner, given their historical and family ties. Of course, no Paraguayan believed the US did not know. In fact, since I was in South Africa at the time of the coup, they thought I had been sent over to secure his exile.

That was absolutely not true. I had just left for South Africa before the coup but was there with

my wife, three of my kids and mother in law to visit the game parks. The night that the coup took place we had just arrived in Pretoria. The next morning a note was passed under my door informing me that Stroessner had been overthrown, and asking me to call the Embassy in Asuncion. So I called Ambassador Tim Towell, who said "Jim you don't have come back but I really prefer that you would". I got the message so I left my family to complete the trip to the game parks alone and took the next scheduled plane to plane to Rio, which was not for two days.

When I got back, I learned that bullets had flown over the Embassy compound between forces loyal to Stroessner, some of which were stationed across the street at the president's home, and the forces under Rodriguez who had Stroessner's Presidential Escort Regiment headquarters surrounded a few blocks away. Fortunately no one at the embassy was hurt. .

Q: Were there casualties among the Paraguayans?

MACK: Yes, among the military, but eventually it became clear to Stroessner's forces that they could not prevail against Rodriguez' division. It was a kind of Mexican standoff at this point. At the end, the commander of the Escort Regiment counted his own guns and realized that further resistance was futile. Stroessner was sent out of the country. He is alive today. 1989 was sixteen years ago, so that would make him ninety-one years old. He is living on ranch in Brazil and still alive. And there are still people in Paraguay who would like to see him return. He remained fairly popular. There were a considerable number of people who supported him. In fact some of his younger supporters from those days are powerful in the government today. The joke going around Asuncion when I was last there in 2006 was a group of Stroessner supporters went to visit the old man in Brazil to tell them how well the "Stronistas" were doing. He reportedly responded that "he was the only one missing".

I must say under Stroessner biggest crimes were of corruption and repression of political opponents. There was virtually no violent street crime at that time. The streets of Asuncion were safe. This is unique among any Latin American country that I have seen. In Asuncion, young women, children of the middle class, high school girls would ride public buses at night to go down town to promenade around in the center of town. Can you imagine that today in any other country in Latin America? It is inconceivable. That is how safe things were. Yes, there were burglaries and that sort of thing. But there was, virtually, no violent crime. It was said that not a leaf fluttered in Paraguay without Stroessner knowing about it. That was the condition in Paraguay.

Q: What kind of Embassy did we have there?

MACK: If you add up all the agencies there were probably two hundred and sixty U.S. and local employees. There were eight U.S. Government Agencies. Defense, the Agency, Peace Corps AID, State, USIA, who am I leaving out?

Q: In a way, this man had been going since 1954 and we were tutt tutting at least or shaking our heads about his human rights thing, yet we had Peace Corps, we had military connections, I mean it seems like we were working both sides of the street?

MACK: I guess you might say that. Paraguay was a great Peace Corps country. Peace Corps volunteers were welcomed and relative safely as well. Unlike some other countries.

But I must say relations grew quite testy during Clyde Taylor's Ambassadorship. He was very, very strong on pushing the Government to open up and on human rights side so there was constant tension with the Government.

Q: Were we concerned that Paraguay was a smuggling haven?

MACK: There were some who said that Paraguay in those days existed to provide to its neighbors, the Argentines and the Brazilians, smuggled products that were heavily taxed in their own countries, the most important of which I think at the time was whiskey. Apparently, Paraguay was one of the largest importers of Scotch Whiskey in the world – with 3 million people. Ha! Ha!

The smuggling business was huge. Whiskey, computers, condoms - you name it. Whatever was in short supply in those neighboring countries or overpriced, Paraguayan smugglers were happy to provide. And the smuggling was very coordinated. Stroessner's military commanders controlled much of the trade. That is how they made their money. Their salaries were paltry, which is why a cavalry officer taught my son how to ride on the side. Stroessner's acceptance of smuggling by his commanders was just part of the deal; that was the arrangement. They were allowed to do that in exchange for loyalty to the government. That system worked quite well. There were a lot of wealthy senior military officers.

Q: Well, were we able to make any inroads on the human rights thing in conjunction with other countries?

MACK: I would say, yes things did open up a little bit. One of the leading opponents to the government was allowed to come back and begin some political activity under certain restrictions. But he was allowed to come back. The largest newspaper, I think it was called ABC Color if I remember correctly, was allowed to resume publishing when I was there. And they were somewhat critical of his government. They couldn't be too critical but the fellow who ran it definitely was not Stroessner supporter. So I think because of the gerontocracy, because the leadership was aging, they were not as vigorous as they might have been in stamping these kinds of things out. So the government was opening up somewhat. However, Stroessner gave no sign of stepping down. He was "reelected" while I was there.

Q: How did you read Stroessner? Did you have much contact with him?

MACK: I had almost no contact with him. Nor did the Ambassador.

Q: Was Paraguay playing any role in Latin America that we were interested in other than smuggling whiskey?

MACK: Well, I would say not a huge role, their role was smuggling. A Paraguayan city across

the Paraná River from Brazil, and also close to Argentina, personified this. It was then officially called “Ciudad Presidente Stroessner”. That city is now called “Ciudad del Este” or City of the East, and exists to supply the contraband needs of those countries. Over time it attracted a very interesting element from the Middle-East that settled there – and later became a hot point for terrorist fundraising and perhaps was even the place from which the terrorist acts against the Jewish community in Buenos Aires were orchestrated. At the time I was there, these terrorist acts had yet not taken place. But people who engaged in every kind of smuggling activities were there. And anybody who wanted to do that kind of thing seemed to be allowed into the country by one means or another. My guess is that these people had to pay heavy bribes.

To give you an example of the extent corruption in Paraguay, I remember our consular officer once telling me he had in front of him an applicant for a US visa with a Paraguayan diplomatic passport who could not speak Spanish. It turned out the guy was from Morocco. So the point is that the Paraguayans were even selling their diplomatic passports to foreigners. That was the level of corruption. That was an issue between us and Paraguay. Because even then we had some security concerns about people traveling, for whatever purpose, to the United States.

Q: Was there any residue of Nazi's there at that time or not?

MACK: '86 that would have been 41 years after the war. I think if it were, it was very, very limited at that point.

Q: You didn't have Nazi hunters working in the area?

MACK: I don't recall if there were Nazi hunters there. I don't recall, no. I do remember that there was a very old Colonel in the Paraguayan army who was Russian in origin and I think came over in the 1930s as a captain in the cavalry to fight with the Paraguayans. In 1986 he was still serving Stroessner loyally. Remember Stroessner was probably only a young lieutenant or captain during the Chaco war.

In the 1930s Bolivia and Paraguay had fought a really nasty protracted war for several years over control over a desolate region that covers half of Paraguay called the Chaco. The war was largely won by Paraguay. To help them, the Paraguayans hired a number of White Russian Officers who were unemployed as a result of losing the war to the Bolsheviks in the early 1920s. Paraguay hired them to train and lead their Army against Bolivia. These were cavalry men because in the 1930s the cavalry was much more efficient in operating the trackless waste of the Chaco. Interestingly enough, Bolivia hired former German officers from World War I to train their Army. These officers from Russian and Germany played an important role in training, and probably leading, the Paraguayan and Bolivian armies in the war of the Chaco.

In fact, I think some Tartar officers, White Russians, who were particular adept at cavalry tactics trained the Paraguayans. They helped them defeat the Bolivians in what was really a war of “water holes”. Since much of the Chaco was basically a desert most of the year, whoever controlled the very few sources of fresh water controlled the battlefield. It was a very bloody war and most who died likely died because of dehydration rather than being shot.

Q: How did we deal with the Government itself. Did we go to the various Ministries and other active services?

MACK: We would seek Foreign Ministry support on various international issues, which I cannot remember at this point. We were always politely received, but as I recall we were not particularly successful in pushing our brief. One big issue we did have was narcotics smuggling. Paraguay was a transit point for Bolivian cocaine because of the porousness of the borders, the availability of landing strips all over the place. This was complicated by having a corrupt government and military that was complicit in smuggling. If you could smuggle whiskey you certainly as heck could smuggle cocaine or whatever you wanted to smuggle.

In fact, while I was there I took it upon myself to convince the DEA to reopen its office due to Paraguay's role as a narcotics transit point. So drugs were an increasingly sensitive issue for us. To say that we solved any major problem at the time, I would say no. Paraguay was not the location of major foreign successes of the U.S. at the time.

Q: Were a lot of Paraguayan's, young men and women going to the United States to study?

MACK: Not in great numbers, no. Not at that time. But there was a very active Paraguay-Kansas partnership through which every year several Paraguayans went to study at the University of Kansas. So over a period of years we are talking about a fair number.

Q: Did any of the Brazilians or the Argentines play much of a role in the government?

MACK: Both had very active embassies. Brazil obviously was more influential. Stroessner was very astute about playing his hand of a weak country located between two very, very large countries. I think he was very successful at negotiating favorable relationships with both of them.

For example, Paraguay is a landlocked country, lie Bolivia. They called themselves a *Mediterranean* country which means in the middle of land not of sea. Historically Paraguay used barges to export its products down the Paraguay River to Argentina for onward shipment by sea. But this put them at the mercy of the Argentines. So Stroessner negotiated an agreement with Brazil that gave Paraguay essentially free port privileges in a port in Brazil, Paranagua. So Paraguay began exporting cotton and I guess some soybeans by truck across southern Brazil to this port.

So Stroessner was really quite adept at following this approach. Of course the Brazilians were drawing Paraguayans into their orbit by essentially offering Paraguay use of a seaport. Also there were thousands of Brazilian farmers living in Paraguay; maybe five or ten percent of the population was Brazilian, mostly from Southern Brazil. They bought land and planted soybeans. And they leveled huge amounts of their native forest in order to do so. These were very often the second or third sons of farmers in Southern Brazil who were not going to inherit land. The Southern Brazilians did not want to divide their property, so the sons who were not going to get it would be given money to buy land in Paraguay where it was cheap .

Q: Was there much pressure coming from Washington to do something or was this a big

backwater?

MACK: Let's be realistic here. Paraguay was not the central focus of U.S. Foreign Policy, even to Latin America. We had our marching letter on human rights issues but other than that I don't think the Secretary of State was focused day-to-day on the happenings in Paraguay.

Q: How was Tim Towell? The reason why I asked was that he was a Foreign Service Officer who quit and became a Protocol Political Appointee. He not come from a background of being an enforcer type, someone who could go and straighten out Stroessner.?

MACK: Well, actually Tim was good to work for because he really, he recognized that he needed help on the substance side on Paraguay issues. And he used his people. He sought counsel when the *golpe* against Stroessner occurred. . And the Mission came together and recommended the course to take to try to steer General Rodriguez toward elections, etc. to open things up. And Rodriguez to some extent did that. He ran for president and was elected, naturally. I left about six months after that.

But things began to open up at that point. Rodriguez's concern was that he be able to walk the streets of Paraguay after he stepped down from the Presidency. He didn't want to have go into exile like Stroessner or to have to barricade himself in his residence. In fact, he served a term and then he left. And there was another election. But Paraguay has had a troubled history since that time. One of Rodriguez's former senior commanders named Oviedo from his Cavalry division wanted to become president and enjoyed support from many in the Colorado party who like strongman rule. Unfortunately, he was cut from the mold of a dictator. In the end he was not allowed to run. But Paraguay was had a very difficult time. Still, things are more open than they were before.

Q: Did Paraguay play any role or show any interest in what was happening up in Central America at that time?

MACK: in 1979 before I arrived, Somoza had been overthrown in Nicaragua by the Sandinistas and was given exile in Paraguay by Stroessner. And Somoza was assassinated in Paraguay after that, also before I got there. I don't remember if it was one year, two years, three years, or four years, but he was assassinated. His Mercedes was attacked by an armor-piercing grenade and he was killed. If I recall correctly, the people who carried it out came out of Nicaragua. So they sent down a group probably aided by local leftists to dispatch Somoza once and for all. So was there a Central America connection? I guess you could say there was. Stroessner was a staunch anti-Communist..

Q: Well then '89 you left?

MACK: '89 I left.

JON DAVID GLASSMAN

**Ambassador
Paraguay (1991-1994)**

Mr. Glassman graduated from the University of Southern California and Columbia University. He served in numerous posts including Madrid, Moscow, Havana and Kabul. He was named ambassador to Paraguay in 1991. He was interviewed by Peter Moffat in 1997.

GLASSMAN: It produced cotton and had an abundance of electric power. One of its primary features is that it served as a kind of entrepôt for contraband entry into high tariff countries such as Argentina and Brazil which are its neighbors. One of the principal functions of the military was to protect this traffic and derive protection payments for this. In this contraband traffic, in addition to whiskey, cigarettes, perfume, electronic goods, and computers, we kept hearing persistent reports that narcotics were included. In Paraguay, there's no cultivation of narcotics but it's immediately adjacent to Bolivia which is one of the two principal coca sources in the world, and we of course were trying to press the Paraguayans to control this traffic. They said all the right things, they said they were doing it but we came to notice procedures were notably below that of their neighbors. For instance, one of my years there, the Brazilians seized seven tons of cocaine, the Argentines had seized one ton and the Paraguayans had seized 47 kilos. They were seizing a lot of marijuana which was a lot less valuable commodity, so we would bring this up with Rodriguez, urge him to cooperate and he would say the right things again but again, but it looked like they were turning a blind eye to the trafficking. We were later to discover exactly how this contraband traffic worked on electronics. They would bring it in from Miami, break it down in smaller loads, drive them out in trucks to the clandestine air strips in the eastern part of Paraguay where they were put in warehouses and re-pack the smaller lots, which were put on small planes which were then going into the outskirts of Sao Paulo and Rio, then transported over to Argentina as well. Now in Brazil the traffickers, Nigerians and others, would then transfer it into West Africa and then move it into Europe as well.

This was an interesting transit route.

Rodriguez, the President, had overthrown the 35 year dictator Stroessner. He had been clearly part of Stroessner's group, one of his daughters was married to Stroessner's son, so the idea that he was making some real change was far-fetched. Because of his tawdry past and possible connection with narco traffic, we thought it would be better if he departed the Presidency. First of all, Rodriguez, of course, wanted to stay on. He tried to delay the election and we organized a sort of campaign which brought in the church and business people who pressed for holding elections on time. We were successful in generating that kind of popular mood, then a constitutional amendment passed, not by our instigation, but preventing him from running again for reelection. He contemplated a coup but didn't do it. Things looked like they were going swimmingly, so the ruling party had a primary election at the end of 1992. Rodriguez, after recovering from this terrible disappointment, said, "I'll hand pick a successor, I'll arrange the military hierarchy in such a way that I'll continue to have control even when I'm not president, and we'll hand pick a successor." He chose one of the wealthiest men in the country who had benefitted from the corruption. They held the election, the primary election. Even though they wanted it to be fixed, that didn't quite work and the wrong man won. This was a terrible thing,

and they stopped counting; one of the key players in the military told me that they're going to fix the count. They couldn't do it, they had to stop things, just terrible and this was New Year's Eve at the end of 1992 and the beginning of 1993. I received someone in the office who said, "The military is going to do a coup, they're going to put in the right person who should have won." So I inquired around, and confirmed the coup report with four or five people. We contacted the Department and were instructed to approach President Rodriguez and the leading figure in the military General Oviedo and tell them that this should not happen and if it happens we're going to cut off all United States support. We did that, and the Paraguayan military seemed intimidated. In fact, General Oviedo, when we called on him, said, "The only thing I presume is that the United States must be landing troops at the airport." Finally, the coup didn't occur; however, a statement was made in which the Paraguayan press suggested that the United States was behind the coup. So I issued a public statement that the United States not only did not support a coup but condemned one. The State Department got very upset at this because they said I'd been authorized to make a behind-the-scenes approach but not authorized to come out publicly. So I was censured on that, told to stop appearing so much in public. This was still under the Bush presidency.

In the meantime within the ruling party, instead of having a coup, payments were made by the military and the "right man" won the primary nomination. As these events happened, Clinton was inaugurated. They had to move some of the Ambassadors but I was mentioned as one of the people that would stay on.

In Paraguay, the ex-President was sent down to observe the general election. There were some attempts at intimidation but the ruling party sent out some of the Generals who told the people that they would lose their civil service positions if the opposition won. They were able to mobilize what appeared to be a credible majority. The new president-elect was a wealthy man named Juan Carlos Wasmosy. We had a dinner with him to talk about the narcotic trafficking problem. He said, even though Rodriguez had played a clear role in his victory, he was prepared to cooperate with the United States and crack down on the narcotic trafficking. No one would be out of reach. We of course welcomed that. He also mentioned to me that he was going to change the military so that Rodriguez' hold on the military would be removed. He was inaugurated. The Administration sent down Secretary of Health and Human Services Donna Shalala. They had a nice meeting. Everything looked like it was moving along. President Wasmosy told us that, not only would he crack down but he'd allow the United States to choose the new drug czar. We gave him three names, and he chose an honest General. Things for the first hundred days looked very good and the new drug czar was starting to investigate a lot of really high level involvement.

It looked like a very promising situation, but one day the President called me over to his house. (It's right across the street from our compound.) He told me, "You know something strange, there's an officer out here from the counter narcotics directorate that says they're starting to investigate me and General Oviedo." I said, "Well, I could possibly understand Oviedo but I'm sure he's probably not investigating you Mr. President." He said, "You check." I checked, they were looking at the military and Oviedo but not particularly the President. The President said, "Fine, we continue." Then a few weeks later he called me again, he said, "You know this drug czar we put in there is talking to my opponents within the ruling party." So I checked it out

through the DEA,” and told him, “No it’s not true.” I said, “Mr. President why don’t we have a meeting in the Palace, we’ll have your military advisor, you, let’s bring in the drug czar, you can ask him anything you want.” He did and he said, “Are you meeting people in the oppositions?” He said “Absolutely not, Mr. President, I’m a hundred percent behind you.” So the President said, in my presence, “I can tell you that no one here is immune. You investigate, you have total freedom of action.” He said, “That’s fine.” So three weeks passed and the President called me up, he said, “You know, I’d like you and Francesca, your wife, to join me and the Ambassador of Brazil and the Papal Nuncio on a special family occasion. We’re going to fly to the southern part of Paraguay where we’re going to a monastery where my son is buried. He died at 17 prematurely; we’d like you to participate with me in a Mass. It was really an intimate family occasion. We flew down there and it was a terribly moving thing, the President’s wife produced these letters from their son and there was crying. We visited his grave, then we went to this little airport to board the President’s plane and somebody ran over to me and showed me a piece of newspaper. The article said the Deputy head of the counter drug forces had been removed. I said, “Mr. President, please explain.” He said, “Not to worry. I’ll explain to you when we get back to Asuncion.” We went back and the following day they removed not only the deputy but also the head drug czar. We held a country team meeting and said, “What should we do? This shouldn’t take place with the United States remaining silent.” The press came up to me at an event during the day and I said, “It’s a pity if honest people are being removed.” So, of course, they went to the President. They had this mammoth headline “The American Ambassador doesn’t rule, we rule.” A very nationalist reaction of course. I was called into the foreign ministry. The State Department asked, “What are you doing?” I said, “You have to make this public.”

President Wasmosy next said to me, “Not to worry, we’re going to name an honest man.” For example, he said, “I have this other man named Rodriguez, another civilian, perhaps he could be named drug czar.” I said, “Mr. President, this man was a campaign advisor to one of the leading traffickers in the country, the Governor of the Eastern Province.” Wasmosy said, “Not to worry, we’ll get someone else.” So he came to me about a week later and said, “How about my private secretary?” I said, I’d be happy to look into it. He said, “Please do.” We looked into it and it turned out that this man not only had been involved in illegal money transactions but he had represented an airline which belonged to one of the members of the Cali cartel. I said, “Mr. President you can’t name persons associated with a cartel as a drug czar.” “Not to worry, we’ll do it again.” About a week later, he produced the name of a retired General who we knew was close to the head of the armed forces. But we had nothing against him in the drug area. The State Department, in the meantime, was calling up and saying, “You’re interfering in this young democracy.” Wasmosy's nominee Ramon Rosa Rodriguez was made drug czar but it turned out he was killed about nine months later. In any event, that’s how we got a new drug czar and, of course, progress on drugs really stopped. When all this happened we of course sent in a yearly drug report on status, and we mentioned this.

There was some progress earlier in the year but it turned sour at year-end when the honest drug czar was removed. This is all happening, we sent this in and in February 1993, I was called up to Washington to be interviewed for the position of Vice President of the National Defense University. The Assistant Secretary at the time, Alexander Watson, called me in. Also in the room was Michael Skol, the Deputy Assistant Secretary. Watson said, “I have to tell you we received complaints from the Paraguayan government about your conduct, your constant

confrontation with the President. On this drug czar thing, you had another confrontation. You're in constant confrontation there. We considered this and we decided we should curtail your term. You should be there until July, instead we want you out of there by April 1." I said, "Who authorized this?" They said, "We told 'them' you're going to be out of there." I said, "You know it's going to be sort of hard to pack, may take a few extra months." Watson said, "Just you and your family should be out of there by April 1." I was upset. I must admit I thought I'd done a great job and here I was being sacked in fact, on the basis of complaints from the Paraguayan government. I said, "Have you looked into this carefully? Do you know what this General Oviedo is about? Do you know anything about the drugs, that we tried to get rid of Rodriguez because of the drug issue?" Skol and Watson said, "No, drugs is not a problem. Paraguay has no trafficking." I proceeded back to Paraguay to pack my bags. This was in mid February, I was leaving in a month and a half. On April 1st, the annual Presidential certification thing comes out and Paraguay is certified and not only that, the report that comes out is our report that we sent in minus all the negatives. They removed all the negatives. So I sent a cable to Strobe Talbot who I knew a little bit. I said, "Mr. Deputy Secretary, this is based on our report, except you eliminated all the negatives and I think that on a Presidential certification that's not the thing to do." Then comes back a cable, "We took this into account."

Q: Did you ever determine the exact approximate reasons that the President sacked all those people?

GLASSMAN: No, why he sacked the drug people?

Q: Yes.

GLASSMAN: Oh yes, they were getting too close to General Oviedo, the man who by the way continues to be a very important man in Paraguay. He later, after my departure, attempted to precipitate a coup in Paraguay and the President took refuge in the American Ambassador's house. Finally President Clinton and the OAS Secretary General intervened and helped block the coup.

Q: Grim tale?

GLASSMAN: Yes, the bad part of the tale was that Washington at least at that early stage was ready to go along with emissaries from people who are obviously corrupt and also tied with narco trafficking. In the Department, I tried to find out who authorized my dismissal and I've never been told. I went to the Director General of the Foreign Service and gave a memo describing the scene which I told you about and she said, "We don't know who authorized this. You should ask Alexander Watson." I doubt they did know although somebody mentioned somebody in the White House might have put out a word that this had gone on long enough.

ROBERT E. SERVICE
Ambassador
Paraguay (1994-1997)

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: When you arrived there, what type of government did they have?

SERVICE: Let me go back a little bit. Stroessner was kicked out in 1989 by his own military. His top generals said, "You've served your time. Goodbye." He got on a plane and went off to Brasilia where he still lives. The ranking general after Stroessner was Andres Rodríguez. Rodríguez agreed to hold elections very soon after the coup. He was the candidate of the party that had been in power for 40 years, and he won. Nobody was quite sure whether this was really democracy, or just one general substituting for another general. But, Rodríguez was convinced, or convinced himself, that he should step down after he had been president for four years. He was succeeded by a civilian named Juan Carlos Wasmosy. Wasmosy was elected in 1993. He had been office about a year and three months when I got there. Democracy had in fact come about in Paraguay, although it was still a rather weak plant, a young plant. Paraguay has long had two major parties: the Liberals and the Colorados. The Colorados had governed the country for 45 years, and they still do. Rodríguez was a Colorado, Wasmosy was one, Stroessner was one, obviously. But by the time I got there, and as a result of the 1993 elections, the traditional opposition party, the Liberals, and a new party called Encuentro Nacional had won a majority in Congress, and also the mayorships in a number of the important cities, including Asunción. You did have the opposition involved in exercising power.

Q: During the time you were there, 1994 - 1997, how did the democratization of Paraguay seem to be going?

SERVICE: I think a considerable amount of progress was made. One of the things that happened soon after I got there was reform of the Judicial Branch. It had consisted previously of five Supreme Court Justices. The new constitution expanded that number to nine. They had a rather elaborate selection procedure. People nominated themselves, which was an interesting idea. Then a commission looked at these nominations and came up with 27 recommended persons for nine positions. Then the Congress selected the nine, which then had to be approved by the President. The Supreme Court in its new form was made up of four people who were viewed as members of the Colorado party, four who were members of the opposition parties, and one who was considered an independent. That constituted another important institutional brake on arbitrary power by one party or by one individual. There was also reform of the electoral system, so that elections would be as free as possible. Again, the people were chosen for that Commission were one Colorado, one Liberal, and one something else. In various ways the monopoly power that had been held for so long by one party was breaking down. There were other reforms, but a lot of things didn't get done also. There were ambitious plans to rewrite numerous laws. Some of them had been around for decades and were outdated. A great deal was left undone because of divisions within the Colorado party. One thing that should be pointed out is that Wasmosy, who was the President, and still is the President (1998), won in a very contested primary to be the

party candidate. In fact, he probably did not win, and they stopped the ballot counting. Three months later, they declared he had been the winner. So, the guy who probably won - a guy named Argaña, pulled out his supporters and basically there was bad blood and enmity between the Argaña faction of the party and the Wasmosy faction of the party for much of the time I was Ambassador in Paraguay. And there was a third important player, who was a military man named General Lino Cesar Oviedo. He had been instrumental, one of the key people, in the coup in 1989. Then, he had been moved up. He was a Colonel at the time, and was promoted rapidly. When Wasmosy became President, he made him head of the Army. Oviedo is a very charismatic person. He speaks Guaraní fluently. That is the Indian language. He claims to be a man of the people. He clearly had political ambitions. He was contesting power with Wasmosy from the start of the Wasmosy administration. He claimed credit for having made Wasmosy president. At the time of the contested primary, it was probably Oviedo who said, "We are going to make sure that you win." There was a lot of tension between Wasmosy and Oviedo the whole time I was there.

There was discussion at various times of what to do about it. Sometimes, the President would discuss it with me. One time he said, "Well, I think I'll make him head of the party." He would suggest to the general that he retire and become head of the party. I said, "Won't that ensure that he is the next candidate for President?" The President said, "Not necessarily." He may have offered it, but Oviedo did not want the job. Oviedo gave us concern. We believed, I still believe, that Oviedo was involved in the profits from drug trafficking, if not drug trafficking itself. He certainly got some of his money from contraband of various types, including pirated merchandise. He had protective relationships with various border businessmen who looked to him to be their man in the government, and to make sure that they got a good deal and were not prosecuted or harassed in any way. I remember, one time, we had a trade dispute with an American company in Chicago, named COBRA, because there was a local company which was making their products. Actually, they were just imitations of them. I mentioned this to Oviedo one day when I was visiting him for some reason. He said, "Oh, yes, I had the two people in my office yesterday." It was a very surprising statement because why would this head of the Army have these two people in his office. He had them in the office because he was the one who was providing protection to the pirate. He was trying to work out, I suppose, some sort of deal where the Americans would stop complaining and yet his man wouldn't be harmed. Anyway, Oviedo was a constant source of concern to most democrats in Paraguay, and to me as U.S. Ambassador, and to the U.S. Government more generally. The crisis finally came in April of 1996. It was rather unusual how the crisis developed. At the Embassy we had no particular reason to think a crisis was imminent. We thought things were going along their normal up and down course. We started getting calls from Washington about possible unrest, possible coup attempts, this, that and the other thing. We didn't know what to make of it. Finally, we figured out, by talking to people in the Department, that some of Wasmosy's intermediaries had been going up and talking to people in the White House or elsewhere and pushing these ideas. Wasmosy and his staff had not been telling us, I'm not quite sure for what reason. Anyway, we got that straightened out. There were a couple of meetings. The Ambassador from here was down there with Wasmosy. Wasmosy said, "Look, we are going to force Oviedo into retirement sometime in the next three, four months. This country just isn't big enough for both of us. We are going to have to move against him. This was in early April, 1996. I jotted that information down and informed Washington. They had said similar things before and nothing happened.

My wife and I went off to visit the Mennonite community in the Chaco. We were gone from Wednesday to Saturday. I got back in the early afternoon on Saturday. This would have been the 20th of April. I received a call from the man who was going to be the Foreign Minister later, but was still the private secretary to the President. His name is Ruben Melgarejo. He said that he needed to see me. He asked whether he could come over, and I said, "Certainly, come over at 5:00." He came over and we sat on the front veranda and started to talk. He said that the President had decided that he was going to call Oviedo at 8:00 a.m. on Monday morning, the 22nd of April, and tell him that he had to retire, he had to step down. They weren't sure what would happen then. They would have to play it by ear. Would the U.S. be supportive? I told Melgarejo that we would provide moral support. I wasn't sure we could do much more than that.

At about this point the DCM, Bill Harris, came up to the house. He saw us sitting on the veranda. He sat with us. Then, he said, "I hear the telephone ringing." He went inside the house, and then he asked me to come. There had not really been a phone call; he wanted to say something to me. He said, "Look, the word we have through our military is that this person you're talking to is closely linked to Conrado Pappalardo who, in turn, is a supporter of Oviedo. So he may be trying to sound you out, maybe to mislead you, etc." I replied "Well, I don't think that is true, Bill. Besides we are too far into this to back out at this point. I'm just going to ignore that piece of information." We went back and finished talking. That night, I went to the Brazilian Ambassador's house and told him what was going to happen on Monday. He also had been aware that something was afoot, but hadn't heard a firm time and day. Oviedo was there that Saturday night also, although I didn't have occasion to speak to him. Others also had some information. One elder statesman type urged the Brazilian Ambassador and me to try to dissuade Wasmosy from confrontation. We decided to ignore the plea. This was Saturday. On Sunday I got the key members of the country team together and told them what I knew. The general attitude was "We'll believe it when we see it." On Monday morning, the 22nd, we were obviously on tenterhooks. Was anything going to happen? And if so, what?

We sat around most of the day waiting for a telephone call to tell us what was happening. By early afternoon, there were rumors going around town that the President and Oviedo, and other top military had met all morning. But nobody knew what was going on. I called the President at least once, fairly early in the day, to find out. He said, "No, nothing was conclusive yet. Don't say anything, don't do anything." I called him again, shortly after 6:00 in the evening, and got pretty much the same response. This time, however, he sounded less confident, less sure there would be a satisfactory outcome. After the morning meeting, Oviedo had said he was going to the large cavalry base on the edge of Asuncion to meet with the other Army generals. Oviedo also said he wanted to talk to ex-president Rodríguez who was in Buenos Aires. Wasmosy called Rodríguez's son-in-law, who sent a plane to get him.

After I talked to the President a little after 6 p.m., I decided to release a statement we had prepared earlier in the day. At about 6:25 the Public Affairs officer, Mark Jacobs, called the most popular radio station and read our statement directly on the air. It essentially said that the President had ordered the head of the Army resign. He should do so. It was the first "official" statement about what was going on. Although we did not realize it at the time, it had the practical effect of making it impossible for the President to back down. Up until then, he probably could

have found an exit from the crisis by returning to the status quo ante. Our release was the first official statement. The Brazilians asked for a copy of what we had said and then put out their own. The Argentines followed quickly.

About the time we were putting out our statements, I called the Brazilian Ambassador and asked if he wanted to come with me to talk to Oviedo. The Brazilian suggested we also involve the Argentine Ambassador. So the three of us set off in my car to try to talk to Oviedo and to explain to him the severe repercussions for our relations if he did not obey President Wasmosy's orders. On the way over, Nestor Aduad, the Argentine, remarked that this might be the last time anyone in Latin America had the opportunity to try to stop a military coup. We laughed.

But Oviedo would not see us. A soldier told us that he had left, but he was not very convincing. We got back into the car and drove out to the entrance where there was a lot of press and we had a press conference. We told the press how concerned we were, etc. Then, we drove by the presidential residence where Wasmosy was. He seemed fatalistic at that point. He didn't see much more that he could do. The Argentine Ambassador, who was a medical doctor, said that Wasmosy looked depressed. There were a lot of people milling around. It wasn't clear to us that we could do anything more. So I went home and started getting ready for bed.

At about 10:30, I got a call from Papal Nuncio, at Wasmosy's residence, saying that things were very bad, and that I should come back. I wasn't sure there was anything useful that I could do. I asked whether I could talk to the President. He got on the line, and said, "Yes, I would like you to come over." By then, I had sent my driver home. I got in my car and drove over there. It was just across the street from my residence. In the President's house, there were about 200 people milling around -- cabinet members, personal friends, congressmen and senators, his sons, and perhaps a dozen ambassadors. The President was thinking of resigning. Apparently, since late afternoon, various emissaries had been going back and forth between Oviedo and Wasmosy. Oviedo was saying, "Look, if I resign, you have to resign too. If not, I'm going to march on the palace." Wasmosy said over and over again that he did not want to be the cause of bloodshed, and that he did not want to cause hardship for his country, etc. He was seriously considering resigning. There were about 10 or 12 Ambassadors there, most of them from Latin America. We all urged him not to resign. At one point, he claimed the Liberal Party leader was in favor of his resigning. I said that I didn't think that was so and asked whether he had talked with the Liberal Party leader. He said, "No, this comes from his wife." I said, "You've got to talk to Laíno himself. He's the head of the party." So, Wasmosy put a call into Laíno and talked with him. Laíno denied that he had urged resignation. But, still Wasmosy was thinking of resigning.

Finally, about midnight, I said, "Look, there is another alternative. Why don't you send all these people home, get them out of harm's way, and you come over to my house and spend the night?" It was no sooner said, than he and his three sons were in a pickup truck. I got in after them, and we drove around a little bit, not the most direct route, but around a couple blocks, into the Embassy compound. I had to get out and identify myself because it was a truck that was not an Embassy truck. We got in and went up to my office. The first thing I did was to call the Department and say "I've got the President here. What should I do?" I think I got somebody in the watch office. They said, "Hold on, we'll get back to you." I think they finally got hold of Peter Tarnoff, Under Secretary for Political Affairs. The word came back that it was ok for the

president to be there. Of course, there was no real alternative at that moment. But I was a bit concerned. A day or two earlier, talking with someone in ARA, that official had expressed the hope that if Wasmosy had to take refuge in an embassy it would not be ours. And the next morning, to get ahead of my story, I asked the administrative officer to check what had to be done to get Wasmosy out of our compound and into that of the Papal Nuncio, who had a house right next door but separated by high walls. Luckily it never came to that.

I got a call from the head of one of the opposition parties, Guillermo Caballero Vargas, who asked me whether somebody important was there. I said, "Yes." Then, I got a call from the Brazilian Ambassador who also asked me whether somebody was there. When I answered with an affirmative, he asked whether he could come over. I said, "Sure." His name, by the way, is Marcio Dias D'Oliveira. We were good friends, and more important, our governments shared the same views regarding the desirability of democracy in Paraguay. So he came over.

There we were: The President and three of his sons, the Brazilian, various of the Embassy officers, and one of the emissaries that had been shuttling back and forth to where Oviedo was. The President was still thinking of resigning, even when he got over to the Embassy. The Brazilian Ambassador, playing for time, suggested he ask instead for a leave of absence, and helped him to draft such a request. The Brazilian and the emissary took that piece of paper and went to Oviedo's place. About this time Jeff Davidow called. Jeff was the incoming Assistant Secretary for Latin American Affairs. He also talked to Wasmosy and said, "Don't resign." About 1:00 or 1:30, we went up to my residence, further up the compound. We sat around up there for two or three hours. At about 3:00 a.m. OAS Secretary General Gaviria called. He was in Bolivia. He, even more emphatically, told Wasmosy not to resign.

Q: Let me just ask a question here. The whole point of the matter was that the democracy was fragile and the idea of a President resigning under the threat of the military, would just negate what had been happening all over Latin America. So, it was a very important point at this time?

SERVICE: Yes, very much so, given the history of Paraguay and the historically dominant role of the military. We wanted to preserve democratic order and democratic constitutional order, etc. So, Gaviria called and urged him not to. Then, the emissary and the Brazilian Ambassador came back from Oviedo and said that Oviedo had rejected the leave of absence idea. He said that he wanted a letter of resignation. He even had the text. It was the one that Stroessner was forced to sign in 1989. At that point, Wasmosy said, "I'm not going down that path." He had firmed up in his own mind that that was not the proper, the best thing to do. Then, he went to bed for an hour. We all went to bed for an hour.

At 6:30 am, this is Tuesday now, April 23, he and his sons got up. We had a little breakfast. The President was still not clear on what he was going to do next. At one point he looked out the window at the beautiful grounds and said he might just spend the day there. I urged him to get hold of his closest advisors, have them come over, and think about what had to be done. He got a couple of them in: Melgarejo, his private secretary and the one who had talked to me on Saturday afternoon, and Morales, who had been a colleague in grade school. They decided the President needed to get back into a normal routine of activities. We all went back to the Presidential palace. He changed clothes and shaved. Then we all went down in a caravan of cars and pickups

to the Palace downtown. There were a lot of people in the streets, clapping and honking. It was an emotional boost for Wasmosy. Most of the Paraguayan vehicles were black. My own white Caprice was at the back of the caravan. We stayed at the palace all morning. There were four Ambassadors, myself plus the three representing the other countries of Mercosur: Brazil, Argentina, and Uruguay.

Q: *Argentina?*

SERVICE: Yes. Brazil, Argentina, Uruguay. The Spaniard was in from time to time. On the other side of the President's desk you had the President's chief advisors. Wasmosy was at his desk. The chief advisors were over here, and the Ambassadors here. The basic issue for the morning was what to do about Oviedo. Most thought that he had essentially given up, but still it was necessary to provide him a graceful exit, some face-saving way out. The idea developed to make him Minister of Defense. I think I was the one who initially raised that possibility, more in the way of a question than a proposal. Eventually, it was picked up by others in the room, even though I had not pursued it, and was far from sure in my own mind that it made sense. Now, Minister of Defense is not as important a job in Paraguay as it is here. It is not in the chain of command. So the proposal was conveyed to Oviedo. He accepted immediately. Wasmosy announced the "solution" to Gaviria when he arrived from Bolivia shortly after noon, and then later to the Foreign Ministers or Deputy Foreign Ministers of Argentina, Brazil, and Uruguay when they arrived later in the day. There was also a lunch, at which the leaders of the opposition parties were present. Nobody said what a terrible idea this was right at that moment. They sort of said, "Well, it would have been better to make him Ambassador to Germany, or something. But, if that is the way it is, that's the way it is. At least the coup threat is over, and constitutional order has been preserved."

By late afternoon, however, all sorts of opposition had begun to be heard against the idea of rewarding someone who had almost staged a coup. There had been no thought given to public opinion when a graceful exit for Oviedo was being decided. Public opinion is a rather new phenomenon in Paraguay. But now it was making itself heard. Many people, and not just those who belonged to opposition parties, were asking how it was possible that this man who has just threatened a coup, had all but staged one, had tried to force a change in government, was now being rewarded. This was still Tuesday.

They held the ceremony for Oviedo to resign on Wednesday. It was a gala event with all the pomp that could be mustered on short notice. Oviedo and Wasmosy embraced. Afterward, Mrs. Oviedo confronted Wasmosy and told him that her husband had done his part. Now it was the President's turn to do his and carry through with his promise to make Oviedo the Defense Minister.

The idea was to name him the Minister of Defense on Thursday. But, between Tuesday afternoon and evening, and Thursday morning, the opposition to doing that had become very strong and very vocal. Wasmosy decided no, he could not do it. There was a very interesting meeting on Thursday morning at the Presidential residence, which the Brazilian and I were both at. After Wasmosy had made the decision not to make Oviedo Minister of Defense, he had to draft a speech to explain his decision. He was sort of thinking out loud. He had the head of the

Armed Forces, General Nogueira, sitting beside him: “ I have decided, with support of the Armed Forces, etc. Nogueira stopped him and said, “No, Mr. President, don’t put that in. This country, too long, has made things rely on the Armed Forces. Don’t say “with the support of the Armed Forces.” Just say, in accord with my constitutional authority, have decided not to name Oviedo Defense Minister.” In a country with Paraguay’s record of military involvement in politics, that was a very important moment.

Q: *What happened to Oviedo?*

SERVICE: Now, we get into the ironies of the matter. Oviedo, who was retired on the 24th of April, and thought he was going to become Minister of Defense on the 25th, was left out in the cold. He was not allowed to make a speech at the National Presidential Palace. They cut the lines to the microphone when he tried to speak. He became a full time politician. He spent the next year stumping the country, holding meetings, giving away things, and promising more. He won the Colorado Party primary for the presidency in September, 1997. There appeared to be a good chance that he would succeed Wasmosy as president. However, there were a number of court cases pending against him because of what he had tried to do in April, 1996. Finally, a military court convicted him and sentenced him to 10 years for having attempted the coup in 1996. This was upheld by the Supreme Court shortly before the Presidential election, which was on May 10, 1998. Being a convicted prisoner, he could not be on the ballot. Therefore, the man who had run with him as Vice President moved up to the presidential slot. The person who had lost, who had come in second, Argaña, who had also been beaten in the Colorado primary by Wasmosy in 1992, became the vice presidential candidate. Oviedo is in jail, in a military prison. His Vice President, Cubas, has been elected President. He has declared that as soon as he is President, he will look for a way to free Oviedo. We will have to see whether that happens or not.

Q: *Well, going back to this whole thing. In the first place, very early on, the President is sitting down there with you and asking whether he should do this or what you would suggest he do. It sounds like the sort of thing, . . . in Latin America society, which I don’t know, but a political thing would be a tendency to keep somewhat away from the American Ambassador.*

SERVICE: In many countries where I have served, that is true, or was true, much more in the past than it is now. Paraguay is unusual in the sense that, to my knowledge, there has never been a strong anti-American movement. In fact, quite the reverse, because they have big neighbors who are much closer to them, Argentina and Brazil. They have looked to the U.S. to be the balance at times against those neighbors. It’s been true, in fact, . . . Rutherford B. Hayes is a famous person in Paraguay, because after the war of the Triple Alliance, when Paraguay lost to Brazil, Argentina and Uruguay, and had chunks of its territory taken away by them, one final piece was desired by Argentina. It was put up to arbitration and Rutherford B. Hayes was the arbitrator. Hayes came down on the side of Paraguay. So, he has a department and a town named after him. We were also involved in helping to settle the Chaco War.

Q: *That was in the 1930s?*

SERVICE: Yes. By and large, the U.S. has a good reputation there. We put a great deal of money into the country in the 1940s, 1950s, and 1960s under AID and its predecessors. We have

had a Peace Corps program there for a long time. It is the largest Peace Corps program in the world. Americans are liked. I don't think there was much political downside for Wasmosy from consulting with the U.S. Embassy. The leftists would be against it of course, but there aren't that many leftists in Paraguay. And the more nationalistic right didn't approve. But, as I say, not many people.

Q: *Of course, I assume that what was happening was occurring at a point in time, that by this time, all of Latin America had gotten rid of its dictatorships, hadn't it?*

SERVICE: All except for Cuba.

Q: *All except for Cuba, which was always, sort of, off to one side. Paraguay had the weight of all these countries around it. They didn't want to see any countries go back to old ways. I would think that would be a pressure.*

SERVICE: Yes, I think there was. There was, in fact, a great outpouring of support from all of the Latin neighbors. Many of the Presidents called Wasmosy. So did President Clinton on the afternoon of April 23.

Q: *"Hang in there."*

SERVICE: Right.

Q: *What about public opinion? Was that a factor that he could call upon early on or did he feel he couldn't?*

SERVICE: I don't think they were much aware of public opinion. The whole naming of Oviedo as Minister of Defense episode, demonstrated to me that public opinion was not taken into account, normally. Nobody asked what would be the reaction to naming him Minister of Defense. In the future, because of what happened, more attention will be given to public opinion.

Q: *The normal thing, you would think would be, the President would get up and make a speech . . . "My people" . . . , something like that. In your talks with others, that wasn't a consideration?*

SERVICE: He did do that eventually. There was not one before he decided to fire Oviedo, but he did make speeches on Tuesday, Wednesday, Thursday, and he did rally support to his actions. Oviedo at that point was quite low in popularity polls. But, he devoted a great deal of effort to his campaign, and as I said earlier he was somewhat charismatic.

Q: *What about the military forces? Had he sent them to march over to the presidential palace, would they have marched, or what was the feeling?*

SERVICE: Nobody knows. I think he had some officers who were personally loyal to him. I'm not sure the majority would have been loyal if a coup had been attempted. There is a very strong tradition in the military, any military, that you do what the guy above you tells you to do. Oviedo was head of the Army at that point. So, it was not impossible that he could have succeeded.

There is an anecdote and I don't know whether it is true. Finally, about 5:00 in the morning on Tuesday, after this long night of indecision and back and forth -- was Wasmosy going to resign, or wasn't he going to resign -- Oviedo realized he was not. He said to the military men around him, "Well, we'll have to crank up the tanks." One of the generals said, "You know, we don't have a plan and it is almost daylight. We've lost the advantage of night time. It's impractical." That suggests that at least that general's heart was not in the operation. Probably Oviedo never intended to use force. He thought he could win by bluffing and by bluster, which is the way he had gotten most of what he wanted in the past. This time Wasmosy held out.

Q: Was there much press coverage at all on this at the time?

SERVICE: A tremendous amount locally. But, internationally, it was not a big deal. In fact, Strobe Talbott complained to me when I came back that he had a hard time getting any newsmen interested in the story. He gave a couple of interviews to The Washington Post and others. The Washington Post reporter, who was based in Buenos Aires, came up and I gave him a long interview, which appeared in the paper. There were a few others, but not a great deal. Paraguay was off the screen for most Americans.

Q: Not many American Ambassadors have a chance to be there to handhold and to support a President who is threatened by the military take over, and all.

SERVICE: Oh, no, it was an incredible experience, unique. Obviously, this was the high point of my career. It turned out okay. But for a while I doubted it would end well. I told the DCM, Bill Harris, "Look, you may be in charge for a long time." But, it then turned around, and came out okay, at least then. Now, whether okay also includes what has happened in the subsequent two years, and the fact that Oviedo became the official candidate, until he was disqualified, . . . I don't know. It doesn't seem as neat as it seemed in 1996.

Q: Turning to some of the other things that you had to deal with - drugs.

SERVICE: Drugs were a continual issue, a headache, problem. It was the question I was asked most frequently whenever I saw the press, which was very frequently. If I went to a government office, there would usually be some press when I left. If not initially, then very quickly, they would ask about the drug effort and whether the U.S. believed that Paraguay had made an adequate effort.

Just to give you some background, we have a process called certification by which our President has to certify each year that Paraguay is cooperating fully in the battle against drugs. Paraguay is included on the list of major drug producing or trafficking countries. Paraguay was always certified until I went as Ambassador. Then, the first time it came up while I was Ambassador, which would have been March 1st of 1995, Paraguay was certified only on the basis of the national interest waiver. There are basically three categories: you can be fully certified or you can be "not certified," or you can be certified on the basis of a national interest waiver, which means that you wouldn't have been certified except that it is in our interest to do so. Paraguay was in this grey area, along with the three major producers: Peru, Bolivia, and Colombia. This made Wasmosy very unhappy. The press focused on it a good bit. We tried to motivate them to

do what was necessary to restore full certification. It was a hard job for various reasons: (1) Because some people in government profited from the drug trade, if not in the national government, which I can't totally rule out, then at least at the local and regional levels. I've mentioned Oviedo as a person whom I think indirectly profited from the drug trade. Governors in the border areas also undoubtedly received money from it. There was a vested interest in maintaining it. And (2), the Paraguayans have practically no history of a capable investigative force able to find out who is doing what. Historically, there has been very little interest in that kind of capability because it might point fingers at the wrong people.

Q: Also, they are sort of like Andorra (a smuggling state).

SERVICE: A smuggling state, certainly. So, there has been a lot of live and let live and don't ask too many questions and maybe some of the money this guy is making will come to you, etc. Also, I would say, because of its history as a smuggling state, if we may call it that, there is very weak law enforcement, very little tradition of being willing to stop a bullet. They had very little experience in trying to uphold the law, and fighting corruption. Nobody wanted to go out there and get his head blown off. There was not much tradition of wanting to do that. It was hard to get them to do what was needed. There is another factor which in all fairness should be mentioned. Paraguay is no worse than a lot of Latin America countries. Each year, when it came to certification time, you had to have somebody on the list. We have much more extensive and important relations with larger countries, Mexico for example. So, what do you do? You end up with Paraguay, and maybe Belize, and maybe Panama, occasionally, countries for which there are not many defenders in Washington who would say that you can't do that because we have other important interests with them. I think Paraguay suffered on that account as well. Anyway, the first year they were certified only on the basis of national interest, the second year, the same. The third year, they were fully certified. But, then the fourth year, after I've left, they were put back in the national interest waiver category. So, have they learned anything, have they done much? I don't know. We were quite hopeful at one point after Oviedo had been fired. They put a man named Ayala, an ex-general, in charge of the drug program. He had been an opponent of Oviedo, supposedly because he was honest and Oviedo wasn't. That hasn't produced the results we hoped for either. I don't know if they are going to make much progress, or how soon.

Q: Were they essentially getting their raw product through Bolivia?

SERVICE: Yes, most of it comes down from Bolivia in plane loads of 100 or 200 kilos, or by truck or bus, down through the Chaco. Most of it moves onto Argentina, Brazil, the markets there, or onto Europe or some to the U.S. But, I don't think much goes to the U.S.

Q: What about intellectual property?

SERVICE: Again, same sort of problem as drugs, in a way. There were a lot of people making money off of it. There were a lot of people being bought off. The Chinese had been very active in some of it. Some of the pirated merchandise was from Taiwan, some of it from Hong Kong, some, maybe, from the mainland. But, there is a lot of money in it. It is hard to control, thus far. Judges tend to look the other way. We had one case in which the representative of a U.S. company, which was being plagiarized, or pirated, came down. The person from the U.S., the

representative in Paraguay, and our economic officer went over there to Ciudad del Este, the center of such activities. They went to the factories where these pirate activities were taking place. I forget whether it was CDs or musical tapes, or software. The local judge went with them. The judge closed it down, embargoed, put tape on everything. One of the workers appealed on the basis that he was being deprived of his livelihood, and some other judge ordered the factory reopened. There were a lot of games like that going on.

Q: Were the things essentially being manufactured there or was this just a way for things to come in?

SERVICE: A lot of the parts came from Taiwan or elsewhere in Asia and were assembled there. But, also, some reproduction, or production took place in Paraguay. They may be getting to where they can actually do most of it there.

Q: Were there any criminal sanctions of some sort from the United States if the country didn't do something about it?

SERVICE: We are possibly moving toward that now. Paraguay, since I left, has been declared a priority country, which means that within six months, USTR [United States Trade Representative] has to come up with a game plan which may mean sanctions against something they export to us. The problem with Paraguay is that they don't export very much to us. We export much more to Paraguay than they do to us. Their exports to us are only about fifty million dollars a year, some wood products of which the main exporter is an American citizen, who has a factory near Ciudad del Este. Sugar is also exported, but not much.

Q: What about the environment?

SERVICE: The big issue there was what is called the Hidrovía. This is a plan to make the Parana and Paraguay Rivers navigable for 2,500 miles, up into the center of Brazil, or further. The environmentalists are very concerned that this could cause irreparable damage to the Pantanal, which is a huge marshland area in the center of the continent, a tremendous natural resource. If they don't do anything to harm the Pantanal, cleaning up the river, or blowing up a few rocks is fine, but what the environmentalists don't want to see done is eliminating the huge curves in the Paraguay River. They don't want anything done that would damage the Pantanal. That may mean instead of having year-round clearance of 10 feet, you have to settle for 8.5 or nine feet. That practically exists now.

Q: Did we take any part in that?

SERVICE: We kept pressing them not to do anything that they would regret later. In fact, we invited and got President Wasmosy to come up and visit the Everglades and the Mississippi River to see some of the things that we were spending billions of dollars to undo.

Q: I take it that you were able to leave in 1997 at least with the feeling that you were able to hold a dike against return to military rule?

SERVICE: Yes, I think so. I think we helped. In a new democracy, every time you are able to overcome some obstacle/hurdle or sustain something which is being threatened, it makes it a little bit stronger. That is the feeling I and others had about our time in Paraguay. We had contributed to this process of stabilization, of their getting accustomed to how democracy is supposed to work. Paraguay still has a long way to go, but each success is one more step in that process.

DAVID N. GREENLEE
Ambassador
Paraguay (1999-2003)

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.

Question: You went from Haiti coordinator to Paraguay, ambassador to Paraguay...

GREENLEE: I was special coordinator for Haiti for a little over two years, from July of 1997 until sometime in the second half of 1999. That year, in about April or so, it developed that our Ambassador to Paraguay, Maura Hardy, was going to break off her tour earlier than expected for a high-level job in the department and I was selected to replace her. But, as I noted earlier, I was held up by the Helms staff, and so I took advantage of the dead time to learn some Guarani at the Foreign Service Institute.

Guarani is an interesting language, spoken by European immigrants and indigenous Paraguayans alike. When the Spaniards conquered what is now Paraguay, they defeated the Guarani people, who were great warriors. The Spaniards came without women, so they took concubines from the native population. Not just one or two, but in Paraguay many more. The women would raise the children, and the children would speak Guarani. That was the language of the hearth.

Q: I take it the discrepancy of one conquistador for many women was because the males had been killed?

GREENLEE: I think that's part of it, but the other part of it was that the conquerors, the Spaniards, had power and rights but not women. Maybe not every *conquistador* would have many women, but at least some did, as many as 30 or 40 women, I have heard. So they weren't around to raise all their children. The women did that. Since the offspring of the Spaniards were in a position to have comparatively good jobs, jobs in the Spanish administration or the Church,

it was important for them to know Spanish as well as Guarani. So a system of dual languages evolved. Spanish was the language of government, the courts and the church. Paraguay became a bi-lingual country, with an underlying dependence on Guarani. The Guarani people, as a people, disappeared, but their language persisted, and it is a sophisticated language. It has the equivalent of the subjunctive, and you can say anything in Guarani you can say in Spanish—unlike Quechua, which is much more mixed with Spanish. There are a lot of words in Quechua that are really Spanish words with Quechua endings.

Q: When you say the Guaranis disappeared. What happened?

GREENLEE: They were killed off or absorbed. There actually are a few people who call themselves Guaranis. I met some of them in a forest preserve, the Mbaracayu national park on the border with Brazil. They call themselves Guaranis, but I am not sure they are. But the Guarani language is spoken all over Paraguay. Almost all Paraguayans speak it. There was a period under Alfredo Stroessner, the dictator, when the language was looked down on, but it never disappeared, and in recent years it has flourished. Paraguayans abroad, when other Spanish speakers around, delight in lapsing into Guarani.

Q. Describe the country geographically.

GREENLEE: Paraguay is about the size of California. It doesn't have a direct outlet to the sea. You can get to the Atlantic by going down the Paraguay River, which feeds into the Plate River that flows past Buenos Aires and Montevideo. But it's a long way, over a thousand miles. Paraguay is cut almost in half by the Paraguay River, north to south, before that river turns toward the sea. On its northern border, running eastward, is the Paraná, another large river. Paraguay is a low-lying country. The eastern part is well-watered and lush. The western part, on the western side of the Paraguay River, is dry, in places bone dry. That's the Chaco, which, however, does have green places. During the Chaco War, in the early 1930s, the Bolivians called it the "green hell." It also has thorn forests and dry, stick-like trees, and also trees that swell out, have kind of bellies to store water.

Q: Populated?

GREENLEE: Interestingly, the Chaco is populated by Mennonites in two key, contiguous areas. There are also a couple of Paraguayan army outposts. The main Mennonite town is called Filadelfia and the neighboring one is Loma Plata. The Mennonites have prospered in the Chaco—maybe even more so than Mennonite settlements in the more hospitable eastern part of the country. In fact the Mennonite populations in the Chaco are the wealthiest in Paraguay, with a per capita income, when I was in the country, of about \$12,000 versus about \$1,500 for the rest of the country. They found ways to suck water out of the ground.

Q: Are these German Mennonites? American Mennonites? Who are they?

GREENLEE: Some came originally from Germany, some from Russia and the Ukraine. But they came to Paraguay by way of Canada, I think in the early 20th century. They soured on Canada because the government wanted to bring them into the national educational system. Some went

from Canada to Mexico, some to Bolivia, and a number to Paraguay.

There are different kinds of Mennonites, too. The Mennonites in the Filadelfia area, in the Chaco, are quite progressive. They drive cars. One guy I knew out there—his name was Orlando Penner--was very prominent politically and owned the Volkswagen dealership in Asuncion, the capital. He had a souped-up Golf model that he ran in an annual trans-Chaco race. Once I asked him about it. I said it sounded dangerous because there's only pavement in certain areas, and it would be hard to see in the dusty parts whether there were cattle or ox carts on the road. How could you be sure to avoid them? He said, "I have a fixed-wing airplane and a helicopter overhead. They check the road and keep me informed by radio." That's a high-tech, progressive Mennonite.

But there are other Mennonites, in the eastern part, who are much more conservative. They have tractors that run on steel wheels, without tires, because tires are too modern. I am told this helps keep the kids from going into the towns and losing their way.

Paraguay has other ethnic populations. The Japanese are prominent in the eastern part. They are also pretty successful. In their towns there are baseball diamonds and open-air pavilions with tin roofs for sumo wrestling.

Paraguay was formed after independence from Spain by a Creole named Jose Gaspar Rodriguez de Francia. He was like a secular monk, very cruel but personally honest. He decreed draconian measures and enforced the decrees absolutely. Example: If you were a European and came into Paraguay, he decreed at one point that you couldn't leave. And you couldn't marry another European. You had to marry a native Paraguayan. Measures like that. If you rebelled, you were executed, or spent the rest of your life in prison. He is revered today by many Paraguayans, in part because he didn't steal and left the country at his death with more in the treasury than when he assumed power. He lived humbly, but severely in every sense. He put an authoritarian stamp on the country, which has persisted.

Paraguay borders on Bolivia, but its geopolitical position is determined by Argentina, to the south, and Brazil, to the north. For years Paraguay has had what's called a pendulum foreign policy, swinging back and forth, favoring one of the big neighbors or the other. It would pitch toward Argentina, and then when it looked like there might be better deal with Brazil, it would go that way.

In recent years Paraguay has leaned more toward Brazil. There's a lot of Brazilian influence in Paraguay, and a lot of what are called *Braziguayos*, Brazilians who speak Portuguese but live in Paraguay—over 250,000 of Paraguay's population of about five and a half million. They are for all intents and purposes really Paraguayan. Many also speak Guarani.

Q: The great story in the early settlement of Latin America were the Jesuits. They were kicked out by Papal order. Did the Jesuits have a role in Paraguay?

GREENLEE: Yes, the Jesuits and the Franciscans and Augustinians, as well. That's another factor in the history of Paraguay. The Jesuits set up mission communities with the Guarani and

other native Paraguayans. They were ideal communities in the sense that everyone had work and was taken care of equally, under the tutelage of the church. There are ruins of these communities, which collapsed when the Jesuits were forced out.

Some Paraguayans view the Jesuit period with nostalgia. They see the missions as ideal societies. Others, though, say the Jesuits treated the natives as children, and wouldn't let them grow up and become independent enough to fend for themselves. Without Jesuit supervision, the communities collapsed. It happened quickly.

Paraguay remains a very Catholic country and a country that is respectful of authority. The Paraguayans are proud of their warrior heritage from the Guaranis. They will comment to you that the Guaranis contained the Incan expansion and that the Guarani language extended as far as the Caribbean. In fact, the word "Caribbean" derives from a word that means "very noble." The word "Carioca," describing the inhabitants of Rio de Janeiro, means "noble's house" in Guarani.

The warrior tradition of course also comes from the Spaniards, but really more from the Guaranis. Two big wars have defined Paraguay. One was what was called the war of the Triple Alliance, from 1864-70. Paraguay at that time, although a small country, had the largest army in the region, larger than the armies of Argentina or Brazil. Brazil's army actually depended on slaves at that time, I have read.

In the mid-1800s Paraguay wanted to keep Brazil at bay. It had an interest in keeping Brazil from becoming too powerful in the region. When Brazil was encroaching on Uruguay, the Paraguayans decided—or their dictatorial government decided—that they should come to Uruguay's defense against Brazil. By marching through a part of Argentina, though, they turned the Argentines against them. The Paraguayans reached Uruguay to find that the Uruguayans had made a deal with Brazil—so all three countries, the so-called Triple Alliance, Brazil, Argentina and Uruguay-- swung against them. Paraguay fought down to its 12 year olds and lost most of its male population before surrendering. That was a formative part of what's now Paraguay's tradition of digging in and hanging on against the odds.

Then there were waves of immigration. Italians came and people from other parts. The population regenerated. There was a lot of men with multiple families. After a couple of generations, there arose a problem with Bolivia, a dispute over who owned part of the Chaco region. It was thought then that there were vast petroleum reserves there. There were skirmishes. The Bolivians attacked a Paraguayan fort, and the Paraguayans attacked back. The war was brutal, with many thousand killed on both sides. Paraguay had shorter supply lines and may have been better prepared. It ended up winning part of what had been Bolivian territory.

Q: This was the Chaco War.

GREENLEE: The Chaco War, from 1932-35, which turned out to have a real formative impact on Bolivia, on its politics and its sense of itself, and also on Paraguay. Paraguay was devastated by the war in many respects, but it won. It validated Paraguay's image of itself as a people, a people with a warrior tradition.

Paraguay for the last 50-plus years has been under the dominance of one party. We used to talk about the “PRI” in Mexico as being the classic one-party system in democratic terms. But the PRI’s stranglehold on Mexico has been broken. The Colorado Party, though, remained strongly in charge of Paraguay when I was there. It was the instrument of the dictator Alfredo Stroessner. It continued in the Paraguayan version of democracy.

I talked a little bit earlier about Paraguay’s pendulum policy, the shifting back and forth between Brazil and Argentina. Those countries are the reality—the geo-political reality—of Paraguay. Up until about 1994, when the Mercado del Sur (the customs union of Brazil, Argentina, Uruguay and Paraguay) was created, there were very substantial differences between the cost of importing products into Paraguay and the cost of importing those same products into Brazil or Argentina. Paraguay became the contraband hub for those countries. There is a place in Paraguay called Ciudad del Este. It used to be named Puerto Stroessner. It is at the tri-border with Brazil and Argentina. That place before the Mercosur was established moved more than \$12 billion worth of goods a year, more at that time than any other place except Hong Kong and Miami. Contraband is still the main driver of the economy there, and key to Paraguay’s broader economy.

Q: How did they get the goods in there?

GREENLEE: By plane, mainly.

Q: High value low volume type of thing. Electronics...

GREENLEE: Electronics.

Q: Luxury goods.

GREENLEE: Scotch whiskey is a really big deal. Cigarettes. I hadn’t thought much until I was in Paraguay about how much the world depends on nicotine. There are certain cigarettes—including cigarettes with Brazilian brand names—that are produced illegally in Paraguay and packaged to look like the real thing. They might be Winston or Marlboro or a Brazilian brand. They are smuggled into Brazil with a fake Brazilian tax stamp on the packs.

There’s a guy in Paraguay who once sought the right, as a matter of national law, to reproduce the Brazilian tax stamp legally—that’s chutzpah, even in Paraguay. It’s like trying to get a copyright on a dollar bill.

That’s the mentality. It pervades the country. Maybe 60-70% of the economy is informal, and people are comfortable with that. Everybody is into it. Nobody would say, “I won’t buy this software because it’s illegal.” Rather, “Why should I pay a premium to line the pockets of some rich corporation in some other country?” Nobody cares about that unless there is a personal connection. A singer, for example, might be outraged if his or her recording is pirated. But that’s a personal thing.

Ciudad del Este is still the center of contraband, although not like before. There was so much

demand that these huge department stores grew up. There's one place, called the Mona Lisa, famous throughout the region, that was about eight stories tall. You could buy a Steinway piano or Dom Pérignon champagne or Wilson golf clubs. Name it, if it was the best, they would probably have it. It was owned by a Lebanese guy who started by selling perfume on the street. Now he's branched out to Miami.

Another thing about Paraguay that sets it apart in the region: It's not anti-American, like Argentina or Bolivia. Paraguayans tend to like Americans. That may be in part because back in the 19th Century an arbitration panel headed by President Rutherford B. Hayes awarded Paraguay land that was disputed by Argentina. There is a geographical department or state of Paraguay, the one that covers the Chaco, called "Hayes." Another American hero for the Paraguayans is Huey Long.

Q: Former governor of Louisiana, known for corruption. Why Huey Long?

GREENLEE: Yeah, it sounds strange. Not long after I arrived in Paraguay as ambassador, after the presentation of credentials ceremony, I laid a wreath at the memorial for the Paraguayan fallen in the Chaco War. I had to give a little speech. It didn't have to be long. There were really two angles to it. One was that my wife, Clara, is Bolivian, and her father fought against the Paraguayans in the Chaco War. In fact he was, I think, at Bocaron, an important battle site in the heart of the Chaco. I had to clear with her this whole ceremonial thing. I wasn't sure she would want to go. But she had no problem with it.

Well, David Lindwall, a very good guy, was the political counselor. He gave me some talking points. One of them went something like, "In the great tradition of Rutherford B. Hayes and Huey Long...." I nearly gagged when I read that. I understood about Hayes, but why Huey Long? Well, it turns out that during the Chaco War, when American oil interests were mixed into the politics of the war and somehow the politics of Louisiana, Long, then a senator, said something in the congress supportive of the Paraguayan side. The Paraguayans never forgot that. There is a street in Asuncion called Senator Long. But I couldn't bring myself to utter his name. So I missed the chance to score a few easy points. [laughter]

Q: Could you talk a bit about the Stroessner period? Stroessner was almost synonymous with Paraguay during my foreign service career. When you thought of Paraguay, you thought of Stroessner.

GREENLEE: Stroessner was a very strong anti-communist dictator of Austrian descent who ruled the country with the Colorado Party for about 35 years. He had an iron grip on the country. If you read The Honorary Consul, the Graham Greene novel, you can get a sense of what could happen if you were on the opposite side of his regime. Stories about Stroessner are legion. The Paraguayans can be very tough and rebellious people, and the knife can cut both ways. There were Argentines working with Paraguayans to overthrow Stroessner. Stroessner's guys rounded up a few of them and threw them out of a DC-3.

Q: The DC-3 being an airplane.

GREENLEE: Right. Threw them out, killed them that way. It was like Rodriguez de Francia with airplanes. Stroessner was dictatorial, very tough, very anti-communist, and very unsavory. During the Cold War, or at least the early part of it, he didn't get the kind of back-pressure from the U.S. or other western democracies that he got toward the end of his regime.

Things started to change, I would guess, when Jimmy Carter became president, and human rights became a main feature of our policy. Pressure against Stroessner built up, and in 1989 he was overthrown by the army commander, General Andres Rodriguez. There followed a period of transition, a somewhat difficult period because Rodriguez was known to have been involved in drug trafficking, as well as other kinds of contraband. But the U.S. was pleased to see movement toward democracy. Stroessner went off to a gilded exile in Brazil, where he died, a very old man, in August 2006.

I came to Paraguay at an interesting time, the beginning of August 2000. About ten months before, there had been a traumatic event in Paraguay. The vice-president of Paraguay, Luis Maria Argaña, was assassinated. It was alleged that people close to the president, Raul Cubas, were behind the killing, and Cubas was forced into exile. There was a lot of turmoil. Our ambassador, Maura Harty, played a key role in helping the transition to a new government. Luis Angel Gonzalez Macchi, who was the head of the senate, was next in line and became president. Another key actor at the time was the army chief, Lino Oviedo, who some believed was behind Argaña's assassination. He, too, fled the country, but retained a strong political following. (After a time in exile and then in jail in Paraguay, he became a contender in the 2008 presidential election.)

Well, that was the background when I arrived. Gonzalez Macchi was President. The country was in a kind of political and economic paralysis and remained that way throughout my tenure.

I presented my credentials in a sober and impressive ceremony. There was an honor guard and some guy made a tape of the whole thing and sold it to me. He inserted fire-works and music in the lead-in that were entirely his invention. But I bought the tape and have it somewhere.

Gonzalez Macchi was famous for being a nice guy. People liked him personally. But he had no apparent interest in governing or rooting out corruption. He was part of the system and wasn't about to change it. He benefited from it, as did his family and his wife's family. His wife was actually, I think, his fifth wife. She was a former Miss Paraguay, very beautiful, and, some said, quite smart.

The continued fallout from the Argaña assassination and the ineffectiveness of the Gonzalez Macchi government framed the political landscape. It was actually quite difficult for me, as ambassador, because there were Paraguayans, influential Paraguayans, who insisted that the U.S. should not prop up such a corrupt government, that the government was not legitimate since it didn't enjoy broad popular support. But there was really no alternative for us. I often made the argument that a democratic constitutional government was ipso facto legitimate, but only those around Gonzalez Macchi, or benefiting from the status quo, really accepted that. So the public argument went that the U.S. was opting for stability rather than good governance. We were seen as part of the system. The owner of the Paraguay's largest newspaper, ABC Color, a guy named

Zuccolillo, who favored the renegade Oviedo, plied the line that if the U.S. were an honest country, it would force Gonzalez Macchi out and new elections would produce a legitimate government.

Q: How was this attitude transmitted? What were you getting from the State Department and congress? Did you have instructions?

GREENLEE: Well, I read about Paraguay extensively before going there, and of course was familiar with the mission program plan, basically the policy and resource document for our bilateral relationship. I also met with lots of people, stake-holders in the government, NGO and private sectors. And I was studying Guarani, which helped me get ready in a cultural sense.

The problem I saw before arriving was that the informality and the corruption that comes from the informality of Paraguay's economic system was not checked by a strong legal system. But Paraguay has a strong cultural base. It's a nation state. Paraguayans can sit at the same table, master and servant alike. That was the environment I came into. It was interesting and challenging from a policy perspective.

But there wasn't too much that I could do with all of this, even at risk of being seen as interfering in their internal affairs. I found myself in the position of being a prop for a president who wasn't dealing with the problems of the country. I was supporting democracy, while Gonzalez Macchi was supporting himself and his family and friends.

Q: When you arrived there, was there any person or party that seemed to be a solution, or was it just a mess?

GREENLEE: It was just a mess. There was an alternative party, the Authentic Radical Liberal Party, but it had been out of power for about 50 years. It did manage to get a vice-president elected--Julio Cesar Franco-- but at the time that was seen as a kind of historical fluke. He won a special election to fill the Argaña slot. It was a fair election. We had a role in validating the results—I paid a well publicized call on the electoral court just after the vote count was announced. There was some hope that we were seeing the beginning of the possibility of an alternation of political parties in government. But Paraguayan democracy was not yet that mature. The vice-president had no clout, no real role, and therefore no credibility. He was not seen as an alternative voice. He later ran for president, after I left, and got smeared.

What I found as ambassador was that a lot of people wanted to use me. The government wanted to use me and the political opposition wanted to use me. Occasionally I could do something that would startle the Paraguayans, that would promote our interests in the country and that wouldn't be seen necessarily as interference in Paraguayan affairs. The U.S. had tremendous symbolic weight. If a supreme court judge was under political pressure and was standing up in support of rule of law, I could call on him and that alone would be seen as U.S. backing, and the pressure against him might ease. Others in the diplomatic corps also sometimes weighed in like this—the papal nuncio on occasion, or the Spanish ambassador or sometimes the EU as a group, usually together with us.

There was a poor part of the country, 12 hours by bad road from Asuncion, called San Pedro. I went out there for a couple of days. I was the first ambassador to go there for years. I met with a left-wing bishop, Fernando Lugo. He later left the priesthood, ran for president and won in 2008. My calling on him was considered bold, controversial. I also gave a radio interview in my broken Guarani. It was news. When the media go wild of where I was—we did not announce my visit in advance—a few reporters came after me. It turned out to be great publicity.

When I returned to Asuncion, the newspaper ABC Color, which didn't like me at all, splashed a cartoon of me upstaging Gonzalez Macchi on its front page—because the president and few leading politicians never went out there. I credit David Lindwall, our political counselor, and the guy in the embassy who knew Paraguay best, for suggesting that trip.

Maybe I have painted government corruption and inefficiency with too broad a brush. There were some hardworking, honest and effective people. One was the foreign minister, Jose Moreno Rufinelli. He was a prominent lawyer who had been in politics and was well regarded in international circles. We worked well with him. I knew the former Paraguayan ambassador to the UK—a terrific guy—and the Paraguayan ambassadors to the U.S. I have known have been quite good.

But overall the Paraguayan government was pretty dysfunctional. The president, for example, “borrowed” \$16 million from the central bank and had it invested in stock in the New York Stock Exchange. With the market going up at that time, the idea was to make a large profit and divert it back to him and his family through a bogus charity. Then the original \$16 million would be returned to the central bank, with no one the wiser. But the market plummeted and he was caught short. Later, after he left office, and after I was long gone, he was convicted and sentenced to jail for that misadventure. I don't know whether he ever served time, though.

Probably 60 or 70% of what was called the *auto parque*, the cars circulating in Paraguay, were illegal. Some were bought in Iquitos, Chile, second-hand, off the boat from Japan, but then smuggled into Paraguay duty-free, like other contraband goods. But some cars were stolen, usually from Brazil or Argentina. Gonzalez Macchi, and his wife were caught up that kind of scandal. When Gonzalez Macchi became president, after the Argaña assassination, people around him decided that he needed an armored vehicle. So one was obtained at a relatively low price, a silver BMW. That kind of car costs new well over \$200,000. This one, not quite new, reportedly cost about \$80,000. I know something about BMWs like that because I ended up having one, which the U.S. Government purchased at full price, in Bolivia. It was a car with a lot of protection, but also a lot of pep, and with some sophisticated defensive systems.

Well, in the case of Gonzalez Macchi, an insurance investigator from Sao Paulo one day showed up in Asuncion with the proof that the car had been stolen from a private owner. Gonzalez Macchi claimed not to know where the car came from. Maybe he didn't, specifically. But he certainly knew the car was irregular. Somebody else tracked down a car his wife was driving. This was a Mercedes, which had been stolen from Buenos Aires. It was rumored to have blood stains under one of the seats.

The joke in Paraguay was that if you wanted a car that you could drive in Brazil, you would get a

stolen car from Argentina. If you wanted one to drive in Argentina you would have one stolen from Brazil. It was even worse than that. People would say you could go to what was called a *plaza*, a used car lot, and commission a car. A buyer might say, "You don't really have what I need. I'd like a Mercedes E class. I'd like it to be black with tan leather seats, and I'd like a 1998 model." The dealer would say, "We'll get one for you next week." Then it would come, hot off a street in Brazil or Argentina. That was the way things worked in Paraguay.

Q: Was there a class of merchants, like a mafia, that dominated the area? What was the embassy relationship with them?

GREENLEE: There was a merchant class, and there was a Paraguayan-American chamber of commerce, and there were legitimate businesses. But even the legitimate businesses often had an "informal" dimension. They would use pirated software, for example, or cut some other corner. There might be a police raid and a high-profile bust now and then. But that would be mostly symbolic, at our prompting and for our benefit. In reality, there was very little enforcement against intellectual property theft. In the international airport, for example, there were pirated CDs on sale. That would have been easy to control, but it wasn't a Paraguayan interest.

I had very good relations with representatives of U.S. and international business. I remember one guy I was talking to who worked with a bank. I can't remember which bank it was. He was a foreigner. He was not a Paraguayan. He was a Latin American guy. He was leaving after a few years, and he said, "It's time for me to go. I want to tell you about something. We needed to resolve an administrative issue with the Paraguayan government. They asked for a \$90,000 bribe. You read about this stuff, you hear about it, but you never really think about it until it happens to you. It's very, very uncomfortable." He said his bank didn't pay, and the issue remained unresolved.

Q: Was there an intellectual group or a legitimate power center that the embassy could deal with where you could feel comfortable?

GREENLEE: I felt comfortable with certain individuals, but I was always wary of people I didn't know or weren't known to the embassy. Even with some people I knew I wasn't sure I understood as much as I should about where they were coming from. I may have suspected angles that weren't there. But I knew I could never get the whole story. You could never tell what was really happening. You could be dealing with somebody on a certain issue, but that person would be dealing on the same or related issues with other people you wouldn't know anything about. It got to be pretty complicated. This was a staple of conversation in the diplomatic community.

I'm painting too dark a picture, in a way, because Paraguayans are really the nicest people in the world, the most hospitable people I ever have been associated with. They love to have these *asados*, barbecues. They made a big fuss over everybody. It wasn't just the American ambassador. They are very egalitarian people, despite tremendous income gaps between the rich and the poor. A billionaire would have no problem sitting at the table with a peon. They would sip yerba mate, an herbal tea, from the same straw.

Q: What were American interests in Paraguay? Was there much at stake for us?

GREENLEE: There wasn't very much in the greater scheme of things. I think I've been fortunate in my career two ways: I have worked on issues where there was intense and keen interest in the senate and the congress and the executive branch—such as the Israeli-Arab dispute. But I have also worked on issues where I was left pretty much alone to implement U.S. policy. That was the case in Paraguay. At least that was pretty much the case before 9/11, when Washington focused attention on the tri-border area, the Ciudad del Este area.

Q: How did 9/11 impact on you and the embassy?

GREENLEE: Well, I saw it unfolding on TV. There was a country team meeting in my office. I got a call from my daughter, Nicole, who was visiting and staying at the residence. She said, "Turn on the TV. Something's just happened." It was a live feed, CNN. We watched the TV in my office, and saw the second plane hit. It was a jolting experience. It didn't seem real. Our reactions, I'm sure, weren't different from those of anyone in the U.S. We knew then that the world had changed.

In the aftermath there was a tremendous shift in priorities, a sharp focus on security—the security of the United States—as well as our embassies around the world. There was particular interest in radical Islamic activities and influence in the Ciudad del Este area. Remember that there had been the Jewish AMIA House and Israeli embassy bombings in Buenos Aires a few years before. Those had Iranian fingerprints and were linked to the tri-border area.

Then there was the anthrax scare in the U.S. Several people had become infected or had died after inhaling anthrax powder. There were traces of anthrax in a diplomatic pouch that had been sent to Peru. We thought we could be next. My deputy chief of mission, David Robinson, took the lead in this area. He set up a protocol for screening for anthrax. We had an isolation area by the embassy swimming pool. Then we started thinking about how what we were doing would be perceived in Paraguay. Would the Paraguayans worry that we would become a target for an anthrax attack and affect them as well? But that did not turn out to be a problem. As a rural country and a cattle country--a country with more cattle than population—Paraguay was infested with anthrax in its non-lethal form. It went along with the cattle. So the word "anthrax" held no terror for Paraguayans.

There were other security concerns. The chancery was right on the street, making us vulnerable to a truck or car bomb. When we got information about a possible attack—usually not very well sourced information—we had to react, and at times over-react. We put sandbags along the inside walls on one side of the chancery building. At times we had to ask the Paraguay interior minister to close the street, which he would do—greatly inconveniencing some Paraguayans. We spent a lot of time preparing for threats that never materialized.

Q: Was there a militant Islamic group that you could identify?

GREENLEE: In the tri-border area, there was fundraising—considerable fundraising—for Hezbollah, and also for Hamas, the Palestinian group. There was a real concern about Hezbollah,

especially, after 9/11. Our main focus was on fundraising, but, but not completely, because there were what some believed to be training camps just over the border from Ciudad del Este, near Foz do Iguazu, in Brazil. These were videos of young men and boys in Islamic dress marching and acting militaristic. It was disturbing, but it fell well short being an imminent or serious physical threat. But we had to be alert to it.

There was a large Lebanese population in Ciudad del Este, and Syrians as well. One day I got a call from a guy I knew, a Lebanese, who owned a big business in Ciudad del Este. He said, "I was talking to the Syrian consul, and he wants to have a peace march. Could you join us in a peace march? We'll have a big peace march." I said, "I can't do that. But why don't you and others in the Islamic community denounce the 9/11 attacks on the United States? Why don't you come out and say, 'This isn't part of our religion, we want peace.'" He replied, "We can't do that. The people are scared. They're not going to do that. We could be killed." I said, "We really don't have anything to talk about," and that was that.

Q: Looking back, was there any residue of World War II and Nazis?

GREENLEE: There was, but not too much. A lot of time had passed. Josef Mengele, the inspiration for The Boys of Brazil, was dead. He had lived for years in Aregua, not far from Asuncion, under Stroessner's protection. There was a lot of German influence in Paraguay, but during my time it was mostly cultural. I didn't see any Nazi types, or ex-Nazis.

Q: Mengele was a death camp doctor...

GREENLEE: Yes, and I think there had been some other Nazi refugees. During the Second World War, there was a pretty large German population in Paraguay. Again, Stroessner himself was of Austrian descent. There is a town called San Bartolome on a small lake not far from Asuncion. This was a watering spot for the German community. During the Second World War there was a substantial focus of Nazi sentiment there. By the time I got to Paraguay, though, this was very much a thing of the past. It had no influence on anything that I was doing, and nobody talked much about that period.

Q: You mentioned the Spanish ambassador and the papal nuncio. Did the other ambassadors, essentially from the European Union, play much of a role there?

GREENLEE: Brazil wielded considerable clout, more than us in some areas. The Brazilian ambassador knew Paraguayan politics very well. Brazil was Paraguay's partner in the giant Itaipu dam and hydroelectric complex. It was a fifty-fifty operation, with the vast majority of the electricity flowing to Brazil. And as I noted earlier, there are a lot of Brazilians in Paraguay. They are a cultural and political reality. Argentina was also important for Paraguay, and the Argentine ambassador—who had been DCM in Bolivia when I was DCM there—had a certain amount of influence, and was effective. The Chilean ambassador, who had served in Bolivia, had some impact. He was a good guy, Emilio Ruiz-Tagle. He later returned to Bolivia as consul general, the senior Chilean position, when I was ambassador there.

I always tried to be discreet and careful, but the press knocked on our door, and wanted my

comments, more than those of the other ambassadors. What I would say invariably made headlines. The other ambassadors might want a headline, but they couldn't get it. So, if there were a gathering of diplomatic corps, the press would elbow their way towards me. The other ambassadors would watch and hope I wouldn't say anything bombastic. Or maybe hope that I would.

Q: Did you have a problem or were there any repercussions when the Bush administration came in. In the early days there were all sorts of challenges, basically moving away from multilateralism to unilateralism.

GREENLEE: I didn't sense that there was any particular issue with the Bush administration. For me the transition was seamless. There was a period when I wasn't sure what our policy was-- for example, whether we were still interested in carbon sequestration. But the reality is that our policy toward Latin American tends to be bi-partisan. The big issues, the political issues, didn't change. We were for democracy. After 9/11, security became our top priority.

There was a sharper focus on corruption, as well. It became a visa issue, much more so than previously. We probed in areas where we hadn't looked too hard before. For example, we denied visas to corrupt judges who previously had had them. We also revoked the visa of a Paraguayan congressman who promoted the interests of an Islamic extremist linked to a terrorist group. We warned him several times but he wouldn't listen. When we pulled his visa, he was shocked. Maybe we went too far with that guy, but there were grounds to do what we did, and it had an impact. He complained to the foreign ministry and the press, but people could see that we were serious about terrorism and our security.

Q: Did the economic problems of Argentina intrude?

GREENLEE: Not so much. Not directly. Again, Paraguay was more hooked to Brazil.

Q: Was Bolivia a factor or a big hunk of nothing between the two countries?

GREENLEE: Bolivia was not a factor for Paraguay in terms of its economic interests. Paraguay's geopolitical problem with Bolivia was resolved by the Chaco War. Relations were formal but not very active. I knew the Bolivian ambassador well, but he wasn't a player. The Bolivian embassy didn't have resources. It had no influence. I liked going to their cultural events, folk dances, things like that. It was a way of keeping in touch, and for my wife to keep in touch, with a country with which we were connected on many levels.

Q: What about drugs?

GREENLEE: Drugs were an issue and a problem. Paraguay is into contraband—it's a wild-west kind of country. There were parts of Paraguay that were of great interest to DEA. There's a place called Pedro Juan Caballero, on the border with Brazil, that was heavily involved in trafficking. It was an entrepôt for drugs and arms from Bolivia en route to Brazil. Paraguay was not a producer of cocaine. It was prime producer of marijuana, however. The Paraguayans wanted our help with that, but marijuana wasn't of much interest to us. It was consumed locally and in

Brazil. But eventually we got to the point that we would help them with their marijuana problem to leverage more cooperation on our interest in blocking the trafficking of cocaine and arms.

Q: Did we have Peace Corps in Paraguay?

GREENLEE: Yes, we had a large and productive Peace Corps program. There were about 150 volunteers, working in mostly rural areas. They were in everything from small business development to bee-keeping. The volunteers were good Guarani speakers—not just Spanish speakers, but Guarani speakers. I mentioned before that I had been trained in Quechua as a volunteer in Bolivia, but I never had to use Quechua in my work. The volunteers in Paraguay used their Guarani. I saw volunteers when I went out to the rural areas. They were very impressive, and very highly regarded by Paraguayans.

Q: What was the diplomatic social life like for you and your wife, with her being Bolivian?

GREENLEE: She was readily accepted by the Paraguayans. My wife is an artist—a sculptor—and she was very active in the artistic community. She had her group of artists and sculptors. She contributed tremendously to our diplomatic mission. She organized cultural events and worked well with our public diplomacy people. As with Bolivia later, she had a huge impact. She came up with ideas like bringing an Alaskan indigenous group to Paraguay, a group of dancers who also sang. They wanted to know if they would perform in an air-conditioned place! They wore seal-skin garments and heavy gloves. It was an astonishing success—and my wife's idea.

Q: Aside from the social life, how did you find your embassy as a working unit?

GREENLEE: It was great because it was a medium size embassy but medium-small, not medium-large--a small political section and a small economic section, a couple of people in each. Maybe we had three in political and two in economic, but very good people, imaginative...

Q: You didn't feel that this was a place where they sent the dogs...

GREENLEE: Not in terms of the embassy. I had great people. My deputy chief of mission, David Robinson, and office manager, Anne Kirlian, were first rate—both certainly as good as anyone anywhere in those positions. I was lucky enough to have them in Paraguay, and even more fortunate to be able to bring them both with me to Bolivia. There were a lot of other great people. I have mentioned David Lindwall. Richard Boly, as economic section chief, won an award as the most effective commercial officer in the foreign service for his work in Paraguay. He was succeeded by James Perez, another terrific officer. I knew Frank Ledahawsky, our administrative chief, from our time together in Madrid—another great officer. All have gone on to great careers. Robinson became ambassador to Guyana after his stint as DCM in Bolivia. It was a wonderful, wonderful embassy, small enough so that everybody knew each other well--but there was enough to do so that people weren't poaching on each other's territory.

Q: We haven't talked about how you got your appointment to Bolivia. It seems incredible that somebody who had been a Peace Corps volunteer, political officer, and DCM in Bolivia, and who had a Bolivian wife, could return to Bolivia as ambassador...

GREENLEE: I was mentally preparing to retire in the U.S. summer of 2003. That would have been a three-year tour in Paraguay. It would have capped my career. I was pretty close to ticking out anyway.

End of reader