

PORTUGAL

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JAMES COWLES HART BONBRIGHT
Evacuation to the US from Hungary
Estoril, Portugal (1942)

Ambassador James Cowles Hart Bonbright entered the Foreign Service in 1927. His career included positions in Ottawa, Washington, DC, Brussels, Belgrade, Budapest, Paris, and an ambassadorship to Portugal. Ambassador Bonbright was interviewed by Peter Jessup in 1986.

Q: What route did this train take?

BONBRIGHT: We took off to the southwest and went through Ljubljana and Slovenia, then to Trieste, across northern Italy to the French Riviera and Marseille. There an important event occurred. Mrs. Pell had a dog that had been suffering from constipation, and she was in great agony over this and upset that she couldn't take the dog out and walk it. Well, the Hungarian protocol officer agreed to do the honors for this, and on the Marseille platform, in full view of everybody, the dog's ailment was cured. Everybody cheered and clapped.

From there we went on down to the Spanish border north of Barcelona. There we had to get off in the middle of the night and change trains. In fact, the Soviet Union Spanish railroad tracks were made wider than in the rest of Europe, which causes some inconvenience to peacetime, but it's a useful dodge in wartime to keep the enemy from moving quite so fast over your border. Anyway, we got moved into the other yard and took off. We stopped the next day in Madrid briefly, where people from our embassy came on to greet us and see if everything was all right. Then we went another night and arrived in Lisbon, a sight to see. As I remember, the trip took about three days.

We were all taken out to Estoril.

Q: I thought you had to have a title to be in Estoril.

BONBRIGHT: A hardship post. We were placed in a large hotel. I think it was called the Palacio, I don't remember, where we all began to get a little on each other's nerves. There was a Dutch couple there who Sybil and I had known in Belgium, and they kindly invited us to spend a couple of weeks with them in Cintra at a lovely resort just north of Lisbon on the other side of the mountains. Cintra is noted for its beauty and glorious trees and flowers and bushes of all

kinds growing in profusion in the summertime, when all the rest of the country is baked hard. What is nice in the summer is not necessarily so in the winter, and that February I think it rained -and not just trickled, it poured every day that we were there, so the dampness got into you pretty badly.

After that, while it was a pleasant visit we had, then we went back to the hotel, but we were anxious to get out of it. There was no sign of the boat coming in or anything, so we looked around and were finally lucky enough to find and lease a little fisherman's cottage on the shore, on the rocks in Cascais, just beyond Estoril. This had been bought by a Portuguese man, very simply made up with enough beds and chairs to be able to be comfortable, and a kitchen. We moved in there and had a really very pleasant time in it. Friends would come out and visit us there. Sybil went out on her painting, did a lot of it, and there was a piano in the house. I played a little golf. It sounded idyllic. It also got on our nerves pretty much. Frankly, we all felt we were slackards. The world was on fire, and everybody else was working, and here we were just sitting, not that there was anything we could do about it; it was just part of the deal. On the side we got debriefed by people in the embassy, but by that time there wasn't anything much in the debriefing to produce anything of any use to them.

Q: You would listen to the BBC?

BONBRIGHT: Yes, indeed. Occasionally we'd go up in the evening back to Estoril to the casino for dancing and a little gambling. Of course, the place was crawling with spies of all nationalities and refugees, both Jewish and non-Jewish, but the Jewish were in the most trouble and most anxious to get away, because this was really the hot spot in Europe; it was open for anyone with any hope of getting out.

We finally got the word that the boat was coming, and it did. I'll look up the date for you. It arrived and unloaded an unsavory bunch of German diplomats. As soon as things were cleared away, we were all put aboard.

Q: Was that the DROTTNINGHOLM?

BONBRIGHT: Yes. It was a comfortable boat. Actually, there weren't enough of us to fill it, so they added a fair number of refugees. It's not very nice. I was unfavorably impressed by the way a lot of the refugees behaved. While in Lisbon, they were wailing and wringing their hands, going around with long faces. As soon as they got on the boat outside the three-mile limit, a lot of them became arrogant, dissatisfied, rude, and demanding of the officers, a complete turnaround. Outrageous.

Q: Were some of these well-to-do people?

BONBRIGHT: Not particularly. But it was eye-opening. One of our games in the evening aboard ship, which, of course, had a huge red cross painting on its side, lined with bulbs so that we were all lighted up at night like a Christmas tree, we used to go up in the evening after dinner and peer over the side and make sure that none of the bulbs had burned out. We had a good trip across,

nobody bothered us, and we never sighted any other ships or submarines or anything. It was all very uneventful.

Q: You didn't have to rescue any torpedoed ships?

BONBRIGHT: No, not a thing. We arrived in New York on the second of June of 1942.

Q: Pearl Harbor had occurred on December 7, 1941, and it took all that time.

BONBRIGHT: Yes.

MERRITT N. COOTES
Political Officer
Lisbon (1942-1944)

Merritt N. Cootes was born in Virginia in 1909. Educated in France and Austria as well as at Princeton University. Mr. Cootes joined the Foreign Service in 1931 and served in the Haiti, Hong Kong, Italy, Portugal, the Soviet Union, Pakistan, Algeria, and Washington, DC. He retired in 1969. He was interviewed by Lillian Mullins in 1991-93.

Q: So you still had that connection?

COOTES: We did. It was established after Pearl Harbor--I mean, after the declaration of war on December 11, 1941, when this connection was set up, through the Swiss Embassies in Rome and Washington. We'd send a telegram to the Swiss Embassy in Rome through the Cerimoniale. The Swiss Embassy would then send a telegram to the Swiss Embassy in Washington. Meanwhile, we'd turnover a despatch containing a copy of what we'd sent to the Swiss Embassy in Rome, which would transmit it to the Swiss Embassy in Washington, via the Swiss Government in Switzerland. But we had this expedited means of communication, which made it possible to speed things up. Otherwise, it would have taken a year to get us out of there.

Q: Well, then you were moved to Lisbon...

COOTES: When we got to Lisbon, theoretically the office was part of the diplomatic exchange. But George Kennan had been in Berlin, when war broke out. He really was the "brains" of the organization up there. When he got to Lisbon, he found out that three of his people--Third and Second Secretaries--had been assigned to Lisbon. He said, "No. We've been in this hotel in the freezing cold, where they put us up." He said that American Embassy personnel in Berlin had been isolated and had had a rough time. He said that he happened to know that the Embassy staff from Rome had an easy time of it and were living in hotels. He telephoned Personnel in the Department and said, "No. My people are going home. You can assign three of the people from the Embassy staff in Rome to the Legation in Lisbon." So Doug Floyd, Milton Reminkle, and I

were assigned to Lisbon. We stayed there, and the staff of the Embassy in Berlin all went back to the U. S. That's how I was assigned to Lisbon.

Q: Well, you had another two years in Lisbon, without home leave.

COOTES: Yes. I left the U.S. in 1940 and didn't get back to the U.S. until the fall of 1944. I must say that Lisbon was the keyhole to Europe. Everything went through there. George Kennan was sent over by the State Department to put some order into the intelligence collection effort there, because the Military Attaché wouldn't speak to the Naval Attaché, and the Naval Attaché wouldn't speak to his British counterpart. So they sent George Kennan over to Lisbon to put some order into things.

Q: You mean that George Kennan returned to Washington and then was sent back to Lisbon?

COOTES: Yes. He returned to Washington and was put in charge of Policy Planning. Then he was assigned to Lisbon. Thereby hangs a story because by that time I had learned Portuguese. As I spoke other Romance languages, I picked it up very quickly. Actually, when George Kennan got to Lisbon, I took him down to the Foreign Ministry and did the interpreting for him there. I called up and asked for an appointment for George Kennan and the Minister at 1:00 AM with Prime Minister Salazar. I believe that it was November 7, 1942, or something like that. It wasn't easy to arrange a meeting at 1:00 AM with the head of the government there. Of course, I couldn't tell him why we wanted the appointment. The purpose of the call was to have the Minister and George Kennan inform Salazar that the U.S. was adhering to the oldest, written treaty of 1397 between Portugal and Great Britain. The treaty was being modified somewhat to allow the British to control the seas around Portugal against the German U-Boats. That was for the British. But our naval officers wore British uniforms when they were flying their planes from land bases.

Anyhow, George Kennan and the Minister went down and delivered this message. They came back to the Legation and were to send a code word back to the State Department, saying that they had delivered the message. Now, of course, the same message was delivered in Spain to Franco. It was perfectly all right for them to send a message because the message from Madrid read: "SecState Washington: (Then the code word). (Signed) Hayes" [Carleton J. H. Hayes, American Ambassador in Madrid at the time]. However, from Lisbon the telegram went out: "SecState Washington: (Then the code word 'Jelly'). (Signed) Fish" [The Minister's name]. So the text of the telegram from the Legation in Lisbon read, "SecState Washington: Jelly Fish." Later on, at a staff meeting George Kennan told us: "Now, look. That story is mine. You can write all the memos you want, but that story is mine."

Q: So that was Kennan and the "Jelly Fish" story.

COOTES: I think he retold this story in his memoirs at some stage. I forget where. Of course, he lives here in Princeton. Later on, when I was assigned to Moscow, George Kennan was there as the Deputy Chief of Mission. I flew in with him by plane. He'd already been to Moscow, under Ambassador Averell Harriman and was the Deputy Chief of Mission when I arrived there. George was living at the Finnish Legation. As protecting power for Finnish interests, we'd taken

over the Finnish Legation when the Finns and the Russians were embroiled in the Russo-Finnish War [1939-1940]. George and his wife lived at the Finnish Legation, in considerable comfort, while the rest of us were shoved into the Mokavaya Hotel, crowded to all get out. But when I flew in to Moscow with George--as I said, I had known him from before-- he said, "Merritt, you'd better come up and stay with Annelise and me. It's much more comfortable out there, until you get settled in the Mokavaya Hotel."

Q: He stayed there during the two years that you spent in Moscow?

COOTES: No, he didn't stay there the whole time. As you may know, George never stayed in any one place for very long. He was recalled to Washington and then sent to London to work on the preparations for post-war negotiations. Robert Murphy was the Political Adviser to General Eisenhower. George Kennan worked with him for a while. Then they went on to Rheims and Potsdam and stayed on in Berlin. By that time George had been assigned to the Embassy in Moscow.

Q: We have some space, and I'd like to return to Lisbon. You served there at such a crucial time. You must have been terrifically busy.

COOTES: We were. Later on, the State Department ruled that if you worked overtime, in those days you were allowed to take compensatory time off. Well, in Lisbon, during World War II, nobody took any compensatory time off. But the administrative people back in Washington decided that that was enough. You could accumulate up to a certain amount, but no more. The figure was set at 1,029 hours [just over 42 days at eight hours a day]. That was the maximum that you could accumulate. Well, I had at least twice that much accumulated. So when I finally retired from the Foreign Service in 1966, I had 1,029 hours of compensatory time, and I was entitled to be paid for that time, at my then salary. I knew someone in Personnel and arranged for my retirement to take place in December, 1966, so that my regular salary was taxable for income tax purposes at that time. The payment for these 1,029 hours was something like \$15,000. I arranged for it to be paid back in January, 1967, by which time I was into that first year and a half of retirement when you were paid back what you had already contributed to the Retirement Fund.

Q: Until Congress did us in in 1986.

COOTES: So I didn't pay any income tax on this "bonus," so to speak, by switching it over to the following year, when I was exempt from paying tax. It pays to know people.

Q: Yes. How many officers were there in Lisbon in 1942? Was it an Embassy?

COOTES: When I first got there, it was a Legation. As I said, Bert Fish was the Minister. Then he was succeeded by [R. Henry] Norweb. Norweb had a lot of clout with the Department, and Lisbon became so important a place that it was made an Embassy. Norweb was Ambassador during my last days there.

Q: Was the Embassy in Lisbon handling refugees? What was the refugee problem, or did we bring somebody over to handle them?

COOTES: We had a Consulate General in Lisbon. Both the Legation/Embassy and the Consulate General were functioning, and the Consulate General took care of most of that. "Pardy" Parsons was the brains of the Consulate at that time in Lisbon. Of course, we didn't have too many Americans over there. By that time most of the resident Americans had returned to the U.S., so that we didn't have very many Americans to be concerned with. Of course, there were still some Americans coming out of France and some still coming out of Spain and Portugal who wanted to go home. But that was not the big thing there. At that time Lisbon was a political reporting and intelligence collection center. I had an apartment in town, and Doug Flood, whom I had known when he was Consul in Naples, had a place out in Estoril. So if he was in town for dinner, he'd stay with me, and if I were in Estoril, I'd stay with him there. The Palace Hotel in Lisbon was sort of the epicenter for all of the spies. The Japanese would nudge the British and say, "You were behind the potted palm last night. Now it's my turn." The place was crawling with agents, double and triple agents, and all of that.

Q: The Japanese were there?

COOTES: The Japanese were there. At the airport--I used to have to go up to London from time to time--there would be a British plane to take me to London. And right next to it would be a Lufthansa plane to take people to Germany. Portugal was neutral. At one point there was an awful scare. It was reported that Churchill was on a plane coming through Lisbon, and we wondered whether the Germans were going to break the previously respected neutrality of Portugal and shoot him down. They had shot down a plane carrying one of the great British actors, who was traveling on a plane over the Bay of Biscay. The Germans thought that Churchill was on that plane.

Q: I never heard of that.

COOTES: Churchill wasn't on that plane. I forget the name of the actor [Leslie Howard]. A wonderful person. A great loss. In those days the British planes would fly to Land's End. Do you know where that is? Down at the end of Cornwall. Then travelers would go by train up to London. The trip took quite a long time. With the Germans around, none of the commercial planes were landing anywhere near London.

Q: When London was being bombed.

COOTES: All the time. Yes. As a matter of fact, I was having a drink with a friend before getting on the train and being flown back to Lisbon. I said, "How am I going to get to Waterloo Station to take my train?" He answered, "Who do you think that is, playing chess over there? That's your taxi driver." He was a kind of built-in taxi for this man, who had guests. So he'd entertain the taxi driver, so that the taxi driver would take his guests. The air raid alarm on the walls of the station there sounded. So I said, "Aren't we going to duck?" He replied, "Aw shucks, forget about it."

Q: *He was like you.*

COOTES: There was this bang-bang-bang all around us. I was very happy to get on the train, because I thought that it wouldn't be bombed.

Q: *So you went frequently to London, back and forth from Lisbon?*

COOTES: I wouldn't say quite frequently, but, for instance, when the Anglo- Portuguese treaty was scheduled to be implemented, we did not report it ourselves. George Kennan made an agreement with the British Embassy that we would not send out anything in our codes, because the British said that our codes were leaky and were no longer trustworthy. So we reported nothing on the implementation of this treaty. One time George Kennan said, "No, Merritt, you can't take the courier run down to Tangier," which we used to have to do once a week. He said, "You're going up to London because I've got some despatches. We had agreed with the British, as you know, not to send out any cables from here."

Q: *So you hand carried the despatches?*

COOTES: I hand carried them. I got there on a Sunday. John Winant was the Ambassador to Great Britain. Jake Beam was his man Friday. Jake's an old friend of mine. Ambassador Winant had a high regard for Portuguese Prime Minister Salazar, the head of the Portuguese Government, as you know. Ambassador Winant questioned me about Salazar, and when I finally got out of his office, Jake Beam said, "Damn you, I wanted to get off to lunch, and you kept me in there for over an hour." I said, "Jake, it wasn't my doing. It was the Ambassador who was so much interested in Salazar and what he was up to that I just had to keep talking." So we went out for dinner that night with Ambassador Harriman's daughter and with the lady who later became Ambassador Bruce's wife. We had a little foursome. I had brought up some lemons from Lisbon because Jake Beam said he hadn't seen a lemon in he didn't know how long, and he couldn't wait to have a whiskey sour. So he took the lemons over to the two women there to make whiskey sours, and they rinsed their hair in the lemon juice instead. So we had our usual drinks of straight whisky. But they fluffed their hair nicely. What was the name of Ambassador Bruce's secretary?

Q: *Evangeline Bell.*

COOTES: Evangeline Bell, yes. I met her when she was working for Ambassador Bruce, when he was the head of the OSS [Office of Strategic Services] office in London. She was his private secretary and was a great friend of Katherine Harriman, Ambassador Harriman's daughter. So that was the little foursome we had.

Q: *What were they doing in London?*

COOTES: They lived in London. Evangeline Bell was working for Bruce in the OSS office, and Kathy Harriman was with her father there, who was the Ambassador [in charge of Lend-Lease affairs, not Ambassador to Great Britain]. So that was a jolly evening, but Jake Beam didn't get his whiskey sour.

WILLIAM B. DUNHAM
Portuguese Affairs
Washington, DC (1945-1954)

Upon entering the Department of State in 1942, William B. Dunham assumed postings in Spain, Portugal, Brussels, and Switzerland. Mr. Dunham prepared memoirs entitled "How Did You Get Here from There?" in 1996.

DUNHAM: Having visited Bill George so many times in connection with the economic warfare activities in Spain and Portugal, his office was well known territory. It was a bit head-swimming, though, to return that first time, early in 1945, seeing it as my office now along with the new desk officer for Spain, Outerbridge Horsey.

Outer was an able and experienced FSO and a delight to work with and to have as a friend. An immediate task confronted us when we first joined forces. Outer had brought a tiny car back with him from his last post. (He was so tall that it looked like he was putting that little machine on when he got in.) It had to pass the vehicle inspection in D.C. and he had to get a driver's license. I showed him where these services were located and one day he set out to do the necessary. When he came back it was to report that this outing had not been without untoward event. His first stop had been at the licensing bureau. The eye and written exams had gone well and so had the driving test up to the finale. His tiny car had a parking brake that consisted of a chain with the handle inside the car and the braking mechanism under the car. To set the brake, you simply pulled the chain up and hooked it in place between the seats. At the end of the drive, Outer had done so with a great flourish, but also, alas, with an excess of bravura that caused the whole mechanism to break loose and fall onto the street! He got his license alright, but it was off to the garage for that tiny car before it could pass its test.

One day Outer explained the origin of his name. Outerbridge came from a rum-running family in Bermuda, Horsey from a family in Maryland who were their "business" partners. Ultimately, Cupid had his way, the families were joined by matrimony, and Outer got his name. He had a touch of an accent, having studied in England, but his father, not being content with "nothing more" than a classical education, sent Outer to MIT to learn something "practical." And so he did. When we were confronted with the task of working out with the Portuguese the details and figures of a Marshall Plan Agreement for economic aid, Outer turned out to be a whiz with a slide rule!

Another notable experience for us was our secretary. The three of us were in the same room...two apparent neophytes, one veteran of the Department. She was slightly forbidding, though seemingly benign, but we gradually became aware that she watched us with a wary eye. Later, as we got into full operation, we began to notice that from time to time something we had written or dictated came back to us in slightly altered form here and there. Finally, Outer mentioned this to me and I said I had observed the same thing and wondered what was going on. Finally, a draft came back with little alterations throughout it and we had to ask her why she was making such changes. She said she thought she should help us - we were so young and inexperienced in the

Department and she wanted to assure that what we wrote was done in the most acceptable way! We thanked her for her concern, but said we would prefer to have things left the way we wrote them. This caused a bit of a huff, but it eased in time, even though a certain residue of disapproval lingered on.

At that time, EUR was headed by H. Freeman (Doc) Matthews, a widely experienced, able, senior Foreign Service Officer. Doc was very much a part of the pre-WW II establishment, as were all the officers in EUR with three exceptions: Jack Hickerson, Doc's deputy, who was a Departmental officer with years of experience in the Department; Paul Culbertson, chief of WE (Western Europe), a rough-hewn, plain-spoken Departmental officer and, like Jack, with long experience in the Department; and then there was me, a Departmental officer and part of the new generation arriving from "outside." Happily for us, all three of these superiors were splendid bosses and we have them to thank for the seasoning and training they gave us. Seen in retrospect these many years later, our EUR gang looks very much like the progenitor, in microcosm, of the new mix that would slowly emerge in the Department and in the Foreign Service during the next several decades.

A few months before I had moved to EUR the Secretary, Cordell Hull, who had been in ill health, resigned in November 1944 right after the presidential election. He was succeeded by Edward R. Stettinius, Jr., the Under Secretary, who was unknown to those of us below that exalted level. He soon proved, however, that the judgments about him that Dean Acheson later presented in his book, *Present at The Creation*, were entirely correct:

"Before arriving in Washington at the age of thirty-eight, Stettinius had gone far on comparatively modest equipment. Enthusiastic, good-natured, and with prematurely white hair, an engaging smile, and a gift for public relations, he had been Vice President of General Motors and Chairman of the Board of United States Steel. Two types of businessmen come to Washington. One is the product of a staff, is lost without it, and usually finds Washington a graveyard; the other is his own staff and relies on his own ability and drive. Stettinius was unique in that he belonged to the first group but did not find Washington a graveyard even though he became Secretary of State." (pp. 88-89)

Stettinius reorganized the top command of the Department and then put on a great show at the Senate confirmation hearings for himself and the new top officials and at the swearings in at the Department later on. Acheson continues (p. 91), "The festivities, however, were not over. All the Department had been invited to Constitution Hall [then the largest of its kind in town] to view the new team in the flesh. Walking over there, a friend in the Foreign Service observed to me that he had not seen such organized spontaneous fervor since Ed Stettinius had been head cheer leader at the University of Virginia, adding that he hoped the performance of Ed's team would be better than the university's in those earlier days." Happily they were. They saved the day, in fact, because Acheson was all too right about the "modest equipment."

At our level, we only experienced a couple of instances of the new Secretary's presence. He had a "thing" about green and promptly had the corridors of that grand old building redecorated: the walls a light green and the huge elaborately carved crown moldings painted in a variety of contrasting, darker shades of green. Our only other experience involved a memo of ours that had

to be sent to him. One paragraph summarized the issue, two suggested solutions were given in the following two paragraphs for him to choose between, and the last paragraph requested his decision. The memo came back promptly enough and there, in the space at the bottom of the page, and in beautifully curving, flowing handwriting, was the reply, "I agree ES" - in green ink, of course.

Though we had no way of knowing it, both Outer and I would soon be embarked, singly and collectively, on a couple of heady courses:

- The US Air Force would soon be pressing to convert to peace time use the military facilities in the Azores it had used during World War II.
- The newly-born UN was starting out and the Soviets, as one of their first initiatives, would launch an attack in the General Assembly on what they would dub "Franco Spain," calling on members to withdraw ambassadors from Madrid. In doing so, they would make Spain one of the hottest political issues in the UN and elsewhere during the second half of the '40s.

As we were settling into our new jobs, an historic era of this century came crashing down, ending suddenly and shockingly with the death on April 12, 1945, of President Franklin Delano Roosevelt. We were all stopped dead in our tracks that morning and sat glued to the radio in disbelief, waiting for more news about so unthinkable an event. Harry Truman was immediately sworn in as president and at noon Outer and I went out front on Pennsylvania Avenue to join with others as silent encouragement for Truman, who looked very small and stunned, as he crossed the street from the White House to Blair House (official guest house) with a tight square of Secret Service officers surrounding him. It was a transcendental moment, as vivid at this very instant as it was then, just over 50 years ago. Unforgettable.

Some two years later, the Horseys and the Dunhams met the Trumans under very different circumstances. One day Outer fell to talking about the protocol you were obliged to follow before the war when returning on assignment to Washington. One left cards, man and wife, on the President and his wife and the Secretary of State and his wife. In due course their cards were returned; the required calls had been appropriately made. That was then, but this was a new era and we speculated about what would happen if we followed that old custom. We decided to try it and find out. I used to drive Outer home, since I passed his place, and one evening we stopped at the White House gates next door and he stepped out and delivered the appropriate cards.

Several months later we were suddenly reminded of our caper. When I got home one evening, my wife said our neighbor lady, who liked to collect the mail from our post box and hers out by the road (so she could see what we got), had come to the door in great excitement to announce that we had a letter from the White House. Whatever could it be!?! Well, what it was was an invitation to tea at four o'clock on a given afternoon. Obviously those arcane ways were still functioning even in these immediate post-war years. *Plus ça change, plus c'est la meme chose*. Perhaps. But I doubt that our colleagues went through these gyrations very much longer when they took up a new assignment in Washington.

Anyway, we went to the tea, of course, had the chance to meet Harry and Bess, who were as reported...just plain folks like our friends back in the Middle West. The "tea" was a gigantic affair, one at two o'clock for 200 and another at four for 200 more. My wife picked up some chocolates for our two kids when she finally managed to squeeze up to the table in the dining room. The crush was so great that the chocolates were quickly squashed, but they were nevertheless still regarded as treasure from the White House so far as the kids were concerned.

1945 had marked an exciting new career prospect, but before long that was threatened by a very different prospect...a RIF, a reduction in force. As I was still very much the new boy on the block, I was at great risk and could easily be "reduced." I was not all that aware until after the fact that I was threatened, but Jack did and he knew, too, that if I were abroad I would be left unscathed. So he told me it was time to make an orientation trip to Portugal to get acquainted with the people in our Embassy, to meet Portuguese officials, and to learn about things Portuguese.

In those days, the work horse for trans-Atlantic travel was the DC-4, a four-engine, prop aircraft. The flights to Lisbon left from La Guardia Airport in New York, first stop the airport at Gander, Newfoundland, on to Santa Maria in the Azores (where the field had been developed and used by the USAF during WW II), and thence to Lisbon. This was a long trip, grinding along for hours and hours, as the record for this route will attest. On one of these trips I happened to be aboard the flight that set that record: 18 hours. Today an 18-hour flight will take you non-stop from California to Australia.

Portugal from the air looks just like the map - lush and green all the way to the mountains that form the border with Spain which, in turn, is dry and brown on its side of that border. Portugal and Spain were poor enough before World War II, but then suffered great deprivations during that war. Portugal, to some degree, was less severely affected thanks to the skills of Dr. Antonio Salazar, the expert economist who ruled over Portugal for many decades. And his job was made the easier because his country had not been devastated by a civil war and also his countrymen were anything but volatile like the Spaniards. Then, too, there was a political advantage: the Spanish Civil War together with Franco's blatant collaboration with the Axis powers during WW II made him and Spain a pariah during and after the war. On the other hand, Portugal had leaned very much the opposite way and, after the war, Dr. Salazar, appeared much more benevolent than the neighboring Franco. Consequently, we faced no political hurdles to surmount in our relations with the Portuguese Government.

Embassy Lisbon was a small post, its two buildings situated part way up a steep hill with the Residence on a corner and the modest Chancery also on a corner across the street and up a block. The neighborhood was plain and unremarkable, the rear windows of the Chancery looking out on the backyards of the neighbors behind, complete with laundry hung out to dry and an arrogant and full-throated rooster who kept us constantly apprised that he was there and in full command. During the years I was involved with Portugal and Spain, we had a succession of ambassadors in Lisbon, most of whom would have gladdened the heart of any novelist. Herman Baruch, the brother of Bernard Baruch the distinguished advisor to presidents. was a large man with a bushy halo of white hair, a mustache and beard, looking every bit the charming patriarch. But his interests were anything but...he was an ardent womanizer and rumor had it that every Friday he received a hormone shot. When WE's much beloved deputy director, Francis Williamson, heard

we had visited with a young lady who was being assigned to Lisbon as a secretary, he said, "I hope you're teaching her the sitting broad jump - so she can clear her desk when that old geezer comes after her!"

Incidentally, Francis kept us all amused with his genius for getting into comical fixes. He was much involved in the post-war arrangements in putting Austria back in working order. One Saturday morning he came into the office with another of these encounters. "Any of you know Jack Darmery? I dictated this memo yesterday and here it is this morning full of allusions to John Darmery. Who's he? The memo was supposed to be all about the terms of reference for the Austrian *gendarmerie*!"

During these years, Francis had his "crossed-eyed bear" (i.e., "my cross I'd bear") in the person of Eleanor Dulles who was among the staff working on Austria. She was a stream of consciousness if there ever was one and it spilled out all over whatever she wrote. One day he came in our office with one of her airgrams of several pages announcing that he had made what he called "a few editorial changes." They appeared in the form of lines and lines of text that had been neatly lined out plus several little balloons of new text which hovered in the margins. The whole would then only partially fill one page. We never did hear how these oft repeated experiences affected Eleanor; whenever you saw her she was always as cheerful, pleasant, and lively as ever.

Well, back to Portugal. John Cooper Wiley, a career officer and another of our ambassadors in Lisbon, never went near the Embassy offices and kept hours that would have made that well nigh impossible anyway: up at noon, off to bed in the middle of the night. He thrived on Scotch whiskey, sipping it during his waking hours, but with no visible effect. An exception did arise in this respect on one occasion. One of the Embassy officers had a weekend, garden reception. The ambassador was there and I noticed that he was speaking in uncharacteristically raised tones, especially when he asked the waiter to add a bit more water to his drink. A little later I discovered why. I was standing near the bar when the host's son rushed in, hot and thirsty from playing tennis, and asked for a glass of water. He took a big gulp and then turned red, white, and blue on the spot. The jugs that held water and gin were covered with a straw wrapper with a little sticker which identified the contents, but otherwise they looked the same. And so, horror of horrors, agua and gin became confused and both the host's son and the ambassador suffered the consequences!

The British Ambassador had his own problem with receptions. After a career as a civil servant in the Foreign Office, he was given this post to cap his career. On one occasion a local English lady came up to him and, gushing, said, "Oh, Your Excellency, don't you just love cocktail parties?" Looking down his long, thin, aquiline nose, he replied, "Madam, cocktail parties give me gas."

Ambassador Wiley's wife, Irena, a most extraordinary lady, was the star of that pair. Polish by birth, a gifted artist, fluent in six languages, she was the Embassy's bright and shining light. As an artist, she produced works for some of the churches in Lisbon; as the ambassador's wife, her charm both as a hostess and a guest smoothed his path; and as a person, she was a distinguished presence in that small country. I remember still one unobtrusive practice she employed to avoid causing discomfort for a hostess. She did not drink, nor does my wife, and she showed her what

she did at parties and receptions. When she arrived, she would pick up a partly empty glass, carry it as she made her rounds of the guests, and then set it down when leaving. No fuss, no bother, and an undisturbed hostess.

For my part, I was intrigued by the way the ambassador solved a problem he inherited. The Embassy's French chef was far and away more expensive than Wiley could possibly afford so he undertook a little campaign, flattering the chef by excusing him from some of his duties, giving him extra time off, and eventually telling him he thought an artist of his great skills and achievements should not be demeaned by being obliged to do the marketing. He had therefore decided to assign that chore to one of the servants. That did it. The chef had long been profiting handsomely from that lucrative sideline and he was not about to relinquish such a booming asset. Predictably enough, he promptly resigned!

When I returned from my orientation trip to Portugal, we had yet another ambassadorial adventure. As if Baruch hadn't been enough, Lisbon got another one like him in the person of Colonel Guggenheim of copper and Hope Diamond fame. He was lively, too, but he was anything but the charming patriarch type. He was definitely the hunter. Eventually, he carried things much too far, however, when he dropped a spoon down the front of a lady's gown - the wife of one of Portugal's wealthiest and most politically influential men - and then reached in to retrieve it. He was called back to the Department shortly thereafter and kept asking me why. All I could say was that the Under Secretary (tough General Bedell Smith) wanted to see him. He was fired on the spot and left the Department...a whipped pup. *Sic transit gloria* - for sure!

The best thing possible happened when this trend was reversed with the appointment of Lincoln Mac Veagh as ambassador to Portugal in June 1948. He had long been ambassador to Greece. As a scholar and publisher well versed in Greek and Latin, and a translator of verse in each of those languages, he had been the ideal candidate for that assignment. Then, when WW II broke out, he was assigned as ambassador to the governments-in-exile of the Mediterranean nations the Axis powers had occupied with his headquarters in Cairo. After the war he went back to Greece and came to Lisbon from there.

We were fortunate to have such a veteran arrive to lead the impending air base negotiations with the Portuguese Government and, more than that, someone who was well and favorably known to the powers that be in Washington. It turned out that Mac Veagh and Dean Acheson were old friends from their early school days (and both had also been well acquainted with FDR). Their relationship more than once facilitated solutions to problems we would occasionally encounter on the US side in the negotiations with Portugal, and also later on with Spain.

When the US entered World War II, the short-legged aircraft of those days had only two routes for reaching Britain - via Iceland and its difficult weather or via Brazil to Africa and thence north. The Azores were an enticing but doubtful option due to Portugal's neutrality. It was Winston Churchill who came up with the device that opened the door for arrangements that would allow the US Air Force to use air base facilities in the Azores. Churchill recalled that there was a "friends of friends" clause in the 1384 (I believe it was) Treaty of Friendship between the UK and Portugal. Obviously we qualified. In due course, that led to arrangements allowing the US to develop and use during the war the necessary air facilities on Santa Maria Island.

After the war the USAF was anxious to convert those facilities to peacetime use. We were working on these requirements when Mac Veagh was appointed. He was highly intelligent, widely experienced and notably skilled, a veteran diplomat obviously best qualified to take on the responsibility for these negotiations. Eventually, when our work in Washington was completed, I was dispatched to Lisbon to consult with the ambassador and assist him as he prepared to open negotiations. We went over the background of how we had been able to develop and use the facilities on Santa Maria during the war, what the USAF requirements were now, but we left it up to him, of course, to determine how to present this matter to the Portuguese. I was staying with the ambassador and later that first evening he retired to study the documents I had brought and to start mulling over his approach to Dr. Salazar.

For the next week to ten days, the ambassador continued his mulling, occasionally asking questions or talking about one point or another, but for the most part we did other things, including some one day trips. One of these took us to Oporto and a Port wine factory famous for its lunches at which the Port wine bottle moved continuously around the table and you were expected to fill your glass each time it passed by. And there's no place to hide either! En route to Oporto, we had also stopped to visit a fascinating Roman village which boasts, among other splendid remains, a mosaic floor that is complete and beautifully preserved.

This visit also offered the opportunity to get to know much better a renowned member of the staff, Ted Xanthaky, a longtime assistant to the many ambassadors who had passed through Lisbon. One of his most striking ploys was to absent himself whenever a new ambassador was due to arrive and to return after the ambassador had had time to settle in a bit (and could then focus undisturbed on Xantak, as Mac Veagh called him). Ted was very personable, knew well everyone worth knowing, spoke several languages, and was highly respected by one and all - an invaluable asset for the embassy and particularly for the ambassadors.

Thanks to Ted I had opportunities to meet and talk with many Portuguese officials and a few I already knew who had served in Washington. Then one day this routine was broken by an unexpected and memorable escapade. Ted and I had lunch at the Aviz so I could visit this world famous hotel. Evita Peron, wife of the Argentine dictator and a celebrity in her own right, was due to arrive the next day and there had been much ado getting her suite ready. After lunch the manager, a friend of Ted's, of course, took us on a tour of her digs. The Aviz was a splendid, palatial, old-world place, beautifully decorated and elegant in every detail. The elevator, an open gilded cage with Oriental rug and wide cushioned benches, rose grandly from the lobby taking us to the suite that occupied the whole of the top floor. The place was newly decorated, the walls and woodwork gleaming with new paint, and - what made the visit so memorable - so was the lavender-hued toilet seat which, to the manager's intense distress, refused to dry! We never did find out how that ended up, so to say.

Finally, of a Sunday evening after dinner, the ambassador started talking about the upcoming negotiations. After going over the particulars and many details of what lay ahead, he said that in the morning I should closet myself in one of the offices, he would do the same, and we would each draft a note to Dr. Salazar that would introduce the American proposal. After dinner Monday evening, we would then compare drafts and start work on a final version. By the time

we were finally finished, the ambassador's secretary, who spent an arduous day typing our several drafts, must have been exhausted.

After dinner we exchanged drafts. It was a bit like Christmas, exchanging presents we had been looking forward to - at least I had and I suspect he had as well. Needless to say, consummate diplomat that he was, his draft was a masterpiece. I read it twice as he did mine. He pronounced mine an excellent statement of the US proposal and then said I had probably noticed the basic difference between our drafts: he had endeavored to write his in a way that he thought would be most persuasive from Dr. Salazar's point of view. As a naif entering that world of diplomatic practice for the first time, this lesson was one I have never forgotten. From then on, working with him on the negotiations with Portugal, and later Spain, I had as thorough an education in the arts of diplomacy as anyone could possibly wish for. And he thus became, along with Livie Merchant, one of my most significant and invaluable mentors and good friends.

The ambassador's note did the trick and negotiations commenced shortly thereafter. We were especially fortunate to have as our Air Force colleague General Lawrence Kuter who headed the USAF group. Larry was a true soldier-statesman (and President of Pan-Am after he retired) who made vital contributions during the course of the negotiations, both in Lisbon and in Washington. Eventually a first agreement was reached, duration 18 months, that allowed the USAF to move over to Lajes, Portugal's military air base, from Santa Maria airport which was being developed into a much needed commercial airport essential for trans-Atlantic traffic.

That then set the pattern for a series of 18 month agreements that, it seemed to me, permitted Dr. Salazar to bide his time waiting to see how things would play out in these early post-war years. He was a very intelligent, able, and cautious man given to moving only "with all deliberate speed" and certainly not one who indulged in enthusiasms of the moment. Portugal was included in the Marshall Plan, NATO looked like a future possibility, and, as the years moved along, I think he eventually concluded that his own interests would be well safeguarded and relations with the US well served by accommodating our requests for a longer term agreement.

These negotiations provided a few incidents of note, one of them involving Dean Acheson when he was the Under Secretary. He would occasionally call a desk officer to ask about something, as he did me, and once he called and asked me to come down to his office regarding some details about the Azores negotiations that were involved in a paper he was drafting. One day he called a newish desk officers down the hall who didn't know about this habit of his. When Acheson identified himself this hapless soul replied, "Hi Dean. Harry Truman here!"

Another more serious episode, and a curious one, occurred in connection with the Azores negotiations. Several of the USAF folks in the Pentagon had spoken to me occasionally about their concern that we include in our arrangements with the Portuguese permission for US aircraft carrying atomic weapons to transit Lajes. They were already doing so *sub rosa*, but they wanted explicit Portuguese approval of this practice. Obviously, the Portuguese authorities, if asked, would have to refuse. They and other European governments were still officially unwilling at that time to allow these weapons to enter their countries.

This interest of the USAF produced a further development when my friend, Manuel Rocheta, who was the Counselor of the Portuguese Embassy in Washington, mentioned the subject very informally one evening when we were chatting. He had heard about it indirectly, he said, they were aware that planes carrying such weapons moved on occasion through Lajes, but they didn't want this subject brought officially to their attention. If it were, they would have no choice but to refuse permission for such traffic at Lajes. One can only speculate about how this matter reached Portuguese ears, but obviously the World War II slogan, "Loose Lips Sink Ships," didn't get through to someone in the USAF group at Lajes. Larry Kuter was as startled as I had been when I passed this message on to him. He saw to it that the idea died aborning.

The negotiations, relatively uneventful though they were most of the time, did require consultations in Lisbon and in Washington once in awhile. Two trips provided some extracurricular excitement for me. One was made aboard the newly developed Constellation that had just become the largest commercial aircraft. When the plane arrived at Lisbon, the weather was so bad and the winds so gusty and strong that a landing was much delayed. Finally the pilot tried several times to land, but the winds caught the plane, bouncing and tipping it around dangerously, and he had to abort these attempts. Later he made one final attempt before we would have to fly off to another airport somewhere. This time he managed to keep the plane steady and we finally came down with a great bang in a very rough and noisy landing at three a.m. And who should be there to meet me but Ambassador Mac Veagh. He had stayed at the airport the whole time, very much concerned about the bad weather and very upset because of the dangerous conditions for landing. We were both much relieved when this adventure ended and I was astonished and deeply touched to think that he had remained out there through the whole thing.

On another occasion when I was due to return to Washington, the ambassador said we could fly to the Azores on a plane that was returning to Lajes, he could visit the consul out there, Clifton R. Wharton, and the plane could take me on to Santa Maria to connect with my flight back to the US. It was an easy trip and we parted on a meadow where the ambassador got off. It was a nice hill that had slowed the plane when we landed, running up it, and it helped the plane to accelerate when we took off down the hill. The landing at Santa Maria was quite something else, however. As we approached the airfield, I could see the big Constellation I was to take making its landing. When it came our turn, we made a very bumpy touch down much too far down the runway. The engines immediately roared into action and the plane tried to lift off before the end of the runway at the edge of the great cliff that surrounds the island. We didn't make it though and the plane swooped down over the edge of the cliff. Happily, it was able to lift in time and we then went around for another try and made a landing so smooth it was apparent another hand must have held the stick. When I got out, the two pilots were nowhere to be seen, but a man from Pan-Am was there to meet me. I asked where the pilots were and he pointed to them lopping off in the distance toward the terminal. When I asked about that landing, he said it was a first try for a new pilot at Lajes and he had failed the test. Charming!

Finally, in 1951, we were able to conclude an agreement with the Portuguese for the use of facilities at Lajes for a period of five years. Thereafter, I lost track of this matter when I moved on to other assignments. More recently, though, I discovered that such agreements are still in effect. In October 1995, *The Washington Post* carried a small Associated Press item reporting

that "The United States and Portugal signed a treaty [sic] allowing US use of the key Lajes air base in the Azores for another five years." It went on to state that "Lajes was an important staging base for US air-borne missions to the Middle East and North Africa during the Persian Gulf War and it could play a role in any US operation to support NATO allies in Bosnia." What a gratifying bit of news forty-four years later.

One other local event of note occurred during the last couple of years of the '40s. On October 12, 1949, the assignment of Clifton R. Wharton to Lisbon as First Secretary and Consul, and, almost a year later on September 25, 1950, his promotion to Consul General marked the lifting of the color bar that had, until then, confined African-American Foreign Service Officers "south of the equator," so to say. At least that is what we thought at the time.

Born in Maryland in 1899, Cliff Wharton graduated from Boston University and earned the LL.B. degree in 1920 and the LL.M. degree in 1923. A member of the Massachusetts Bar, he practiced law from 1920 to 1924 when he moved to the Veterans Bureau and later in that year to the State Department as a law clerk. He was appointed to the Foreign Service on March 20, 1925, and assigned to Monrovia as vice consul and 3rd secretary and then Las Palmas in 1930. He moved between these two posts until 1942 when Tananarive became his new post. In April of 1945, Cliff was transferred to the Azores as the American maritime delegate and consul in Ponta Delgada. (In 1946, he was promoted to FSO-4 in May, and to FSO-3 in October, attesting to his superior service.) When we began our endeavors in 1947 to find a way to convert our wartime use of military facilities at the Santa Maria airfield in the Azores to peace time use, we had close at hand the benefit of Cliff's extensive experience and thorough knowledge of the area.

Cliff and I arrived on the Portuguese scene about the same time, 1945. During the following years, I developed the greatest respect for him, both professionally and personally, as a man of the highest qualities. It was a long time before we had the opportunity to meet, but through letters we had become so well acquainted that our first meeting seemed like just another one of many such meetings. He was on home leave and came by the office for that visit we both had long been looking forward to. Incidentally, on that occasion he brought along one of his young sons. Unhappily, I can no longer remember which one, but a few of years ago I had to wonder whether it was Clifton, Jr, who became Deputy Secretary of State when Bill Clinton became President in 1992.

Early in 1949 we knew the Consul General in Lisbon would soon be up for transfer. Given Cliff's extensive experience and long and outstanding career, I thought he would be the ideal person for this post and checked out the idea with Ambassador Mac Veagh. He knew Cliff well, of course, and agreed immediately that he was the man for the job. There was no color bar whatsoever in Portugal and we knew that Cliff, who was highly regarded in Lisbon, would be warmly welcomed and eminently successful as Consul General. So, with no further ado, I put in the request to the Foreign Service Personnel office for Cliff's transfer to Lisbon as Consul General.

Then the trouble began. Our request gathered dust for months. Phone calls were not always returned and, when they were, one was fobbed off with all manner of evasive inventions. In those days, the Foreign Service ran their personnel operations and the pre-war Old Guard were

still much in evidence. The ambassador, who had a renowned short fuse, became increasingly annoyed as the date for the presiding Consul General's departure grew closer. One day, as I was fulminating about the evident chicanery in the FS personnel office, a colleague in our division (WE) heard me and offered some advice and a warning. He was one of the Old Guard, too, and told me Cliff's transfer would never be approved. "We don't need people like him at our posts in Europe." Further, he warned me that I was getting into trouble by continuing to insist on Cliff's assignment to Lisbon and had better back off.

I knew this colleague to be one of that dwindling company of FSOs of a pre-war and waning by-gone era - so unlike contemporaries such as George Kennan, Chip Bohlen, Bob Murphy, and others who had become post-war notables. He often inveighed against the wartime newcomers who had entered the Department and the Foreign Service and there was no way of knowing whether he was an emissary assigned to shut me up or was just making his usual noise. What I did know was that the message was outrageous and totally unacceptable. I called the personnel people to say that time had run out, the ambassador was highly annoyed, and any further delays over Cliff's transfer were bound to bring his wrath down on their heads. In addition, they should know that he and the Secretary were lifelong friends, and that Mac Veagh could easily call on Acheson "to lend a hand," if needs be. Best, therefore, not to rouse those two to action; in that event, they could expect all hell to break loose. In due time, these considerations proved persuasive and, in the fall of 1949, Cliff's transfer to Lisbon was approved - but only as First Secretary and Consul. It took almost another year of continuous pressure before he was appointed Consul General.

After that, Cliff's superior qualities and abilities proved that he was the man for that job and he then proceeded on from one success to another. In 1951 he was promoted to FSO 2; in 1953 he was assigned as Consul General in Marseille. Promoted to FSO 1 in 1956, his highly successful tour in Marseille continued for five years. He was appointed Minister to Rumania in 1958 and finally ended his long and distinguished career as Ambassador to Sweden.

Once the racial road block had been broken with his appointment as Consul General in Lisbon, Cliff's widely known, admired, and respected personal and professional qualities carried the day thereafter. At the time, we hoped that he had lifted the color bar and broken the trail for succeeding generations of African-Americans in the Foreign Service. But how Cliff's successors have fared in the Foreign Service since seems a very mixed story indeed.

I was concerned by an article in the May 1994 issue of the Department's newsletter that reported on a ceremony in honor of Deane R. Hinton on the occasion of his retirement after a 51 year career. He was quoted as saying, that "Representing America requires representative Americans. We can achieve a representative Foreign Service of top quality, if we make an enhanced effort to attract recruits from diverse backgrounds with the requisite moral and intellectual qualities...." I had hoped that remark did not imply, as it seemed to, that there still exists a color bar that deters qualified minorities from perceiving the Foreign Service as a viable career choice for them.

But, alas, the concern Deane Hinton expressed, and its import for the future, were all too prescient. 47 years after Cliff Wharton had been transferred to Lisbon, *The Washington Post*

carried a front page story on April 5, 1996, Good Friday, under a headline that read: **State Department Settles Bias Suit, Black Envoys Get \$3.8 Million, 17 Promotions.**

The story, written by Thomas W. Lippman with contributions from Toni Locy, reports:

"The State Department has agreed to pay \$3.8 million to compensate black foreign service officers who alleged they were denied advancement and career opportunities because of their race, and to grant retroactive promotions to 17 of them.

"The agreement was a key part of a negotiated settlement that would end a federal lawsuit that had dragged on since 1986. The case exposed some of the rawest nerves in the diplomatic service as African American diplomats charged they were pigeonholed in backwater assignments, denied promotions they deserved and unfairly driven out of the service."

The report, which went on at some length, also quotes the Director General of the Foreign Service, Anthony Quainton:

"We believe the settlement is a fair one. But more important is the secretary of state's commitment and my commitment to a diverse work force....We will be carrying out some really substantial reforms in the personnel system so we can train our supervisors to manage a diverse work force."

Imagine that! Here we are in 1996 and the DG - and the first one to do so - is only now thinking about training "supervisors to manage a diverse work force." That should have been done decades ago. At this late date, he should be thinking about hiring supervisors who already have extensive experience in managing a diverse work force!

Meanwhile, the story reports that in 1993 "the foreign service consisted of 4,015 officers, of whom 87.6 percent were white and 6.7 percent were black. Only 1.4 percent of the senior foreign service, the diplomatic equivalent of generals and admirals, were black."

What a wretched, revolting record. Obviously, the hoped-for breakthrough of Cliff Wharton's transfer to Lisbon in 1949 barely dented the color bar, if at all. How sad - how unforgivable - after almost 50 years. And still we pretend to represent the United States of America. This is the *American* Foreign Service? For shame!

HAROLD G. JOSIF
Political Officer
Oporto (1949-1950)

Born in Burma in 1920 to American Baptist missionaries, Harold G. Josif graduated from the University of Chicago in 1941. Josif served in the Army Air Corps during World War II, received a M.A. from Tufts in International Relations and entered the Foreign Service in 1947. His overseas posts included Pakistan,

Portugal, India, Iran, Ceylon, Somalia, and Libya. Josif also served as an instructor at the Air War College. He was interviewed by Charles Stuart Kennedy in 1999.

Q: In 1949, you went off to where?

JOSIF: To Oporto, Portugal on a direct transfer. I had been in Karachi only 20 months, but the policy then was to give most junior FSOs experience at two posts before they came back for home leave. So, we took a ship. You didn't have to fly in those days. The ship wandered around. First it went to Bombay and then it went through the Canal and up to Liverpool. Then we went to London and had a few days there. We took another ship that went from Southampton to Lisbon. Finally, we got to Oporto. We had passed it twice, actually, on the way.

The consul there was a man named Jay Walker. The ambassador in Lisbon was Lincoln MacVeagh. While I was there, Jay Walker was transferred. I was in charge briefly and then the embassy sent up a visa specialist named Leland Altaffer to be in charge. I was a little miffed that they thought somebody should come up and take over, but he was wonderful about it. He said, "Look, I know you're interested in political reporting. I am a visa specialist. So, why don't I do the visas and you do the political reporting?" I agreed to that immediately.

Q: You were there from 1949 until when?

JOSIF: 1949-1950, only about 10 months, maybe less. It was December 1949 when I arrived and we left in August 1950. This was a visa mill, the reason being that so many Portuguese had emigrated to the United States. Then they had their relatives they wanted to bring over. There were a few other consular duties. Nearly all local Americans were of Portuguese ancestry, many of whom had made some money in the States and come back to Portugal to retire and make their pensions last longer. The cost of living was very low there. It was one of the poorest countries in Europe, certainly in Western Europe.

Portugal had been under the dictatorship of Mr. Salazar for over 20 years. The opposition was thoroughly repressed, but it was in an authoritarian rather than a very vicious way. There was some opposition expressed. We began to get some pamphlets and even interview some opposition people. There didn't seem to be any government pressure on us to stop. I think they must have known we were having some contacts with the opposition. The public was very pro-U.S. It was a pleasant post. We thrived, but I won't dwell on it unless you have some questions.

Q: I was just wondering, did you get any feel for Ambassador MacVeagh? Did we have a position on Portugal? Did the fact that it was authoritarian rather than dictatorial seem to bother us or not? Were we concerned at that time?

JOSIF: My impression was, we were not terribly concerned. Lincoln MacVeagh, who was a courtly old gentleman, probably felt that this would be a better country if it were democratic, but we didn't consider it our job to put much pressure on, I believe. We had some material interests. We had air rights in the Azores. Undoubtedly, there were all sorts of contacts that we had and

issues we addressed that I was not concerned with at Oporto. The consulate was not fully clued in, as I recall.

I think that it was a period - 1949-1950 - when we were more interested in the new NATO alliance and parts of Northern Europe.

Q: You mentioned NATO. Was Portugal a charter member of NATO?

JOSIF: Yes, but I do not recall that NATO membership per se was much of an issue at Oporto. Portugal had the longest history of independence of any of the countries of Europe, going back to the 1300s, but its alliance with Britain also went back that far. One of the most interesting aspects of our tour was that we were in the heart of the port wine export trade, and that it was run by naturalized Englishmen. You could tell from their names that their family descent was English. They and their families had been in the country for up to a couple hundred years.

Q: The immigrants were mainly going to Massachusetts and Rhode Island.

JOSIF: Yes. Bedford was one of the big centers. Providence.

JAMES O'BRIEN HOWARD
Agricultural Attaché
Lisbon (1951-1953)

James O'Brien Howard was born in Alabama in 1915. He received an A.B. degree from Birmingham Southern College in 1936. He then went to Iowa State University and completed his M.A. degree in 1937 and his Ph.D. in 1939. He began his career with the Department of Agriculture in 1939. He became a foreign affairs officer with the Foreign Agriculture Relations department of the U.S. Department of Agriculture in 1953. Mr. Howard was interviewed by Charles Stuart Kennedy in 1993.

Q: I have you going to Lisbon in 1951-53. How did that come about?

HOWARD: I had a theory that in this early period of my career, about three years is as long as a job would contribute to my development so about every three years I tried to move forward. Three years would give me time to make my contribution and maybe level out in my contribution and be ready for the next step in my career.

So here I was running this information division and all these attachés were coming back. We had conferences and I knew a lot of them and was ready to go out. My wife, who has always been a very strong party of this family in this commission was willing to go too. We had two small children, but she said...

Q: So you went to Portugal in 1951. What was the situation as you saw it in Portugal at that time?

HOWARD: Portugal was not one of the developed countries of Europe. Salazar had been dictator for a long, long time. The agriculture was not best developed, but they had some good people. It was a good place for a young attaché to have his first experience. I had first been assigned to Denmark and then the boss said, "The Ambassador to Portugal is insisting that he needs someone, so we are going to switch you." But Denmark would have been a much more interesting _____.

Q: Was Portugal self-sustaining at that time?

HOWARD: Portugal at that time, you have to remember, had some important African colonies in Mozambique and Angola and some smaller ones in Asia. Trade with them was important. They were drawing on Portugal for financial resources, though. As I recall, Portugal was about self-sufficient. We sold them some wheat and cotton and they exported olive oil and leaves. They were not a significant agricultural exporter.

Q: What did you do? What does an agricultural attaché do in not a major country?

HOWARD: Basic job is to write these reports commodity by commodity that go back to Washington on a pre-determined schedule and are used to write these regional and world reports. So I had a calendar of reporting dates. On such and such a date I have to have a report on the Portuguese olive crop in Washington. And it isn't always easy. Where do you get your information?

Again I have to mention this Portuguese assistant--Dominicus Aspirtus Santo [ph]. He had been over here a few years as a young man and spoke and wrote pretty good English. So he would help me. In those days you didn't get much language training. I had five weeks of Portuguese at the Foreign Service Institute before leaving. But I hired a tutor to come in at the lunch hour and tutor me. I became reasonably proficient, not great.

We would use published information, go to the olive oil institute; go to that branch of the Ministry of Agriculture dealing with that industry. Part of my job was to cultivate those people so that they were willing to cooperate. That was sometimes easy and sometimes not so.

Then you would find that the figures didn't balance. Portugal had more olive oil than the total of its production minus exports. Why? I dug into it and found that olive oil was being smuggled across the border from Spain because it was a better price than Portugal and that was where the disparity was coming from.

Q: What was the impression of the Salazar government? You were part of the Embassy team. How did they feel about Salazar in those days?

HOWARD: In those days as now we believe in democracy and that they did not have. But he was a benign dictator. He was a professor of economics, finance, at the university when he was recruited for this job. His sole means of staying in power was his threat to resign. "If you don't

like what I do, I will go back to the university." They had had so much chaos before he came, that they said, "No, no, please stay." And he stayed for 25 to 30 years.

Q: Who was running our Embassy in those days?

HOWARD: Let me think. One of the Ambassadors I had there was Guggenheim, Anacostia Copper. He was a pure political appointment. All he had ever done in life was clip coupons and contribute to the Republican Party. His wife, Polly, was a delightful person.

I remember my first cocktail party. We had just moved into this house after living in a hotel for two months with two small children. So we had to have a cocktail party. We invited the list of people important to the office. The Ambassador had graciously agreed to be there. My wife and I were a bit nervous. The Ambassador came after the party was going a bit, and we greeted him and asked him what he would have. He said, "I would like a martini." I summoned the waiter we had hired and said, "Do you know how to make a martini?" "Si, si, senor." The Ambassador said, "But I want three gin and one vermouth." I asked if he understood and he said, "Si, si." I said, "Tres gin and un vermouth." "Si, senor."

I went on with my greetings and pretty soon Ambassador Guggenheim pulled my coattail and I turned around and here was the waiter in front of the Ambassador holding a tray with three glasses of gin and one of vermouth. The Ambassador said, "That is all right dear, go ahead and drink it and we will shake you and get the same effect."

Cavendish Cannon had just been there as Ambassador. Then he went to Spain. He was a career Ambassador.

Q: He was one of the imperial ambassadors.

HOWARD: He retired just down the street from where we are living. He had a wonderful reputation.

There was another Ambassador who followed Guggenheim, but I'll think of that later. [note from transcriber: James C. H. Bonbright followed Guggenheim.]

There were always excellent number two people who ran the Embassy. And we had a good Economic Counselor, who was my major boss.

Q: An agricultural expert comes from a completely different background than most Foreign Service officers. How did you find professionally you were used at the Embassy?

HOWARD: Stu, this is not an easy situation and some agricultural attachés had difficulties. I did not. You have two bosses. I am the agricultural person on the Ambassador's staff and do whatever he asks of me. But my real boss, my more important boss, is the Secretary of Agriculture, who through OFAR is sending these requirements that I do this reporting. So you have to be careful. But with career ambassadors who know the situation, know what my job

is...they have commercial attachés doing similar reporting...it was not difficult. In some posts I was of considerable use to the Ambassador.

Q: While you were in Portugal did we have any agricultural disputes or problems with Portugal?

HOWARD: No. My job was more getting them to cooperate with us in international forums where we were maybe attacking the Europeans on some of their food and drug regulations that were discriminating against our crops. Or we would work with the Portuguese in getting a common position in FAO conferences. But we didn't have any serious debates with them like we have had with some other countries.

Q: You left Portugal in 1953?

HOWARD: I was there for nineteen months. The reason I left so soon...you know you want your first post to be as long as you can get it so that you can get a reputation ...but the State Department at that time had one of the biggest budget cuts it had ever had. They told Agriculture that they had to cut out a number of attaché posts.

JOSEPH JOHN JOVA
Consular Officer
Oporto (1952-1954)

Head of Political Section
Lisbon (1954-1957)

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

Q: Today is October 24th, 1991. This is the second interview with Ambassador Joseph John Jova. John, we left off last time in 1952. You had been in Tangier and they had found a place for you. Although you wanted to go to Spain, they said, "How about Oporto?" which sounds like a pretty good second choice. What were you doing in Oporto, and what was the situation as you saw Portugal at that time from your perspective?

JOVA: Oporto is certainly a general purpose post, two officers and one American secretary, and several locals--some of them had been there a long time and were very good, others not so good but most of them were very good. It was a very interesting assignment. This isn't all bull shit when I tell the FSOs being sworn in, and I think you should really tell them the truth when I say, "There is no such thing as a bad assignment." I've told you about Basra.

Q: Yes, that sounded like the post from hell.

JOVA: Just from the Post Report, and it certainly was a tough place but certainly couldn't have had more gratifications professionally. Portugal, believe it or not, turned out to be a little bit the same way.

First of all, Oporto is the second city in Portugal. It's also where some of the industrial--such as it is--but there's industry up there, plus the wine industry which is separate and very genteel, but very nice. Plus in those days they had a more active labor movement up there, and also the more active part of the opposition. On the other side of the political spectrum, also very strong, monarchist movement existed there. And as a matter of fact, the pretender to the throne had been permitted back in just about the time we got there, with the proviso that he should reside in the north. So he resided in our consular district.

I still get letters from the local staff after all that time, Christmas cards. And all that time since then every time I've gotten a promotion or anything of that sort, I would get a cable or a letter, or letters, from that local staff that stayed there, which is a very nice thing.

Q: That's a very nice thing.

JOVA: Besides that, the big source of immigration had always been in the north of Portugal more than the south and, of course the Azores are very big so the consular part was busy. There was political reporting to do, there was commercial and economic reporting to do, and then there was consular work to do. There was representation also, a little bit, a different country which is true for so many consular districts. It is a different country with a different outlook, and important because a good part of the population are up there, and so much more dynamic than the south which is agricultural. Mind you, this is agriculture too but in a different way, much more mixed.

All I can tell you is I found it very interesting. There was actually a let-down later on when I was transferred to Lisbon as a reward, but we'll come to that later.

Q: You mentioned that the pretender was there, and the opposition. I thought Salazar ran a pretty tight ship. We're talking about '52 to '54.

JOVA: Yes, but all those things existed.

Q: Were you under any constraints as far as whom you could talk to, and as far as either orders from the Embassy, or just generally that you had to be careful about contacting the opposition?

JOVA: No, but common sense also told you, don't overdo it. If you go to an opposition rally, just sit still, act as if you're being the one that's buying the hot dogs and bringing them up to the speakers. And they did have the secret police, international and secret police combined the two functions. I remember there was a very dynamic, quite young, officer in charge of that, and I wouldn't have liked to tangle with him knowing we had relationships. There was a great deal of that sort of thing, of representation, of relationships with all the authorities which is in the primate. The man was important, the military governor was important, the civil governor, of

course, was important. The Primate of all of Portugal was in the consular district. So from an ecclesiastical point of view it was important.

All I can tell you when I went to Lisbon...I'll say it now when we're talking about consulates because I've always been against closing them arbitrarily. Sometimes it is merely just to show a statistic, to say, "We've saved some money." But in Oporto we had access to everybody from the top down. In Lisbon people weren't interested in a second secretary of embassy. I became a first secretary there. So you had to work to make contacts. They were interested in the ambassador, the DCM, or Ted Xanthaky who was a very famous Foreign Service person who was an FSS who had had only two posts in his life. One was Rio de Janeiro, and he married a Brazilian, or I think she was an Argentine actually, but of importance there. And then he was transferred to Lisbon and spent the rest of his career there. In other words, he spent 40 years, so he knew everybody, but just of the right people; no opposition for him; and access to Salazar and then had access to some of the big banking families that were his idol. So he was a very important person who in effect, in many ways, overshadowed the political section. Not only that, I'd say he overshadowed the DCM and the ambassador himself in many ways. But on the other hand, it also shows that with a little bit of gumption you can still find, even in a situation like what Lisbon was later, you can still find interesting things to report on, and contacts to make.

No, there were no overt challenge as regards to seeing members of the opposition. On the other hand, I wouldn't go to the home of a known communist, or semi-communist.

Q: Did you find the embassy was interested in what you were reporting? Were you doing your thing, and they were doing their thing?

JOVA: The embassy was interested; interested enough that they saw enough of it; that they invited me when my term was up, the ambassador invited me to go down there, and that was at the recommendation of his staff.

Q: Who was the ambassador part of the time?

JOVA: The first part of the time that I was there, it was Cavendish Cannon, who was a career person, a wonderful person, and really an Eastern European specialist. He was married to an Eastern European--his wife was Austrian, a difficult woman, we'll come to that later. And the second part of my time, it was M. Robert Guggenheim. During those two I was up in the north, and I can't give you the exact progression. That was night and day, of course, compared to Ambassador Cannon, or compared to his wife because Mrs. Guggenheim was a very lovely person. We still see her here, and still friendly; still good looking and very nice, and was helpful to me at Meridian House on fund raising. But he was a dreadful person. I mean they had to throw him out because there was harassment.

Q: There were some rather famous hearings in the last week over a Supreme Court Justice Thomas, and about was there, or was there not, a case of sexual harassment.

JOVA: He was the Mr. Harassment, chased the secretaries around, even very pallid old maid looking secretaries, and he chased them around the desk. He made passes at the Portuguese, and

you know they are so prim. Even on his visit to us--I think he visited once or maybe twice in Oporto, and we gave a nice dinner party and had the authorities, and what to my horror to see him reach over to the wife of the military commander, who was rather a prim lady, gray-haired, pointed a fountain pen and said, "Excuse me madam, something is falling out." This was in Oporto where its even more prim, more Edwardian. In Lisbon, of course, he dropped a little coffee spoon down the bosom of the wife of the Foreign Minister, who was very beautiful, and said, "Excuse madam, can I rescue that?" And that was when the cup overflowed, and they asked through another agency...the Portuguese after all had been in the business a long time, I think it was through the military mission back here, they didn't want to go through the State Department with the request that he be removed.

We were insulated from that being up in Oporto except for his visits, and hearing the tales. Ambassador Cannon asked us to go down to fortify his staff. By the time we got there he had been transferred to Yugoslavia. That was a blow to his wife who told somebody afterwards, "You brought the news that destroyed my life." She loved Lisbon so much. She was a tyrant and sort of a bully, and stingy as hell, but still had nice qualities. It is possible. But she specialized in the bridge playing set, and in the royalists because there was a whole lot of royalty exiled there.

In any case, yes, the embassy must have liked the reporting enough so they asked me to go down there. And also, I'd say perhaps a little bit of competition is good too for their political section which was dormant; to hear something coming out of the north when things are apt to happen further away from the center of power, yet important otherwise.

Q: You were at our embassy in Lisbon from 1954 to 1957. What were you doing there?

JOVA: I was head of the political section. Our major binational problem there, of course, was renewal of the bases agreement, the Azores bases. You know how those things are, you don't finish one round and then you're already preparing for the next round. They're still there anyway. And Xanthaky was a great help to the ambassador on that. I could give support, but the rest of it was political reporting, biographic reporting, the usual things that a political section does. But I found it dull, except Lisbon was such a lovely city, and it was a nice embassy, and by that time we had a different ambassador, Ambassador Bonbright, who also was a wonderful mentor, and he was really the ambassador all the time I was in Lisbon. He was a pleasure to work with, and had a difficult wife also who was nice but had a drinking problem, but was an artist of considerable talent. Later on they went from there to Sweden, which I think they liked, and in some ways that was probably a better ambiance for somebody who was himself somewhat New England, upstate New York actually, but of good family, not effusive, and his wife, I think, was probably better off there too in that cold climate.

All these things are wonderful preparations for your future life. Certainly the years later when I was Chargé for a long time in Chile, and when I became Ambassador in Honduras, and after that OAS, and Mexico. The experience that I had as acting chief of post in Basra, then as chief of post in Oporto, stood me in very good stead, and polished a way to handle yourself, and particularly in those posts, and particularly Portugal that was very old fashioned protocol-wise, seeing all those little nonsense things that mean something, calling, leaving, dinner parties. They had their own protocol. The first time we went to a big dinner party, I saw everyone got up from

the table, and everybody was shaking hands with the hostess. I thought, "Oh, maybe we're not going to get coffee," here we go. It turned out no, that was the custom, that everybody thanks the hostess, getting up from the table, shakes hands, and thanks her for the lovely meal, but then you go in and have the coffee, or the brandy, and stay for as long as necessary. That was a revelation.

When we left it was like a public manifestation after all the goodbyes. We went on the Silver Bullet, the express train. The whole baggage car was filled with flowers, everybody was there at the station to see us off, including the governor. We arrived in Lisbon in the dark, there was nobody in that station. Eventually I found an old broken down station wagon with a sleeping driver in it with diplomatic plates. That was the embassy car sent to meet us. That was one of the things that I think makes our Service so good, and prepares you for everything.

Q: *And tears you down.*

JOVA: ...so you don't lose your sense of respect.

Q: *When you were in Lisbon obviously the Azores were a prime concern. This was certainly at the height of the cold war, and the Azores continue to be a major element in our European and Middle Eastern strategy. What were our interests other than the Azores in Portugal, and how did we view Salazar, who after all did have a dictatorial regime--or would you call it a dictatorial regime? Autocratic regime?*

JOVA: Autocratic, and I guess it had to be at one time or another. He was an unusual person, an intellectual, an academic, a professor.

Q: *Economics.*

JOVA: Economics. Mind you, his economics was rather old fashioned but still he believed like the good housewives of New England, put your little egg money in the tin box, and take it out of the tin box but you never spend what you haven't put in already. So perhaps that wasn't the right ticket for growth, but he kept inflation down, it was growing well. I mean not spectacular, but well. There were big inequities between the rich and the poor, but we went back a few years ago and I found the same thing, but much more run down after the years of being almost semi-communist, and now its just a liberal republic in its advancement. The highway was still the same highway between Oporto and Lisbon, the two major cities, and it was still the same winding two-lane highway. If you get behind a truck, or if you get behind some oxen with their big horns, you were stuck for a long time. They built a new bridge here and there and widened it a little bit, but it was still the same thing. So that gives you the feeling of what it was. I gather now with the prosperity of Europe, and Portugal coming into the Common Market, that's different and it's more hustling.

There were American investments, we will have an AID program there, for instance. And there were American private investors, in oil, and in a tire factory. But it was important to us also because it owns such a big hunk of Africa. It owned Angola, Mozambique, Portuguese Guinea, and the Cape Verde Islands. So that made it important to us.

The other thing that kept us very busy was the Goa dispute. India had a claim to Goa, you recall, and of course we being stationed in Portugal--we all get clientitis even though you sympathize with India. Then also, don't forget the chiefs of mission there were really EUR hands, and therefore each time that would come up at the United Nations, for instance, that would be a big campaign with the Portuguese, and us helping them, and pressing Washington, and it was all to a sigh of relief if the U.S. voted the right way. And when somebody said Goa is Portuguese, and that nobody can deny, (I believe Mr. Dulles said that) we made it like a little song, "nobody can deny."

The African territories, those independence movements hadn't really started then so that was interesting. We already had a consulate in Angola, and one in Lourenco Marques--a Consulate General probably, and there were independence movements. And the Indians just eventually got tired with the United Nations thing, and they would have won later on because it became open to so many third world countries, but just marched in and took it peacefully, and I guess the Indonesians did the same thing in East Timor. And Macau was always watched because that was near Hong Kong and it joined China which at that point was a real red devil to the United States. This was long before our opening, and people's careers, as you mentioned the other day, had been lost to that. I guess the big fear was that it would get even closer to the Soviet Union, but the Soviet Union, I think, was considered civilized, and well behaved compared to Red China. So Portugal for all those reasons had geopolitical importance to us.

Q: Were we at that time looking beyond Salazar? I mean as a practical thing rather comfortable with Salazar there?

JOVA: I think we were rather comfortable with Salazar. The U.S. had so many things to worry about all over the world that I think it was comfortable with Salazar. He was no easy target. He was difficult to negotiate with, with his austerity, and wasn't giving anything away. The U.S. usually ended up getting what it wanted on major things, but we also had to give, for instance, Goa. Many people, I'm sure, felt that India should have it. It was really part of India and should go back, and we were against colonialism, but they had to weigh those two things and later on when I was in the Department I had to continue preaching the fact that you have to see it from both sides.

And, of course, sometimes our demands seem almost frivolous to the Portuguese. For instance in regard to the Azores, one thing was to have a naval base there. I remember a big debating point was the Defense Department wanted a golf course there. Well, in a place where sociological histories have been written--studies have been written and are still, about the cost of tenancy in the Azores and actually in northern Portugal too because land is so precious, and the thought of giving up land, even if it was bought to build a golf course, horrified the Portuguese. I guess we got it eventually but it just seemed to me there were other ways that our men could have had their exercise in a place like the Azores rather than take up a lot of agriculture land for a golf course.

Q: With these Azores negotiations, I've talked to other people who have been involved in them, and although the Portuguese were hard bargainers, the real problem was, as you've alluded to, was often our military that really didn't seem to have, at least from Washington, any sensitivity to

the real problems of the place. They just wanted to get everything they could. I mean, this was somebody else's country.

JOVA: Greed, more privileges for more people, they're more important than anything else.

Q: So you found to negotiate with the Department of Defense, particularly the lawyers, was part of it.

JOVA: That was part of it. Yes, in a way we had to persuade the Portuguese, we had to be the brokers with them and with the different clients at home in the U.S. It was part of NATO right from the beginning, so we had an important mission--a MAAG, Military Advisory Group, much bigger than the aid. The aid got liquidated at the end of my stay, but it had contributed to a little resumption of world proportion, but the military was very important. I know that also caused difficulty for the ambassadors, and it continued to after the difficulty--the kitchen was here, the kitchen to all that little gossip stuff, but who is Mr. United States, and who is Mrs. United States? We had a vigorous military general's wife, and lots of times they'd be giving away more than the embassy would.

Q: One of the problems, particularly in that era, there were some countries--you might say State Department countries, other countries that were A.I.D. countries, other countries military countries, and some countries were CIA countries.

JOVA: That's right.

Q: ...where one of these other agencies would predominate, and there at least it was a battle between the military and the State Department contingent.

JOVA: Right. USIA was very calm, very supportive. CIA was a very small office, and not particularly effective or efficient. After that I was told by a CIA colleague, "Oh, but you're judging it from your experience in Iraq where we were just beginning, and then it Portugal where it was a semi-dominant state. We're much better than that." Well, I must say, that colored a little bit my opinion of CIA, and Iraq where our CIA station chief was saying, "There's no such thing as a Russian threat here in Iraq. Its too far from them, they've got all the oil they can use, they have more of it than they can use, they'll never come here." Of course, he was very wrong.

Q: How did you and the others at the embassy look upon Portugal and NATO? I mean one always has to remind one's self even today that Portugal is part of NATO.

JOVA: So is Denmark.

Q: Was this just a pay-off to keep them under our wing or something like that?

JOVA: Perhaps. It probably would have been more trouble than it was worth when actual hostilities started. But on the other hand, they have the geography. They have not only those islands but the Cape Verde Islands. They had Madeira, they had a piece of Atlantic Littoral, and

they had obligations, both naval and military, that were assigned to NATO to be called upon if needed. So it probably was a good thing.

Q: From a geographic point of view.

JOVA: Geographic, and also an educational sort of thing. It brought the military and naval people more and more up to date, and they could contribute something. But their navy, I remember, was very little. When the President went to call on the Queen of England, they insisted on going in a Portuguese naval vessel. Well, the naval vessel was perhaps a frigate, perhaps even less, and by the time you got the President and his wife, and his staff, on this little ship, and it was very rough weather, it was really pitiful to see them going out to sea. Maybe now they have changed, maybe now they go on a Portuguese airline, or a Portuguese merchant marine vessel. But at that time dignity demanded that they go on a man-of-war.

Q: You left there in 1957. I take it there were no major events in Portugal in that period from '52 to '57.

JOVA: Goa. The relations were no difficulty, and the Azores, and occasionally some business of an opposition person being arrested or something of that sort. As I recall, the opposition by that time was pretty well cowed, and certainly the ones in Lisbon were apt to be elderly gentlemen with white beards, and intellectuals, and they were permitted. They were permitted to publish a paper which I used to try to read but it was the most boring newspaper of all. Perhaps that's why they let it be published, it was a 1912 type newspaper.

JAMES COWLES HART BONBRIGHT
Ambassador
Portugal (1955-1958)

Ambassador James Cowles Hart Bonbright entered the Foreign Service in 1927. His career included positions in Ottawa, Washington, DC, Brussels, Belgrade, Budapest, Paris, and an ambassadorship to Portugal. Ambassador Bonbright was interviewed by Peter Jessup in 1986.

Q: Was she attractive?

BONBRIGHT: Yes, she was a very, very attractive woman. She finally decided that whatever else I might do, I wasn't going to be following in the footsteps of my predecessor.

I went through the usual drill in Washington of being briefed in various places, particularly by the Pentagon, with regard to the Azores problem, and had, of course, to appear before the Senate Foreign Relations Committee, which was a friendly gathering. They didn't have any questions or problems that bothered me. Then after a brief session with the President, I was on my way.

We sailed from New York on the Saturnia, on the third of February 1955. It was a very rough trip. My wife was sick in bed all the way across, until we'd passed the Azores around the ninth. Then things smoothed out a bit. We landed in Lisbon on the 11th. I was met there by the consular, a very nice fellow named Aaron Brown, and a couple more of his staff, and drove up to the residence on the Road Sacramento Alapa, which was a nice, old-fashioned building, at that time leased by the government. I think its since been bought. Our entry was not spectacular, because the door opened, and the servants had been lined up in the hall, and my Scotch terrier, Joe Bonbright, walked in and did a job on the floor in front of them, which was not an auspicious start.

Q: For your first mission, did you inherit Guggenheim's State Department personnel, or were you able to select or recommend your DCM?

BONBRIGHT: No, I didn't select anybody. I took it as it was. Actually, I was lucky. It was a small but a good group.

Q: Was the size of the mission about 16 officers?

BONBRIGHT: Counting the company, the consular, two other political officers, economic officer, administrative officer, and one fellow who was quite invaluable, really, named Theodore Xanthaky.

Q: Is that Greek or Hungarian?

BONBRIGHT: He was a Greek, I think. He had served something like 25 years in Rio de Janeiro, and already ten years in Lisbon, I think, if not more. Of course, he spoke Portuguese fluently. He knew everybody in town, in society or official positions. As I say, he was valuable, even though at times he got a little uppity and had to have a cool hand placed on his brow. But he was good.

The house I found a delight, although I would not have looked at it so favorably in subsequent years as I got older. It went straight upstairs, straight upward, several long, long flights of stairs. It was built against a hill that rose up behind it, and the garden was up on the second level, the floor level, out the back. I think they've since fixed it up and put in an elevator. The trouble with it was the government's policy then was to not spend a nickel on a place that was rented. They were spending a lot of money after the war on buying new embassies or building them or renovating things that they already owned.

Q: Rental properties were out.

BONBRIGHT: So we walked into a pretty bare place. We redid our own bedroom upstairs and, with the help of my wife's paintings, of which she had quite a few, and my Audubon prints, we got a little color into the house. My wife even made curtains for some of the rooms, which were attractive.

Also at that time, the Foreign Service buildings were run by a man named Fritz Larkin, who would do anything for you if he liked you, and nothing at all for you if he didn't. Fritz didn't dislike me, I don't think, but I just didn't know him and he didn't know me.

Q: Was he a career person or an administrative type?

BONBRIGHT: He was an administrative type, who ran his own shop, and was a dictator if there ever was one.

We made out. The staff at the house was good, except for a social secretary that we inherited that immediately got me into trouble. Our first official deed was a fairly large reception for a number of Portuguese, and my wife and I, when we walked into the place, before the guests arrived, we couldn't believe our eyes. Long tables piled out with one dish after another of food. It was the most vulgar display imaginable, and we were horrified, no less so when we subsequently found that the Portuguese would--I can't say anything strong enough against them. They'd pick something up and taste it, and if they didn't like it, they'd throw it on the floor. Little things like that.

Anyway, the next morning, we got the social secretary and said, "This has got to stop. We've got to have nice things for people to eat and all, but not look like a Roman orgy. Try to get a little more sense of proportion." Well, I don't know. I guess the chef had been getting--maybe the social secretary--they'd been getting a pretty good rake-off on this stuff.

Anyway, shortly thereafter, I gave a buffet supper for the office, the officers from the military mission, and everybody in the office, the officers. We walked into the dining room, and here were these long tables out and practically bare, with one dish here with a little thing on it, perhaps enough for six people. I was, of course, furious, but happy that it was my own official family that were witnesses to this horrendous affair, and we all laughed. But the next day, I had the chef up on the carpet and said, "You've gotten away with this, but if you try any such trick again, you might as well pack your bags and start moving.?" The rest of the time, everything went all right.

I'm spending too much time on house trivia.

Q: Was Chief of State Salazar in yet?

BONBRIGHT: Salazar was the prime minister. The chief of state, the president, was General Walsh, as they called him. Salazar, of course, had a great reputation, but he was held in place by the armed forces, no doubt about it. But if there was something in the armed forces that he didn't like, he could get it changed. The Army supported him, because they knew he was best for the country, and, indeed, I think he was. Of course, most Americans call a man a dictator, and he's immediately turned into a monster in our eyes. In my opinion, Salazar was a great man. A dictator, yes, but he had none of the trappings of a dictator. He hated public appearances. In fact, I don't think he appeared at formal things more than maybe four times a year. He couldn't avoid it.

Q: Was unrest beginning in the colonial empire?

BONBRIGHT: Some, but not unmanageable. He was an economic professor, you know, first. He'd been in office since 1932, I think. When I arrived, he'd already been there for over 20 years. He started as a finance minister and then became prime minister. But anybody who criticizes that dictatorship, I think, ignores the fact that half a century before him, there was just one revolution and one assassination, one riot, one thing after another--trouble, trouble, trouble. And he brought peace out of chaos. I never saw the numbers of the people he arrested for political reasons, but I never had a feeling that it was absolutely outrageous.

Q: When did royalty end in Portugal?

BONBRIGHT: Oh, I don't even remember. It was in the early part of the century, I think. There was still a pretender; even his title escapes me, who lived near Porto, I think. I met them. They were nice, quiet people. They were allowed to remain in Portugal and never caused any difficulties. As I could see, they never had a royalist party that was plotting to bring them back. After all, all the business people, the people of substance, were only too glad to have a lid on it, in which people could work in normal fashion and not have all these disturbances. I made it a point--he hated trivia, unlike the Institute of Iberian Studies, and didn't care too much to see the diplomatic corps. So I was very careful never to ask to see him unless I had something of real substance to discuss that had to come to his attention. That wouldn't happen more than maybe three times a year. The rest of the time, all my contacts were with the foreign office, either Cunha himself or with the two next to him. The under secretary was a nice man, but not into the same problems. The head of the political section was a man named Enrique Caros, who spoke very good English. He was my favorite of the Portuguese officials that I met, and I'd discuss anything with him perfectly frankly and feel that nothing would be taken amiss or any problem to arise between us.

Q: Did the Portuguese officially and unofficially evince more interest in Brazil than in the Portuguese population in the United States? Or didn't they pay much attention to either?

BONBRIGHT: Brazil was a funny sort of special situation. They were proud that one of their colonies had made it so good in the world, not much bigger than the homeland. They always had a special relationship with Brazil, always visits back and forth. The contact with the Portuguese in the United States was much more a matter of the Portuguese ambassador in Washington who kept this sort of pot stirring. I couldn't see much of it from the other side, nothing in particular.

Q: What is the most beautiful spot in Portugal? When you were being evacuated, you mentioned the place up north. But what about down in the south?

BONBRIGHT: I never went to the Algarve, in spite of being there four years. It was just starting to be developed. It was like the south of Spain, beaches and condominiums and all that stuff. Frankly, it never attracted me terribly, although I have friends who swear by it and have places there. But I really didn't give a damn about it. I loved the city of Lisbon itself, the surrounding country, places like Cintra, Cascais, Estoril, all that area was beautiful and easily reached. I was very fond of it. Of course, the bridge across the Tagus hadn't been built there, so that was harder

to get to the other side. There were ferries running, but they took a long time and were not very convenient. Some of the old buildings in Lisbon are fascinating, the old Coach Museum. My favorite of all is the Tower of Belem, which is on the banks of the Tagus. It was built in commemoration of the voyages of Vasco de Gama in about, I suppose, 1400-something. It looks like it. It's a medieval fortress, and there it is, a straight, solid thing on the bank of the river, looking out, guarding the entrance. I used to go down and walk through it often. I was crazy about the place.

While I was still there, the government decided to perk it up. It had been sort of neglected. I haven't seen it since these trees have come out, but they've done a lot of planting around it. It was in the middle of an ugly, bare field. It must be very attractive now. They've cleaned it up. In fact, just before I went, the foreign minister gave a party for the diplomatic corps there, which was charming, a lovely place.

For recreation there, I went back to my old habits. I had a weekend game, usually with the service attachés, who all liked to play. We had a good game going for Sunday mornings.

Q: No fishing on the Tagus?

BONBRIGHT: No fishing on the Tagus. But my wife and I used to do a lot of walking around. Just outside the city are the great fortifications, the great embankments that were made by Wellington. A wonderful place to walk, with glorious views across the valley, the fields full of wildflowers. Spring in Portugal is really an enchanting time. Winter's not so much fun. It reminded me a little bit of Canton, where the winter dampness, the water would run down the walls and you could feel it in your bones. It was hard to get warm. We had these stoves in our rooms, which helped.

Q: Is the Ritz Hotel in Lisbon a nice hotel, or one of the world's great ones?

BONBRIGHT: I don't know. I've never been in it. It wasn't built when I was there. The famous one when I was there was the Aviz, which wasn't very big. It had a marvelous--the best restaurant in town, on the ground floor, and then the second floor, the hotel had been bought by old man Gulbenkian. I think I may have mentioned him before. I never met him. He was bedridden there, and owned and occupied the whole second story of the hotel. So there weren't too many rooms. In fact, it was one of the curses of being an ambassador there. Everybody who came to Lisbon, either friend or who you didn't know, would ask you to get rooms for them at the Aviz. Well, it was quite impossible, quite impossible.

Then Gulbenkian died, I think not too long after I got there. It was still '55. Then, of course, the great rat race began for control of his art treasures that he had collected over the years. We were in that race, too. The embassy wasn't involved, but the head of the National Museum came over and tried his wiles on--I think it was Johnny Walker at the time. But, of course, the Portuguese were fighting tooth and nail to keep it there. The British were interested. Everybody in the art racket tried to get into the game. I don't know how it was finally decided, whether it was actually--I think it was partly in Gulbenkian's will that certain things should be left, but I think it ended up with the Portuguese building a museum and keeping it all there in Lisbon, which I

think is quite right, so it should have been. I mean, they gave him a place to live while he was alive.

Q: And a citizenship, didn't they?

BONBRIGHT: Yes, I think so. So I think it's right that he left it.

Q: There's a Gulbenkian Foundation now, isn't there?

BONBRIGHT: Yes, I think so.

Q: An immensely wealthy one.

BONBRIGHT: Yes. Well, remember, 5% on every nickel out of every dollar of oil.

On the business side, we had several things in the fire from time to time, most of them of no great importance. One was involving trying to keep Portugal as a basis for the operations of Radio Free Europe. But by far and away the most important thing for us was getting the renewal to the Azores Base Agreement, which was due to run out, I think, in '54. Well, I was involved with that constantly, all the time that I was there.

Q: Were they trying to strike a harder bargain, or did they want us out?

BONBRIGHT: Well, I think it was mostly bargain. They were ambivalent about it. Salazar knew that it was important to NATO for us to have these rights. He couldn't stand the idea, though, of our being in Portuguese territory with our PXs, all the side trimmings, what he regarded as a materialistic American civilization, which he didn't like. In fact, to skip forward a bit, when the foreign minister made a visit to Washington at the end of '55, as was the usual custom, I was ordered home ahead of time to brief people and be present in the meetings. I was rather disturbed, because I had hoped to have more time with Mr. Dulles before these things began, and as it worked out, I had about ten minutes, which is ridiculous. In the course of that ten minutes, he said, "Well, are things now going well with the Azores Agreement? What's the trouble?" And before I could say anything, he said, "Why don't we just tell them that we'll pull out?"

Finally, when I was allowed to say anything, I said, "Mr. Secretary, you just say that to the foreign minister, and you will make Dr. Salazar the happiest man in Portugal." And he looked at me and he ducked away from it. But, you know, five or ten minutes before a man's supposed to be talking business to a foreign minister, and he makes a remark like that, it's no good.

Well, to get back to it, one of the problems was that while we were concerned with the bases, the Portuguese were concerned with their empire, which was of great importance to them. The home country of Portugal had no resources to speak of. Cork and olives and all that sort of thing doesn't make a modern nation. The things that they got from Angola and Mozambique and Africa were important to them. Wherever they had colonies, there was less of the economic side, but still, the Portuguese presence seemed to be important to them in India, in Goa, this tiny little speck of a place, in which any attempt to get them out of there immediately...

Q: We were mentioning Macao.

BONBRIGHT: That wasn't as active, you see. I don't know to this day if the Chinese have raised much hell about Macao. It just sits there and works quietly. They have a working agreement, a working arrangement, and just leave it alone. It's not like Hong Kong. I suppose they must have a limit on their treaty rights, but it doesn't hit the press. It never did at that time. But the Indians were beginning to stir on the Goa thing, and that one really had them hot and bothered. If ambassador to New Delhi said anything or the Secretary of State, or if anything was said in the United Nations, one of our representatives, in any way from the Goa--bang!--I would get a "come on down here," and get a lecture. Kairos once said to me, after the Indians really got into it, he said, "Of course we knew this was going to have to happen, but we wanted to make sure that it was done over protest, make sure that it was done by an Indian act of aggression, to show them up as the hypocrites that they are." That's about it.

Q: Eventually, after you left, the Indonesians seized Portuguese Timor or something, a great land mass down there, but there was nobody living there.

BONBRIGHT: By that time, the game was pretty well up. I mean, the empire thing was played out. These others were vestige parts, but the ones that really hurt were Angola and Mozambique. But I think they hoped that, even there, through their long contact with those areas, that they could work out working arrangements with them. I'm not sure that they can't. You see, as colonists, the Portuguese really absorbed a lot of the blood of the colonial empire through their own bloodstream. Whether that's a good thing or not, I am not prepared to argue.

Q: By heavy intermarriage.

BONBRIGHT: Yes. I have a feeling that their relations with their colonies were better than those of many other imperial colonists, although I must say, the British did very well in India with their civil service system and better training.

Q: The French seem to have done well in West Africa.

BONBRIGHT: Yes.

Q: They've been invited back.

BONBRIGHT: Yes. We had one--well, I was amused by it, anyway. When the foreign minister did take his trip to Washington in the fall of '55, I think, the big thing they wanted was a statement from the Secretary of State, after talking, about Goa. Of course, I didn't have but ten minutes with the Secretary, but I had plenty of time with Livy Merchant, which was just as good, if not better. The point that we brought out--which was subsequently brought out by us, of course, over there--but which we felt would be attractive to the Secretary, with his legal mind, was that unlike many other colonies, the Portuguese really took their colonies into their home body constitutionally. Goa, for instance, was just as much a Portuguese under their law as the Algarve.

So they didn't regard this as something which they had to put on the neck of some inferior race. These people were part of their state.

Q: Like the French with Martinique and Guadeloupe.

BONBRIGHT: Yes, return their own...

Q: They run for Paris.

BONBRIGHT: Yes, represented in the assembly. That appealed to the Secretary, and this statement which was prepared for him to give stressed this point. Well, it was a thing that I wouldn't have dared suggest to him. Anyway, it was to be done that afternoon, and Livy Merchant was to be down there to sign this thing together, and I was delegated to take this text. I went down to George Allen, who was Assistant Secretary for the Near East, for India and all that stuff, and I tried to sell it to him. I thought he was going to hit the ceiling. Whether he didn't quite get the significance or whether his mind was elsewhere, he didn't object. Even more surprising, out it came, and Livy and I were sort of ducking, to see if it was going to hit the you-know-what. For a day or two, nothing happened at all. Even the Indians didn't say anything. Then all of a sudden, I don't know what broke it, but all of a sudden, they saw this thing, and then they let fly whatever Mr. Dulles had taken. I think he was a very surprised man. I'm glad to say it didn't seem to affect his relationship with Livy. It didn't come to anything, anyway, in the end. It made Livy a very, very happy person. He came home a hero. I was able to bask in a little reflected glory.

Another thing I was able to indulge in there was something that I've loved all my life, and that was bird shooting. Those days are long since past. I'd no more shoot at a duck now than I would at somebody passing on the street. But I was very fond of all kinds of bird shooting, and I did a lot of shooting in Portugal. I even went once to a school in Spain.

Q: There were more birds in the air than in the hortobagy?

BONBRIGHT: Yes, yes, quite a lot.

Q: Lot more to fire at.

BONBRIGHT: Yes, pretty good, although the Portuguese shooting was a bit different. It was not as good as the other. But I enjoyed getting out, and the shoots were always in nice country, through cork tree orchards and groves.

ROBINSON MCILVAINE
Deputy Chief of Mission
Lisbon, (1956-1959)

Ambassador Robinson McIlvaine entered the State Department in the early 1950s. Before his career in the Foreign Service, he graduated from Harvard, served in the Navy and worked in both journalism and advertising. His overseas posts included Lisbon, Dahomey, Guinea, and Kenya. Ambassador McIlvaine was interviewed by Charles Stuart Kennedy in April 1988.

Q: Moving to your time when you entered the Foreign Service, your first posting was Lisbon. Was this a requested post or it just happened?

MCILVAINE: No, it was very interesting. My first assignment was to Israel, and I ran into Loy Henderson in the men's "loo" on whatever the command floor was in those days, the seventh or ninth, and he said to me, "Where are you going?"

I said, "Don't you know? He was then Deputy Under Secretary for Management, Personnel and the whole bit. As you may recall, he really ran that. I said, "I'm going to Israel."

He said, "Oh, God, you don't want to go there!"

I said, "Why not?"

He said, "I can tell you from experience if something ever comes up where you disagree with what the Israelis are doing there, it'll be the end of your career."

I said, "I don't care."

He said, "No, you don't want to do that. If you had a choice, where would you go?"

I said, "Any place that has a foreign language that I could get under my belt."

So that was that. I went back to my business, and the next thing I know, I was shifted to Portugal.

Q: As Deputy Chief of Mission, DCM.

MCILVAINE: I was going as DCM to Israel, too.

Q: Who was the ambassador in Lisbon when you arrived?

MCILVAINE: I had two of the best in succession. First was Jamie Bonbright, who had been Deputy Assistant Secretary for EUR, and he was succeeded by Burke Elbrick, who had been Assistant Secretary for EUR.

Q: Could you describe a little, just to get an idea of how the DCM, the deputy, observed it? How did Bonbright run an embassy? Was there a difference between the way Bonbright did it and Elbrick?

MCILVAINE: Not too much. They were both very experienced. I assume it was pretty much the classic way. Later I tried to run my embassies in the same way. We generally had a little bull session with two or three of the top staff every morning and exchanged gossip of what everybody had picked up, so on and so forth. Both of them let me run the embassy, the basic comings and goings, who did what to whom. If there was something they didn't like, they'd bring it up in these informal gatherings. Of course, I would see them ten, 15 times a day in between. So it was a very close working relationship. It's been said that a DCM absolutely has to be an alter ego to the ambassador, and if you have a pair that don't get along, it's clearly not a good situation. And if they do get along, it's great.

Q: I know. I worked with Burke Elbrick when he went to Yugoslavia.

MCILVAINE: Oh, you did?

Q: A fine man. Ambassador Bonbright, too. These are good, solid professionals. What were the major problems that you were dealing with when you were in Portugal?

MCILVAINE: There really were very few. You talk about stability--that's what Portugal was in those days. Salazar, had been in charge for something like 20 years and had another ten or 15 to go. Our main concern was the Azores bases, and every so often that had to be renegotiated. One was during the period I was there. And the Portuguese would always try to do a cliff-hanger and keep us in doubt about what they were going to do, for how much, etc. But in the end, it was settled amicably.

Q: Then we move to the time that I'm particularly interested in--that is, serving in Africa. You were assigned from Lisbon to Leopoldville.

MCILVAINE: Yes.

Q: Now, how did this come about?

MCILVAINE: That shows you how career planning works. I was picked from Lisbon to go to Brazil, and that's quite logical. I spoke some Portuguese, and I was on my way via Washington. I again ran into Loy Henderson, this time in a restaurant. He said, "What are you up to?"

I said, "Well, I'm on my way to Rio, you know." I'd exchanged letters with him.

He said, "Well, I want to see you."

I said, "Don't worry." I'd just hit town. I said, "I'm coming to the Department this afternoon to make an appointment with you." So I went to see him.

He said, "Now, have you ever heard of the Senior Seminar?"

I said, "Yes."

He said, "This is something I've gotten going to compete with the War College, and it's terribly important. I want you to go there."

I said, "What about Brazil? Jack Cabot is expecting me next week."

He said, "Well, I've already talked to him."

And I said, "Oh, what did he say?"

"He says it's all right if you go to the senior seminar."

I said, "Well, I do what I'm told. Fine." So I went to the senior seminar.

He said, "If you'll just do this for me, I'll give you any post you want. What do you want?"

I said, "Well, I want a post in Africa." Because Africa was opening up and I thought that was going to be the most interesting part of the world for a while, and I have proved to be right.

So I went to the senior seminar, and during the course of that, he, Loy Henderson, called me up and said, "How about going as consul general to Leopoldville and turn it into an embassy?"

So I said, "Fine." And so that, in effect, is what happened six months later.

HENRY E. MATTOX
Consular Officer
Ponta Delgada, Azores (1958-1960)

Dr. Henry E. Mattox began his Foreign Service career in 1966 as an economic/Commercial officer in Nepal. His career also included positions in the Azores, Brazil, Haiti, the United Kingdom, Egypt, and France. Dr. Mattox was interviewed by Ambassador William N. Dale in 1993.

Q: Oh, he must have been, yes. You mentioned briefly in passing your service in Latin America. I know that you have been in the Azores. I wonder if you could tell me a little bit about what that post was like, and what the United States' presence meant there?

MATTOX: The Azores, out in the middle of the North Atlantic, was a small consular post, overstaffed with three officers. At most there should have been two, probably one. But it was a post that we had had open for a very long time, initially because of the whaling industry. Whalers would go from the Azores to New England and get themselves naturalized one way or another, and return to the Azores and then their offspring would have sometimes rather obscure claims to American citizenship--legitimate, but obscure. So we had these people going back and forth, and then since World War II....In World War I we had a naval base. We had destroyers and such based in the Azores. World War II the same thing plus the RAF and the United States took

over a Portuguese air base at some stage. I don't remember the timing exactly. So we had servicemen in the Azores from World War II, or shortly thereafter, right up until the time that I was there, and even today in 1993, I guess, at Lajes. So we had a consulate, at least an honorary consul, there for decades and decades, since 1795, I think.

When I was there we had a very able consul, named Roger Heacock, and two vice consuls, one of whom I was. Very quiet, not terribly demanding usually. We used a one-time pad, if you remember them, for sending and receiving coded stuff. It was so complicated, and so difficult, we never sent anything coded during the two years that I was there.

We issued visas to Azoreans going to the U.S. We turned down far more visas than we issued. We registered the births, and issued passports to American citizens 90 miles away at the Lajes Air Force Base. It was very quiet.

Q: I'm interested that you turned down a lot of visas from there. What kind of reasons were there for turning them down?

MATTOX: Well, one, basically they had no intention of really ever returning. They were unable to overcome the presumption that they were going to the United States to work, and to stay some indefinite period of time. To a large extent they were unable to overcome the assumption that they were not tourists. So we were obliged under law, the McCarran Act of 1952, to turn such people down. And if you chickened out, and didn't turn them down, sooner or later the Department was going to get you and slap you on the wrist.

WILLIAM L. BLUE
Deputy Chief of Mission
Lisbon (1962-1965)

William Blue was born in Memphis, Tennessee in 1914. He received a master's degree from Vanderbilt University in 1936. After studying at The Fletcher School, Mr. Blue joined the Foreign Service in 1941. His career included positions in Canada, Venezuela, Italy, Switzerland, Portugal, and Washington, DC. Mr. Blue was interviewed by Charles Stuart Kennedy in 1991.

Q: You went to Lisbon as deputy chief of mission. Who was your ambassador when you first arrived?

BLUE: Burke Elbrick.

Q: Could you describe how he dealt with things?

BLUE: He was a real pro. He was very effective. He dealt with things in a very professional way and was very well liked by the Portuguese. Although, we were in contact with some elements,

through our CIA operations, which were opposed to Salazar. The Portuguese government knew this.

Q: How did you see the political situation in Portugal at that time--1962-65?

BLUE: It was pretty bad. Burke was there when George Ball went through on his way to Tehran and Cyprus. When he came back I was Chargé. We went to call on the foreign minister, Franco-Nogueira. After seeing him Ball said, "You know, that guy could be the foreign minister of Czechoslovakia; you wouldn't have to change any of his ideas."

Burke handled them pretty well. He knew them all and he could talk to them. He was fairly persuasive and smooth. Of course, George Anderson came in and was pro-Salazar.

Q: Could you give the background of George Anderson?

BLUE: He was Chief of Naval Operations and I guess he got in trouble, at least the reason they sent him to Portugal was to get rid of him. For some reason, John Kennedy and the people around him, thought that he was a threat for the elections that were coming up in 1964. Also he had thrown McNamara out of the Pentagon's operation center during the crisis over Cuba. In any case he was in the dog house with Kennedy and his staff. So they sent him to Lisbon and he wasn't very happy about being there. He had never had a post like that. His career had always been in the Navy in major positions. He was very favorable to the Salazar government.

By the time Lyndon Johnson came, the emphasis of doing something about Africa shifted. Lyndon wasn't interested in Africa. So at the end of my stay and after I had left, the emphasis of doing something about the independence of Angola and Mozambique went in another direction. George Anderson considered me pro-African. Quite frankly I was never all that interested. I cannot get all that excited about Africa. I had no problems with them having their independence, but I knew there were going to be real, deep problems when they got independence. But he thought of me as a crusader for the independence of Angola and Mozambique. All I was doing was following instructions from the Department. I was briefed by George Ball and Averell Harriman and they told me what to do. I was kept there to watch Anderson.

Q: As deputy chief of mission, you were told to keep an eye on George Anderson?

BLUE: If you had observed him in action, you would understand their concern.

Q: I'm told he was sort of a loose cannon from the military.

BLUE: He was anti-Kennedy for one thing. He was an interesting guy and quite effective with the Foreign Minister. His reports were good, but you never knew what had gone on really because he seldom took anyone with him to visit the Foreign Minister. Occasionally he would take the political officer. Ambassador Anderson was Roman Catholic. He and the Cardinal Primate were big buddies.

He arrived shortly before the Kennedy assassination. I left in December of '64 to come back for an operation. I went back for a short period in 1965, but to all intents and purposes my stay there was finished in December 1964.

Q: I assume while you were there the perennial problem of Azores bases must have come and gone and come.

BLUE: Burke Elbrick was in charge when we settled that. We signed an agreement so Anderson didn't get involved with the Azores crisis. That was a fascinating period when we were dealing with Franco-Nogueira. He had all these complaints about what we were doing in Africa. He kept bringing them in to the Azores discussion on his own in an effort to extract as much as he could out of it.

Q: What did the Portuguese think we were doing in Africa that they felt they could stop us from doing?

BLUE: They felt that we were encouraging the elements in Angola and Mozambique who wanted independence. Of course, we did have a CIA-supported group in the Congo operating into Angola and they knew this. They wouldn't let our ambassador in the Congo visit Angola. He wanted to visit Luanda, but they wouldn't let him go.

Q: How about Anderson, Elbrick or you, did you ever get down to Luanda and Lourenco Marques?

BLUE: They did, but I always had to stay back. Burke had been down and then Anderson went down. But whenever they went I had to stay in Lisbon as Chargé.

Q: What was their impression when they came back and you were talking to them about conditions in these colonies?

BLUE: Burke's attitude was totally different. He was fairly realistic in his outlook. George Anderson, of course, was fed the Portuguese line and was under their thumb the entire time he was there. Interestingly enough, the American military as a whole disliked our policy towards Angola and Mozambique. They were afraid that this would influence our situation in the Azores. So he, Anderson, had a sympathetic audience around him when he returned. He came back with a very favorable picture of conditions there. Of course, we were asking the Portuguese to do in Angola what they weren't even doing with their own people at home in Lisbon. We were asking them to give the locals more independence than the average Portuguese. The country was controlled by Salazar and two hundred families. It was a dictatorship all the way around.

Q: Was Portugal part of NATO at the time?

BLUE: Yes.

Q: Was Portugal in NATO because of the bases in the Azores?

BLUE: I suppose so originally. Acheson rather liked Portugal. He even liked Salazar. So I suppose they let them be in NATO even though they made very little contribution except for the Azores bases.

Q: In the early '70s I was in Greece and there were a lot of problems within the European Community, a lot of criticism because Greece was being run by the Colonels. In your period the only dictatorship in NATO was Salazar, were you getting pressure from our European Allies to get them out or try to do something or was everyone pretty much resigned to Salazar?

BLUE: We didn't have any pressure. Certainly the British were not trying to get rid of him. The only fellow that I used to talk to about Salazar was the Italian ambassador. He was very interested in this whole question and we used to chat about what was going on, not only in Portugal but in the colonies as well. Burke knew the conditions that existed in Portugal. He was smoother about it, but he was trying to persuade these people that what the Kennedy Administration was asking was not unreasonable and if they didn't do something they would probably lose the colonies. But they weren't going to move.

Q: Did the Cuban missile crisis in October 1962 play any role while you were there?

BLUE: We didn't get our telegram on time. Every post was supposed to go to the Foreign Ministry and tell them what we were going to do with the blockade. We finally got the telegram. I got the Secretary General into the Foreign Office at midnight to deliver this note. I guess things started to happen on the high seas the next day.

Q: You left Lisbon in 1965. This was for medical reasons?

BLUE: Yes, I had a retina detachment. Actually I never went back except for a two week period. So for all intents and purposes I left in December of 1964.

WILLIAM TAPLEY BENNETT
Ambassador
Portugal (1966-1969)

Ambassador W. Tapley Bennett was born on April 1, 1917 in Georgia. He received his BA from the University of Georgia in 1937 and his LLB from George Washington University in 1948. His career has included positions in the Dominican Republic, Austria, Greece, and Portugal. Ambassador Bennett was interviewed by Horace G. Torbert, Jr. on June 16, 1988.

BENNETT: I went on to Portugal in the summer of July of '66 and had three years there, leaving on the very day that our man landed on the moon in '69, July 20th. It was the 20th over there, the 19th here I believe. And that was the final period of Salazar. In fact, he had his stroke and became inactive while I was Ambassador there.

Q: He was already -

BENNETT: He was still alive but out of the picture by the time I left. Caetano had succeeded him. Salazar had done great things for the country. In the early days of his regime he had stabilized the place, brought internal peace and saved the country from bankruptcy. But then, as so often happens, he stayed on too long. Dean Acheson observed at one point that some people talk badly about Salazar, but Plato would have understood him very well. He did give the country good government for a long time. But his government had deteriorated by the time I got there. Then he had his stroke in 1968. Dean Rusk was then Secretary of State, and he came on a visit to Lisbon. We had meetings with Caetano, but he went to the hospital to sign the book for Salazar.

It was a country which still was hanging onto its African territories. So I had fascinating trips to Angola and Mozambique, which stands me in good stead today in having some understanding of what's going on down there. At the time the African Bureau was fairly newly organized and quite evangelistic in its approach. They said, we can't have Ambassador Bennett going down to these colonial places, that would ring very bad in the rest of Africa, in the new countries. I said, well, you may forget but every time we have a naval ship that wants to round Africa it has to stop in either Angola or Mozambique to refuel. And we have to get permission from the Portuguese because they consider that's their territory. And anytime we want to send an airplane into or over that area we have to go to them for permission.

It had been traditional for the Ambassador to visit the African territories. What people failed to understand was that the Portuguese were not ashamed at all. They were old fashioned and they were behind the times obviously. But they still considered their role in Africa to be that of the early centuries, a Christianizing and civilizing mission. And they went at it with pretty honorable motives.

There were some bad things that happened obviously. Some people, a small group in Portugal, got rich out of sugar and mining and so forth. But the average Portuguese government official was honest and a devoted and dedicated public servant. Really, I saw them working in the boondocks of Mozambique with low salaries and very unpleasant living conditions and trying to improve living conditions for the people in their charge.

But times had changed and it was time for the Portuguese to change. I believe it was Scotty Reston who wrote in the *New York Times* that the weakest of the colonial powers was the one that lasted the longest. But finally the big revolution did come in 1974. However, it was fascinating to go to Angola and Mozambique in 1967 and see what was happening. Angola is a country with great natural resources; if it could only be politically organized and stable, it could go forward in a hurry. Mozambique has more problems in that it's tropical agriculture and not much else. Therefore, it lacks the resources to go forward as much as Angola; however, one hopes for the future in both places.

So that was Portugal. We had three years there. Then I came home after the Nixon Administration came into office. When a new administration comes in, there's always a question

of whether a career man will hold his place or not. I had been told in the beginning that I was to stay. Then somebody said, well, if you last 100 days without a telegram.

Q: You're fairly safe.

BENNETT: My telegram came on the 100th day. Actually, a career man succeeded me. So I felt that was appropriate. I finished my three years there, which is par for the course. I had no reason to think I was going to be there indefinitely.

Q: Who did succeed you there?

BENNETT: Ridgway Knight.

Q: Oh, yes.

BENNETT: He had been pushed out of Belgium because of the John Eisenhower appointment. I think the White House was a little sensitive to the fact that the co-in-law had been appointed to Brussels and therefore, they had better do something for the career man who was there. Because Ridge had already thought he was retiring and expected to do so. He'd already begun making his arrangements for his retirement life when suddenly he got the call to go to Portugal. So that was the way that ended.

ROBERT W. ZIMMERMAN
Deputy Chief of Mission
Lisbon (1969-1970)

Robert W. Zimmermann was Born in Chicago, Illinois and was raised in Minneapolis, Minnesota. He received a degree in economics and political science from the University of Minnesota. He graduated from Harvard Business School in 1942. In 1947, after Serving in the U.S. Navy during World War II, Mr. Zimmermann entered the Foreign Service. He served in Washington, DC, Peru, Thailand, The United Kingdom (England), and Spain. Mr. Zimmermann was interviewed by Charles Stuart Kennedy in 1992.

Q: Then you went for a relatively short tour to Lisbon, as Deputy Chief of Mission.

ZIMMERMANN: That was largely a question of base negotiations...also keeping track of the opposition. Salazar was still in power. He died while we were there. Caetano came in with not much change in atmosphere.

Q: Salazar was pretty much out of it by that time?

ZIMMERMANN: Well, physically. He was still there in that nobody did much without getting a nod from him, even if it was a sick nod.

But the name of the game was base negotiations.

Q: I gather the Azores...

ZIMMERMANN: That is the largest base.

Q: That is the whole relationship.

ZIMMERMANN: That is right. Only in this case, of course, Portugal was a member of NATO.

Q: How did we feel about Portugal being a member of NATO? It is hard to remember that Portugal is in NATO.

ZIMMERMANN: It was there, that is about it. It came in largely as the result of the war time operations. It didn't add much to NATO except for bases, but that was a great deal.

Q: You say bases, were their other bases?

ZIMMERMANN: Well, it was basically Lajes, but we did have some separate Navy operations.

Q: Lajes is the one on the Azores?

ZIMMERMANN: Yes, we had nothing really on the mainland. We did have, of course, in Spain and Portugal, Radio Free Europe and Radio Liberty, which were important. But the base negotiations had been thrown off track because of problems with India and Goa and later with Angola and Mozambique. The Portuguese felt we had failed to support them in the way they thought we should support them as an ally. Never mind the fact that similar support was not coming from the other allies either. The leverage was with the United States because we were the ones wanting the base.

Negotiations dragged on with no new formal agreement, just allowing the old agreement to continue informally. We operated under that arrangement without any formal extension for many years. In fact it wasn't until after the revolution in 1974 that there was a formal renewal of the agreement.

Q: With the situation in Africa, you had Mozambique and Angola...this is the time of decolonization...did you find yourself, the proponents of the Portuguese and sort of fighting the proponents of anti-colonialism?

ZIMMERMANN: There was no meeting of the minds with the Portuguese government, whatsoever. I have done a certain amount of work on this recently so have been reviewing a lot of the documents at State and my memory is fairly fresh on this.

We would say, "We are really on your side. We don't want you to get out tomorrow. Voting on the future doesn't necessarily mean immediate independence." This was the line that we took

with the Portuguese and I think quite honestly. We said, "To preserve your position you are going to have to start along the line of reform, both political and economic." Their response was always, "Yes, yes, but we are not ready yet." And what little came from the Portuguese was always far too late and far too little. It really upset relations very deeply for a long time.

Q: You would be sending in the Portuguese side and the African Bureau would...I mean this battle of Africa has gone on for...first with Algeria and France. Did you find yourself sort of carrying on what was essentially a pretty unpopular policy elsewhere?

ZIMMERMANN: Well, it was unpopular there, but it was our position, and there was no question of disagreement with it. It wasn't just a question of following orders, we all believed in it. To go back a little, Soapy Williams made one of his famous trips to Africa while I was still in Madrid. He went down to Rio Muni and Fernando Po, when they were still Spanish provinces. I was sent down to go with him and monitor the visit. Nothing untoward really took place; it was a good visit and no friction developed in either place. It was an interesting experience. I had also been down with the military attaché to Ifni in the Spanish Sahara, which was also fascinating because the Spanish Foreign Legion was still in full flower. In fact I stood with the attaché taking the day-end salute from the Foreign Legion! It was very moving in a way. You didn't believe in what they were doing, but it was impressive.

This gave me further background on Africa as on the War College trip. I chose the African trip because at that time it was the one area I hadn't gotten near before.

Q: How about Kissinger and his influence with the policy at that time? This was when he was National Security Adviser. I assume that he saw everything in West versus East and when the chips were down this policy prevailed?

ZIMMERMANN: Oh yes, I think there was no doubt about that. I mean you could say we were interested in economic development in Portugal, but the country had been kept so under wraps by Salazar the Portuguese weren't even permitted to participate in the jazz age. It was a very undeveloped country in many ways.

Q: Ridgway Knight was your ambassador. What was his method of operation?

ZIMMERMANN: Well, I will tell you one thing, he didn't need a DCM, which made life difficult at times. It was one reason I was delighted to go on to Barcelona afterwards.

Q: Was this a matter of his doing all the operations of the Embassy?

ZIMMERMANN: That is really more or less correct. There was no real division, although I am not sure he would see it that way, but all I can do is note that the inspector's that he did not need a DCM. When I left the position was abolished for the time he was ambassador. He brought Diego Asencio up and insisted on calling him the DCM, although the Department didn't recognize that for a while. It was very difficult.

Q: It must have been difficult to be left sort of dangling there.

ZIMMERMANN: He thought I wasn't doing anything and I had the feeling that every time I was doing something, something else had already happened. It was that sort of problem. I think there just wasn't enough for him to do. The main issue was trying to renew the base agreements and that was a very slow operation. There wasn't much on the plus side. Beyond that there wasn't really a whole lot.

DALE M. POVENMIRE
Labor Attaché
Oporto (1969-1972)

Dale M. Povenmire was born in Ohio on June 6, 1930. He attended 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 1953-1957 and joined the Foreign Service in 1957. He served in Santiago, Zanzibar, Asuncion, Oporto, Caracas, Lisbon, Sao Paulo, Rome, and Washington, DC. He retired in 1986 and was interviewed by Morris Weisz on January, 29, 1994.

Q: *Oh, yes, so you were able to observe some of these developments.*

POVENMIRE: Yes, then I went to Oporto in September 1969 and was there until September 1972. This was the period during the Caetano interregnum after Salazar. There was a general loosening mood but the corporate state system of government was still in force.

Labor was very much under the government's thumb. Theoretically, regional management associations would bargain with regional unions and the government would oversee the process to insure that both sides got a fair settlement. In reality, the government used the unions as a method of controlling labor. The unions were expected to be a channel to transmit authority downward rather than upward. Union membership was compulsory and there was automatic dues check-off. The unions had job placement offices for their members, which was another way of keeping their people in line. By law, unions were kept small and divided as they were organized on an occupational rather than industrial basis. A company employing 200 workers might have 20 different unions represented, each with its own contract. Strikes were illegal. Union officers had to be approved by the government and were widely considered to be nothing more than government hacks.

The only independent labor event I recall happening during those years involved an Oporto bank worker who organized a strike and who was arrested and died in custody. His girl friend committed suicide by throwing herself out of a third floor window. It was a messy incident that made clear the government's attitude that independent labor unions were not to raise their head. In reaction there was a sit-down demonstration of small proportions, several hundred people, on the main street in Oporto. This would have been in the spring of 1972. The Portuguese police came along and hit the demonstrators and other people on the sidewalk with batons. There was a group of American tourists in the city and some of the Americans were hit and injured by the

swinging batons. Later that day I went around to the police chief and made the most forceful protest I ever made in my Foreign Service career. I was surprised to see tears appear in the eyes of this bullet headed police chief. The police went around to the hotel of the most seriously bruised American, took her to the hospital for an X-ray, and paid the bill. I mention this because this was indicative of the extent of independent labor's presence in Portugal in the period 1969-72.

Q: I take it you did not wait for instructions from the Embassy to raise hell about the incident?

POVENMIRE: I did not. My relations with the Embassy were such that I felt I had the authority to go around and protest at the local level without necessarily getting instructions.

Q: Who was our ambassador?

POVENMIRE: One of the best, Ridgway Knight. I had positive feedback from Ridgway Knight all the way along.

Q: I had not realized there was that degree of labor opposition and strikes in Portugal.

POVENMIRE: That was the only time I ever heard of labor activity during that period.

Q: Was this before or after Gorrell?

POVENMIRE: Juan Gorrell had been Consul. He was replaced by Peter Johnson. I followed Johnson.

Q: But was Gorrell living in Oporto at this time?

POVENMIRE: Gorrell had retired from the Foreign Service and gone to Caracas as head of the American-Venezuelan Chamber of Commerce. I first met Juan in Oporto when he returned to visit his married daughter who was living there. It was during the first weeks of my tour. We had a messy case of a Vice Consul who went bad under the previous Consul. I was very much involved in cleaning that incident up. It was I think the first case in recent times where the Department prosecuted a Vice Consul for visa fraud. I had just recently arrived in Oporto when Juan came back. He stopped by to tell me of rumors he had heard about possible fraud and I told him what I had already uncovered. We established a good relationship.

Q: Did he come back to live there or was that only later?

POVENMIRE: He came back to Oporto to live only later on after he worked in Caracas. After Oporto I also went to Caracas, so we had some time there together again. Then eventually he did go back to Oporto to reside and he died there.

Q: And then you went to Caracas?

POVENMIRE: I left Oporto late in 1972 , after another anticipated assignment fell through. I left with commendations and a good record after a first tour as principal officer. I gather I was assigned to Caracas as labor attaché because that was one of the vacant positions the Department had not been able to fill earlier. I did not seek a tour as a labor officer but there I was. So I went to Caracas as labor attaché without real training or orientation. For example, I did not meet Andy McClellan [AFL-CIO Latin American representative] before I went down to post.

Caracas was all right. The Venezuelan labor confederation, the CTV, was well organized. There were a number of leaders there who had worked closely with the AFL-CIO over the years. The leaders of the Petroleum Workers Federation, for example, were on good terms with their AFL-CIO counterparts. In effect, it was a learning assignment for me.

RIDGEWAY B. KNIGHT
Ambassador
Portugal (1969-1973)

Ambassador Ridgway B. Knight was born in Paris, France to American parents. He joined the Foreign Service in 1946. His career included positions in France, Germany, and Pakistan, and ambassadorships to Syria, Belgium, and Portugal. Ambassador Knight was interviewed by Kirstin Hamblin in 1993.

Q: *How was Portugal?*

KNIGHT: Portugal, I was very fond of. The Portuguese are a very strange people. They're not at all Mediterranean. They're rather dour. There's a quality of sincerity about the Portuguese that I like. They take a long time to know, and they take a long time to know you. But when they do they're very faithful friends. There I had four interesting, as well as pleasant, years. You better ask me about my main problems.

The ongoing challenges, of course, were the African colonial wars in Angola and Mozambique. There isn't much you can do in such a situation. Of course we did what we could. We tried to encourage the Portuguese towards a peaceful solution of the problem. During my stay there I went down on two long...

I visited all the local provincial capitals in both colonies. The truth is usually between the extremes. On the one hand I was able to appreciate the work which the Portuguese had done and also appreciate their exaggeration thereof in their propaganda. But I must say that when you look at the condition of those colonies now, and I have visited Angola since independence, they were heaven compared to what they are today. I say that because, for example, of their claim that blacks and whites were treated equally. But I visited enough factories, and I spoke with enough people, to be quite sure the blacks were being paid considerably less than the whites were for the same work. But this did not interfere with the fact that there were many local blacks who identified themselves with Portugal. It was not perfect, but on the whole pretty good. I would say

somewhat better than the relations between the French and the indigenous African tribes. But that's ancient history now.

The other challenge which I had to deal with was renegotiating the Azores base agreement. We had been there for years without an agreement, on sufferance. I was fortunate enough to be able to negotiate an agreement. Now we send down a special negotiator from Washington to handle such things. The Department was satisfied at that time to let the local ambassador handle it. Fortunately in this case he was able to handle it successfully.

Q: Is there anything else about your ambassadorship to Portugal?

KNIGHT: Oh, I might recount an amusing incident.

Q: That would be great.

KNIGHT: I forget what the issue was, but I was instructed by the Department to make a foreign policy point, publicly. It happened that I was going up to make a speech in Oporto. It was a significant local event, and in my speech, which was quite serious, I made the points which I'd been instructed to make by the State Department. However, in the introduction, I said, "I belong to a wine-loving family, and since the age of fifteen I have appreciated vintage port." Well somewhat to my chagrin, the papers the next morning barely mentioned the policy point I'd made, but they all stressed that the American Ambassador appreciated vintage port since he was..."

Q: Oh, no. Why you'd think they'd take into account that you were born in Paris. I guess not. How did your diplomatic career end after your ambassadorship?

KNIGHT: Well, I'd had three embassies, and two quasi-ambassadorial jobs, and the only embassy that interested me was Paris. And the day that Paris went to someone else, I resigned. I was asked by my old friend David Rockefeller to take on a new job, that of Director of International Relations of the Chase Manhattan Bank. I thought that this was more interesting than taking on another embassy.

GREGORY L. MATTSO
Political Officer
Lisbon (1971-1973)

Gregory L. Mattson attended Georgetown University and served in the US Navy. He entered the Foreign Service in 1971 and served in Portugal, Kenya, the Seychelles, Greece, and Denmark. He was interviewed by Raymond Ewing in 2000.

Q: So you went to Portugal in late 1971. This was before things began to change in Lisbon. What was the situation like? Why don't you talk a little bit about the political/economic job that you had in the embassy.

MATTSON: I arrived in late summer 1971. This then would be nearly three years before what the Portuguese called their revolution, which was in fact a military coup d'état which perhaps became a revolution. I was assigned to the political section, which was comprised of four officers. Our ambassador, Ridgeway Knight, was one of the leading career officers at that time. He had been ambassador in Belgium and chief of mission in Syria. He was a very distinguished ambassador. He was very good at encouraging his younger officers, of whom we were five in the various sections. We were all given significant responsibilities even though we were on first or second tours; my first tour, others had their second tours. I was responsible for domestic political reporting which meant covering the government, the opposition, and the small steps that the authoritarian Caetano regime was making toward some liberalization. For example, the regime allowed the election of five so-called liberals, who after the revolution became prominent in Portuguese politics, including Francisco Sa Carneiro, who became Prime Minister, another Prime Minister Francisco Balsamao, and others. So I got to know those five political figures very well on that first tour because they were a special group that we in the embassy were trying to cultivate. I also tried to get a handle on the apparatus of the regime, which was actually quite interesting. There were various neo-fascist remnants still in the Caetano regime. Caetano, of course, was the follow-on government to Salazar, who was incapacitated in 1968 and then died a few years later. Caetano, for example, kept in place something called the *Mocidade Portuguesa*, which was the Portuguese youth movement, and another small organization called the *Legion Portuguesa*, the Portuguese Legion. Both of those, of course, were holdovers from the 1930s. The Portuguese Legion actually had a small number of Portuguese volunteers fighting on the eastern front in Russia with the German army. A small number, not like the Spanish Blue Division, but some Portuguese did fight alongside the Germans. The Portuguese youth movement was a carbon copy of the Hitler Youth Movement. Both of those organizations still had headquarters and officials and I did some analytical reporting on both of them, which was more of historical interest than for any then-current operational value to the U.S. government. But it was a very interesting tour. As I said, I was given encouragement to be active, to get around. I attended some very interesting events. There were frequent demonstrations in Lisbon and in some of the other university cities. I was never the recipient of a water cannon or tear gas but was always in the vicinity and was able to do some interesting reporting on the actions and mood of the students, who constituted the main resistance group to the regime. I was also fortunate, along with a British colleague, to attend the "Third Congress of the Democratic Opposition" in the town of Aveiro in north Portugal. Every four years the Salazar/Caetano regime allowed the so-called democratic opposition to meet in a municipal theater. The theater in Aveiro was packed, maybe 1,000/1,500-strong, with very hard-left individuals. Members of the traditional Portuguese Communist Party were to the right of most of the people who were there. There were Maoists-Leninists, MLs as they called themselves, anarchists, and various other groups. My British colleague and I, as diplomatic observers, were able to have full access to the theater during the two and half days that the Congress took place and we were both present for the almost obligatory confrontation with the police outside of the theater at the end of the conference when about 2,000 people tried to march to the cemetery to lay a wreath on the tomb of a Portuguese republican notable. The riot police were arrayed in force along with a half dozen dogs. As the marchers approached - we were observing all of this from the hotel balcony rather than the street - the Portuguese demonstrators stopped, unfurled banners with slogans such as "Death to Fascism" and "Portugal out of Africa." At that point, the police charged and handled

this group very, very roughly. I went down to the scene and came upon someone that I knew very well lying in the street, head bleeding. That person was the daughter of Mario Soares, who was then in exile in Paris and would later become Portuguese Prime Minister and Portuguese President. She had been singled out by the police for a thrashing. Certainly, it was a very interesting period, although there were no overt signs that the regime was losing its grip. But for me a fascinating part of that whole period was the fact that here you had Portugal, arguably the poorest country in western Europe, which was simultaneously fighting three campaigns in Africa and seemed determined to go on doing so for some time to come. We would go down to the port and see the troop ships leaving. These would be conscript soldiers mostly from Portuguese peasant families, probably most of whom had never been more than 10 or 15 miles from their villages, who were going off to either Portuguese Guinea, Angola, or Mozambique. Of course - nearly every day in the newspaper - there were only a couple of newspapers at the time - the Diario de Noticias was the most prominent - you would see under the black banner "*Morte em Combat*," "Killed in Action," the names of several Portuguese. But the Portuguese, being a rather stoic people, soldiered on. But for me at the time - and, of course, we had very great difficulty gaining any access to the officer corps; they were very careful in their dealings with the diplomatic community - what was fascinating to me was the sort of steadfastness in the Portuguese, pouring all of their treasure into trying to hold onto these colonies, suffering grave losses with no end in sight. It was only in my second tour, 1996 to 1998, that I actually spent a great deal of time with Portuguese officers, then admirals and generals, who in the '70s were captains and majors, who gave me, I think, fascinating insight into those times and why and how the coup took place when it did in 1974. The primary factor, according to them, was that the professional officer corps which staged the revolution in 1974 was about to be sent off on their third assignments in the colonies. The procedure, which began in the early 1960s with the outbreak of hostilities in Angola, was that a Portuguese serving officer would be sent, for example, to Angola for two years, would be brought back to the Metropolis for a year, then sent to a different colony for his next two year assignment, either Portuguese Guinea or Mozambique and so forth.

Q: Another two years?

MATTSON: ...another two years, brought back again for a year, two at the outside, and was then sent back for his third. At a certain point the Portuguese officer corps realized that this was going to be their lot for the rest of their lives, that while they didn't feel that they were losing the colonial wars, they were not winning them either, so at that point they said, "Well, this just cannot go on." That was the event that precipitated the revolution of April 1974 according to these officers.

Q: It wasn't so much that the colonial wars were becoming more demanding, more difficult, that the strife that they were confronting was growing. It was more just the repetition and having to go back yet again for what they saw was a very difficult assignment and perhaps even one that was very dangerous to them as individuals.

MATTSON: There were a number of factors that combined. I think, as I said, the precipitating event might have been the fact that they had to go back again, now for a third tour. But it's interesting to have been in Portugal before the revolution during the height of the colonial wars

and then to go back and get the assessments of these officers, all of whom had been anti-regime. That's why they became generals and admirals. There were not supporters of Caetano.

Q: After the regime.

MATTSON: After the regime collapsed, for sure, and some of them actually were active before the regime ended. But I spent a great deal of time, because of an historical interest: in talking to them, and getting their overall assessment of the colonial wars in 1973 and '74. Their sense was that they were barely holding their own in Portuguese Guinea, that the situation was stable in Mozambique, and that they were actually winning in Angola, slowly prevailing in Angola. But, of course, the cost in treasure and in manpower was very devastating and there was a certain resentment about the whole conduct of the war. I remember walking down the streets of Lisbon, which at that time was a very drab and colorless city unlike the way it is today, and on the walls you would have a poster which was titled *Portugal Aleme d'Europa*, which meant Portugal Beyond Europe. What the regime would do was to superimpose their colonies on the map of Europe to demonstrate to the Portuguese that they were not living in this small, insignificant country in the southwest corner of Europe but that Portugal with its colonies was about half the size of the continent of Europe. Angola, for example, would cover Germany, Poland and something else, and Mozambique also had a very large area. I think I could not have had a better first assignment.

Q: It seems to me that it was a very unusual first assignment in the kind of responsibilities that you had, the opportunity in terms of reporting, developing contacts. Of course, it became even more useful in the long run because you were able to go back a second time and these contacts had developed. But let me ask you again, thinking in this period in the early 1970s: You were, it seems to me, involved in some rather sensitive activities as far as the Portuguese government was concerned because you were interacting with the opposition, and you mentioned the way the police reacted to demonstrations. To what extent were your activities frowned upon by the government? Were they fully supported by the ambassador, by the embassy, or were there times when you were told to back away or to be a little more careful?

MATTSON: The Portuguese government, to my knowledge, never took steps to signal its displeasure to the diplomatic community. There were four or five other embassies which were also very active. Of course, Portugal, being a pariah state at that time, knew that it was under heavy international scrutiny, especially from the British, the French, the Scandinavians, the Australians, and the U.S., who were very active in their contacts with the opposition. So far as I know, there were never any complaints registered by the government. In terms of our being present at various demonstrations and other anti-regime activities, again, so far as I know, there were never any concerns expressed on the part of the government. The embassy, which was an extremely active and I think an extremely effective embassy at the time, realized that what was happening in Portugal was significant. We had a high profile in Washington, trying to give both the European Bureau and the African Bureau the best reporting possible. It was just a fascinating period. Ridgeway Knight and the other senior leadership at the embassy were very effective and very encouraging.

Q: In the United States the election of 1972 took place while you were assigned there and that brought the Nixon administration to power. Did that have any particular impact as far as you were concerned in Lisbon?

MATTSON: Not really. I think Portugal had been increasingly isolated. There were no signs that the Nixon election was going to really alter that.

Q: You traveled probably extensively around metropolitan Portugal. Did you go to the Azores? I assume you didn't go to any of the colonies in Africa while you were assigned to Lisbon.

MATTSON: Yes, my own travel was, as you say, extensive but limited to the metropole. I did not go to the Azores or to Madeira during that period, but my boss, Wingate Lloyd, the political counselor, did go to Angola and traveled around Angola, including on the Bengala Railway for two or three weeks with the then consul general in Luanda, Dick Post, Richard St. Forest Post. So one of us did get to Angola, but it wasn't me.

Q: I think you said when you were initially signed to Lisbon you went as a political/economic officer. Did you ever rotate into the economic section, or did you stay in the political section your two years?

MATTSON: I was in the economic section after the initial six months in the political section but only for a few weeks, because the post recognized my interests were in the political arena and also that's where the major work was, so it was nice confluence. There was very limited work in the economic area at the time.

Q: Is there anything else that we should particularly talk about in connection with your assignment to Lisbon? That's sort of an open-ended question, but let me ask you a little bit more narrowly: Portugal at the time, of course, was a member of NATO. You talked about its estrangement from the rest of Europe and to some extent the rest of the world for political reasons. Were you involved at all with that aspect of Portugal and the United States at the time you were there?

MATTSON: Well, of course, as you noted about the Azores, we had and still have a very important air base. Actually it's co-located with the Portuguese air base on the island of Terceira in the Azores. It is an ideal refueling spot midway across the Atlantic and has been important certainly since World War II. The Portuguese did negotiate with us an extension of our rights in the Azores during my tour, and an agreement was reached in 1973, I believe, for an extension, and I think I recall the benefits to Portugal that would accrue from that. There was \$1,000,000 in scholarship money for Portuguese students to go to the U.S.; a \$15,000,000 grant, which was roughly the value of a surplus hydrographic vessel that we were going to provide to the Portuguese; and then over 400 million dollars, a lot of money. The face value of this agreement would be \$416,000,000 or \$420,000,000, somewhere in that neighborhood. But, of course, the Portuguese never really had access to the kinds of military equipment that we were prepared to give them during that period. I find that curious, because during the latest extension of our tenure at the Lajes base in the Azores which occurred when I was there during my second tour some 20-

odd years later, we also provided to them a hydrographic vessel and the offer of excess military equipment - which they found of little or no value. - but this time no cash.

Q: As I recall, after the October war in 1973, the Azores base was very important in terms of our resupply operation to Israel, but I suppose by then you had left.

MATTSON: I had left a couple of months before, but, as you note, it was critical. The air bridge, as they called it, to Israel was not going to be possible without refueling in the Azores, which is a very impressive round-the-clock operation.

Q: Okay. Anything else about Lisbon in the early 1970s, or shall we go on to your next assignment?

MATTSON: Well, I might just take one more moment just to describe the stark difference between Portugal in 1973 when I left and 1996 when I arrived back for a second tour. Portugal in 1973 was a truly backward country. The communications were poor, to put it mildly. The only so-called highway in Portugal other than a narrow two-lane road was between downtown Lisbon and the town of Carnaxide, which is about eight miles outside of town. Other than that, the entire country had only simply two-lane roads. It took, for example, some 12 or 14 hours to drive to Porto in the north of Portugal. It was a drab country. There was almost no cultural life. Illiteracy was very high, over 50 percent. The number of university students was probably on the order of 30,000. In 1996, that would be 22 years after their revolution and a few years after the infusion of billions of dollars of EU money. Portugal is crisscrossed with superhighways. You can drive now to Porto in three hours instead of the 12. There are about 200,000 university students, many new universities. You have an abundance of newspapers reflecting all political viewpoints. Back then there were only two newspapers. The state-owned television which featured speeches by Caetano and images of rural Portugal for their two or three hours of television broadcasts per night has now been supplanted by the communications revolution and satellite TV and so forth. So, more than any other place, I think, in Western Europe during that quarter century, the changes and the modernization has been absolutely astounding.

Q: Why don't you say a word further about both the American role in 1973 and maybe the British role. I often, having never been to Portugal, think that there was a particular connection through all sorts of economic and perhaps historical reasons between Portugal and Britain.

MATTSON: You're exactly right. The Portuguese and the British say that they have the world's oldest alliance dating back roughly 1,000 years, and of course the alliance was based on a common enemy, Spain. There's a large British community in Porto. The port wine industry in Porto and the Madeira wine industry on the island of Madeira are essentially owned and run by British families. Cockburns and Grahams and others, Sandemans, these places are all British concerns. The tennis club in Porto is certainly something taken out of the best club tradition of Great Britain. But during the period that I was there, the British were very critical of the Portuguese in terms of their policies in Africa. Britain, of course, was overseeing the dissolution of its own empire in Africa. As MacMillan said, "The winds of change were blowing, and the Portuguese just weren't getting the drift of them." So the British ambassador and the British embassy staff were just as active as the Americans were in doing objective reporting and

basically adhering to a very firm policy line condemning the Portuguese actions in Africa wherever possible. There was the complication that we alluded to which was NATO. There were and are interests in the Azores. But, consistent with our interests, we could not possibly have taken a stronger line against them, and the British followed suit.

Q: This was well before the Carter administration, where we sometimes think that human rights became a cardinal principle and policy in a way that perhaps it hadn't been in an earlier period. But as you recalled it and the way you saw it and the role that you played, you saw very much our effort to try to advance liberalization change in Portugal, and we tried to do it in a variety of ways including the role that you played.

MATTSON: I think that's true, and there was a certain tension, let's say, within the U.S. government. On the one hand Portugal was an important NATO ally, Lisbon was an important port, the Azores and the Lajes base factored into our strategic planning, so you had those who were focused on the Soviet Union and were very much of a mindset that we should go soft on the Portuguese. The African Bureau, on the other hand, concerned about the colonial wars, was very harsh in approach, etc. Accordingly, the embassy in Lisbon was actually trying to address both of those concerns in doing objective reporting and making policy recommendations. We tried to strike a balance between our concrete operational needs and interests in Portugal and the fact that the Portuguese were doing something in Africa of which we totally disapproved.

Q: What about the role of Spain or the Portuguese-Spanish relationship at that time?

MATTSON: I don't really have an reliable recollection. Not much was happening in an active sense, as I recall.

Q: Oh, yes, he was.

MATTSON: The Portuguese have always resented the fact that they have been accorded a sort of secondary status in the Iberian Peninsula vis-à-vis the Spanish, and there has never been a particularly close relationship between the Portuguese and the Spanish. That was also the prevailing atmosphere in the 1970s. I never really thought about it very often, which means, I guess, it wasn't very prominent.

Q: On the other hand, they both were kind of lagging behind in terms of their economic position, they were both outside of the European Common Market, they had - I don't want to say similar governments, but they were certainly not democratic in either case.

MATTSON: That's true. I think in terms of their systems that they were thinking separately rather than together. I don't think they found a lot of commonality of interest. The Spanish, of course, were not engaged in repressing colonial uprisings, which was the main problem that we had with the Portuguese. At that time, the U.S. had, if I recall correctly, four very important bases in Spain. So I think the relationship with the U.S. vis-à-vis Spain was much smoother than the one that we had with the Portuguese.

Q: You mentioned the city of Porto in the north of Portugal and the difficulty at that time in the early '70s traveling there. I think at that time we did have a consulate there. Do you recall anything particular about how you and the political section benefited from the reporting of the consulate in Porto or worked with them?

MATTSON: All of us in the political section would go to Porto from time to time. I remember visiting Porto two or three times and staying for several days on each occasion. I would often stay at the very nice residence of the consul. It was owned by a German Swiss, a very lovely house. The Porto operation was busy. They did not have sophisticated classified communications, so most of their reporting was done through airgrams and other media that could be hand carried by couriers. But it was an important outpost because a lot of the economic activity in Portugal is centered in the north. Also, the student movement was strong in Porto.

Q: It was a very small post so they also were limited in what they could do beyond the consular responsibilities that they had.

MATTSON: That's true. I believe there were only three or four Americans serving there at the time. I think personally that it was a pity we closed that consulate. We still have a consulate in the Azores, but we closed the consulate in Porto four or five years ago, which I think was probably a mistake because especially now that there is a tremendous amount of economic activity in northern Portugal. But that is the trend these days, closing consulates. The Portuguese have an expression about their various cities: Braga, as the center of religiosity in Portugal, prays; Porto works; Coimbra studies; and Lisbon plays. Porto is the economic center of the country still.

Q: Okay. Why don't we go on to your next assignment? Where was that, and how did that come to be?

MATTSON: As I was concluding my tour in Lisbon. I received a letter from my former DCM, Diego Asencio, asking if I would be interested in joining him for my next assignment in the political section in Brasilia. On that very same day a telegram arrived from the Department asking if I would be interested in the Swahili-designated political position in Nairobi, Kenya. I was really torn, because I enjoyed working under Diego Asencio's tutelage; on the other hand, I thought the prospect of learning another language, Swahili, and going to a very interesting place like Kenya would be a unique experience. And I thought, I could always go back to Brazil, which, of course, I never got to do. So I accepted the assignment to Nairobi via about six months of training in Swahili in Washington.

WINGATE LLOYD
Portuguese Language Training, FSI
Washington DC (1971)

Political Officer
Lisbon (1971-1974)

Wingate Lloyd was born and raised in Philadelphia. He attended Princeton, Johns Hopkins (SAIS), and the University of Rangoon. He entered the Foreign Service in 1957 and served in France, Cameroon, Morocco, and Portugal. He was interviewed by Charles Stuart Kennedy in 2001.

Q: Today is the March 22, 2001. You're taking Portuguese. Had you taken Spanish or anything like that before-

LLOYD: No, I spoke French. I had a 4+/4+ in French, but I didn't have any Portuguese at all. I couldn't say good morning, or yes, or no.

Q: How did you find the training and moving into Portuguese?

LLOYD: The training was excellent. Language training is an extraordinary experience. You're really in bed with those other four or five people for several months. I'm reasonably good at languages. But you can only get to a certain stage at FSI, and then you really have to go out and go to the movies and walk around in the street, look at television, and that sort of thing. Many of the instructors were Brazilian. If you use Brazilian pronunciation in Portugal, people are amused. They look at you and say, "Well, you couldn't be really speaking our language."

Q: But essentially the Portuguese was really to prepare people to go to Brazil more than Portugal in a way.

LLOYD: Well, in my class all the people were going to Portugal or to Mozambique. We had only one European Portuguese teacher. The others were Brazilians. There's a lot of difference in usage, pronunciation, and grammar.

Q: Well then, you were in Portugal from when to when?

LLOYD: I arrived there in August of 1971 and left in July of 1974.

Q: When you arrived there what was the situation both politically and economically in Portugal?

LLOYD: If I can go back in history a little bit-

Q: Yes.

LLOYD: Marcello Caetano was then prime minister. Power was with the prime minister, not the president. You will recall that Antonio Salazar had been the prime minister of Portugal from the thirties. He was an economics professor for the University of Coimbra. He kept Portugal out of Spanish Civil War and World War II. Had he left in 1945, I think he would be revered as a great leader who was a steady hand on the helm. But he didn't leave. He set up a corporatist system in Portugal, controlling the entire life of the Portuguese people, keeping the poor at the bottom, and insuring governmental control by the people at the top. He had a stroke in 1968 and died in 1970. His lieutenant, Marcello Caetano, continued the same policies. He made a few efforts toward liberalization and the removal of removed press restraints for a time, but quickly retracted those.

It was an extraordinary system. Nothing that I'd encountered elsewhere had prepared me for it. The newspaper every morning said (in the lower right-hand corner there was a box), "Good morning. We have 32 pages today. Every page has been approved by the censor." Unless that box was there, you couldn't put the paper on the street, and the management of the paper would be arrested. So we in the embassy got to know a lot of journalists and after a time we were able to see copy that had come back from the censor, showing what had been taken out. It was very instructive. Occasionally they would try to publish the whole copy with all the redacted pieces shown, but that wasn't allowed. The papers tried various subterfuges to get their ideas across. I remember at one point they didn't require the whole layout of the paper of each page to be approved by the censor, only the galleys. Then some papers began to run movie ads next to news articles. Once there was a ad for a movie called "Is this man crazy?" with a photo and article about Caetano in the next column. There was a great furor in the censor's office, and from then on the whole layout, not just the galley, had to be approved.

This was a system that was extraordinarily undemocratic. There were three universities in the country, in Lisbon, Coimbra, and Oporto. There were about six or seven high schools in the country. To get to university you had to get to high school first. So if you lived in the countryside, your chances of access to high school were very slim and your chances of access to a university were almost nil.

Q: Was this then a real class system?

LLOYD: It was indeed. The rich people were on top. The rich people ran the banks. There were ways to keep people in line. For example, if a person advocated policies that the government did not like, he might be called in to a government office and told, "You have a good job in the bank. Your brother-in-law and his cousin and his nephew all have jobs in banks and in nationalized companies. Certainly it's too bad that you're holding these meetings at your house. These people are unsavory people, and I'd rather you didn't do it. It would be too bad if your nephew lost his job, because he's got five children."

Q: Oh, boy! You mentioned censorship. What about news from abroad, particularly say NATO, or what's happening in Spain, or anything else while you were there?

LLOYD: They didn't say much about Spain. Of course Spain was still under Franco then. The Portuguese had a particular neurosis about Spain. They would look at a map of Iberia and see that basically Portugal shouldn't be there, speaking a dialect of the major language of Iberia. Sometimes when asked about their view of the world they would say, "Well, we feel very close to America ...and then of course we have age old ties with Britain, and then we admire France, and Italy, and, of course, the technology of Germany." They would go further and further afield and never mention Spain because they saw the paradox of their being there. They felt that Spain might invade again, it had done only 300 years before.

Q: What about NATO? They were in NATO, but-

LLOYD: They were original signatories to NATO because the U.S. pushed it.

Q: But I would think this would cause some problems because NATO really consisted of pretty much democratic nations. I don't have a map here of this.

LLOYD: The key to NATO for Portugal was the air base in the Azores, Lajes Base. This was essential during World War II. It was somewhat less important in the years after the war as aircraft had longer range. But as was pointed out in Dick Parker's book on the October War, the C-5A, while it could fly in 1973 from America to Israel nonstop, lost 70 percent of its payload.

Q: The C-5 being our largest military transport at the time.

LLOYD: Yes, right. So the base in the Azores was crucial. As I understand it, the U.S. pressed to include Portugal in NATO in order to try to keep that base. There was an air force two-star, in charge. But it was still very important to us then. There were other things in the Azores. There was a naval underwater acoustical range off the Azores where they were testing submarine acoustics. So it was an important military element for the United States, and that was Portugal's ticket to NATO.

Q: Yes.

LLOYD: I think without that and without the American pressure on the other NATO partners Portugal would not have been an original signatory to NATO.

Q: What did they have? What were the Portuguese going to do? I mean did they have troops up on the Rhine?

LLOYD: No. The Lajes base was their contribution. By the sixties, when the wars in Angola and Mozambique had begun, the U.S. had transferred some aircraft to Portugal. I know that one of the jobs of our defense attaché office was to visit bases and make sure that those aircraft remained in European Portugal, and they didn't find their way down to Guinea-Bissau as it is called, Angola, and Mozambique.

So the relationship between the Portuguese government and the U.S. at that time was not a comfortable one. The Portuguese were very disappointed that the U.S. did not embrace them as a full NATO partner. The Americans were embarrassed by whatever relationship they had with the Portuguese. Our ability in the embassy to persuade the Portuguese government to take positions around the world that the U.S. favored was limited by this disagreement over Africa.

Q: When you'd gotten there, in talking, I mean you hadn't been dealing with this. Can you give a feel for, I mean, the feeling towards two things? One, about the Portuguese ability to stay in Africa and, you know, where was this going? The other one was where was the Portuguese government going?

LLOYD: I'd like to return to one point that you made before turning to those, the class system. I wanted to mention the educational system. I mentioned the limited access to university and therefore limited access to foreign languages. Only a few people spoke a foreign language. The

Portuguese news media had broadcasts in French and English, but they were different from coverage in Portuguese. They allowed more of the outside world to come in because those who could understand already had access to foreign ideas, who traveled, who could listen to the Voice of America, the BBC (British Broadcasting Corporation), the French radio, and so on. That kept everybody in line. The system only required four years of schooling. That allowed you to get a driver's license or read enough to drive a tractor. But young people quickly became functionally illiterate by the time they were in their 20s. There was not enough education there to make it stick.

Q: Was this deliberate or economic?

LLOYD: I came to believe it was deliberate. It kept out poisonous foreign ideas that would upset the delicate balance of the Portuguese corporatist state had instituted since the thirties. There was a story of Salazar taking in the fifties a group of British journalists around Porto and stopping along a road where a man was plowing on a rainy day in February in bare feet with an ox, with his wife walking along beside. Salazar said to the British journalists with pride: "This is the courage of Portugal. This is the courage of the Portuguese peasant." Well, of course, he was pilloried in the British press, but that was their attitude: with courage and a reverence for the past things would stay as they were.

Turning to Africa, as I alluded to earlier, Portuguese people believed that Prince Henry the Navigator lived only yesterday.

Every Portuguese school child knew all the dates, knew the names of all the great explorers who got around Cape Juby, in Senegal, and on to Angola and Mozambique, and finally to India, to Goa. The glory of the past was constantly revered. It was a backward looking culture and a culture of disappointment that, said "We discovered the world, but we don't own it anymore!" Writers have said that had Portugal been more populous, it would have been able to keep garrisons along the West African coast, and to keep their enclaves in India as well. So this was what they called the overseas provinces. There was a department of overseas provinces. They considered this an integral part of Portugal and Portugal's culture.

Q: But now going back, sort of getting the initial when you arrived there, you might say, characterize the mind set of the embassy officers and others you were talking to about whither Africa and whither Portugal.

LLOYD: Well, I think there were divisions within the embassy on this. Some said, "Look! We have to get along with these people." The twin assignments of a diplomat are to get along with the country that you're assigned to, but also to represent the United States. These two forces were in conflict with each other. The secret police was very active in tapping telephones, locking people up, questioning them, and applying the pressures that kept the system going. Some people in the embassy found it difficult to deal with a government that enforced that kind of rule on its people that was so undemocratic and so contrary to the U.S. outlook.

The ambassador at the time was Ridgeway Knight during most of the time that I was there. He was a career Foreign Service officer, born in France, who had served as ambassador to Belgium

just before coming to Portugal. He had been displaced by the appointment of Dwight Eisenhower's son, John Eisenhower, to Belgium, which I think came as a great disappointment and shock to him. He'd earlier been briefly ambassador to Syria. He was bright and skilled; he was not going to rock the boat in Portugal. He said, "Our job is to get along with this government. We don't have to like them, but we're going to get along with them. I have to work with the upper levels of the government."

To give you one example: Once several members of the Political Section, which I headed, got together with the Left. This was very much the approved Left, not the clandestine Left. We had five or six Americans and six or eight Portuguese who were of a liberal bent for cocktails. Well, Ambassador Knight was told by the Director General of the Foreign Ministry a few days later, "If your staff is going to have this kind of a group together, you're going to find it difficult to deal with us."

Q: Wooh!

LLOYD: I was told to lay off. While I was not prohibited from seeing these people, we no longer could see them in a group.

Q: It was sort of cutting you off at the knees!

LLOYD: Absolutely. There was a requirement at that time in Portugal that any meeting of more than about six people required a permit. While this did not of course apply to diplomats, it was a form of control over the society. You couldn't get a community association together to meet without a permit because the government wanted to know what was going on and who was meeting and why. When we get to talking about how it all came apart in 1974, this will become clearer. It's a question of access to a group that became the key.

Q: How did you go about your business? In the first place, did you find anybody interested or paying any attention back in Washington to what we were doing there other than keeping the Azores?

LLOYD: Yes, there was a lot of concern, of course, with the military. Our defense attaché's office was very close to the Portuguese military. There were several very outspoken and very talented officers in the economic and political sections who had deep misgivings about Portuguese society, and deep misgivings about their ability to work with people who were so far out of the main stream of U.S. thinking on civil liberties and human rights.

Q: Well, it's interesting that Portugal never sort of incurred within from the American press and all, the odium that came from other places that had regimes, from what you're describing, less authoritarian. But was it just that you just weren't on anyone's radar?

LLOYD: I think so. When I went there, Ridgeway Knight said there would be a revolution soon. I was concerned that it sounded like a sleepy backwater. He said, "Don't worry! You get some language training, and we'll have a revolution in no time!"

Well, that was the understanding I had. It didn't quite happen that way. It was nearly three years before the revolution came about. But I think the Office of Iberian Affairs in the Department was focused much more on Spain. To the extent it was looking at Portugal, it was looking at dealing with the Bureau of African Affairs with respect to Angola and Mozambique, and with the military.

Q: It always seems that there is a continuing Azores negotiation. Anybody who served there, they were either just starting or just ending and getting ready to start again.

LLOYD: Yes, exactly, and I think that was the case. Although I don't believe there were serious base rights issues during the time that I was there, it was an ongoing issue.

Q: In a minute we'll come back to the '73 war.

LLOYD: Yes.

Q: What about Africa? Did you get involved in the battle of Africa? We had it between the African or Middle East Bureau, and in Algeria and France, and one time in the sixties, and all. I'm talking about an intradepartmental-

LLOYD: Right.

Q: ...fight over who reports and what and all of this.

LLOYD: Yes.

Q: Were you on one side, or what?

LLOYD: Both the consul general in Luanda and the consul general in Lourenco Marques [Maputo] were like the Consul General in Jerusalem, independent consuls, and they reported to Washington and not to an Embassy. The people who were there were African hands, not European hands. Hank Van Oss was the consul general during most of my tour in Lourenco Marques. He had been in the language class with me, spoke some Portuguese, as we all were beginning from basically zero. Dick Post was the consul general in Luanda and spoke really quite good Portuguese, which he had picked up there by being very active. In each case they were trying to hew a line that was often unclear to them as to what their relationships with the Lisbon government should be. They were able to deal with local leaders approved by the government. They had to deal very much with the governor general and the military that were in charge of each of the two provinces.

Q: Yes. Were you carrying on? Did you feel you had a watching brief to see what was going on or was it really in Washington where the Iberian desk and the African Bureau would sort of get into their-

LLOYD: It was in Washington.

Q: Yes.

LLOYD: I think that we were copied, of course, on everything that came out of Lourenco Marques and Luanda, but I don't to my knowledge remember Ambassador Knight getting into "So and so shouldn't be talking to so and so," or "These comments are off base," or anything of that kind.

Q: Did-

LLOYD: The action was in Washington, and actually I had been involved much earlier in my career (when I was desk officer for Morocco) in squabbles between AF and EUR on Spanish Sahara that we talked about a little while ago, where the NATO area, the use of American forces outside the NATO area was a matter of some debate. The African Bureau objected to an assertion by EUR that these forces could be used on "Spanish" soil outside the NATO area.

Q: Yes. Were you able to get into serious discussion with Portuguese contacts about what was happening in Africa?

LLOYD: Yes. We got to know a lot of people in the press. They were very forthcoming with us. They wanted to get their story out. We knew that we were being spun to some extent. They were very helpful in terms of giving the embassy and us perspectives.

We were active with some other elements. Interestingly, the Papal Nuncio's office was very well plugged in. There were a number of literary societies, which were the precursors to opposition political parties. Many active in those societies became important players in post revolutionary Portugal. I remember one fellow I'd gotten to know; he was very young and very liberal, really an academic. His name is Vitor Constancio. I had lunch many times, and often discussed what was going on in Africa and in Portugal proper. I remember very well in the end of June one year (in the days when fiscal years ended then), we got a telegram saying, "There's a leader grant available. Can you use it by the end of day so we can obligate the money?"

I was having lunch with Vitor Constancio that day. The PAO (Public Affairs Officer) was a good friend that I'd been in Portuguese training with. He said, "Sure, sure! We're going to lose the money otherwise!"

So I felt badly handing out this huge packet of money and a wonderful opportunity to a fellow who seemed to be too young and too far left to be going anywhere in Portugal. Well, about two years later he was Minister of Commerce. Today he's the Portuguese governor of the European Central Bank.

Q: Wow!

LLOYD: He's 58 years old today. I saw his picture in the paper this past month.

Q: Yes!

LLOYD: This was a really important trip for him!

Q: Yes!

LLOYD: He had extraordinary opportunity at 28 to spend 30 days in the U.S.

Q: Yes, yes. Cast your bread upon the waters!

LLOYD: Well, exactly! I remember coming back to the Embassy that day and wondering if we had just thrown the money away.

Q: Yes. This is the time of... We were still sort of in the '60s generation. Young people, including Foreign Service officers, the younger ones, were feeling full of fizz and vinegar, more or less, and trying to change society and all that. Was there a problem? Did you find this now as an August senior officer there, having trouble sitting on your officers and others in the embassy?

LLOYD: Yes. Some of the younger officers slanted their reporting so as to discredit the regime. They often would speculate on who would be in charge of Portugal in the future. We were all wondering, "Where's this country going? It was run by old men. Where is it going to go? What's going to pull it apart?"

There was a Communist party that was there. We weren't in touch with the Communist party, but we were aware that there was one. Occasionally we would get just a whiff of some of the clandestine activities. A man would say, "Well, you know, I got a call last week, and someone said, 'Leave the keys in your car!' and hung up. He would leave the keys in the car that night, and the car was back in the morning. There were 500 more kilometers on the odometer, and a bridge was blown up, but he didn't know anything about it."

Well, that was a dangerous thing to do because that phone call could have been monitored. People were willing to go that far. But the leader of the Communist Party toughed it out throughout this period. But they did tough it out, and they were given a very rough time by the secret police.

Q: Did you find out where there were places, I'm thinking particularly of where junior officers would go or probably they shouldn't go or something like that?

LLOYD: Getting people together was a difficult thing to do. There was a literary society that was called the Literary Union, where young writers would go. Many of us belonged to this. It was sort of a luncheon club where you could meet people. A lot of the people who appeared later in Portuguese history were then in their forties perhaps and very active in this Literary Union. But they had to be very cautious and very careful. For many it was the question of, "How far shall I go in opposition to the government to build support for the future and not get bounced out of the country?" Mario Soares was exiled from the country. He spent some time on São Tomé, the island off Rio Muni, off Cameroon. He eventually was allowed to leave São Tomé but he couldn't come back to Portugal. He was teaching at the University of Nanterre in France and was very closely in touch with people in Portugal. But until the revolution he was an outsider. I don't

think many people would have thought that he would become prime minister and later the president of Portugal.

Q: Yes, yes. Were there any efforts on our part through our embassy in France to make contact with exile groups as we often do in something?

LLOYD: I don't know. I hope we were in touch with Soares.

Q: Yes, yes. Well, this is obviously an unclassified interview. But, you know, at some posts I've been to very obviously the CIA plays a big part. When I was in South Korea they were riding high. How did you feel? Was CIA much of a presence, or again, was this pretty low on everybody's-

LLOYD: There is a liaison presence with the police and not much more, not very active. The station chief was known to the Portuguese authorities. I'm sure there were other assets in the country, but the station's reporting was not very good.

Q: Yes.

LLOYD: It was not very profound. I think it was felt that there was perhaps little purpose in keeping a line out to the left. That was a mistake, because as it turned out when the revolution came and all the people we knew on the right were swept aside. We had just a handful of contacts through a sports connection, through a club, through a few journalists we knew. But there weren't many of them.

Q: Back to sort of international affairs, you had the October 1973 war between Israel and Egypt and Syria, and re-supply became quite a problem and all that. Did that cause any ripples or problems where you were?

LLOYD: It did. It became very clear during the first days of the war that Israel was using up supplies at a much faster rate than they had planned. Their rate of use was based on '67. They were using supplies much faster, and were running out. The question was debated in Washington as to whether the Israeli Air Force would come and get the arms they needed. The American government did not want to appear to be sending American material and Americans and American supplies to Israel. In his recent book on the 1973 War Dick Parker notes that at one time there was a plan to bring El-Al aircraft or chartered planes into bases in the U.S. to pick up supplies. The plan was that they would land in Israel at night and leave before light so as not to be seen.

After a time it became very clear that these disguised ways of supporting Israel were not going to work. The military airlift command, MAC aircraft were used. The C-5A, the aircraft you spoke of a moment ago, could take one M-60 tank, just one. That's all. But the public affairs impact of this immense, apparently invulnerable American tank arriving in Israel was very great.

The planes could not fly non-stop from the U.S. to Israel. The U.S. asked Portugal whether an undisclosed or unspecified NATO non-NATO use could be undertaken through the base at Lajes

in the Azores. The Portuguese were slow to respond. They wondered whether they were going to get themselves into a situation where oil supplies would be cut off or their overseas colonies might be attacked. Finally, there was a letter from President Nixon to Caetano putting tremendous pressure on Portugal saying in effect that if Portugal agreed we would remember them and if they did not we would never forget. The Foreign Minister at that time, Rui Patricio, was angry, and said to our chargé, "You don't treat allies this way!" They were being muscled. No question about it. From the American government perspective they were being muscled for a purpose, and that's the way it was to be. The regime lasted only for another year, and there was surely some effect on our relations.

Q: Did you find the Portuguese-American communities, I think of cranberry people in Massachusetts and in Rhode Island and all that as Senator Pell, of course, was always a great proponent of anybody who came from Massachusetts, Kennedy, and all that company. Did you find that this played much of a role in what you all were doing?

LLOYD: A little bit in that there were members of the House of Representatives, who had a substantial Portuguese ethnic population, who had an interest in Portugal and occasional visits. We were often called on to provide briefings for visitors. Generally it was done together by the PAO and by me. We would talk about political, economic, social issues, and so on. Many of those visitors were Portuguese Americans who were back for a visit. Most of the Portuguese population in the U.S., which was in Massachusetts, Rhode Island, in New Jersey in the Newark area, in San Diego (in the fishing business), came from the Azores originally. There were long and deep ties. There were people who went back and forth all the time. At the terminal at Lajes there were planes disgorging Portuguese-Americans coming for a visit, or meeting grandmother, or picking grandmother up.

Many people from the Cape Verde Islands came to the U.S. to work and returned home as retirees. There were a number on Social Security. The consular section handled Social Security checks and issues with regard to the Cape Verbenas because they were within our consular district. One we found that widows in the Cape Verdes were living 50 or 60 years after their husbands' deaths. After a while the Social Security Administration asked us to check, and we sent a vice consul down to the Cape Verde Islands. Apparently a practice had grown up where a man would work his life in Fall River and come back at 65. He'd begin to get Social Security, and given the difference in the cost of living he was a very rich man. He would then "marry" a 10-year-old girl, who would continue to live with her family. But the father would provide a house for the old man. The old man would live in that house for life. Then the young widow, still a teenager probably, had an income for life. She would get the widow's pension.

Cape Verdeans were often of mixed race, a European Portuguese and Africans, what would be called "coloured" in the South African sense. Many of the administrators throughout the Portuguese colonies were Cape Verdeans. When I traveled in Angola and Mozambique I often met administrators who were Cape Verdean.

I should mention the Portuguese attitude toward race. The Portuguese drew a line between those who were entirely of African blood and those who had some European blood. In contrast we Americans seem to draw a line between those who are entirely white and the others. The

Portuguese drew the line at the other end of the spectrum. It was an aspect of this very regressive society that was paradoxically liberal. Obviously the people at the top, who were purely European, were quite racist. But I don't think for the most part, the society was racist.

Q: Coming back to Portugal before the revolution, did other embassies, particularly the British, the French, the Germans, and the Scandinavians, play any role? Many of them later jumped in with both feet, particularly those that had a socialist or labor type government to support after the revolution. But at the time were they playing the same game we were playing, more or less, just so long as the place was restful and all?

LLOYD They were trying to. They certainly weren't trying to encourage change. They, like us, were trying to puzzle out: how the change would come. We all asked ourselves whether the revolution would come from the left or the right. We asked ourselves: Who can meet? Who has the means of repression? There were elements of the Communist party, supported primarily by the Czech Communist Party, that were active in Portugal and would keep the flame of the far left alive by blowing up power pylons and that sort of thing every so often.

We worked with the British embassy, with a number of colleagues at the German and French embassies also. They were trying to analyze where the country was going. There was a parliament at that time, but it was a parliament that had to be very cautious indeed. The opposition was in a small minority, and they had to be very careful of the positions they took. We tried to send one opposition leader to the U.S. on a leader grant. For some reason he had to travel by a certain time, or he wouldn't be able to travel for some internal Portuguese reason. He sent his passport to the embassy, and it was "lost in the mail." The passport turned up a month later and was returned to him. I think the embassy had no doubt at all that his mail had been opened. His passport had been held to make it difficult for him to come to the U.S. His name was Sá Carneiro, and he was later killed in an airplane accident. He appeared to be the prime minister in waiting. He was intelligent, spoke English and French, and very well educated, and just within the bounds of what was acceptable in pre-revolutionary Portugal. He was being pressured and harassed. He knew his mail was being opened and his phone was not secure. But he nonetheless continued to press.

We'll talk for a moment about the economy and labor. The labor union was part of this corporatist system where everybody was hooked up with everybody else. The name of the union was the National Federation for Happiness at Work.

Q: [Laughter]

LLOYD: I've always loved that name, because strikes were illegal. If you put your tools down, the boss would come by and say, "Are you on strike because if you are, I'm calling the police, and you're taken away for 30 days. You're not going home tonight. Otherwise you should get back to work." Hours, conditions, pay, and those things were handled by the National Federation for Happiness at Work. There were efforts to organize unions in some factories, and they were all seen as subversive procommunist efforts. The economy was run by the banks. The banks held much of the equity of big companies, the companies that were trading, were building ships, that were making things, or selling consumer goods. The banks all owned pieces of those companies

and pieces of each other. So there was an interlocking economy where everybody knew everybody else, and everybody owned a piece of everybody else. The big banking families, all of whom fled at the time of the revolution, are pretty much back in power today. Somehow they've been able to recoup and either pull assets out at that time, but they came back in about a decade. They're still very important, but they're not in charge of the country as before. It was a very small group at the very top. Salazar and later Caetano tried to make certain that they were satisfied and that their interests were satisfied.

Q: Well now, let's come to the revolution. You mentioned there was a chargé. Did we have an ambassador at that time?

LLOYD: Well, Ambassador Knight left in December of 1972, and in January of 1974 (in other words, 13 months later), a new ambassador arrived. His name was Stuart Scott. He had been slated to be the legal advisor of the Department. But when Henry Kissinger became secretary in '73, he had his own ideas as to who he wanted to have as his lawyer. Stuart Scott was an eminent Republican, a New York lawyer from Dewey Ballantine and was not someone to be discarded. They looked around for something else he might do. He was 67, the same age as Caetano. They both spoke French. Scott had studied in France in his youth. So that seemed like a good fit. Scott arrived, and told us in his senior staff meeting from the very start, "Look! I'm in your hands. However the weekend of April 22-24 I'm going back to Cambridge to resign from the Harvard Law School Board of Overseers, and I want to be there for that event. So other than that weekend you make the plans, and let me have your ideas. I'm entirely at your disposal."

Well, during the spring of '74, there were a number of disturbances. It became clear that something was going on in the military. There were groups of dissident officers, many of whom were educated and were spending their national service in Africa. They were of this upper class that spoke a foreign language and knew what was going on outside Portugal, and were really horrified and ashamed of the retrograde regime that continued in Portugal. It was they, really, who were at the helm of the revolution. They could meet together. They had reason to be together. They had reason to communicate with each other. They had some idea of clandestine communications, or at least confidential communications, and finally decided (a small group of them, and it was a very small group) to take over. The signal for the beginning of the revolution was given on the radio by playing a particular tune, because they had people in the radio station. This was called the Revolution of the Carnations because it was bloodless. There were pictures at the time of soldiers standing guard with a carnation coming out of the muzzle of the rifle. Caetano was taken prisoner, the government was dissolved, and a committee of national salvation was formed. This consisted primarily of army officers, many of them at the major and lieutenant colonel level. We had no idea who they were.

Anyway, let me then backtrack to Stuart Scott and his trip to Harvard to resign. He left as he expected to. At that time, just after he left, the revolution began. He got as far as the Azores, and was told he could not land in Portugal. He tried to get back for about a day or two. He wasn't sure whether this was just another disturbance by a group of dissident officers who would be locked up. It was hard to get any news. So he decided to go on to Boston. What he should have done, in retrospect, is very clear. He should have flown to Madrid and had an embassy car take him to the door so he could hammer the gate of Portugal and say, "I'm the American ambassador.

I want to get back in.” The Portuguese would then be put in a position of physically keeping him out.

Well, he didn’t do that, which meant that he was replaced in a few months.

Q: Yes.

LLOYD: Dick Post, who had been chargé for a year was in charge during that time. From other contacts he knew one or two people in this committee that took over the country. Through a writing club that Dick and I belonged to he knew one of those people quite well. It goes to the idea of, you know, putting your roots down in the society in every possible way you can, whether it’s sailing a small boat, or hiking, or archaeology, or whatever it might be. All the people in the foreign ministry were gone. We didn’t have any contacts there. A young major was sent over to sit in the foreign ministry, and he just took the mail over to the committee.

Q: Where were you? How did you hear about the coup and what sort of were you doing?

LLOYD: Well, I lived on the outskirts of Lisbon. The coup began during the night. It was clear, as I was coming to work at eight o’clock one morning, that something unusual was happening. There were a lot of soldiers in the streets, and nobody really knew what was happening. It was not really until the middle of the day that we began to see that this was not just an alert. We then began a series of telegrams to the Department and telephone calls to the Department to keep them informed hour by hour. We had very few ways to find out. The embassies were just told to, “Sit still. Stay there. There will be public order. You should be assured that there will not be disorder in the street, and we’ll let you know.” The embassies were of no concern. They felt that “This is a Portuguese issue. We are dealing with a 40-year-old problem, and we’ll deal with the foreigners at some future time.” Eventually contacts began to develop with the regime. There were rumors flying around all over the place. The Department would have liked every rumor to be reported, but there weren’t enough hours in the day to write them all down.

Q: Well, I mean, this was the first, maybe the only, coup that I can think of in a NATO country, wasn’t it?

LLOYD: I guess so.

Q: I mean, the French had gone through-

LLOYD: The French in 1958...and Turkey.

Q: And Turkey, too.

LLOYD: Turkey, yes. There had been military coups in Turkey in what, the seventies, sixties.

Q: Seventies.

LLOYD: Yes.

Q: Yes, and sixties.

LLOYD: But this was barely a coup. While the military officers were there, there were no tanks in the streets. There was some force used, to capture Caetano, but very little. I don't think anyone was killed. Very few people were hurt.

Q: Yes. I would think the two key people, two key outfits from our embassy thing would be 1) obviously the CIA station chief and his operation, and 2) the military attachés. Were they sort of as much in the dark as you all were, or?

LLOYD: The station chief had changed by that time. A new and more vigorous fellow was there. I think that he had some inkling, just as we in the political section had some inkling, that there were stirrings going on in the country and that the days of the regime were numbered. But we couldn't be much more specific than that. For about 18 months before the spring of '74 we had felt that the army was probably where it would come from. They had the means to do it; they had reason to meet; they had the organization and ways to communicate. Our defense attachés had been historically very close to the Portuguese military. In fact, I think that I mentioned earlier, there were divisions within the embassy were often between the defense attaché side and some of the younger officers in the economic and political sections. I remember once there was some bad news to give to the Portuguese military, that we wouldn't do something they wanted us to do. I remember the naval attaché saying to the ambassador at a staff meeting, "Why don't you have Wingate do that?"

"Our relationships with the Portuguese navy are too important to put at risk on an issue like this."

Q: Yes. [Laughter]

LLOYD: So much for representing American interests [laughter]! So after the coup the Attaches had few contacts, as all the leadership of the Portuguese military had been shunted aside, just as the leadership on the civilian side had been.

Q: While this was going on were we monitoring the war in Angola, Mozambique, and elsewhere? Were the military's young officers seeing a losing war, and what the hell are we doing in Africa? I mean, was this sort of hovering over?

LLOYD: I think so. Many of the early leaders of the coup came from the military units that had been in Angola. I took a trip to Angola in 1972 and was impressed by how thin the veneer of Portuguese culture was, laid over an African context. In the interior people didn't speak Portuguese. I remember I took a railroad trip on the Benguela Railroad into the central and eastern part of Angola. I remember talking in Portuguese to an Africa local official through an interpreter because the official didn't speak Portuguese. So despite 400 years of what they called the "civilizing mission," the civilizing mission had not gotten to the part of teaching them a European language. With the very small two-man post in Angola and the same in Mozambique I don't think we had the ability to know much about what was going on in the African population there. The dissidence in Angola began in '62. By the time of the 1974 coup in Portugal, it had

been running for more than a decade. There were terrorist attacks on bridges and railroads and that sort of thing, but there didn't seem to be a government in the making. There seemed to be sporadic warfare.

Q: This coup in '74 came at a time when there was increasing concern about Eurocommunism in Italy, particularly in Italy and France, where they were trying to put a new face on in order to gain more popular support and all. What were we seeing right away? I imagine we were looking at communist influence?

LLOYD: Yes. The socialist Mário Soares returned to Lisbon a few days after the coup to a tumultuous welcome at the railway station (which I went down to), people throwing flowers, and carrying him on their shoulders from the train. He arrived from Paris. The communist leader, again I will fill in his name, arrived at the airport and stood on a tank, as Lenin had stood on a tank, and pronounced that he had arrived.

Q: Yes.

LLOYD: I think for many Americans they saw communism as inevitable for Portugal.

Q: As events played out this was really in the mind of Henry Kissinger.

LLOYD: Yes. I think that, as I understand it, he more or less said, "Let it go. Let Portugal go communist. They'll soon learn their lesson, and they'll swerve back to the middle eventually. But they're going to have to go all the way to the Left first."

It was Carlucci, who arrived at the end of '74, who began to argue that a French-style socialist, Soares, was not really a communist, and we could deal with him. He was very skilled obviously in handling these things. Stuart Scott had a short and not very productive or happy stay in Portugal. He didn't speak the language, couldn't listen to television or the radio or speeches and that sort of thing.

Q: When did you leave?

LLOYD: I left in late June or early July of '74. But remember what was happening in America at that time: We had the Saturday Night Massacre the previous autumn. The president was two months from resignation. America's eyes were elsewhere. There was little time to think of Portugal.

Q: Well, how did you find, I mean, during this time...the coup happened when?

LLOYD: April 22, 1974.

Q: So really you weren't there very long, were you?

LLOYD: That's right. I was only there for six weeks, eight weeks.

Q: Yes. I'm surprised they let you go. I mean was this just that nobody was paying attention to it?

LLOYD: No, they had it that we had an overlap with the incoming political counselor.

Q: Oh! Who was that?

LLOYD: Charlie Thomas. He later became Ambassador to Hungary. He and I overlapped for about 10 days, and that seemed to work out.

Q: When you left there then, what was your feeling whither Portugal?

LLOYD: It looked as though it was going...I think the U.S. seemed to think that it was going all the way to the Left. I didn't think so. Now maybe that was because the people that I knew who were really waiting to take over were people who were European French-style socialists. Soares had written a number of books about the future of Portugal. I think it was clear what he had in mind. He did not have a Communist dictatorship. He was himself anti-communist and had fought communists in Portugal just as he had fought the right wing regime.

Q: Well, what about it. I mean I imagine there was an awful lot of scurrying around trying to figure out not only who was running the government, these military types and all, where were they coming from, and how could you deal with them.

LLOYD: A counter coup was mounted in the fall of '74 by General Antonio Spínola, who had been the Portuguese commander in Portuguese Guinea, Guinea Conakry. He tried to save the country from the Left. He was of the old regime, but saw himself as a more liberal element. He did not last, and his departure was followed by the full swing to the Left. Only by '75 did Portugal begin to find some equilibrium.

Q: Did you in the short time you were there in the coup, were you able to make, talk to anybody in the government?

LLOYD: Not in way that would yield a confidential and meaningful comment. I mean we could do business, but they were feeling their way. The young officers that we met with were really simply surrogates, and in those early weeks we weren't sure who was behind them.

Q: Normally when there's a coup usually there's either a pronouncement that, you know, "We're doing away with all these treaties with these nasty countries, including the United States," or, "Rest assured! This is an internal matter. We will maintain our commitments and all." I mean these are two just sort of general reactions.

LLOYD: Yes, it was the latter. It was the latter. "We'll maintain our commitments." Of course the signals we got from Washington were, "We need to keep that base." Certainly the U.S. military saw our tenure at Lajes to be threatened by a left wing coup in Portugal. This specter in the seventies of a Soviet base in Mid-Atlantic, was something to be considered.

Q: Again, this is unclassified interview, but I have to ask: was there at least speculation that we

might land some troops there if things really went bad?

LLOYD: Well, we had troops. We had American Air Force personnel in the Azores, but they weren't combat troops.

But I never heard of anything of that kind.

Q: Was there ever talk about Azores independence, you know?

LLOYD: Yes.

Q: I mean we had this strong tie to the United States and-

LLOYD: There was talk of Azores independence as the whole country began to fragment, the string of Cape Verde Islands off Senegal, São Tomé, and Príncipe, the islands off of Rio Muni, Cameroon, Angola, Mozambique. Goa had already been taken over by India. Macau remained. East Timor was not taken over for another year by the Indonesians. So the whole empire, such as it was, these remnants of empire, were falling apart.

I was in touch with an Azores independence proponent, but his objective was greater local autonomy. I don't think that the people of the Azores thought for a moment that they could go anywhere alone.

Q: Were we making, were we concerned, or was it done in Washington, and again, I'm not sure if it was on your watch at all, about what's going to happen in Africa, in Angola, Mozambique, and all, of turning over arms and all that sort of thing? Had they started to pull out by the time you left?

LLOYD: Well, Henry Kissinger came to Portugal on a visit, returning from the Middle East in 1973. There was some talk at that time (I don't know how serious) of assistance by the United States to Portugal as a price of continuing tenure at the air base in Lajes. I don't think it went anywhere because the 1974 coup was just a few months later. I think that the Portuguese lost no opportunity to press the Americans for things which they needed in Africa. As I mentioned in the beginning of this portion of the interview, they were angry that they got no assistance. "Here we are a NATO country. We are trying to save Africa from godless communism, which is certainly in the interest of you Americans, and you're not helping us because of this hang-up you've got about colonies and decolonization and self-determination and that sort of thing."

RICHARD ST. F. POST
Deputy Chief of Mission
Lisbon (1972-1975)

Richard St. F. Post was born in Washington in 1929. He received his bachelor's degree from Harvard University in 1951 and his master's from George

Washington University in 1969. His career includes positions in Ethiopia, Hong Kong, Somalia, Swaziland, Lesotho, Angola, Portugal, Ottawa, and Karachi. Mr. Post was interviewed by Charles Stuart Kennedy in February 1990.

Q: You came up to Lisbon as DCM from 1972 to 1975. What was the situation in Portugal when you got there?

POST: Certainly the Azores was one of our interests. But I think we were also encouraging, to the extent that any embassy can, or another country can, we were anxious to encourage evidence of motion towards a more open society, a more democratic society within Portugal, not to mention the overseas territories, as we could. There was by that time in Lisbon a group of members of the National Assembly who were rather liberal, and who were challenging, in a rather gentle way, the policies of their country. These were the kind of people who were advocating change that we would be pleased with. So there were some allies from within the Assembly. Certainly part of our mission was to give them as much encouragement as we could.

Salazar retired as a vegetable and I think he died while I was still there. He was out of it.

Q: Who took over?

POST: Marcello Caetano.

Q: What kind of government would you call it?

POST: It was pretty much a continuation of the dictatorship that existed before. Although the term dictatorship is a kind of a harsh term to apply to anything Portuguese. The Portuguese are not that nasty. There were a lot of Africans in jail in San Tomé who would have thought different. It was a semi-fascist system but the Portuguese were not efficient enough to make it a thorough-going fascist system.

For instance, one example was when I was in Luanda. I guess it happened just after I left. A bill came to our Consulate General from the Post and Telegraph Office, which was a government office, and it was for 50 escudos for the month of whatever, for a "linha de escuta," which means a telephone tap. They sent the bill to us instead of to their secret police. You can't run a thorough-going fascist state if you are that inefficient.

Q: Did Knight stay on long?

POST: I got on board in August of 1972 and he left the following January. He retired from the Foreign Service to become Uncle David Rockefeller's ambassador to Europe and the Middle East. This was Watergate time so no ambassador was appointed. I remained in charge until the following January. Which was great fun. To be in charge--it is a reasonably sized embassy and we have a lot of interests there. We had some excitement in that while during my incumbency as chargé d'affaires the October war broke out between Israel and Egypt and I had to negotiate with the Portuguese authorities for the use of the Azores to resupply Israel.

Q: This was absolutely crucial.

POST: Yes. In those days, we didn't have the capability to refuel the C-5s in mid air.

Q: C-5s being our largest transporter.

POST: There were some other smaller transporters that we used as well. It was a very interesting time.

Q: How did the Portuguese feel about getting involved with a Middle East War? It looked like Israel was losing and needed a lot of new equipment and we wanted to rush, to the great dismay of many of our own military because we used some of our own stockpiles, in order to get them to Israel in a great hurry. Portugal was really the one country that was crucial to this resupply.

POST: It certainly was crucial because nobody else would let us do it. The Spanish refused. The Germans refused. You name it, they turned us down. The Portuguese were not at all anxious to do this. Not at all, because although they had a certain amount of oil from Angola, they were heavily dependent upon the Arab countries for their oil supply. They also felt that they had some historical interest in the Middle East, long relationships, and were most reluctant to come across. Unless they could get some quid pro quo out of it. And of course what they wanted was for us to provide them with some military hardware to use in the overseas territories. Well, we did not allow this. We kept after them for about three days, we implied that it would be to their advantage ultimately, we could not give them any definitive undertaking but we would do our best to be as helpful as we could. We were all very vague. A certain amount of bald pressure, saying if you don't help us, you can just forget about us being any help at all. Now in fact the way our agreement runs, we actually didn't have to ask. I'm glad we did because politically it was essential that we do this. But after three days without sleep for me we finally got them to agree. I was finally able to call Washington to tell them they had agreed. This was already at a point when the F-4s had reached the point of no return.

Q: Who were you in contact with in Washington?

POST: With the State Department, by telephone with the Deputy Assistant Secretary of State for European Affairs and of course cable traffic galore. I'd have a cable of instructions, put it in a form of something written to be handed to the Portuguese, I'd be cooling my heels in the Foreign Minister's outer office, and a telephone call would come to me there from Washington, altering some of the things I was to say. Or beefing up this. They put it right on the open line.

Q: What was the effect of this episode?

POST: Mind you, our relations with Portugal were not what the Portuguese would have liked them to be. The Portuguese would say, "We're a NATO ally, we are supplying you with this important facility in the middle of the Atlantic, which is important to the alliance as a whole because it gives you the capability of monitoring the Soviet military submarine traffic that otherwise could travel around hidden by that mid-Atlantic mountain range, which is what the Azores is on top of."

So they felt that we should be supplying them with what they wanted. Their wars in Africa were to save these places from the communist threat. That was their attitude. So that we should be prepared to help them with that. They were fighting our battle. So I think while we gave them no specific commitments, to get the flights going, they still felt that they had leverage because of that. Having subjected themselves to a virtual oil boycott from the Arabs, and running these risks on our behalf, they could expect to get something from us.

Then came a visit by Henry Kissinger, where they attempted to put this a little more boldly. That had been preceded by a little vignette. In those days you didn't expect much of any great interest from a Portuguese newspaper. But there was a little vignette about how Ambassador Hall Themido, the Portuguese ambassador to Washington, had had a half hour meeting with the President and Henry Kissinger. That was a little unusual and yet we hadn't heard anything about it from the State Department. So I went down to the Foreign Ministry, to Freitas Cruz, the Director General of Political Affairs and said to him. "Well I guess you know that Hall Themido has been in to see the President and Henry Kissinger, and this kind of meeting is important and I think it terribly important that neither side has a misperception as to what transpired. So I'd be very grateful if you would give me a rundown as to how you feel it went and what transpired as a result." I, of course, hadn't a clue myself, but he gave it all to me.

Q: Was this the fine hand of Henry Kissinger?

POST: It certainly was.

Q: How did his visit come?

POST: At the time he was doing one of his shuttles all around the world. Negotiating with the Syrians, and the Egyptians and the Israelis and God knows who all. He found a gap of a few days. We knew that he might come. But we had no definite date for him. On a Sunday I came back from what was my sport in Portugal, riding to the hounds, to find the message that Henry Kissinger would be arriving the next day. So there was a certain amount of rushing around to get things organized. One of the things that I mentioned to him, driving in the car from the airport, I was alone with him in the car, and I said to him, that we were very pleased at a statement that he had made upon becoming Secretary of State that, and that now he had made a number of initiatives as head of the National Security Council that now he wanted to rely on the traditional diplomacy and our diplomats. I said that we were very pleased about that because we feel that we really do have some contribution to make, we do have some expertise to put to use and we would very much like to be part of the process. He was glowing about this. "But I have some problems, because that would mean that we are kept informed of what's transpiring in important relations between our country and the country to which we are accredited. And yet I read in the papers the other day that you and the President saw the Portuguese ambassador and we never heard about it from the State Department. We don't have any idea what transpired at that meeting." Of course I did at that point because I had gotten it from the Portuguese. He said that there was nothing important said there and if there was any change in policy we would let you know of course. But anyhow during that visit, we did have a dinner party at the Foreign Ministry after which Kissinger, his NSC man and me were taken aside by Rui Patricio, the Foreign Minister, with

their Ambassador to Washington, Hall Themido, and there they put the pitch. "We want this, that and the other thing." He was again very vague and non-committal. "We'd look into this sort of thing." Rui Patricio subsequently claimed that he left with the impression that we were going to provide them with Stingers, these shoulder-fired missiles to use against, they were claiming, the insurgents. They were claiming that in Guinea-Bissau the insurgents were going to get MiGs and they had to have these things. Well, he was as forthcoming as he could be, and he then said, that of course these discussions that we are having are highly sensitive and we must insure that there are no leaks, and of course if there are any leaks from our side we will know where they came from, and he looked at me. I said, "Mr. Secretary, there are two other Americans in this room."

Q: There was a coup while you were there. A change happened.

POST: Well, something happened overnight. Then there was subsequent developments.

Q: Could you explain what happened?

POST: Yes, well first of all, by the time that the coup came, an American ambassador had finally been appointed. He was appointed in January. He was a non-career ambassador, a lawyer from New York, highly intelligent obviously because he did everything I told him to do. Among those was that he should make an early trip out to the Azores where he went on about the 23rd of April. On the 25th of April came the revolution in Portugal. This was 1974.

This had been preceded by some events. We had reported things that gave evidence that there was unrest in the army, and that there might very well be some drastic changes. We didn't predict a coup but it came awful close to that. Particularly a book had come out in December 1973 written by General Spínola, previously a Portuguese commander in Guinea-Bissau. He had then come up to Lisbon, was in a staff position. It was important because he was basically challenging a lot of the rationale for the Portuguese presence in the African colonies in the book. Without coming right out and saying that they ought to be independent, he implied formulating a course for that should be done. They allowed it to be published. Mind you this was a country where there was a lot of press censorship. They allowed it to be published because of who wrote it, a pretty tough thing to turn down a book he had written, because he would not take it in a kindly fashion, and because it was endorsed by the Chief of Staff for the army, General Costa Gomez. So there were a lot of signs that there were changes in the air. So we were not as surprised as people in Washington seemed to be.

To me it was a very satisfactory kind of coup to have. Because on the night of the coup, the new Junta of National Salvation was introduced to the Portuguese public on radio and television. In the five-man junta, two were close friends of mine, one was Costa Gomez, Chief of Staff of the army. He had been the commander of the forces in Angola when I was consul general. He was probably my best contact when he was there. I would go to him, and the line I took with almost everybody, among the officials in Angola that is, was that U.S. policy is going to be somewhat determined by what I report about developments here. Now you have it in your power to tell me what is actually happening, or you can take the risk that I am going to have to be reporting hearsay. Therefore U.S. policy is going to be based on hearsay. It worked with him, but it didn't

really work with anyone else. But he gave me a lot of information about the military situation which was quite accurate.

The other guy who was one the five-man junta was a real ne'er-do-well. He was a retired Air Force general. Young but retired. Some scandal, that apparently was to his credit as far as the revolutionaries were concerned. I knew him because he too rode to the hounds. He was a real ladies' man. All of a sudden he's a part of the junta. So I have two of the five who I can immediately approach directly. Now, that's pretty unusual.

Q: *Yes it is.*

POST: A government to which the United States is about the last friend in the world, to be overthrown and have that kind of contact immediately with the successor government? Incredible. Of course the reason for it was the majors and captains who carried out the coup were basically apolitical types. The Portuguese army was not the kind of place that attracted very many of the left side of the ideology camp and it was a disciplined army. So of course they go to their top generals. And Costa Gomez was one of them. Spínola was another. This was the authority structure that they were accustomed to. Even though their own ideological druthers might be somewhat different, they were basically apolitical.

Then we had this other problem of trying to persuade Washington that these were not communists. "Write Portugal off. It's finished." We were arguing that these guys are apolitical. The one thing that they know about the United States is that we supported the last government. Therefore they had to be somewhat suspicious of us. And we should allay that suspicion by welcoming this revolution in any way we can including coming forward with an aid package for Portugal. Above and beyond what we were doing already. Well we argued that until we were blue in the face to Henry. I assumed it was Henry. If anything exciting happened in the world, he took it over. After that point on it wasn't anybody else's concern. We made very little headway with that argument although we made it repeatedly.

Finally two things helped to bring it about. One was that we had a visit by Teddy Kennedy. He went back to Washington advocating that we support this revolution. And I think Henry Kissinger could see policy getting taken right out of his hands by Kennedy, or the threat of that. The other was that we stepped up the ante in our reporting, saying that if we don't do this, because we fear the country is going communist, we may well be acting out a self-fulfilling prophecy. I think that that hit home. Well, on December 11th of 1974, I remember it because it was my birthday, we got a telegram, "You may inform the President that we are going to provide aid. The Foreign Minister was then Mario Soares, who is now President, with whom I had had a lot of dealings. The ambassador and I got to the President to inform him of this aid package but not to Soares. However, that was okay because I was going to a dinner party at the French ambassador's house where Mario Soares was to be the guest of honor. I went there and during the drinks before dinner, I approached Soares and said, "Today is my birthday and I just got the best present I could possibly have gotten and that is a telegram from the State Department agreeing to provide an aid program for Portugal." Oh, he was very happy. We went and had our dinner. At the end of the dinner the French ambassador gets up and gives a toast to the President of the Republic of Portugal. Soares gets up and gives a toast to the President of France, and then

while everybody was still standing, he said, "And while we are all standing, I'd like you to join me in a toast to Mr. Post whose birthday it is today." You can just imagine the face of the French ambassador.

Q: How did things work out in Portugal?

POST: There was a lot of pulling and tugging. The coup installed General Spínola ultimately as President. In his book he had advocated some change in the overseas territories, but what he ended up insisting upon was that there should be free and fair elections, that there could be independence but there should be the option of staying with Portugal. He thought that option would win. But it would be a voluntary association. Well the majors and the captains were not buying that. They were insisting that they should hand them over to the liberation armies and that they should get the hell out. These were guys who had gone there repeatedly, not in the best of circumstances. It became clear that he was of an older school of thought than they were. So there was a tussle going on between him and a group that was gradually coalescing, as the people who were the heart and soul of the coup, the planning force, who were quite clearly farther to the left than he was. He was very far to the right. So although they were to the left of where he was, they were certainly people we could still deal with. And we did.

I had extensive conversations with a couple of them. People I did not know beforehand, but that I got to know after the coup. And we maintained pretty good relations with this revolutionary council.

There was then the question of elections. Of course the people who were about to write Portugal off assumed that there never really would be free and fair elections, but that these army officers would skew things in favor of the communists and they would win. They went ahead and did hold elections and the communists did not win. They did not win more than 20% of the vote. It was the socialists, people at the center and the right that came up with the big majority. That was a clear indication that the people of Portugal were people who wanted to stick with democracy in the West and all the rest of it.

The situation stayed that way pretty much until I left in January of 1975. At that time Frank Carlucci had just been named as ambassador, Kissinger still did not trust what he was getting from the embassy in Lisbon and he felt that the problem was that we had there an ambassador who was the tool of his DCM and his embassy staff and that they were too wide eyed and innocent about this place. What we really needed was a really tough guy who could deal with these communists.

Q: Kissinger was seeing this as the hand of the Soviet Union.

POST: In fact Stuart Nash Scott went back on consultations at one point and he was told that this guy the people who are now in charge are going to be thrown out and replaced by communists. These are the Kerenskys of Portugal that you are dealing with. So Kissinger was to send his tough-as-nails professional Carlucci and Carlucci wanted his own buddy as DCM and so I had to look for another job.

ROBERT S. PASTORINO
Commercial Attaché
Lisbon (1974-1977)

Robert S. Pastorino was born in San Francisco in 1949. His career included positions in Caracas, Lisbon, Colombia, Nicaragua, Mexico, and an ambassadorship to Santo Domingo. Ambassador Pastorino was interviewed by David Fischer and Charles Stuart Kennedy in March 1998.

Q: In 1974, you were pulled out of Washington. But you went to a very important post at a very important time. I wonder if you could tell me how this developed.

PASTORINO: I got the assignment sometime in late February 1974 to go to Lisbon, Portugal as Commercial Attaché. Several people told me it was a lousy assignment, because there would be little to do. Portugal was still the backwater of Europe, still living in the 1900s, and still under the long Salazar/Caetano dictatorship. But, I was interested in commercial work and it would be an opportunity to get to Europe. My parents were living in Rome at that time.

I would still be a State Department employee but working for Commerce Department. I would have two efficiency reports written and would receive instructions from both Departments. I knew that Commerce Department had a big budget for its overseas operations and I would control it. I said fine. I started studying Portuguese at the Foreign Service Institute, being immersed in a six week transition course from Spanish to Portuguese.

There was a slight disappointment in that I was going to Europe, but not to Italy. But, it was close to Italy. Whenever State had requested my assignment preferences, I had listed Italy. When we were assigned to Venezuela, State explained there was a large Italian community in Caracas. When I was assigned to Hermosillo they said nothing. A couple times I answered the assignment preference request by listing Italy as all three preferred options for assignments. After a while I gave up going to Italy. But, it was not a traumatic issue, not being assigned to Italy, although Fran still says I promised her that I would take her to live in Rome.

Then came the March 16th, 1974, failed coup attempt. And all of the sudden the situation seemed to change dramatically, in that there might be change in the near term in Portugal. It was an attempted revolution against a reactionary regime which had been in power for forty-eight years. However, many people said that the coup attempt didn't mean anything, that the reactionary regime was strong and safely in power. In any case, I went back to quietly studying Portuguese. Then came April 25, 1974, which was the definitive "Revolution of the Carnations" which overthrew Caetano.

Q: So you're talking about the Salazar regime...

PASTORINO: Salazar had been in power for forty years and then he had suffered a stroke. Marcelo Caetano took over for the last eight years. He didn't change the type of regime at all.

And, Portugal at that time looked toward Africa, where it still had its colonies in Guinea Bissau, Sao Tome, Mozambique, and Angola, and from which came many of its resources, especially Angola which could be the richest country in Africa. Portugal sat at the edge of Europe looking south and it seemed that no one in Europe really missed it. Then came April 25th and Portugal became very important, as it had been in the 15th century when it explored, conquered and ruled large parts of the world.

I took six weeks of Portuguese training at the Foreign Service Institute and received a fluency rating of 3/3. I mention this because I'm proud of it. I am not a great language scholar; Spanish was about my limit. However, the course had been taught by some young Brazilian women who taught me Brazilian Portuguese which I soon discovered was vastly different in accent from the mainland Portuguese. I later found that the European Portuguese teachers were otherwise detained, teaching Portuguese to a secretary, repeat a secretary, of a high-ranking USIS official. Not the best of examples of FSI efficiency. Then we had some regional/country orientation at FSI. We went to Lisbon in May.

Q: So, you went in May 1974 and you were there until when?

PASTORINO: Until the middle of 1977. It was the only three year assignment I had. For the record, I'll say it's the assignment I enjoyed least, for a lot of reasons. On the other hand, it's the assignment my wife and children enjoyed the most. In fact, our third child, Susan Teresa, was born in Lisbon on December 10, 1975. We made it to the hospital with only hours to spare and I will never forget I got a flat tire on the way home after the birth. We were lucky the flat tire did not happen before because the birth was very early in the morning. The two older children went to Catholic Schools in Lisbon, where they were taught in English. They still say that Portugal was a very nice place. I will admit that we lived well, and the food and drink were wonderful. We learned to drink Port wine and I gave up hard liquor. The children still say it was our best assignment.

Q: When you arrived in May 1974, let's start first about the situation as you saw it, at that time, right when you arrived.

PASTORINO: Portugal went through six attempted or partially successful coups during the 18 months after April 25, 1974. Five of them moved the country progressively to the left when the Governments became more Marxist, radical and chaotic, while the sixth coup was the counter coup by General Eanes, which brought Portugal back toward the center. The Government under Eanes and then Mario Soares remained leftist but similar to Italy, France or the Scandinavians.

When I arrived in Portugal there was tremendous effervescence everywhere. You couldn't go anywhere without seeing political posters of every stripe. Demonstrations took place everyday, first in support of the new regime and the promised democracy, and then shortly thereafter in support of the Marxist government. The more moderate parties held their own demonstrations but they were quieter, smaller and less polemical, while the Catholic Church quietly spoke against the Marxists military captains and majors running the Government.

No one wanted to speak out about the Marxists and the drift to the leftist extreme, and those who did were tarred immediately as Fascists. The worst epitaph one could utter in Portugal for two years was "Fascist". I very quickly realized that many people, especially in Lisbon and the southern part of the country (which makes up half the country and half the population), thought of the Americans and the British as the great fascists. We were blamed for having sustained Salazar and Caetano, and the Communist propagandists such as Alvaro Cunhal and the Communist Party of Portugal never ceased to propagate that history in order to mask their own covert objectives.

Even before General Spínola, Caetano's immediate successor, was overthrown, this perception was prevalent, especially in Lisbon. When I arrived in May, Spínola was still in power; he had been placed in power on April 25 by the coup makers, but was little more than a front man, although he tried to guide the Revolution. He was basically a right wing General who was somewhat moderate and he had written a book slightly criticizing the dictatorship, which gave him some credibility within the group of leftist and Marxist colonels, captains, and majors who actually overthrew Caetano. Spínola was very anti-Communist and it wasn't long before he and the revolutionaries were at each other's throats. General Spínola lasted only three months and then the first coup took place, with Colonel Vasco Gonçalves taking power at the head of the *Consejo de Estado*, a military junta. There was very little bloodshed in this coup, which was the case of the whole Portuguese revolutionary period.

I saw an example of this civility on live television one day, when the farthest left group of military officers tried to take over the Lisbon airport, which was also the major Air Force base in the country. The attempted coup makers were outside the airport on one side of the fence arguing for several hours trying to convince the airport/airbase authorities to surrender. The Government authorities in power refused and each side leveled its arms at the other. Finally, each side counted noses and the number of the guns each had, and the attempted coup makers peacefully retired, noticing they were out-numbered and out-gunned.

It was hard to take some of these politicians and military leaders seriously at times, although it was clear that Cunhal and the Communists were allied with the Soviets and were enemies of the US and NATO, joining the Eastern European puppets. I never understood why it took people, including many in the US, so long to figure out that simple truth. Certainly, Portugal was a fairly peaceful place in late 1974 and 1975 from the point of serious violence and killings, but it was a very chaotic and confused one.

I had been in Portugal twenty years before as a tourist, and I had spent two weeks in Lisbon and the south. I remember Lisbon being one of the cleanest, most sedate, quietest places in Europe. There was vice there, but it was very well hidden. In fact, to find entertainment we had to ask the policeman on the corner, and, of course, he was only too happy to direct us.

When I got back there in May 1974, it had already become the smut capital of Europe, almost overnight. And, it had become filthy as many of the public services were breaking down. We used to think that the Government people were too interested in plotting, or conserving their positions, to be able to carry out even the simplest governmental responsibilities. All of the 48

years of pent-up frustration came out and changed the country overnight. Most of the country was clearly against the Caetano/Salazar regime and it showed.

I learned very quickly that I was not going to be able to do much work as a Commercial Attaché. No one wanted to do business with the US. Many Portuguese thought that Portugal had promises of economic support and trade opportunities from their new found friends in Bulgaria, Albania, and Czechoslovakia. They were going to take the road to paradise through socialism.

We lived wonderfully well, partially because all of the old regime was leaving the country, either to Brazil, or to Fall River, Massachusetts. This allowed us to move into a huge house in Estoril. It was three blocks from the internationally-renowned Casino do Estoril, and from our back balcony we could look down on Cascais and the Tagus River as it flowed into the Atlantic. We lived comfortably (almost like the royalty that had moved out) for three years. We rented our house in July of 1974, which was the beginning of the exodus of the Portuguese and other foreigners, but later other officers were able to rent accommodations that were palaces in comparison to ours as other residences came on to the rental market. I did not resent this because we were far better off in Lisbon than in the small apartment where we had lived in the Maryland suburbs.

The opulence of the housing reached the point where Herb Okun, the DCM, had to approve each rental in order to curb the extravagance. He actually had a relatively small and poor house, because he lived in the official Deputy Chief of Mission's house, which had been leased on a long term contract much before the Revolution. It was really nondescript even compared to mine. My boss, Jim Ferrar, the Economic Counselor and one of the smartest people in the Foreign Service, lived in a palace on a hillside with a fabulous view of Lisbon and Estoril. It had a cathedral-like ceiling, with a beautiful swimming pool. Jim was a tremendous, positive influence on me and on my career. The fact that Jim never made Ambassador was one of the great travesties of the Foreign Service, but not the only one I saw.

The deposed or pretender royalty of Europe was still in Portugal until mid-1974, when they began to move to Madrid, where they were sure of Franco's hospitality. I remember I got to visit the home of the pretender to the throne of Italy, "King" Humberto, as he liked to be called. According to family lore, one of our daughter's first boyfriend's, at the age of ten, was Paul. When I asked "Paul who?", she responded, "Oh, its just Paul of Yugoslavia", who turned out to be the son of the pretender to the Yugoslav crown.

Because of the frequent coup attempts and coup warnings, we never knew when the kids were going to school because there would be street blockades and the political demonstrations which could paralyze public transportation and there was only one route from Estoril. It ran right along the coast of the Rio Tejo and was easily blockaded. They went to Catholic school in downtown Lisbon. They had to go on the school bus; sometimes Fran drove them. But, in spite of these incidents and other inconveniences caused by the Government ineptness and ideology, Portugal was peaceful generally, and we never felt in much danger.

Q: Tell me about the Embassy at that time because I think the Embassy structure is interesting.

PASTORINO: Physically, the Embassy was in an old apartment building close to downtown Lisbon. I was fond of saying that I ran the only Commercial Section in the world that had two bathtubs and two showers. At the time of my arrival, the Ambassador was a man named Scott, an old friend of Governor Nelson Rockefeller. The Ambassador was a power in the Republican Party and was a poker playing buddy of Governor Dewey. He was actually at our Air Force Base in the Azores at the time of the coup, and the DCM was Richard St. Francis Post, a career FSO. The Ambassador was isolated in the Azores and couldn't return to Lisbon for several days.

Meanwhile, Post had talked "officially" to one of the military junta members and this constituted recognition of the new Government, according to some. Post, as I remember caught holy hell for this and was accused of committing a serious diplomatic blunder. In fact, we would have recognized the Government immediately so I didn't understand the furor.

So when I got there to the Embassy, the Ambassador was being replaced and the Mission was a little bit rudderless. I guess I met Ambassador Scott only once or twice. He was going to leave anyway and he was pulled out.

Q: From what I gathered, our Embassy there was the sleepest in Europe. All of the sudden the event of the year happened in this sleepy place, and it was essentially overwhelmed.

PASTORINO: The Embassy was famous, or infamous, for only knowing the older, senior military leaders; apparently we only knew the Generals. So no one in the Embassy knew the new, junior military leadership which became the driving force of the new Government. I'm sure the Embassy was pretty sleepy, but then Portugal was a pretty sleepy place, still sleeping in the 19th century.

Q: Really there wasn't much contact...

PASTORINO: The staff was small and concentrated on the formal Government not on some almost invisible opposition, some of which actually developed in the African colonies. April 25 came and they weren't prepared. No one predicted the coup evidently, even after the March 16th attempted coup. To be fair, this wasn't the first time an Embassy didn't predict a coup, and what could we have done anyway. Given the regime, something would have inevitably happened to wake up Portugal.

Also, given Portugal's relative unimportance, Washington did not pay great urgency to events there, even after March 16. There was no shooting during or immediately after the coup. You didn't see dead bodies, especially American bodies. The leading Communist, Alvaro Cunhal, looked like an old, white-haired professor. As for some of these military types, half of them were not very articulate in any known language, so they were almost invisible behind Spínola.

There was real jubilation in the streets the first few weeks. It's still known as the Revolution of the Carnations, and is famous for its civility. I have a wonderful picture of my son, who was six years old, standing in between two young Portuguese soldiers. They're holding rifles, each with a carnation in the barrel and they're smiling. Steve is there holding a sign saying "Viva Portugal".

From the outside it appeared different from what we saw inside. I don't think Washington really recognized what was happening in the beginning.

Q: You mentioned that other Embassies were coming. First let's talk about the Western Europeans. I understand the Socialist parties, the Germans in particular, were coming? Willy Brandt jumped on this as being a real opening. Was this something talked about at the Embassy?

PASTORINO: I assume so. As Commercial Attaché and as a mid-level officer, I went to a staff meeting only once a week. My direct boss at the beginning was a member of the old team. As Economic Counselor he wanted to analyze the economy, do the required reporting and assure that we (I) sold American goods and services. He didn't discuss the political situation. I saw at the beginning, considerable Western European influence in the economic/commercial area. Of course, Portugal had never been a major American market. As I had done in previous assignments, I read several of the local newspapers everyday, and knew that the Western Europeans had the big commercial advantage over us, but that they were quickly losing ground themselves to the new found, Marxist friends.

With regard to politics, I do remember the activities of the Germans and the Scandinavian Socialists, along with the French and Italian Governments, partially through their respective Communist Parties. It is interesting, as we shall see, that it was the Germans who really played a major role in saving Portugal from becoming a Soviet satellite. It was Germany and the Government of Willy Brandt, and the Bundesbank.

The big change in the beginning of course was the influx of the Soviets and the Eastern Europeans. They were not there before the revolution, not having diplomatic relations. But you could see them flood in. They were all over. I saw it mostly on the economic and commercial side. But, you can be sure the political operatives and advisors were also invading the country. Anyway, there was not a lot of interest in buying American.

I remember we had a business catalog show in late 1974 or early 1975, a show where we exhibited catalogues of US firms trying to sell in Portugal. The show was part of the Lisbon International Trade Fair, which was not very large, certainly not like Hannover or Milan, but we were there. I remember I had to have special security protection for the US booth. No one wanted to be seen at the US booth except people who wanted to come up and harass us. I don't think most of my catalogs were even opened. There were people who would telephone and note their interest in some of the US products and asked me to mail catalogues. They didn't want to come to the booth. Meanwhile, I had a lot of time to walk around the Fair and see the commercial competition, much of it from the Soviet Union and Eastern Europe.

As we were getting settled in, and I was learning that I would not be doing much pure commercial promotion work, I took time to attend some of the ubiquitous political demonstrations. The political section was always very appreciative of what information I might bring back. The press and other media, being heavily controlled from early on by the leftists, was suspect. The Political Counselor was Charlie Thomas. He helped me very much in understanding and reporting the political situation, both with respect to commerce and trade, and to the overall political scene. My political analysis and reporting skills were broadened tremendously in

Portugal by people like Charlie, and Rick Melton, later a great American Ambassador in Central America.

Anyway, Charlie Thomas was a great guy and I think he was appreciative of my interest and efforts. He helped me, he told me what to look for. I had the task of knowing and reporting what the Portuguese business community was thinking about the trends of the revolution. The political section was interested in all the biographic information I could dig up on businessmen, as well as the Government officials I dealt with, some of which were at the higher levels, being among the military leaders of the Government. Also, the political section wanted to know when US businessmen were kidnapped or held hostage in labor disputes. I also remember that when the Red Admiral, Coutinho, who as Governor of Angola granted independence, and all the Portuguese in Angola began to stream back to the motherland, I became the unofficial Angola desk officer, talking to as many people as possible about the political and economic situation there.

I also remember being able to state my policy suggestions with regard to Portugal's future and with regard to the makeup of the Government and its policies. The Embassy decided early on that the only real hope of maintaining Portugal as a friend and ally lay with Mario Soares, the leader of the Portuguese Socialist Party. He was pretty far left, but an enemy of the Communists. But he didn't support the private sector and I saw him somewhat as a fellow traveler. My policy advice that we should support the Christian Democrats or the Social Democrats was always ignored, but I gave it anyway, believing that Portugal would not progress with a Socialist or Statist type economy which I had become familiar with in Latin America. So I would counsel, "let's support the Centrists". I remember having arguments with the Political Section staff, officers who became close friends like Rick Melton and Joe Sullivan. I'd come back from my meetings with business, or Government people in the Labor and Economic Ministries, with reports of the Marxist economic policies which were being implemented, such as collectivization of the land, and the take over of the control of the factories by the workers.

Frank Carlucci became the Ambassador in late 1974. Both he and Herb Okun arrived when the Portuguese ship was already careening to the left towards the abyss. One has to give great credit to Ambassador Carlucci. He went out on a limb on policy, advising Washington we should support Soares as the only viable alternative. Secretary Kissinger was advocating a policy of allowing the Portuguese to go left in order to immunize Italy and France from a similar political suicide. Carlucci was a great leader, both as the policy-maker and as head of the Mission. He was also a great spokesman for the United States, and courageously spoke out against the Communists and the "crazies" when they were riding high. I had the great honor and privilege of working for him later in my career.

Q: What was the feeling when Carlucci came?

PASTORINO: We knew he had been a Foreign Service Officer. We knew he was brilliant and very influential. He was and is a feisty little guy. I had a particular affinity for him, being Italian American. He was clearly a professional. He clearly understood the task. He was a fighter. He was willing to speak up against the leftist, cocky Portuguese military, speaking in Portuguese, publicly on the radio and TV. His Portuguese was fluent, having served in Brazil. He also had a

certain cockiness. The team included Okun who had served in Eastern Europe and was an expert on Marxism and Communism. But Carlucci was the leader. He instilled confidence and motivated the Embassy staff; he made me want to go to work every day.

The Embassy began to come around and the staff was already changing before he got there. I remember he brought a young lady with him to be his special assistant, Marcia. And I remember there was lots of bitterness in the Embassy because as the Special Assistant she was in the office next to his. Some people had to report to or through Marcia. I was the Commercial Attaché; I was very happy to call her and ask her to check something with the Ambassador when the opportunity arose. I remember I was his representative at the US-Portuguese Chamber of Commerce, which was limping along, and I didn't expect to call him and brief him on every meeting, given his other concerns. So I thought Marcia's role was helpful to me.

Getting back to Carlucci's style, I will never forget the famous confrontation in late 1974, or early 1975, between him and Captain (maybe self-proclaimed Colonel) Otelo Saraiva de Carvalho, who was Chief of Police of Lisbon and one of the most powerful members of the *Junta do Governo*. Portugal is such a small country that most of the most important military units were based in Lisbon, and Otelo had control over many of them, which gave him tremendous political power. As a Governmental leader he was hurling political charges indiscriminately against the US and the Embassy, calling us Fascists and everything else. Carlucci went on the radio one day and challenged him publicly to a public debate, saying Otelo had lied about the US and its policies. Everyone in Portugal and the media noted the challenge. Ultimately Otelo would not debate; he backed down and lost a great deal of prestige. On the other hand, Carlucci and the Embassy gained credibility and helped put backbone into some of those Portuguese willing to speak out against the Communists.

Q: During the time you were there things were turning around? ...moving back to left of center rather than moving way out to the right.?

PASTORINO: Half way through my assignment, General Eanes led a counter coup from the center that succeeded in overthrowing the leftist radicals, both the military and their Communist collaborators in the civil sector, especially in the Government, the media, and the labor unions. From that time, late in 1975, the far left was on the defensive and basically defeated. They had made one crucial mistake; they had allowed free elections on April 25, 1975. They were certain they would win given their overwhelming control of the media and the unions, and given the atmosphere of the coup. They didn't win them and then everyone understood the Communists were not the majority, despite their control of important sectors. From late 1975 on, Portugal moved back towards the center.

General Eanes was the major military leader of the coup and became head of state. The leading political actor was Socialist Party leader Mario Soares, who became Prime Minister. Beginning in 1975, Soares and the Church were the only Portuguese who really stood up to the leftists. Soares got the largest plurality of the votes in the election. The people voted and gave forty eight percent to Soares and only twenty five percent to the Communists.

Soares and the Socialists had campaigned heavily and courageously. Soares went into the Communist strongholds in the south, risking his life, where they had taken over farms and factories, letting the workers run them... run them into the ground I must add. The Catholics in the North also came out to campaign and mysteriously, the vaunted Communist Party headquarters in the small towns began to burn down. I believe that the Catholic Church and individual Catholics got upset by what was happening in Southern Portugal. Portugal to a large extent was a conservative society, at least it was then, and many northern Portuguese decided that they must stop the military and the left. The Communist headquarters' didn't stop burning until after the elections.

There were other factors that helped to turn the situation around. The US and Germans offered economic assistance should a new Government be more moderate. In fact, I helped to set up the first US AID program in Portugal. The German Bundesbank offered massive amounts of financial assistance; Germany led Europe because the revolution was going far beyond Social Democracy and Willy Brandt was a real leader, if somewhat naïve, in fighting Communism. Offers were made to military officers close to General Eanes. If the more moderate officers succeeded, such as Melo Antunes and Vitor Alves, there would be economic assistance.

Anyway, the Eanes coup was successful in late 1975, eighteen months after March 25, 1974. I remember I had one task on that November day. As I was saying, all the important military units were in Lisbon. I had been tasked by the political section, long before, to go to a certain location outside of the base of the Chaimites (light tanks) in the outskirts of Lisbon, and watch the movements of the vehicles, in case of a coup. The commander of that base was very important in preventing any action against the Government. On the fateful day, as the coup was taking place by the Eanes forces, I sat in a bar across the street from the front gate and informed the Embassy that no movement of the light tanks was taking place. The Chaimites were stationary and were not entering into the fray, thus assuring, according to some, that the coup would succeed. Quite a job for the Commercial Attaché.

I did have one role which I thought was very important in the financial assistance after the coup by General Eanes. The new Government quickly ran out of money, none having been left by the previous Goncalvez regime, and they were going to have to default on their international debt payments. Ambassador Carlucci was in northern Portugal, and my boss Jim Ferrar was out of the country. I got a call from the President of the Central Bank. It was a Friday afternoon at about six o'clock, and he told me the Bank of Portugal urgently needed funds to make Monday's payments. They needed a large sum of funds from the US Treasury or US Federal Reserve to tide them over.

I knew how the process would work and that it would need an urgent recommendation for approval from the Ambassador. I told the Central Bank President that I would go and see the Ambassador, prepare a telegram for his approval, and then send it that night to Washington. I went to the Bank of Portugal that night to get the necessary data on debts and payments as well as on the dwindling Central Bank Reserves. I called the Ambassador and he sent an airplane for me, which I took up to Northern Portugal. I explained the situation to him, gave him my cable recommending the transfer of funds as soon as possible, and waited his reaction. He approved the cable almost as written and I went back to Lisbon, waking up the duty officer and communicators to send one of the highest priority telegrams I had ever sent to Washington. By

Monday morning, the required funds had been transferred to Portugal's account in the New York Federal Reserve Bank and the default had been avoided.

I must say I thought many of the Portuguese were the biggest whiners I had ever encountered. Most refused to stand up against the Marxists, especially in Lisbon. Many chose to leave at the earliest opportunity, and in fact, many have now become millionaires in Brazil or the US. For instance, my next door neighbor in Estoril called on us one night, begging to be taken out on the first aircraft carrier that the US was rumored to be sending in order to evacuate Portugal. He was sure it was coming and he wanted a place on it. He told me he had lots of money and took me downstairs to a bank vault in the basement; it was full of gold bars. He offered one of them to me. Of course, there was no aircraft carrier on the way and there would be no evacuation. But this was only one example of how most Portuguese were waiting for someone to save them, rather than to fight to save themselves.

Q: Did you see any political movement as the situation developed in the business community? A gaining of confidence? Or anything else?

PASTORINO: What I saw in the Portuguese business community for the most part were the biggest businessmen take their money and go to Brazil. Some of the major companies left. Some smaller business remained but it was difficult to run a business in the new system where much of productive capacity and many of the farms were nationalized, and the Government controlled economic policy. Many firms were taken over and run by workers committees, which for the most part were incompetent and basically took everything possible out of the company and then complained when it went broke.

At one time, the Government was literally paying the salaries of the workers of hundreds of companies that had been profitable two years before. In fact, the Marxist Government soon couldn't afford to pay the salaries and ultimately many of the workers were laid off. The business people all left, some of them have never returned. They just moved the business to Brazil.

Some small business people did remain of course and stuck up for their property and rights against the Communists. One of the leaders of the rightist party may have been a businessman, Freitas do Amaral. His was a rightist, conservative, but democratic party and he was tarred as a Fascist, so he didn't really have much role in the beginning. But, he persevered and created a political party which later had significant power.

The banks were taken over very quickly. The new bank managers were the Worker's Committees, run by the former bank employees. Members of the Worker's Committees included, sometimes as their leaders, cleaning force personnel, clerks, messengers, etc. I was dealing with former tellers who had jobs less important than the one I had in the bank ten years before; they were now on the Executive Committee or they were the lending officer or they were making lending policy. As one can expect, the banks were quickly broke and had to be bailed out. And let's remember some of those banks, such as Espirito Santo, had been among the best run banks in Europe.

There was one case which I believe summarizes the situation, one that illustrates the real aims and failures of the Revolution, which would rather be ignored by the apologists. National Cash Register (NCR), the American firm, had a factory in Lisbon for a long, long time, where they brought in parts, assembled them, and sold a few thousand cash registers and adding machines in Portugal. One day, the NCR plant was taken over by the Worker's Committee, comprised of nine or twelve people. I went over to the factory immediately to investigate, in response to a request from NCR through the State Department. To put it simply, NCR wanted control of its factory returned. That seemed logical to me. So it was either the Labor Attaché or the Commercial Attaché who had to look into it. I think I went with the Labor Attaché. They were very nice to us, gave us coffee. And then the litany began: "We don't need NCR; they've exploited us; we're now running the place, paying better wages and still making cash registers; we don't want the NCR management back, and we're not letting the place go, so you deal with us, Mr. Commercial Attaché".

First of all, I told them the US position: that they have illegally expropriated this company; that it was my job to help return the firm to its rightful owners; and that I would go to the Portuguese Government to effect the return. Of course, the Worker's Committee already knew that we had been to see the Labor Minister, Captain Costa Martins, who had first refused to see us, and then told us the Government would do nothing against the workers.

The workers asked me what I could do about the takeover. I asked how they would operate when they had no more parts from NCR, or no more operating capital to produce the machines. Well, they said, of course we're going to operate the company. We have all these parts in the warehouse, we're going to make cash registers and sell cash registers. We're going to get paid more, we're going to sell them cheaper and make more money, more profit for the workers. I said, well what about when the parts run out? Do you think Connecticut is going to send you more parts? Of course, they replied. I said, "Don't be so sure of that". Well it doesn't matter anyway, they retorted, because our friends, the Bulgarians, they make cash registers, and they'll give us the spares and replacement parts. And are those parts going to fit in with your parts? "That's a technical problem, the workers will solve it", was the response. I said fine and I filed a report with the State Department, which then informed NCR. I had to check with the factory once in a while in order to keep Washington and NCR informed.

About eight months later, I think after the Eanes coup, the NCR worker's committee asked to come and see me. I had of course been keeping track and knew the Government had been subsidizing them by paying their salaries. There were no more cash registers for sale as far as I could tell. The Committee came to the Embassy pleading for help. They wanted me to get NCR to come back. I asked what happened to the big plans, where were the parts, etc. It turned out the Bulgarians wanted the company to purchase the parts and in fact they didn't fit into the assemblies, they weren't compatible. Well why don't you just buy the parts, I asked, showing little sympathy and probably some well-deserved contempt. We don't have the money, they responded. The government's been subsidizing us but they give us Portuguese Escudos and the Bulgarians don't want Escudos, nobody wants Escudos. Furthermore, they noted, the Government is cutting off the salary subsidies now.

They continued to plead for help and when I asked why NCR should be interested (they had written off the investment), the Worker's Committee unleashed their last desperate argument. Had I noticed that one of the original members was not present. "What do you mean?" I asked. The original leader of the committee, the instigator, the real Communist, is gone they proudly informed me. They thought that his departure should change everything and that NCR would want to return, especially since all the members of the Committee now "loved the US." Typically, they wanted to shirk any responsibility or accountability for the abject failure of the worker-run company.

I was not above gloating a little, but I didn't carry it to an extreme. I said I had to talk to the US Government and the Portuguese Government, and that I would certainly report this new situation to NCR. The Worker's Committee wanted it done immediately and wanted to see the Ambassador, to get him to get NCR back. I was sure the Ambassador had other things to do and they could deal with me, since they had dealt with me previously. Word came back from NCR that they had written off the investment, taking a tax break, and were making the cash registers somewhere else, in Ireland I believe. The take-over cost probably 200 Portuguese their jobs. The wonders of Marxism! But, as I remember it, many of them still wouldn't really blame the Communists. It was interesting also that the Americans weren't the Fascists anymore, at least not when the workers were pleading for help.

Q: What about the efforts of the Soviets and the Soviet block to make an impression there. What happened, did that just melt away like the sun after the turnaround?

PASTORINO: Well, one of the things I remember was the huge size of the Soviet trade exhibit before the Eanes coup. The exhibit remained later, but on a much smaller scale. This was a simple illustration of the change. The Eastern Bloc and the Soviets of course maintained relations, but their Embassies were all reduced. During the first eighteen months, the Eastern Bloc diplomats and commercial people were seen everywhere. You could tell them by their ill-fitting suits and their white socks. You could spot them when you would go into restaurants in the early days; they would be the only people in the fanciest ones. There would be a table full of Poles and Bulgarians, and the rest of the place would be empty. Most Portuguese wouldn't go out to eat because of the prices, as inflation soared, or they were leaving. That type of overwhelming presence faded quickly. The Portuguese Communist Party as I remember was not ever eliminated or shut down. It continued to exist but of course could never win a fair election.

There's another factor that was being woven all through this very interesting two to three years. That was the independence of the colonies: Mozambique, Angola, Guinea Bissau, Timor, and Sao Tome and Principe. One of the great aims of the military in 1974 was to grant independence, many hoping to assure that the newly independent countries came under the control of the Communists, such as the male nurse Agostin Neto in Mozambique, and the Communist MPLA in Angola. They certainly succeeded, and today, thirty years later, we can see the results: continued civil war, poverty, abject starvation in Mozambique, and the tremendous waste of resources in Angola, potentially the richest county in Africa.

Remember my neighbor in Estoril, for instance. Most of his money came from his family's investments in Angola. His family owned huge tracts of cattle land in Angola. He was worried

far more about the expropriation of his resources in Angola, than that of those in Portugal. So the whole independence movement, which was considered one of the crowning successes of April 25 has had a long term negative impact. The Portuguese were among the worst of the colonists, but look at the new African regimes since. But some people still see independence as one of the great successes of the revolution. If you really look at it, when the colonies were liberated, they liberated ten times as many people as were liberated in Portugal and a thousand times the territory. Portugal then was tiny, maybe eight or nine million people.

I had another job which I found very interesting; I mentioned it briefly before. I became the *de facto* Angola desk officer in the Embassy. Any business people, including American investors or managers, who came out of Angola brought information, and it was my job to debrief them so that we could figure out what was happening in Angola because we shut down the Consulate in Luanda. I was briefing Washington on Angola from Lisbon. I had never been to Angola. I had to do another country study, this time on Angola.

I remember that I did not only see these people in the office, but I went out to meet with them when they returned to Lisbon. They were called *retornados*, the returned people. The Government took over the Sheraton Hotel, one of the nicest in Lisbon, to provide housing, thus ruining the little tourism that was left. I could and did visit them there in the lobby to talk. I recognized I was getting a very biased opinion. These were people who had lost everything. They were living in miserable conditions, ten people to a hotel room. There were kids all over, and filth everywhere resulting from the crowded conditions. And the Government couldn't understand why they couldn't attract foreign tourists, even Bulgarians and Poles, who didn't spend much money, even if they came on their Socialist vacations. The young Portuguese military government people were so naive. And, I knew these people. I used to take the Undersecretary of Labor to the Estoril soccer games with me.

Of course, western tourism dried up in the summer of 1974; the drought lasting until well into 1976. Even the British who had been going to the Algarve for decades wouldn't visit.

I remember we went to Southern Portugal, to Lagos in the Algarve. We'd be the only people in the restaurants and we could get the best of rooms in the hotels. We would have the whole beach, the whole hotel to ourselves. The service was still fair. We'd go down to the Algarve and live like kings, for thirty dollars a night. These were places where the Brits, Swedes and Germans had historically gone and paid a hundred dollars per night. Tourism had stopped.

Q: As the Commercial Officer, obviously you were looking at trade, which went from something to nothing, up to something again. What about after the turning point, with German money coming in, did you find that Germany was moving in commercially?

PASTORINO: The US was never the major trading partner. We never had more than ten percent of the market. It went down considerably after April 25. It came back to where it had been, maybe more. It probably went up slightly. I remember Germany coming back to replace Albania or Bulgaria or Russia, but I don't remember being threatened commercially. I was happy to get back to where there was at least some commercial promotion to do. Of course, the Germans were pouring in funds, both from Government sources and from the private sector. My real job had

been for two years not so much selling American products as it was rescuing American companies that had been taken over in one way or another.

And by rescue, I mean literally rescue. One night at three in the morning, the Labor Attaché and I went to the Goodyear plant. The Worker's Committee had taken over the plant and they were holding the Cuban American manager a hostage until he would sign a contract tripling the salaries. Cesar Balmaseda, the manager, had decided he was not going to give in to the Worker's Committee's intimidation.

The Labor Attaché and I were at the front gate. They wouldn't even let us into the factory. We were negotiating with them for Cesar's release. We had already followed the prescribed procedure, going to the district military commander to protest the illegal takeover. He laughed. While we were at the front gate negotiating, Cesar somehow escaped by running out the back door. The workers were so interested in seeing the "fascists" (the US Labor and Commercial Attachés) in person, that they had forgotten to guard Cesar. We left after an hour not knowing that he had escaped. He later called us from home.

Q: Bob, you were saying that with all the takeovers and forced contracts, such as NCR, I mean, did Goodyear and all the other ones essentially say we can't do business here and let them die and move them to Ireland or someplace like that?

PASTORINO: Many did that. In other cases, firms remained in Portugal. In the case of Goodyear, Cesar got the factory back after a salary compromise. They probably got part of the salary increase and they kept the plant limping along. ITT owned the Sheraton and they just didn't give it any more support; I don't think they ever got it back, nor probably did they want it after two years or so of mismanagement. I remember we had a visit from Harold Gineen, President of ITT, but he couldn't convince the Government to return his property.

A lot of companies just gave up. Some of the companies regained control after suffering debilitating losses of many types, such as missing delivery schedules, thus fouling up production in other units, higher salaries, lower or no quality control, etc., most caused by abysmal management and insane policies, such as one which mandated workers should get paid without having to work. Some firms were milked dry of their assets by the workers and then returned. Some had the continued support of their home company if they could see some light at the end of the tunnel.

I saw both scenarios. I would say almost no American company came through unscathed. All were affected. I think I remember documenting eighty or ninety, most of them that had real manufacturing operations. I'm not talking about the American representative or agent who sat there and represented twelve companies. I don't know what happened to him. The manufacturing operations all went through very difficult times. I don't know how many finally just washed their hands of it, maybe a quarter. A significant amount certainly, reducing significantly employment of Portuguese. Also, let's not forget that many more European firms suffered, but that really wasn't my problem.

Q: During all this, did the Azores play any role?

PASTORINO: A political role in that there was an large and growing Azorean separatist movement which I think received lots of financial support from Azoreans in the United States. They organized the movement in the Azores, and it was used as leverage against the radical leftist Governments. There was a threat that somehow the Azores would seek independence and be supported officially from overseas. I'm not sure how much impact, if any, that had on the situation in 1975. The Azores might have been easy to detach; it's two thousand miles from Portugal in the middle of the Atlantic, with a major American air base.

I believe there was also a separatist movement in Madeira, a beautiful island off the coast of Africa. We spent a week there in 1976 when I some little business to do. A world famous lace factory, owned by an elderly American lady, was taken over by the lace workers, many of whom worked out of their homes, being paid by the piece. The owner had some tie to an important US Congressman. I tried to mediate but got nowhere. There was no way this lady was going to compromise away the fruits of her many years. She just didn't understand the expropriation of private property, especially since it was hers. She believed she had provided lucrative employment to the workers for many years, through the sales of the lace in the US. She didn't believe any lace would have been made without her organization, experience, and marketing.

She came to the Embassy every two or three months. So I think I finally I went to Madeira to see the operation. There was not much we could do. Nobody really cared except the one US Congressman. The Portuguese government couldn't be bothered with this little company. I probably took more interest in this company than anyone else in the world, by going out there.

Q: How about Spain? There was an interesting time and relationship there at that point.

PASTORINO: I have really only two comments about Spain, which I had visited in 1960 and several times during our Portuguese assignment. I thought Portugal was a difficult assignment and what saved me was that we could go to Spain for rest and recuperation at the US bases. We went to Torreon, near Madrid a couple of times and we were treated well. We stayed in the officers quarters; I remember being treated like an Ambassador. We also went to Rota Naval Base in Cadiz; same situation. The whole family loved it, especially the kids because of American TV and movies, and McDonald's.

The other thing notable about Spain for me at this time was the speculation by everyone that the coming Revolution after Franco died would be violent. Franco was obviously going to die sometime. But it was almost unanimous that his death would bring another Spanish civil war. Everyone wanted to know why the revolution in Portugal could be so peaceful. What was the secret? Could it somehow be discovered and transferred?

Lots of people came from Washington. They came in and wanted to know about the Portuguese revolution; how did it happen? what happened? I guess that given my interest in politics and history, some of these people consulted with me. I told them what I knew about the Portuguese Revolution, but could tell them little about Spain. By this time, I had been in Portugal as long as anyone in the Embassy and had gone through the best and the worst of the Portuguese transition.

I do remember telling everyone about one difference between Spain and Portugal. People would ask about bullfighting and whether it is true that in Portugal they don't kill the bull in the ring. It is true. The first time I had seen a Portuguese bullfight I thought it was a comedy because after the *banderillas* were placed, a new group of nine or ten men (the *forcado*) enter the ring and wrestle the bull to the ground by the tail, the first man grabbing the tail and then holding on. Should he be thrown before the bull is taken down, the second man of the *forcado* tries. Ultimately the bull is thrown and that is the symbolic killing. The cows then enter the bullring and lead the bull outside, where he is immediately dispatched. So the killing takes place in private in Portugal.

I've been a bullfight fan since I was twenty and the Foreign Service gave me ample opportunity to follow the event. I saw bullfights in Tijuana when I was young and in 1960 I had seen one of the famous *mano a mano* duels between Ordóñez and Domínguez, the two greatest fighters of the day. Those fights were later documented by Hemingway in an unfinished story which was finally printed many years after his death. We saw several fights in Portugal and Spain, and I later attended the bullfights in Mexico City, Bogotá and Caracas.

Anyway, the transition in Spain proved to be very peaceful, so I guess a lot of us were wrong.

With that, I guess we can move on.

DALE M. POVENMIRE
Labor Attaché
Lisbon, Portugal (1974-1978)

Dale M. Povenmire was born in Ohio on June 6, 1930. He attended 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 1953-1957 and joined the Foreign Service in 1957. He served in Santiago, Zanzibar, Asunción, Oporto, Caracas, Lisbon, São Paulo, Rome, and Washington, DC. He retired in 1986 and was interviewed by Morris Weisz on January, 29, 1994.

Q: *Anything else about Venezuela before we go on to Lisbon?*

POVENMIRE: Only that just before departing Caracas I wrote a report about Venezuelan concerns about an American settlement in neighboring Guyana, which was located in a region of Guyana the Venezuelans claimed for themselves. The Venezuelans thought that the activities of this community were questionable. As it turned out, they were right. The community was Jonestown.

Q: *This was before the mass suicide?*

POVENMIRE: I think this would have been about six months before.

Q: Jim Leader then followed you in Caracas?

POVENMIRE: No, it was Dan Turnquist.

Q: Leader then was before you?

POVENMIRE: Marty Forrester preceded me in Caracas. Jim Leader came later.

While we were in Caracas the Portuguese revolution occurred on April 25, 1974. Thinking back, it was almost the high tide of the perceived threat from the Communist Bloc. George Will wrote an interesting article one time in which he recounted conditions at the time of the Portuguese revolution. You had in Africa major communist-inspired revolutions on both African coasts, in Mozambique and Angola. Leftist regimes dominated a number of other African countries. In Latin America Castro's Cuba was still seen as a serious threat. There were guerrilla insurgencies, aided by the Cubans, in several Central and South American countries. In Asia, Vietnam was lost and the rest of Southeast Asia threatened. On the Euro-Asian land mass, the Soviet Union was probing at the edges of Western Europe and was poised to take over the government of a NATO country located on the Atlantic coast of the Western alliance. If Portugal had fallen to the communists, there would have been some who would have believed that the tide had turned definitively against the West. I have reason to think there were even some in the U.S. Government who were prepared to believe that Portugal was lost to communism. So 1974-75, the time of the Portuguese revolution, was a very dangerous period for the West.

Q: I like your careful use of the word "perceived" danger. A person of my age and my experience in dealing with the communists sees that as a time when there were cables going back to Moscow telling them to make it into a real revolution. I really think there was a real threat of the communists taking over Portugal entirely. It was a crucial period.

POVENMIRE: It became obvious soon after the revolution in 1974 that things were going badly. The Department was concerned and made a number of personnel changes in Lisbon. Because of my experience in Portugal they pulled me out of Caracas and sent me to Lisbon as the first labor attaché ever.

Q: Was Carlucci there then?

POVENMIRE: No, Carlucci had not arrived yet. The previous ambassador was still at post, although Dick Post was DCM and, in effect, running the embassy even though the ambassador, an out-of-depth political appointee, was there. Carlucci arrived I believe in early 1975.

You know, Morrie, it is hard to exaggerate the euphoria that swept Portugal after the April, 1974, revolution. For fifty years the extreme right, big business, and government had formed an interlocking directorate, a kind of stagnant, Neanderthal capitalism. We used to say that Portugal had six of Europe's richest families and six million of Europe's poorest people. The Caetano government had little popular support. It toppled after only a figurative push of the hand by the armed forces April 25 movement .

At the time of the revolution the platform of the April 25 armed forces movement called for the restoration of civil rights, free elections, rapid decolonization, and programs to assist the working class. This platform had wide support. There earlier had been no scope permitted in Portugal for the development of a legitimate, democratic, political opposition which could have pushed for similar reforms. Mario Soares, the Socialist leader, was living in France when the revolution happened. Portugal was wide open and whoever stood up and shouted became a leader. The communists were the only group on the ground ready to stand up and shout.

The Communist Party had built up a clandestine organization during years of opposition to Salazar and Caetano. They were able to play upon the public's admiration for their long-time opposition to "fascism." To be anti-communist was, ipso-facto, to be labeled pro-fascist. The communists moved quickly to expel "fascists" and got their people in key positions in government, the media, and labor.

The economic and social goals of the armed forces revolutionary movement soon became blended with those of the communists. The senior leaders of the April 25 movement seemed ready to serve the communists' purposes at almost every turn. The military itself became badly disorganized. Discipline disappeared. In some units groups of enlisted personnel insisted upon voting approval of any orders they were given.

The blundering political right allowed itself to be implicated in two self-destructive counter-coups. These provided further pretexts for the communists to arrest political opponents. "Peoples' justice" replaced the courts and workers commissions, voting by show of hands, took over hundreds of factories. The communists quickly dominated Portugal's two television stations. The only independent radio station, owned by the Church, and even the new Socialist Party newspaper were soon closed down by phony labor disputes.

From the communists' point of view, the military April 25 movement made one crucial mistake. That is, they promised elections within one year. Of course the communists hoped to manipulate developments during that year so that they would be able to sway the election and control any government which would be voted in.

Q: Reflect on it from their point of view. Didn't they have to promise elections and then control the government that came out of the elections. Think about 1917 when the Bolsheviks promised elections in March and then manipulated the post-election period so that the democratic forces were defeated.

POVENMIRE: I think the communists tried to do that. I remember a diplomatic corps luncheon we went to which was addressed by Admiral Rosa Coutinho, known as "the red admiral." This was about March, 1975, just before the elections. His line was "we've promised elections, we'll hold elections, but we're telling everyone to cast blank votes because they haven't had a chance to vote in fifty years, they don't know how, and we heroes of the revolution know what is best for the people." It was a frightening, chilling demonstration of military arrogance, and of political arrogance, because he was also a leading government figure. I believe he was Minister of Defense at the time. There was a large element in the revolutionary military who -- if they had

not thought so at the beginning -- began to think, hey, political power is pretty nice, we'd like to hang on to this for a while.

With regard to labor, the communists were glad to keep the old compulsory union membership and automatic dues check-off systems. And they moved to create a single national labor confederation. The proposed law governing union organization is what first provoked an open break between the communists and the socialists. Some in the Socialist Party faced up to the communists power grab and did force into the law a provision calling for mandatory secret ballot union elections. But before these secret ballot elections could be held, the communists convened a national labor congress in July, 1975, and created a new national labor confederation, Intersindical-CGTP . Naturally, they dominated the Intersindical-CGTP completely.

Let me give you some examples of the labor policies of the early provisional governments. When I arrived In Lisbon In October, 1974 , there were government-supported trade union demonstrations several times a month. Ten or twelve thousand people would march through the streets of Lisbon and then end with a big rally in one of the central plazas. Before I arrived in Lisbon, an Embassy officer doing labor reporting was spotted at one of these rallies. He was grabbed and marched by the crowd for several blocks before being turned over to the police as "an American spy." Later a Cuban General came to Lisbon and spoke at the Lisbon bull ring in a closed session for Portuguese trade unionists.

On another occasion the Communist Party created an arbitrary road block on the main highway between Estoril and Lisbon. The police stood by while red-shirted party members searched every vehicle. I was waved through because of my diplomatic license plates but everyone else had to open the trunks of their cars.

The elections of April, 1975 , marked a crucial turning point. The Portuguese people demonstrated their innate good sense and distributed their votes from left to right in about the same proportion as in any mature European democracy. To everyone's surprise, the communists got only about 13 per cent of the vote. It really restored my faith in the democratic system.

Even so, the situation remained very dangerous all through 1975 and 1976 as the communists and their allies continued to use their positions in government and other organizations to manipulate and exploit the situation. On November 25, 1975, the radical military, aided by the communists, attempted a coup to consolidate the gains that they had made since the revolution and for two days Portugal teetered on the brink of civil war.

Morrie, one of the most moving experiences I had in the Foreign Service occurred at a USIA-sponsored concert in Lisbon at the Gulbenkian auditorium. This was before the 1975 elections and at a time when there was much fear and oppression in Portugal. This USIA-sponsored group of unknown gospel singers came and sang. The hall was packed with several thousand people. Their first song -- I choke up -- was met by a virtual wall of applause. The Portuguese so needed some object, some symbol around which they could rally. There was the sense that everyone there desperately wanted to show how strongly they appreciated support, any kind of support. I'm sure the singers never had such an overwhelming audience response either before or after that concert but they certainly earned star billing that evening. It may have been one of the first

small turning points, an indication that, yes, there was a U.S. presence and people could demonstrate their support for it.

The first thing I did after I arrived in Lisbon as labor attaché was to try to inventory the various trade unions, where they were. I did this through phone books and by making contacts. Then I tried to determine, are there any friends out there?

Q: Fortunately you were already well versed in the language.

POVENMIRE: I knew the country, I knew the people, I knew the language. Any labor leader in office prior to April 25 had disappeared. I looked at Tom Herron's last labor report and it had no relevance whatsoever to conditions existing after April 25.

Q: You mean the people who had been active in the unions actually disappeared?

POVENMIRE: Not in the sense they were killed or assassinated, but they were nonentities. Again, an interesting Portuguese trait. They had a real revolution, and I use the term in the sense that there were indeed revolutionary changes, but there were only a handful of people killed in the whole event. Still, it could have turned very bloody on several occasions.

Q: What does it say about the attitude of Americans toward non-political but possibly important groups that you might have to work with even under bad circumstances. For instance, the attitude of the AFL-CIO that did not want anybody in the American Embassy who was labeled "labor attaché" because it would give the impression they were recognizing slave labor organizations.

POVENMIRE: That is why it would be good to have an alternative organization. If the AFL-CIO felt it would be compromised by being in there perhaps somebody else could come in and deal with them.

Q: Do you have any comments as to what sort of an organization? For example, the British always have the British Council. They can carry on labor programs through that. The Germans have their politically-oriented foundations. We in the U.S. have our Harvard professors who can come and tell the Russians how to reorganize their economy, but we have no non-official labor relations organizations.

POVENMIRE: I thought that the Institutes for Democracy would be the solution. In practice, I'm not so sure how they have worked out.

Q: In some places good, in some places, so so.

POVENMIRE: We have a variety of organizations. It seems some group should be able to undertake programs that the mainstream organization may not wish to do.

Q: But this was the secret of the communists' success, to the dangerous degree they were successful, the absence of anything else?

POVENMIRE: All organized support for the old regime just self-destructed and disappeared. There was nothing in existence, except the April 25 military junta and the communists, to replace it.

Q: Soares came back when?

POVENMIRE: He came back in 1974 but he was starting practically from zero.

Q: He did not have a trade union background.

POVENMIRE: He did not. He did have great personal courage. I was at the May Day celebration in 1975. The communists had organized the parade, which ended in a massive rally in a soccer football stadium, so that their unions were first in line. The Socialist-led unions, there were some few at that time, marched in the latter part of the parade. Once the communist unions were inside, the organizers said O.K., no more, the stadium is full, nobody else can come in. I was up behind the speakers stand, unofficially, very unofficially. You could see this mass of people down below waving these great red Communist Party banners. The stadium was fairly full, but a couple of thousand more easily could have fitted in. There was no way for a casual observer inside the stadium to know that there were groups still outside wanting to come in with their Socialist Party banners.

At that point both the Communist and the Socialist Parties still technically shared power with the revolutionary military April 25 movement, although the communists' role was far larger than that of the socialists. May Day was a major event and Soares obviously wanted to speak to the rally. I watched while he tried to enter the enclosed speakers stand. Communist security guards tried to keep him from entering and he literally had to push his way through. Once inside, the communists could not keep him from speaking without forcing a confrontation between the two political parties into the open. It was really a case of push and shove and Soares proved he had a lot of guts. There were no public security forces to enforce order. The police were totally ineffective and subservient to the military's newly created "Continental Operations Command."

Q: A French socialist told me about that time that he wouldn't be surprised to learn that Soares was overthrown, just like Kerensky was in 1917. But Soares did not have a trade union element with him in his political organization.

POVENMIRE: Nothing that amounted to very much at the beginning. They tried to organize them. The first time I came around to establish contact with the Socialist Party labor guy, a man named Madureira, he was very reluctant to meet with me.

Q: You introduced me to him.

POVENMIRE: Right. At the beginning he did not wish to risk being tarred by the presence of the American Embassy. Only after several months of low key overtures and playing by his rules, was I able to establish some kind of working relationship. He agreed, eventually, that he would pick a couple of candidates to go to the U.S. for labor training. He first chose a coal miner from

up north, near Oporto. The processing was approved and the grant arranged. I was at the airport the day the candidate was supposed to come to Lisbon and take the plane for the U.S., but he never showed up. He told us later that he was afraid to leave because the safety of his wife and children had been threatened back in the mining community where he lived. That kind of pressure and terror was making everyone aware that a real threat existed in Portugal.

Gradually the Socialist Party did get a small trade union effort organized. And the Social Democrats, the PSD, who had their strength mostly in the north, under the leadership of Sa Carneiro, also created a trade union presence, primarily in the banking and insurance sectors. Over time these two non-communist trade union groups did take root, but they were organized around two completely separate political movements. By 1976 these two union segments were fairly well established but they were not in any way coordinating their efforts. It was obviously in the interest of both factions to at least have contact but surprisingly, the leaders did not know each other. I knew the leaders on both sides, the socialists and the social democrats. The natural thing was to invite them to lunch. They were both willing. We had a good lunch. It was the first time they had met. I won't say that it was as a direct consequence of this meeting, as they followed through on their own initiative, but they did eventually create a unified labor confederation, the UGT, in opposition to the communist-controlled Intersindical-CGTP Confederation. The UGT, over time, developed considerable strength.

Q: The UGT had variations in strength, north and south.

POVENMIRE: Yes, it did. The PSD was stronger in the north and among the white collar unions. The Socialists had their greater strength in the south.

Another thing about my time in Portugal was that I was able to develop contacts with each of the four successive Labor Ministers in the various provisional governments. The first, Manuel Curto, was a labor lawyer and a Socialist Party member. I think his appointment may have been as a sop to the Socialists in the early provisional government following the revolution. Curto was never very effective.

Curto was replaced by Major Martins, an Air Force officer who had single-handedly taken over the Lisbon airport control tower at the time of the April 25 revolution. Martins was a fighter pilot. His labor background and expertise was that of a fighter pilot. His strength was his position within the April 25 movement and his connections. He was an opportunist. On May Day, 1975, Martins was the official representative of the provisional revolutionary government at the official celebration in Oporto. He told me after his return the following week that it had been the largest celebration in the city's history. From his manner, it seemed clear that he felt that it was in tribute to him personally and to his role in the revolution. Politically, he was friendly with the more leftist elements in the April 25 movement. However, my relations with him were on a workable basis and he agreed to accept a leader grant to visit the United States. He was the first cabinet minister of the revolutionary government to accept a visit to the United States.

Martins was eventually replaced in a successive provisional government by his deputy, Captain Tomas Rosa, another Air Force officer. Rosa also accepted a leader grant visit to the United States. His role was much more constructive than those of his predecessors. Rosa was followed

about two years later by a very capable Socialist trade union official, Maldonado, who had led the socialist trade unions into the unified confederation with the social democrats.

Q: May I ask you to comment on these first three labor ministers. It may be because of my background and because of the history of communist/socialist trade union activities way back to the Russian revolution that I have developed questions along these lines. What we have found in other countries is in the initial post-revolutionary situation, the communists never under any circumstances would want a person with a strict social democratic background. They tend to go either for a secret communist, or an opportunist who they felt they could mold or control. The first two of the people you have described sound as if they might fit that description. The category then divides into two groups -- those who are real underground communists and remain with the communists, and those who are opportunists and just go on a day to day, month to month basis and who frequently turn out to be more favorably disposed toward us as they see the development of power relationships. How do these first three ministers fit into these categories? Did you ever suspect, especially the military who were involved in the revolutionary movement, may have been secret communists or at least under their control and influence?

POVENMIRE: I don't think Curto was. I don't think he had the management capacity to run the Ministry. He did not have the experience or ideological backbone to effectively defend a socialist position against the more forceful communists. I don't think anyone could have at that particular time. But Curto was wishy-washy, a technician with a labor lawyer background.

Martins I would put very much into the category of opportunist. He felt at the time, as many in the April 25 movement did, that the winds were blowing in a leftist direction.

Rosa I would put more in the category of a person who saw what was happening and who was concerned over some of the extremist tendencies in the April 25 movement.

Maldonado, in terms of having the knowledge and expertise, was the best qualified of the four for the post of labor minister. He was out of the intellectual and training side of the trade union movement. He had the intellectual baggage necessary to do the job. He also had the full confidence of the Mario Soares.

I always felt, Morrie, Lisbon was the most important time in my Foreign Service career, in part because of some events that we haven't gone into here. I was able to provide information that was not otherwise available to the Embassy. At certain periods it was of critical importance, particularly around the time of the attempted coup in November, 1975.

I appreciated several comments I received later from people I respect. When I left Lisbon Gerry Holmes wrote to say I had done an outstanding job in perhaps the most challenging assignment faced by any labor attaché in recent years. Later Frank Carlucci, when he was Secretary of Defense, made a point of telling our Ambassador in Rome that I had been a tremendous help to him when Carlucci was ambassador to Portugal.

Q: That is certainly characteristic of Gerry to be so appreciative. He has now retired and has agreed to be interviewed. Did you get a promotion? What was your grade at that time?

POVENMIRE: I was promoted to FSO-3 [FSO-1 under the later, revised system] when I arrived in Lisbon. I made it into the Senior Foreign Service before I went to Rome. I was promoted to the grade of OC in the political cone, not on the supplemental labor attaché list.

Q: Let me ask you a couple of questions. I came to Portugal at that time, as you remember, to run a seminar. There was an old, heavy-set guy who wished to set up a training program of some kind. That was the excuse given for me to come over and give some lectures on the American system. During the course of this I was told by Irving Brown, and by Carlucci, that they wanted me to observe something broader and that was the sort of AID program that should be developed. Brown, knowing that I had this kind of experience during the Marshall Plan, felt that it might be useful, and I was to come up with a recommendation for the type of an AID person they needed. Was that clear to you? Did you know about the second purpose of my visit?

POVENMIRE: I don't recall that I did, Morrie. Frankly we were happy to get all of the support that we could during that time. I think we, the Embassy, had submitted various requests for training. The State Department was responsive. Whenever I made a proposal I always felt there was a good chance it would be accepted. I think the attitude in Washington was that our people in Lisbon needed all of the help they could get.

Q: Wasn't it early 1977 when I came there?

POVENMIRE: That would be about right. I don't recall that I was aware that people had approached you on this matter.

Q: Wasn't my name put through some clearance process by the Embassy?

POVENMIRE: Not directly through me, no.

Q: At that point we didn't even know each other.

POVENMIRE: We made a request for various types of training programs and I think I probably heard that you were the person coming out to do it. I was delighted and I think that it worked out very well.

Q: It was a great experience. I never would have been in Portugal. I was just curious because of the things we will be discussing later about the relationship between the Embassy labor officer and AID programs. Later on I would be taking the position that nothing should be done with regard to aid without the knowledge and support of the labor attaché.

POVENMIRE: Later on the AID program did come in and I regarded it as being entirely supportive of the kind of things I was trying to do. I know at one point I made a trip to Paris to iron out with Irving [Brown] some of the details relating to the establishment of the Free Trade Union Institute, which was set up primarily to work in Portugal.

RICHARD H. MELTON
Political Officer
Lisbon (1975-1978)

Richard H. Melton was born on August 8, 1935 in Rockville, Maryland. He received his BA from Cornell University in 1958. He later attended Wisconsin University where he received his MA in 1971. He entered the Foreign Service in 1961 and served in many countries throughout his career including Nicaragua, the Dominican Republic, Brazil, Portugal, England, Uruguay, and Costa Rica. Mr. Melton was interviewed by Charles Stuart Kennedy on January 27, 1997.

Q: You left ARA in 1975. What was your next assignment

MELTON: I went to Portugal. I had served in Latin America for practically my whole career. I thought it was time to move to another area of the world. I served in Portugal from 1975 to 1978.

Circumstances in Portugal were fortuitous. There had been a revolution in 1974 led by a group of young Army officers, disillusioned by their experiences fighting a losing colonial war in Africa. The Marxists were making major efforts to take over the new government. So I thought that the political situation looked very interesting. I spoke Portuguese, and Portugal was not in Latin America. It all looked pretty attractive to me. So I inquired about upcoming vacancies; I was told the principal officer job at the Consulate General in Oporto might be available. Oporto was the major town in northern Portugal--a center of conservatism, and a potential counterweight to leftists in the south. I made a bid for that job. I thought I was a strong candidate; in fact, the job went to the staff assistant of the then Assistant Secretary for Consular Affairs. The fix was in before I even had a chance to compete for the job. I was annoyed. I knew the new ambassador, Frank Carlucci--I met him when he and I were serving in Brazil. I called him and told him I was upset about the selection process, since I thought I was better qualified than the person who got the job. Frank remembered who I was, but confirmed that the Oporto position was a "done deal;" he did however mention that he was expanding the political section in Lisbon and suggested that I put my name forward for one of these positions. I did and was assigned to Lisbon.

Pre-revolutionary Portugal was an assignment that had been much sought after. If anything, there was even more after the revolution. This said, the quality of the people I encountered in the Embassy was mixed. The Portuguese political system had been very stable, but signs of change began to appear well before the revolution. But I did not think that our Embassy people had focused on this change--sufficiently at least. That was the major problem at the Embassy.

The issue in Portugal, which was mirrored in Spain, was the presence of an aging dictator. The question in such a situation is always whether there is a transition in process or is power just being transferred to another dictator. In Portugal, it had been clear for some time that the regime was becoming fatigued and that Salazar's successors were having increasing difficulties holding the regime together. In retrospect, I don't think we saw this phenomenon early enough; therefore we were surprised when the change actually took place and Salazar's successors were unceremoniously thrown out.

The change was a problem for the Embassy which had very good contacts with the regime formerly in power and poor to non-existent contacts with the new people. Furthermore, the Embassy was viewed by the new crowd with some suspicion because of its intimacy with the old regime. In trying to deal with the political change and the new faces on the scene, the Embassy was hampered by all these challenges and could not do an effective job in representing the US. That led to a decision to turnover much of the Embassy's staff; Frank Carlucci was appointed as Ambassador and he brought in Herb Okun as DCM. In addition, the staff was almost completely changed and increased.

I did not perceive paranoia before leaving Washington, but once I got to Lisbon, I immediately got a feeling of desperation; i.e. that Portugal was being lost to NATO and turning toward the communists. That soon became the dominant view in Washington. This studied pessimism created problems for managing policy and relations because the tendency was to "write off" Portugal in part to "show the rest of Europe" what the consequences would be to lean toward communism. The assumption was that the leftist regime in Portugal would make such an economic mess that other countries, such as Italy, would be inoculated against communism; that is, would not be tempted to follow in Portugal's path.

One of the implications of that view touched on our air base in the Azores, which was at some distance--geographically as well as psychologically--from Lisbon. The activists among the Washington Nay-sayers assumed that the Azores had national separatist tendencies which could be fanned, thereby allowing us to keep our base there regardless of the events in Lisbon. There were even those who thought that Portugal might well come apart with the Azores or other parts of Portugal seeking independence.

If you didn't buy the view that Portugal was going communist and that that would be a good example for the rest of Europe, then one had a difficult challenge in viewing the situation positively. But there was another point of view--that, in time, became the Embassy view. Portugal was not "lost" but rather was going through a phase of political development which need not result in a communist takeover. This interpretation was supported by the presence in Portugal of some dedicated proponents of democracy and the essentially conservative nature of the majority of the Portuguese population. This view held that eventually the democratic tendencies of the Portuguese would reassert themselves and therefore Portugal should not be "written off."

It was these two perspectives which clashed in the development of US policy toward Portugal. Carlucci's view was that we should support the democrats and stick with Portugal, which would eventually become a respected member of the European community. The Embassy staff shared this issue.

The political split in Portugal in the mid-1970s was on the left of the spectrum since the right had essentially been so denigrated that it had little influence. The competition for power was essentially among three groups: the Socialist Party; the Communist Party; and the Armed Forces, at the time led by young officers of the Captain's Movement. I was assigned to cover the first group, the Socialists; I had some help but I was the main contact person. Gradually, I expanded

my associations to include some members of the "Captain's Movement;" I developed some good contacts within that group. By the time my tour ended, I had been promoted to head of the Political Section, after initially serving as deputy.

The Embassy was filled with people who did not have much more experience in Portugal than I did. My job was to establish and maintain contact with the Socialist Party. I had never met a socialist party member before. I asked how I might go about doing this. I was told that as a political officer, I needed to figure this out for myself. No one else in the Embassy knew the Socialists either. So I found where the Party headquarters was and walked in. I learned about the Party structure. I went from individual to individual, expanding my--and the Embassy's--contacts with the Socialist Party. So I started from the bottom and worked my way up in the structure, which was not easy since we were viewed with great suspicion by Party members.

I don't want to overstress that suspicion; it did exist, but it was not uniformly held by all party members. There were elements within the Socialist Party that certainly did view us with antagonism. The Party had been in exile for many years; Mario Soares, the head of the Party at the time, had previously been a member of the Communist Party. So in Portugal we had the classic communist-socialist split; whether you were one or the other, depended in great part on non-political factors--family relationships, historical circumstances, etc. Gradually, before my arrival, however, it became clear who were the democrats and who were the authoritarians. The Socialists were the democrats. But there were still doctrinaire members of the Socialist Party who were much to the left than the party rank and file and more suspicious of the U.S. and the Embassy.

Fortunately, my first contacts were with people who were solidly in the democratic camp. In time I became acquainted with the more extreme elements. I found that slowly but surely I could build comfortable relationships with most elements of the Party, including doctrinaire leftists. I began with the International Division of the Party; that was the logical starting point for a foreigner. It was the Party's point of contact with embassies in Lisbon; they were used to dealing with diplomats.

Soares was largely unknown to us, despite his extensive political experience. Initially, people pointed to his communist background. There were questions about whether he was really a "democrat." That skepticism was quickly resolved within the Embassy. His early actions clearly showed his inclinations; there was no question in our minds that he was a democrat. I don't know that Washington came to the same realization as quickly.

Getting to know other Party members was a greater challenge. I tried to expand relationship by relationship. Sometime I found it necessary to call on an official and introduce myself--explaining who I was, what my job was and why the relationship I was trying to establish was not part of a nefarious US plot but might well work to the advantage of all concerned. By and large, I think most people accepted this view, but there were some who continued to view all U.S. government activities with great suspicion, which spilled over to me personally. In those situations, I would try to find an intermediary who would introduce or refer me to the skeptic; that would indicate that I was not a total stranger, but I was known to members of the Party. That

worked pretty well; gradually, even that hostility which initially had existed, dissipated and people became sufficiently open.

As I said, most Party members were democrats; so that even if they had a bad experience with the U.S. or were just ideologically suspicious, we did have a shared view on a preferred political system; so if we could reach that common ground, a dialogue could be established. I must say that our then current foreign policy problems--particularly El Salvador--were great fodder for European socialists, including the Portuguese; they used to beat up on us for these "failings." The Portuguese socialists were part of the Western European movement; many of them had close contacts with fellow Party members in France, UK, Sweden, and other countries. Some financial support flowed from those countries to the Portuguese Socialist Party. The Socialist International was also active, and I came to know and respect the local SI representative, Berne Carlsson.

The Portuguese were and continue to be spread out all over Europe as "guest" workers. It is too often overlooked that when they work outside of Portugal, they are often in subordinate positions. So if you are an exiled Socialist Party leader or just a member, you may be welcomed by your "brother" in a foreign country, but it is not usually a comradeship of equals. The Portuguese were the foreigner and could never quite get across that hurdle. So often he or she would not take on entirely the views of the local Party. I developed relationships with Party members who had been in exile in the UK or Scandinavia; it was quite clear that their experiences were not uniformly positive; they were always in a subordinate position. Financially, many had to rely on the generosity of foreign party members; that too is sometimes hard to swallow.

Of course, the fact that there were many Portuguese who had emigrated to the U.S. helped in some ways. Many came from the Azores and ended up in Massachusetts. The Portuguese communities in the U.S. often began as fishing communities on the East Coast or in San Diego. They were very independent--as most professional fishermen have to be. But some of those emigres suffered from a time warp. They viewed Portugal as they might have remembered it from many years earlier--before they emigrated. So their views of Portuguese society and politics were sometimes far out of date. For many, what was happening in Portugal was not in conformance with their views of how their country should behave. So some of these emigres responded by supporting separatist movements in the Azores as a way of putting pressure on the authorities in Lisbon.

Basically the support by the American Portuguese communities was rooted in their perceptions of what was going on in Portugal--perceptions which were not always accurate, in my judgement. It was the role of the Embassy to try to ensure that the U.S. government, and through it the Portuguese communities in the United States, had current and accurate information on political developments in Portugal. I think the Embassy did have differences with Washington on policy. Our perception of what was going on in Portugal, personified in Ambassador Carlucci's views and representations, was, as I suggested earlier, somewhat different from Washington. Ambassador Carlucci represented our views very effectively and I think, as subsequent events bore out, that he and the Embassy were right--Portugal did not "go down the drain," but remained a steadfast member of the European democratic community.

I might here just make a comment on the management team. In Embassy Lisbon, Ambassador Carlucci worked through people and placed full confidence in his staff. He encouraged individuals to perform to their maximum capacity by giving staff members responsibility to do a job with minimal interference. That I think enhanced the performance of the Embassy staff. The DCM was much more a micro-manager--although he might not agree with my characterization. He wanted to put his stamp on each report or action. The high-level interest in the Embassy's work encouraged this approach. To his great credit, Ambassador Carlucci resisted this approach, and he, not the DCM, had the final word. Ambassador Carlucci knew the DCM's strengths and weaknesses well; so the Embassy worked quite well, under two strong, but quite different senior officers.

I think the morale of the Embassy during this period was very high. In the first place we were on the front lines in a very unusual political situation which generated great controversy. In the second place, we had an Ambassador who carried considerable weight in Washington; he had been the Deputy Secretary at HEW before coming to Lisbon. His views could not be easily ignored or dismissed by Secretary of State Kissinger. All of the members of the staff had well defined areas of responsibilities; they were challenging because in part they were new--that is, the jobs had not existed before and many of us were therefore breaking new ground. We were establishing relationships that had never existed before. The stakes were high, and I think we all had a sense of being involved in significant issues. There was a pressure to produce and to make judgments which would be proven correct by subsequent events. Our reports had to reach conclusions; events were moving too rapidly; we had to make decisions then and there. Each event needed to be put in some broader framework and to state clearly the implications for the United States. Ambassador Carlucci was of course ultimately responsible for all of the judgments and conclusions, but we would put our views on each report. Carlucci would read some reports before they went out and some after the fact, but he saw everything. Occasionally he would ask a drafting officer what he or she was trying to say and how much confidence the reader should have in the conclusions reached. Sometimes, he would not find the evidence that conclusive; that would either force us to find more evidence or to modify our written conclusion to indicate some ambiguity in the evidence. But those were rare situations; in most cases he would agree with my conclusions--he of course had independent sources in the Socialist Party, including Party leader Mario Soares whom he saw frequently.

Many people said that the Portuguese government was run by Marxists. It was not that simple. In the first place, the government was controlled by the "Captains Movement"--the group of young officers that was formed through the African colonial wars. The term "Captains" derived from the fact that this Movement was initially founded by small unit commanders fighting a guerrilla war--Captains would command company sized units. These individuals later coalesced into a political bloc, led by the Captains and a few more senior officers. In any case, the "Captains" became the prime movers behind the revolutionary government. They brought into the government some civilians, including some associated with the Communist Party. Prime Minister Vasco Gonçalves was not a Communist Party member, but the U.S. government was inclined to believe that if he walked like a communist, talked like a communist; he must be a communist or at the very least a tool of the communists. The question arose, "What was he?" He did appear to be a Marxist, and some leaped to that judgment, thereby also placing Portugal in the "lost" column.

The "Captains Movement" did not have a political base nor a party structure nor was it supported by all of the armed forces. So it was not likely to produce, on its own, a regime with much lasting power. Therefore the issue became which party would dominate the politics of Portugal as the Captains receded. That brought the Communists and Socialist into competition which manifested itself very soon after the system was opened up and people were allowed to participate through electoral politics. Both the communists and socialists quickly developed party structures which prepared them for the political competition.

The Communist Party was led by Alvaro Cunhal, who was Moscow-aligned, thoroughly orthodox and a hard liner. There was no significant Euro-communist wing within the Portuguese Communist Party, Cunhal moved in lock-step with Moscow. The members knew to follow the party line rigidly. In fact, that made our task somewhat easier; the communists were very rigid and were slow to react. On the other hand the socialists followed the democratic path of Mario Soares. There were some permutations, but by and large, it was Soares' views which held sway. By and large, that was the dichotomy in Portugal; the choice for the U.S. was easy.

The Soviets were very much involved in Portuguese politics. They tended to operate through surrogates--the East Germans, Cubans, Bulgarians, and others. The Soviet hand was quite noticeable even when the work was done through the surrogates. It was hard to deal with them because so many embassies representing "sovereign" powers were involved. There was a division of labor; some embassies were asked to do certain tasks by the Soviets and others were left to other missions. In our analysis of what the Soviets were doing, we had to keep in mind what all the surrogate embassies were doing.

It was difficult enough to establish contacts with the "Captains Movement." We were not entirely popular with the armed forces because of our African policies. In addition, the captains and majors, when they decided to seize political power, had ruptured their ties to their own military establishment. The military also became divided in its views of what Portugal should do. The captains and majors were really uncertain of their roles or of the role of the armed forces; they were not all career military; many had been drafted into the officer corps because Portugal needed more manpower than its standing army could provide to fight the colonial wars. So many of the captains and majors entered the service when the armed forces had been greatly expanded, but were not really a part of the hard military cast. They were somewhat easier to approach than the more traditional military man who routinely reported every contact through the chain of command, to be told that the contact had been appropriate or not. With "civilian" captains and majors, there was much less stringent command and control. The government structure was not nearly as cohesive as it appeared from the outside. No one had actually made an effort to talk to junior officers; that gave me an advantage. Also they were age contemporaries of mine; that seemed to make it somewhat easier even though I have never found age to be a big factor in making contacts. With the captains and majors, I didn't have to have referrals. In fact, among the "Captains," it would probably have been harmful if one tried to use one member to get introduction to others; more doors would have been closed that way.

Our own military did not have good contacts with the "Captains." We had some effective attachés, who did very good and essential work, but they were not very helpful to me in making

contacts; I had to make my own. I found that the members of the "Captains Movement" were as interested in talking to us as we were with them. As I said, many were not professional military men; they were curious about the US. One of my first contacts was the spokesman for the Movement; he was interested in matters beyond the military. I told him that I was new on the scene, as he essentially was, and that we both might find occasional conversations to be useful to both of us. He agreed and that started a relationship that lasted for the rest of my tour in Portugal.

It was clear that the military, especially the Armed Forces Movement was a key player in Portuguese affairs. It was incumbent on me as well as my colleagues--and not just the attachés--to develop contacts with these people; it really didn't make much difference who opened up the channels of communications; the important thing was that such channels were opened. Our attachés were very good in discharging the duties for which they had been trained; they were not as good at opening dialogues for political purposes. Ironically, the attachés were not comfortable dealing with people of authority outside the military command structure; for me, that came naturally. I used first of all to try to determine who was significant; secondly, I would see whether anyone in the Embassy was already in touch with those individuals; if the latter answer was negative, then I would try to establish such contact. Both in Brazil and Portugal with the socialists, I just knocked on likely doors; I frequently had no way to get "proper" introductions. I just presented myself and gave the best reasons that I could think of for the individual to talk to me. So Brazil was a good learning ground; I used some of the same techniques in Portugal, where at times, opening doors was more difficult because we were viewed by some with great suspicion and sometimes hostility--although I encountered some of the same skepticism in Brazil. I found that it was important on first meeting to start at the beginning; who I was, what and why the U.S. was interested in a specific subject--to take nothing for granted. There was nothing mysterious about it, it was a straight forward and legitimate diplomatic function. It worked quite well.

Conversations always have two aspects. One is to determine the rationale used by your interlocutor on some subjects; that explains in part why certain things are happening. In the case of the Socialist Party, it was important to grasp what its goals were and how it expected to achieve them. That enabled us to better understand what was going on in Portugal at the time and what the prospects for success might have been. The other aspect was a presentation of the U.S. view on a subject--where it was appropriate for us to have views, which was true in more cases than people imagine. By expressing our views, we hope to influence the listener to be sympathetic to our preferences. At best, we could find common policy objectives; that would establish some sort of unity of purpose which is obviously a desired situation. So conversations did have an element of each side trying to convince the other on certain positions. In the end, it is important that diplomats make judgments, and it is fair to hold them accountable for those judgments. You are assigned to get it right; if you don't, you haven't done your job.

The European socialist parties were providing financial support to their Portuguese brother. This was provided bilaterally and through the Socialist International. At the time, the German contribution came in effect from tax revenues cycled through party institutions primarily in the Socialist Party. Each German party had an Institute or Foundation which was used to provide support to their foreign ideological allies. At the time, this was a major source of resources for all

parties including the socialist. The communists relied on support from Moscow channeled through a variety of avenues. The Chinese were also active, but on a much smaller scale.

The democratic parties all had common objectives; a democratic regime in Portugal. That was our goal as well. Having said that, however, we had to admit that the socialist parties had their own agendas; there were tendencies in northern European parties which might have some things in common with southern European parties and some things on which they differed markedly. Each might have their own preferences for a Portuguese Socialist Party structure or they each might have had different preferences for leadership. The Portuguese Party was run by a leadership elected in at annual conventions; the leader had to devote much time to building up constituencies which will support him. So when the vote is taken, the results are usually not a surprise. The inflow from foreign funds could be decisive in influencing the outcome of the annual convention, although few Socialists would like to admit it. The leaders also had the advantage of incumbency. The Portuguese Socialist Party cadres which returned from exile, included many people who were unknown quantities even among long-time party members. The track record of all leadership candidates had been interrupted by the exile; so an observer could not be fully confident of the position that any member of the Party might take once in power. So there was ample room for discussion and disagreement on the near term future of the Party and the direction it might take. There was a lot of discussion within and outside the Party about its future; so it was a very dynamic and effervescent period.

We were concerned that the single-minded dogmatic approach of the communist might win out over the squabbling, disputatious socialist. This challenge was certainly a serious concern for the socialists. But ironically, one of the advantages the Socialist Party had was it had in its senior leadership people who had come from the Communist Party--a Stalinist Party. These people were quite aware of the tactics and strategies that their former colleagues would follow and knew the strengths and weaknesses of the communists. They were just as energetic and purposeful as were the communists. Communists often have an advantage in that they controlled the streets. That was not true in Portugal. There the communist might bring out 50,000 people to demonstrate only to find that the socialists had mobilized 60,000 in another part of town; the socialists matched the communists at every juncture. They knew the communist tactics and managed to counter them and mount their own campaign in a democratic fashion.

The NATO connection was important because it was composed of democratic nations and held out the prospect of an EC connection and eventual membership in the European communities. This democratic presumption was important for Portuguese political development. Had that connection been severed, Portugal might have been written out of the democratic club. As far as the Portuguese military was concerned, it was in a state of flux during this period. It did not stabilize until later when the whole Portuguese society came to a conclusion about its future. But even in this period of flux the NATO connection was important to the three elements of the Portuguese armed forces: Army, Air Force, and Navy. There was a NATO naval headquarters right outside of Lisbon--the Iberian Atlantic command. That was the source of some prestige for the Portuguese, particularly for the Navy. To have closed that down would have a serious negative implication and would have weakened the Portuguese democratic movement in its efforts to assert itself.

Eventually, it was the military that took the leadership in re-establishing democratic institutions in Portugal within the revolution. To have cut the NATO or EC connection, as some in Washington urged, would have made that task much more difficult.

I do not like to generalize, but I would have to say that Portuguese society was very conservative and traditional. The Armed Forces Movement superimposed on that society in 1974; it was a mismatch because the society and the Movement did not share common values. The majority of the Portuguese people live in the north--many in rural areas; the south was the base for the communists and the far left--as well as some of the industrial sections of Lisbon. So it was just a matter of time before Portuguese conservatism, centered in the North reasserted itself; it represented the majority. The communists under-played their hand. Perhaps they should have taken control in the 1974-75 period when they were at the zenith of their influence; their vote count was well above 20%. The communists did not take advantage of their temporary position and that, according to some, was a serious error in judgment. Time was not in their favor, and they missed their opportunity.

Long-time Spanish ruler Francisco Franco died while I was in Lisbon. People may not agree with my analysis, but I think it was fortunate that the transition to democracy and the Iberian peninsula started in Portugal. The outcome in both countries was good. Spain had the advantage of having watched developments in Portugal; the Socialist Workers Party there benefited from having its sister party in Portugal take the lead in bringing political openness to a country governed by a dictatorship. The Spaniards saw that democrats like Mario Soares and Felipe Gonzalez could be successful. I don't think that we should overstate the case--the Spaniards probably would not agree with this analysis--but I do believe that events in Portugal made it easier for Spain to build a democratic government after Franco's death. It certainly made events in Spain more palatable to Washington; we had seen that transitions were not necessarily damaging to our interests and therefore had greater tolerance for events in Spain. So I think what happened in Portugal may have been even more significant than it might have been otherwise; in the context of the times, even events in a small country could have wider ramifications, particularly when the transition was as successful as it was in Portugal.

I believe that the transition in Portugal was a significant success for American diplomacy. We had a new ambassador and a new staff which managed to change the views of a Secretary of State who was not known for his flexibility--or his optimism about Portugal. Henry Kissinger might have written Portugal off, but Ambassador Carlucci managed to hold the line and, in the final analysis, preserve Portugal for the western alliance. So this was an important period.

I look back on my Foreign Service career and consider the staff of Embassy Lisbon to have been among the best that I ever worked with. I think they were some of the top people in the Foreign Service. The Political Section had Charlie Thomas--later our Ambassador to Hungary and a negotiator in Bosnia; Joe Sullivan--until recently the head of our office in Havana; Mark Paris--our Ambassador to Turkey, at the time a relatively junior officer who had served in the Azores and was therefore a key member of the staff; Wes Eagan--now our Ambassador in Amman. So we had an outstanding group of officers who were highly motivated, able to start contacts from scratch, and eager to work.

Our desk in the Bureau of European Affairs dealt with us with a very light hand. I did not sense that it was either an obstacle or a great asset, either. The dialogue about Portuguese issues took place at higher levels. The Office Director, Bob Barbour, was experienced and wise, but I think the key issues were being tackled far above him.

As I said, this was a difficult and turbulent period in Lisbon. We had to lease our own quarters, which was difficult because the economy had been seriously disrupted--people taking over property. There were houses available, but we had to find them ourselves, which was alright, except that it was very time consuming. Many of those with property had abandoned the country; land invasions and property takeovers were widespread. The Embassy's administrative support infrastructure was inadequate to assist the expanded staff. There were some questions which in retrospect were probably more important than they seemed at the time. We didn't have any housing standards--what was an appropriate size residence; there were many landlords who were anxious to leave the country and were willing to rent their places to diplomats at a great discount. Many of these homes were palatial; under later housing standards, the question of appropriateness might well have been raised. I lived in a relatively modest place.

Portugal can be quite cold in the winter and most houses did not have central heating. That could be a real problem. My house was usually cold in winter. We did have some concerns for personal safety. I was considerably younger and probably wasn't as concerned as I should have been. But it was not my first tour and I had learned enough about self-preservation which stood me in good stead. We did have to be careful, particularly in crowds; violence was always a possibility--young people carried weapons even if they really didn't know how to use them nor were they particularly disciplined. Being stopped at road blocks by armed militia was not an unusual phenomenon; the fact that you might have been a diplomat cut little ice; we had to open the trunks of our cars just like every one else, following instructions given by a teenager with an automatic weapon. It was particularly uncomfortable to families who might be stopped while driving. In general, it was a very hard tour for families who often took second place to workplace demands.

Periodically, the topic of US policy in Africa would arise in my conversations with my Portuguese friends. This was the period of heavy Cuban involvement in Africa. We knew about Cuban troop movements in Angola. We were involved on the periphery in Portuguese efforts to disengage from Angola and Mozambique without allowing Marxists to take control. We were not central to this discussion because the Portuguese had in effect washed their hands of their former colonies, although there were still strong connections between some Portuguese leaders and political parties in the former colonies. So at the edges we tried to play a helpful role, but I don't think we were particularly significant or successful. The issues, by this time, were beyond our control.

By the time I departed Portugal in 1978, I left a country very much on the rise. The power had shifted; an elected President, General Eanes, a relatively young senior officer who reflected the mainstream views of the military, was the head of government. The Socialist Party had won the general elections; Soares had served as Prime Minister. The Social Democrats had also won an election. That demonstrated that democratic principles were well in place and that the electorate had a wide choice from democratically-oriented political parties. This new atmosphere was proof

of the successful transition that Portugal had passed through and gave observers solid reasons to expect a continuation of democratic practices in that country. The negotiations for entry into the EC were well underway and although the formal entrance was still distant because of economic aspects that had to be changed to meet EC standards, it was clear that Portugal would eventually enter the community because it had the will to do so and because it now met democratic standards of that group.

FRANK CHARLES CARLUCCI III
Ambassador
Portugal (1975-1978)

Ambassador Carlucci was born in Pennsylvania, graduated from Princeton University and the Harvard University Business School. He served in the US Navy before joining the Department of State in 1956. Before serving as Ambassador to Portugal, Mr. Carlucci had assignments in Johannesburg, Leopoldville, Zanzibar, and Rio de Janeiro. Ambassador Carlucci held a number of high positions within the US Government including National Security Advisor and Secretary of Defense. He was interviewed by Charles Stuart Kennedy in 1996.

Q: Because of the time limitations, I would like to move directly to what I consider one of the more significant episodes in the work of the Foreign Service in the last few decades, and that is the situation you were put into in Portugal where you served as Ambassador from 1975-78. Could you tell me what were the circumstances that brought you to this appointment?

CARLUCCI: I am not sure I can tell you other than the fact that I spoke Portuguese because I had served in Brazil. I don't know whose suggestion it was. I was in the job of Under Secretary of HEW at the time, very far removed from foreign policy, even though I continued to serve as a Foreign Service officer. I did know Henry Kissinger and Don Rumsfeld and I also knew the President. Portugal was in a crisis state and the suggestion, I was told, came from somewhere in the State Department. I was asked, and given the circumstances, I decided to accept.

Q: Could you explain what the circumstances were in Portugal before you went there?

CARLUCCI: In retrospect it is quite clear that the president was a communist sympathizer, the prime minister was a communist, the top military structure was controlled by communists, the labor unions were controlled by the communists, most of the government was communist. There was a lot of unrest in Portugal and the feeling was that Portugal might be the first NATO country to go communist. It was quite a tense situation with a lot of demonstrations in the streets. So, it was something that needed urgent attention. Henry Kissinger had been dissatisfied with the previous ambassador, Stewart Nash Scott, and had summarily removed him. I was given very little time to get out there.

Q: What sort of briefing were you getting from the Iberian Desk, the Secretary and others about what you would find and what you should do?

CARLUCCI: The Desk pretty much confined itself to the facts of the situation. It was clear that Henry Kissinger felt that the situation was that Portugal was at least a pre-communist state. It is no secret that he called Mario Soares a Kerensky at the time, and I think that accurately reflected his views.

Q: Kerensky being the figure prior to the communist takeover in Russia in 1917, rather an ineffectual socialist.

CARLUCCI: Correct. Henry didn't have a lot of faith in the socialists. But he did agree in the outset that we could have some modest aid programs to Portugal. He felt I should have some tools to work with. I gradually became convinced that there were strong forces pushing against the current trend in Portugal. There were a number of considerations. Portugal was not adjacent to the communist bloc. The ties to the West and NATO were strong. The Church was influential, not in the hierarchical sense but at the village level. The people were by and large conservative and they were interested in protecting their economic interests. I thought the electoral process could serve to undermine the communist control of the country. There were a lot of skeptics about that. That was in essence the nature of the dialogue between Embassy Lisbon and the State Department, with a number of people in the State Department feeling it was probably best to write Lisbon off and teach them a lesson in order to protect the rest of the countries in Europe.

Q: Before you went out how big was the Azores question and the Pentagon's interest in that?

CARLUCCI: They showed a clear interest in the Azores which were essential in those days to any kind of airlift to the Middle East. They were very protective of their equity in the Azores. There probably were elements -- certainly there were elements in the Congress -- who were intrigued with the idea of Azorean separatism. Some, including one person within my own embassy, were intrigued with the idea of cooperating with the extreme right. I took a very firm stand against that.

Frankly it took a number of meetings in June, 1976, with me and Henry Kissinger, for us to reach a meeting of the minds. Henry was coolly critical of what he regarded as my willingness to bet on the democratic parties which he didn't regard as very strong at that point and he had made a public derogatory comment about me which emerged as headlines in the press.

Q: What was that?

CARLUCCI: I think it was something along the lines of "whoever told me Carlucci was a tough guy." I had a few tense meetings where I told him quite frankly that his statements were pushing Portugal into the arms of the communists and his response was, "Well, if you are so goddamn smart, you make the statements," to which I said, "Fine, I will."

I had some discussions with the White House as well because I believed I worked for the President, not just the Secretary of State.

Q: This is President Ford?

CARLUCCI: Yes. I was well acquainted at the White House having been an Under Secretary of a major department, so had some discussions there. The next time I met with Henry he said something to the effect that the President had asked to see me.

Q: This was in 1976?

CARLUCCI: Yes, 1976. Quite frankly at that meeting Henry did say that he would give my policy option a chance, he would back me. So, I told him there was no reason for me to go to the White House. Henry couldn't have been more supportive from that day on. He had been highly critical up until that day, but once we reached a meeting of the minds, a joint decision, he gave me practically everything I wanted, all the support I needed. It turned out that the electoral process worked, and as history has demonstrated, the socialists came in. The socialists ran a campaign of privatization, an undoing of much of what the communists had done.

Q: I would like to go back to the beginning of 1975. You arrived out there just about at the turn of the year, didn't you, from 1974-75?

CARLUCCI: January, 1975.

Q: What was your impression of the embassy at that time? Obviously, the former ambassador, who had been a political appointee, had gone. This had been a rather sleepy, rather undermanned post. I interviewed Ed Rowell, who was on the Iberia Desk, and he said it was a very small embassy at that time and not particularly well staffed.

CARLUCCI: That is an understatement. Larry Eagleburger, who was Under Secretary for Administration at the time, told me it was the worst embassy in the world. We had in the embassy's political section somebody who, according to the Office of Personnel, was always on the verge of being selected out. His reporting was not up to par. To put it mildly, it was a turnaround situation.

Q: How about the DCM?

CARLUCCI: Well, the DCM had left. I am not sure of the circumstances, but, I picked my own DCM, Herb Okun, and we, in essence, went out together.

Q: Well, you had known Herb from...?

CARLUCCI: From Brazil.

Q: You are faced with the worst embassy in the world. A NATO country, which is sitting on some vital real estate, with a communist government. What do you do?

CARLUCCI: First of all you try to shape up the embassy. I gave that task to Herb. The natural tendency for people like Herb and myself, is to do the reporting ourselves, which we did for a couple of weeks because there was no other option. Then I told Herb he had to stop rewriting

cables and start sending them back to the drafters and tell them to redraft them and how to redraft them until we got people trained. He had to set schedules, he had to set goals. We had to be very precise as to what we wanted out of the staff.

Secondly, I began to work on an AID program. I had a lot of trouble with AID, they wanted to send me flocks of people instead of programs. But, we worked that out. I got a good AID director and I started to design AID programs myself.

Q: Who was your AID director?

CARLUCCI: Glenn Patterson

Q: That's all right.

CARLUCCI: I had had considerable background in the domestic area and began to design some programs myself in the health area. I started the first emergency medical services program, which is alive and well in Portugal today.

Q: Is this because of your background in HEW?

CARLUCCI: Yes. I started a management school at the Catholic University. I moved forward on a housing program. I designed a package for the military try to reprofessionalize the Portuguese military. I worked very closely with David Bruce, Ed Streater and Al Haig on that. In fact, it was rather amusing, I went up to USNATO and participated in the drafting of a cable in the evening at Ed Streater's house recommending a military aid package for Portugal, and then went back to Portugal and wrote an endorsement of the USNATO cable.

Thirdly, I began a rather intensive campaign of getting to know the political figures. I would make it a goal of meeting at least two or three political figures a day. I would just call them up and setup appointments, invite them to lunch, invite them to dinner. So, I became quite well-acquainted.

Fourthly, I made myself accessible to the press, too accessible according to Washington. But it had a major impact on public opinion, the fact that I was open. The fact that I spoke Portuguese helped. To my recollection no previous ambassador had spoken Portuguese. That began to create a positive image. There were all kinds of charges about the CIA. The communists put out a book, two inches thick, called "Dossier CARLUCCI: CIA." There was one press conference where I answered all these charges. The questions were so slanted that even the communist minister of information jumped in at one point and said, "Now look, you can't expect the ambassador to constantly answer negatives to prove that he is not part of the CIA." But, the fact that I was open, I think had a major impact.

Finally, I quietly established lines with the Church. Not that I ever asked them to do anything, but I would go over and talk with the Archbishop quietly, have lunch with him, and came to understand what the Church's view was. I regarded the Church as being very important and

indeed the so-called counter-revolution did start with the village priests in northern Portugal, so the Church played an important role.

Q: Did you find them rather dispirited at the beginning, when you arrived there?

CARLUCCI: Yes. The first meeting I had with Mario Soares he came around to my house. I will never forget it. It was an evening and I had been there only a day or two. I think he was foreign minister at the time. He was very down. When he left Herb Okun and I turned to each other and said, "What have we gotten ourselves into?"

The Portuguese are wonderful people but a little pessimistic by nature, fatalistic. It is always hard to cheer them up and get them to look at the positive side of things. I set about deliberately to do that, to convince them that things were not lost. I had had a little experience doing that when I headed for Richard Nixon the disaster relief effort after hurricane Agnes where people were totally depressed up in the Wilkes Barre area of Pennsylvania. I went in specifically with the goal of taking a public position and turning around people's attitudes by telling them that it wasn't the federal government that was going to do it for them but they were going to do it for themselves. And it was much the same kind of thing in Portugal. Expressing faith in the Portuguese people, expressing faith in the Portuguese leadership that you can do this. That you can be a free country. That you haven't lost your revolution. It has taken a little detour, but you can work your way out of it. So, the positive outlook I think was extremely important.

Q: What was your impression of the Communist leadership and their hold in the country at that time when you arrived?

CARLUCCI: Very erratic leadership. I spent many, many hours in long debates and discussions with the prime minister, Vasco Gonçalves, who liked to argue and had a very Marxist point of view, but he was erratic and disorganized as could be. The president, Costa Gomes -- when I had a briefing in the State Department, the desk said that the one hope was Costa Gomes. When I had had about two meetings with Costa Gomes, I went back to my desk and wrote a cable saying he isn't any hope at all. At best he is a dead loss and at worse he may be a sympathizer. Indeed, subsequent events have borne out the fact that he was a sympathizer. So, I didn't have a lot of tools in the government to work with other than Mario Soares who was then foreign minister but later took to the streets.

There were other democratic parties that I worked with very closely -- the CDS (Christian Democrats) and the PSD (Social Democrats). The PSD later became critical of me, but I worked very closely with them in the early days. My theory was that I was not favoring one party over another. What we needed to do was to support all of the democratic parties.

Q: Did you find that you had any problem with reigning in the CIA? This was the time when CIA had been rather intrusive in Chile and other places.

CARLUCCI: No, I had very good relations with the CIA and my view then, and when I was in the CIA subsequently, has been that with a strong ambassador you never have problems with the CIA. I, in fact, personally designed whatever covert action programs there were in Portugal. I

told them right from the outset that I didn't need to know sources and methods, but I needed to know everything about the program and how it was implemented. I gave them strict instructions on no contact with the far right. Once you lay down the ground rules they will follow them.

Q: It seems from what you are saying that because of the fact that the Communist Party was somewhat erratic they weren't as ruthless in taking over as has happened in some other places and therefore were unable to put their hold on as compared to some other countries.

CARLUCCI: A couple of things. One was the communist leader, Alvaro Cunhal, although capable, was a bit of a Western asset because he was a very vain man who had spent so many years in Czechoslovakia that when he returned he behaved in a very non-Portuguese way. The Portuguese are not vain people. But Cunhal was a little imperious, he felt that the job had already been done. So, the communists overplayed their hand.

Secondly, there were splinter groups basically to the left of the Communist Party. The MRPP, indigenous Marxist groups that did such foolish things as seize the Catholic radio station for which the Communist Party got blamed. So you had the head of the Communist Party, Alvaro Cunhal appearing on television saying that he wasn't anti-Catholic. Well, nobody believed that. So they committed a number of mistakes and indeed part of my lecture to my Portuguese friends was to allow the communists to make their mistakes.

Q: The communists would obviously see you, an American Ambassador coming from your position, this was not an ordinary appointment, as a threat. Did you feel personally threatened at that time?

CARLUCCI: Well, the head of security, Otelo Saraiva de Carvalho, who was a general and one of the original revolutionaries, went on television one night and in effect made me a target. There was a coup attempt, I guess it was a right-wing coup attempt, nobody knows much about it, on the 15th of March, 1975. That evening we were all in the embassy and there were demonstrators out in the street. Otelo Saraiva de Carvalho went on television and said that the American Ambassador had been behind the coup attempt and that he had no intention of protecting me. I got him on the telephone and said, "First of all I want to make sure that is what you said," and he said, "Yes." I said, "Well, you understand that that is the equivalent of declaring the American Ambassador persona non grata." He said, "No, I didn't understand that." I said, "Well, that is not your job." He said, "What is my job?" I said, "Your job is to protect the American Ambassador and you made me a virtual target." We went on in that vein for a while and he finally said, "What should I do?" I said, "Well, you had better protect me." To my surprise he sent some troops over to my house. I was always nervous as to whether they were there to protect me or for some other purpose.

Sure, there were a number of threats and there were demonstrations virtually two or three times a week. At one point they were on the verge of breaking into the embassy and I issued orders to use tear gas. At one point they caught me in my automobile and started rocking it. The State Department sent me a lot of security. We went through all that.

Q: What about the staff? Were you able to develop a stronger embassy as time went on?

CARLUCCI: Oh, yes. Almost by the nature of things the State Department began to send me better people. Charlie Thomas, the political counselor when I came over there, was a good man. I was able to work with him. He was succeeded by Rick Melton, who was first rate. Jim Ferrer took over the economic section and he was excellent. So, the staff began to improve, began to respond to guidance. We did the normal managerial things that one does -- daily staff meetings and setting clear goals. I chose not to chair the staff meetings. I let Herb chair them and I would sit in on them to make sure there was a point of continuity.

Q: What about the military attachés?

CARLUCCI: Some good, some bad. There was one that I hand picked, Bob Schuler, who is still in Lisbon today. He had served with me in Brazil. I tended to work extensively through him. He was the first one to identify Ramalho Eanes, when he was a colonel. He organized a visit for him to NATO, which had a decided impact. The Defense Attaché was singularly lacking in judgment. He disobeyed my orders one time and had some contact with a well-known member of the far right and he argued with me that we needed to support the far right. I asked for his removal but the Pentagon argued me out of removing him. He did get disciplined in some way. But, as I say, they were a mixed bag.

Q: What about the NATO connection? I know there was a rather important NATO meeting in Brussels in May, 1975. President Ford attended, etc. You had been there about five months at that point.

CARLUCCI: It was extremely important. Probably if I had to point to one thing that the United States did that helped to turn the situation around, it was the reintegration of the Portuguese military into NATO. The creation of a NATO Brigade, which I worked out together with Al Haig, Ed Streater and David Bruce. I must say Bruce, Streater and Haig couldn't have been more supportive.

Q: Haig at that point was the head of NATO and Bruce was the ambassador to USNATO.

CARLUCCI: And Ed Streater was his DCM. We functioned as a very effective team, in constant communication. We came up with the idea of creating a special Portuguese brigade for NATO that we would equip. We provided tanks and APCs (armored personnel carriers). I remember coming back to Washington and trying to sell the idea. The State Department kind of shook their heads and said that was an interesting idea but there was no money for that. I said, "Fine, I will get the money." I went to OMB where I had been a deputy director and managed to get their okay to the money if I could get somebody in Congress to sponsor it. So, I went to Ed Brook, senator from Massachusetts, who was on the Armed Services Appropriations Committee. He sponsored it and pushed it through. I managed to pick up support from other people who had Portuguese constituents. Claiborne Pell was helpful.

Q: We are talking about Massachusetts and Rhode Island, both of whom traditionally have had a rather large Portuguese element.

CARLUCCI: Yes, I obviously focused on them. I had some political experience. If I may say so, it was somewhat unique, an ambassador pushing through his own aid program, but I did. After I designed the program for the army, the air force came in and said they needed a program. So, we designed an aircraft program for them. Finally the navy came in and we ended up designing a frigate program for them which took something like 10 to 15 years to materialize but it came about. We now have a Portuguese frigate that was built as a result of the aid program that started when I was there.

Q: The Portuguese military had started the coup, sort of young officers starting the coup, but had this feeling sort of disintegrated as a military force and more political at that point?

CARLUCCI: It was the rabble in the streets. In fact, I became fairly close to some of the original coup plotters, Melo Antunes and Vitor Alves, even Vasco Lorenzo. I spent a lot of time with them and was convinced that even they were not happy with the turn the events had taken even though they were all on the left side of the spectrum. I think those contacts at least helped to neutralize them, if nothing else. But, the military was turning rapidly into an uncontrollable rabble and the idea was to restore a sense of professionalism, get them back into the barracks, get them out of politics and enable the elections to take place and the civilian leadership to take over. And, that in fact is what happened.

Q: What about the elections? With the communists in control of the government the elections were all suspect. Did we get involved?

CARLUCCI: There were all kinds of monitors who came for the elections. In fact it was rather an inspiring sight. I went around a lot of the polls myself and you would see Portuguese standing in line for hours on end to wait to vote. The Portuguese people expressed themselves decidedly. The results were indisputable. With the monitoring that was taking place, including monitoring by the press, it was very difficult to tamper too much with the elections, not that there weren't irregularities, I am sure.

Q: How did the election come out?

CARLUCCI: Well, the socialists won, the communists came in second and the other democratic parties a distant third and fourth. Eventually Mario Soares was elected prime minister.

Q: As your embassy monitored this prior to the election, did you see the socialists coming out ahead?

CARLUCCI: That was our assessment. It wasn't always believed in Washington and even if it was believed there was considerable skepticism that the socialists were the kind of people who you could work with. But the embassy took the position that the socialists were likely to win and that we could work with them.

Q: Tell us a little bit about the relationship in Washington. Here you were trying to save a situation which many in "Washington" had written off. Who were some of the people you had to deal with who were skeptical about how things were going?

CARLUCCI: It is not my purpose to name names and I haven't seen what Henry is going to write in his memories. He has talked to me about this and asked me to explain a little more where he and I disagreed on Portugal, and I tried to do that. I don't want to make this into a war, it was not.

Q: Oh, I know, but I am just trying to look at the process.

CARLUCCI: I think Henry had around him some advisors who were truly skeptical of the position that I was taking. He, himself, expressed skepticism on several occasions. So, it was at the top. I think the Desk in a sense agreed with me but had no clout. Art Hartman as assistant secretary was kind of caught in the middle as best I could tell. Once I got the signal from Henry, everyone fell into line.

Q: Ed Rowell was saying at one point that Art Hartman was sort of not letting things move up to Kissinger's eyes and sort of sitting on things until he felt the time was right. He said that one report he finally let go was by Bill Kelly who had written about Soares standing tall, or something. Does that ring a bell with you?

CARLUCCI: I never saw the report, but Ed Rowell would be more conversant with what was going on inside the Department than I. I know that I received at critical points some very, very difficult cables. I remember receiving one cable that in essence said to cease and desist and that these guys were bad guys and we are going to drum them out of NATO, or something like that. I wrote a response and Charlie Thomas, my political counselor, came in to me (I had the habit of showing my cables to my senior staff before sending them) and said, "Frank, please do me a favor, put this one in a drawer and don't send it until tomorrow." By the next day I had cooled down and sent a much more measured response.

And silly things. I had wanted an airlift to help bring the Portuguese out of Angola. Well, the State Department sent me a cable saying I couldn't have the airlift until I had traded off some political advantage for it. I shot back something saying that was just pure nonsense. There were some heated exchanges by cables.

Q: What about the African connection? This was one of the major things that group did, to get out of Angola and Mozambique. Did that play a role?

CARLUCCI: It certainly played a role in the original revolution. One of the prominent pro communist figures, Rosa Coutinho, had been a Portuguese representative in Angola and he was an admiral. There were strong feelings in Portugal on the subject of Angola and Mozambique. A lot of the Portuguese military who were involved in the coup had served in places like Guinea-Bissau, so there was an historical significance in that sense. Something like 600,000 Portuguese refugees returned from Angola to a country that had a population of 7 or 8 million. This had an enormous impact on the social and economic structure of the country. But, it was also politically helpful because these people were by and large conservative, not wanting to have anything to do with communism - the reason they fled Angola. The last thing they wanted to see was a communist government in Portugal. So, it provided strength to the democratic forces.

Q: What about the media while you were there? Was there a relatively free media?

CARLUCCI: It was communist controlled. I don't think I went on TV that much as it was government controlled. The newspapers were not directly controlled as such although the vast majority of the journalists came from the left, I guess that probably is the best way to put it. But, if I gave an interview there were newspapers that would print it word for word. Now, a lot of things I said were distorted, but if you keep saying them over and over again...

Q: But, we had an outlet?

CARLUCCI: Yes. The fact that I became a very visible figure in Portugal meant that the press couldn't ignore me. I didn't set out to make myself a visible figure, I set out to make myself an open figure, but it turned out that I became very visible.

Q: Were you portrayed as the American proconsul?

CARLUCCI: Oh, God, time and time again. In fact, by the time I had been there three years I thought it was time for me to leave because I had become too much of an actor in the drama and the drama was nearing an end anyway. There was no question I became a player and that is not normally a healthy thing for an ambassador to become.

Q: What about the Azores negotiations? Even under the best of circumstances the Azores are always a difficult problem.

CARLUCCI: The Department sent out Bob Barbour to handle the negotiations and he did a skillful job. I sat in on most of the negotiations. There was a simple question of an aid package in exchange for the continued base rights. The Portuguese were anxious for the aid money, so we were able to bring those to a successful conclusion.

Q: Franco died in November, 1975 and there was real concern of what was going to happen after Franco. Was there concern in Portugal and Washington that maybe the whole Iberian peninsula was going to go down the drain or had things begun to change?

CARLUCCI: Things had progressed enough in Portugal so we were relatively confident. In fact, I think it was pretty much the other way around, that had Portugal not pulled itself out of the communist abyss, Spain would have had a lot more problems in transiting to a democratic society. I think most historians now argue that Portugal had a significant impact on developments in Spain, if not in much of the world, particularly Latin America. I think there are those who are arguing today that what's a third wave in democracy started in Portugal.

Q: Just one last question, did the Soviet Union play any role while you were there?

CARLUCCI: Oh yes. They had a very active ambassador. I was a player in a drama and he was too.

Q: Wasn't his name Kalinin?

CARLUCCI: Yes, a very aggressive young man. He was a real player in the drama. Alvaro Cunhal, the Portuguese communist leader, was a die hard Stalinist who traveled frequently to Moscow. There was no question that Moscow was calling the shots of the Communist Party in Portugal. The book that I mentioned earlier, "Dossier CARLUCCI: CIA" was obviously not produced by the Portuguese, it was produced in Moscow. They had total support. You were never able to identify the exact amount of money given to the Portuguese Communist Party by Moscow but you were never in doubt there was substantial funding to the party from Moscow.

Q: And this was a period when the Soviet Union under the Brezhnev Doctrine and all was felt to be both aggressive and having success around the world.

CARLUCCI: Oh, no question. And Portugal was a major battleground. People tend to forget it today, but it was one of the hearts of the struggle.

Q: Okay let's stop here.

CARLUCCI: Let me make one other point. Once the Socialists were in power, it became important to support them in their efforts to stabilize the economy and undo the nationalizations. We got some money from the IMF, but not enough. Mario Soares and I conceived of the idea of a "jumbo loan," a multinational loan of, I believe, about 9 billion. State and Treasury were not enthusiastic. Treasury was particularly difficult. I found a Deputy Assistant Secretary of State, Paul Boeker, who believed in it and was willing to help. He did an excellent job of pulling together a number of countries. Bob Hormats who was in the White House at the time was also extremely helpful.

The loan was a great success, not only for the flexibility it gave Soares, but for the symbolic support of so many countries.

JOSEPH G. SULLIVAN
Political Officer
Lisbon (1975-1979)

Ambassador Sullivan was born and raised in Massachusetts and educated at Tufts, Georgetown and Yale Universities. Entering the Foreign Service in 1970, he served in the Department of State in Washington, D.C. as well as in posts abroad. His foreign posts include Mexico City, Lisbon, Tel Aviv and Havana. Mr. Sullivan served as US Ambassador to Angola from 1998 to 2001 and as Ambassador to Zimbabwe from 2001 to 2004. Ambassador Sullivan was interviewed by Charles Stuart Kennedy in 2009.

Q: Well then after two years there what?

SULLIVAN: After two years there actually what I did was I signed up to go to Angola. I went into Portuguese language training to go to Angola, which at that point was only an eight-week conversion course.

Q: Well also this was a critical time, wasn't it?

SULLIVAN: Sure, right.

Q: It was about '74?

SULLIVAN: It would have been by that point '75; I would have finished on the Costa Rica desk in about February or March of '75 and would have gone for eight weeks of training in Portuguese. So it was the critical time in that the Portuguese revolution had happened in April of '74. There was already internal conflict within Angola, a lot of fighting and the turnover to independence set for November 11 of '75. So in the lead up to that, certainly my wife began to have great concerns for our then two children and at that point, as I recall, the Department didn't even have a separate maintenance allowance policy. We had a second young child who had just been born and what was that going to be like going out there with two young children. So at a certain point in that process I expressed concerns and they said it didn't make sense for me to go so that assignment was cancelled and soon thereafter, Luanda was closed. At the same time, Frank Carlucci was staffing up Lisbon and he or somebody on his behalf asked if I would like to go to Lisbon.

Q: Okay so you were in Lisbon from when to when?

SULLIVAN: From September of 1975 until summer of 1979, four years.

Q: This was I think one of the most critical times of the Foreign Service. I mean the story of Frank Carlucci...

SULLIVAN: Right.

Q: ...in Lisbon. I interviewed Frank and some others but I wonder if you could talk about the situation there when you arrived and sort of what you were prepped for before you went.

SULLIVAN: Okay and I just read a book actually in Portuguese, Carlucci Versus Kissinger by Bernardino Gomes that relates to that period. So, some part of it I will try to distinguish what I actually knew then from what I recently read. But certainly it had been publicly in the press that Kissinger's theory was that Portugal was lost to the Communists and that therefore Portugal ought to be allowed to be lost, expelled from NATO and serve as the vaccine against Communization of all of Southern Europe.

Q: There is also the time of something, which was called Euro Communism. ...Italy and other ones, it looked like there was going to be a new face of Communism more sort of civilized rather than Russified. But it was still extremely dangerous in our point of view.

SULLIVAN: Although the Portuguese were not part of that Euro-Communism as the Portuguese Communist Party leader Alvaro Cunhal was a Stalinist and not at all a so-called Eurocommunist.

Q: That was sort of our blessing in a way.

SULLIVAN: In some ways yeah but Carlucci had been brought in as Ambassador by Kissinger as a tough guy replacing a political appointee who had been out there who had sought to make the argument that all was not lost. Initially, Kissinger was reportedly disappointed in Carlucci, because he came to the conclusion that the situation could be saved and that the U.S. shouldn't give up on it and the U.S. should not push to expel Portugal from NATO because it had Communists within its government.

Q: At what stage was this going on when you arrived?

SULLIVAN: It was the hot summer of 1975 and it was really the critical period right through November 25 of 1975 when there was a Leftist coup attempt that failed and resulted in the consolidation of Democratic forces both within the military as well as in the government with Mario Soares and the Socialist and other democratic parties.

Q: What was your job?

SULLIVAN: I was in the political section and following internal politics. Initially we had one officer Rick Melton whom you may have talked to, who followed the Socialist Party. I followed the other political parties to their right the PPD they called themselves first and later the Social Democratic Party and the CDS, the Center Democratic Party.

Q: Herb Okun was DCM?

SULLIVAN: Herb Okun was DCM.

Q: Did you feel part of it when you arrived? Did you realize you were going to be part of a take over of the new guys who were going to be up against really the secretary of State and all?

SULLIVAN: Well certainly that had been part of it. I would say it was probably in the period immediately before I arrived that Carlucci came back to Washington and had a set-to -- and this is mostly from the book I've just read, at least, the specifics of it -- a set-to with Kissinger. But Carlucci, of course, was clever enough never to operate alone and never be dependent and called upon his Princeton roommate Donald Rumsfeld who was White House Chief of Staff both to give him his points of view and to set a separate meeting with President Ford.

Q: Carlucci had been deputy secretary of health and human services?

SULLIVAN: Right.

Q: So he had a certain amount of political clout, which a regular Foreign Service officer wouldn't have had.

SULLIVAN: That's right. I wouldn't say by that point he had convinced Kissinger, but at least Kissinger had to respect that this person one, was beginning to show some results. There was some standing up by Democratic forces within the military, there was this ambassador who could access the president directly. Even Mario Soares, whom Kissinger had reportedly called the Portuguese Kerensky, was standing up in public in ways that merited respect. So Kissinger had begun to change his mind, and the Europeans were pushing back a lot.

Q: The Socialist side in Europe was a very strong supporter of...

SULLIVAN: Of Mario Soares and the Socialist Party and the incipient Socialist labor unions vs. the traditionally communist union movement..

Q: ...Mario Soares.

SULLIVAN: So all those things were happening and this was really a critical point as I recall. I arrived in early September and there was still a lot of agitation in the streets, the newspapers were taken over by Communist workers in some cases...

Q: As you went out what were you getting from the desk?

SULLIVAN: I actually wound up working several months on the desk before going out in the summer and talked just the other day with Bob Barbour who was deputy director of West European affairs which encompassed Iberian affairs. So the Department was, I would say, chasing its tail a little bit. In this book I mentioned, Barbour recounts a November 25, 1975 staff meeting with Kissinger. Kissinger said, "Tell the prime minister this, tell this person that and tell this other person that and do it right away." Bob Barbour was there taking notes and passed this onto the Embassy. Then a day later, Carlucci wrote back and said, "With all due respect you know, I really didn't call all these people and at this point, they've solved the problem themselves and I don't think it would be productive for us to contact these six people and tell them what to do."

Q: Well this is one of the problems when you get a very tricky situation. You can get people back in Washington being tough as hell when sending out instructions, which may be basically counterproductive because it doesn't always work. In this case it probably wouldn't have worked; I mean we were very fortunate to have had Carlucci.

SULLIVAN: Yeah, I think he was very wise in many ways. One, he took a low profile so we did what we did, we did it mostly with a low profile, notwithstanding the fact that he was the object of continual accusations in the Leftist press that he had assassinated Lumumba and he had done whatever and therefore was an evil person and was coming to Portugal to overthrow the revolution. But he was wise, working quietly with Mario Soares, with moderates in the Portuguese military such as Melo Antunes and working closely and cooperatively with the Europeans.

Q: Did you go out with the idea that oh boy this is going to be fun, I hate to say it but I mean this is the sort of thing that gets the Foreign Service moving actually?

SULLIVAN: Sure, I mean I think being in Portugal almost more than any place convinced me that if I had done anything else with my life, this is what I would have been interested in reading about, wishing I had done. I remember covering the November 11, 1975 evening mass demonstration by the Communists and other groups on the Left, celebrating Angola's independence and in effect turnover of Angola to the MPLA which controlled Luanda at the time. There was some risk there, but it was okay and I somehow had some instinct for how to control high risks. I could observe the demonstration without necessarily being conspicuous. One of my predecessors had been goose-stepped to the airport at one stage but I managed to avoid that, but still found it very interesting and exciting to be part of that.

Q: How did you find the Portuguese political types that you were dealing with? There must have been a lot of concern because this thing had been instigated by unsophisticated junior officers.

SULLIVAN: Right.

Q: And really didn't know what the hell they were doing, I mean they got into it. But then the Stalinist types who had been hanging around and they really were Stalinists, came out of the woodwork didn't they?

SULLIVAN: Yes, there were some military who were influenced by Communists and communists had major influence in several provisional governments over a period of probably about eight months in 1975 before that began to be rolled back. Political types were by the time I got there somewhat more positive. There had already been constituent assembly elections in April 1975 and democratic parties had won about 75 percent in that election. We were fairly confident that the next round of elections for the legislative assembly would be held in April of 1976 and that democratic parties would do well again. So the thinking was that things were headed in the right direction, if they could maintain the track of elections determining the outcome rather than the rule of the street or the barrel of a gun. The Portuguese looked to us, the United States, as a means of support, moral as well as economic and political. They didn't hesitate to ask for other support but for the most part were interested in moral and political support.

Q: Did you find at your level reaching out particularly to the Germans and maybe the Scandinavians and maybe the French, the Socialists, because everybody was involved in this thing?

SULLIVAN: Personally I recall that I was in touch with the Spanish who were involved particularly in the second phase of the Portuguese transition because their transition process was happening simultaneously. Within weeks of when I got there, the Spanish embassy was burned down by leftist demonstrators in Lisbon. But the Spanish had a lot of concerns and the Spanish Socialists were active within their diplomatic corps. A fellow whom I later worked with in Cuba was one of those diplomats who was hoping for a moderate outcome that could then serve as the example for Spain. I didn't work directly with the other Europeans, as I recall, but certainly

Carlucci did and other people in our embassy did. Charlie Thomas was the political section chief at the time.

Q: How did you find the Portuguese you were dealing with, the political types? I would think particularly since they were somewhat on the Right that they would be worried that this thing could turn into a really nasty Leftist government.

SULLIVAN: The party of the center-left, the Social Democratic Party(PSD, previously PPD) were by that time beginning to be slightly more assertive. Soares had shown more courage earlier, but the PSD was somewhat more assertive by the fall of '75 and the Spring of '76. The Center Democrats, the CDS, on the other hand only gradually moved from the shadows out into public light and did a little bit better in the elections of the spring of '76. So, yeah, those factors of a right and center intimidated by an aggressive left identifying everyone to their right as fascists, their term for longtime dictator Salazar, were present and they only began to dissipate over time. Socialists, on the other hand, had the strongest anti-dictatorship credentials and by far the strongest links with the rest of Europe. Many of the Socialists with whom I had dealt had been in exile in Europe, as had Mario Soares, and so knew a lot of Europeans and were part of the Socialist International. They used that to their advantage and were able to block the PPD, later called the PSD, the Social Democratic Party, from having any access to the Socialist International. So the PSD found themselves in somewhat of a dilemma, they weren't quite certain who their international counterparts were.

Q: Were we doing much Africa watching from Lisbon?

SULLIVAN: We were, and there was early on a particularly substantial CIA engagement, as has been documented in a book by John Stockwell. It mostly took place out of Kinshasa but there was some observation and activity out of Lisbon as well. We in the political section followed Portuguese decolonization, reported on it, talked to people who worked on Africa but I think probably the principal focus on Angola and Africa was from the station. In early 1976, a congressional amendment prevented any further U.S. assistance in Angola, so at that point the U.S. direct role in Angola ended for about ten years and we in the embassy became distant observers to a civil war in Angola which would last another 26 years of which I would witness the last several years in person. The Portuguese were so consumed with their own internal process that when the Angolan decolonization proved very messy with three separate groups vying for power, each of which had their own international sponsors, arms suppliers and financiers. the Portuguese backed away, let it happen and turned over the key on November 11 and sailed out of town.

So our involvement in Lisbon at that point became very much working with the Portuguese to help them absorb the returnees from Africa. We provided scores of millions of dollars for that effort. And it was pretty successful absorption of about a million people, a tenth of a small nation in about a year with minimal disruption..

Q: A small country yeah.

SULLIVAN: Right. So that was one of our first substantial assistance activities. We had talked assistance but for the most part we hadn't provided it until what we called the Sixth Provisional government took office with Pinheiro de Azevedo replacing Vasco Gonzalez as Prime Minister in late September, 1975. That promised a more moderate approach, a more sincere commitment to democracy and so at that point we began to actually provide more assistance and sent out teams from USAID, providing housing investment guarantees and small grant programs for returnees and things like this.

Q: Were the British at all a player? I mean they had this alliance going back to the 14th century.

SULLIVAN: They were although I was not particularly aware of it at the time. This book I just read indicates how involved Callahan, the British prime minister at the time, was including through some military guarantees that were useful. Yeah, you're right. I think it was George Kennan's memoirs in which he talks about invoking an 800 year old alliance for use of the Azores in World War II. But the British did provide some assistance and then supported Mario Soares through the Socialist International as well.

Q: I would think that dealing with this revolutionary thing while we were trying to do what we could we still had to keep an eye on our interests which were the Azores?

SULLIVAN: Yes, although that is a very controversial point and it's interesting. The rumor at the time was that Kissinger was strongly tempted to allow the Azores to be carved off so that we would preserve our ability to use the bases there which had proved a critical linkage point in the Arab-Israeli war in '73.

Q: In '73, yeah.

SULLIVAN: In fact, this book in Portuguese by Bernardino Gomes that I mentioned has documented through Freedom of Information Act disclosures that the decision reached within the U.S. government was not to pursue that course. So, Jesse Helms was pushing that course and some other people in our political spectrum were pushing courses like that, and there were Azorean separatists out there who were looking for encouragement and support from the United States. We were maintaining contacts with everyone in the Azores and taking a very discreet position vis-à-vis separatism. Mark Paris, another fellow you've probably talked to at some stage, was a first tour vice consul, but brilliant. And with a consul, who was uncomfortable with political issues, so Mark, the vice-consul, did the business. But this book in Portuguese is my source for saying that at the end of the day we resisted the temptation to view the Azores as the key to our ballgame.

Q: Sort of the nuts and bolts how did you make your contacts with the political elements?

SULLIVAN: One at a time. There were probably a few that the embassy had in advance with the political parties and they would have been handed over to me and I would have pursued them, but then I would ask who else I should meet. There was one fellow in particular within the PPD/PSD who was very helpful and he was happy to introduce me to others and I would pursue those people. And sometimes I'd just call blind and just ask to see people within the hierarchy of

the party. Later some of these people became Cabinet Ministers, but I could still see them and they were open to being seen. Carlucci generally reserved the party secretary general for himself but virtually everybody else was fair game. One factor in my favor was that most of the new political leaders, including cabinet ministers were young, in their thirties, my contemporaries.

Q: So you didn't find reluctance on the part of the Portuguese political types to talk to you?

SULLIVAN: No, I think maybe that might have been in part the specific timing arriving in September. At the July 4 reception, just two months earlier, the only prominent Portuguese politician who came to that reception was Mario Soares. I know Carlucci always gave him credit for showing that courage to come while all the rest politely declined the invitation; they were reluctant to be seen with us.

Q: But things rapidly changed?

SULLIVAN: Things began to change in that summer and the Socialists played a key role. The military moderates also stood up, the most prominent of whom was Melo Antunes, who became foreign minister and helped organize what they called the Group of the Nine, that took a social democratic position in opposition to any effort to use force or repression and opposition to ongoing efforts by leftist worker unions to take over enterprises, etc.

Q: Did you get around the country much?

SULLIVAN: Yes, all over, all over.

Q: What was your impression of the country?

SULLIVAN: It's an interesting country. It is true that beyond the individuals, the politicians, the military moderates, the single strongest reason the country did eventually revert it to a more moderate course is that it was a very conservative population for the most part. Starting about thirty miles north of Lisbon and including the Azores and Madeira, Portugal was a very conservative place and the Catholic Church was very strong. As that conservative population and the Church began to take stronger positions, that helped give others courage that the bulk of the country would not accept a Leftist Communist takeover. As a matter of fact, there was some discussion in that period before 1975, and Callahan, as I recall contributed to those preparations, on what to do if it were necessary to retreat to the North and maintain the government in the North in opposition to that from Lisbon to the south.

Q: As I recall, Ed Rowell was involved...

SULLIVAN: He was DCM my last two years there from 1977-79.

Q: One of the blessings was that the head of the Communist Party was one of the old style, sort of the steel teeth, I mean I don't know if he had steel teeth but of that ilk that really was pretty much out of touch with the changing face of even Communism as I mentioned wearing stylish

Italian suits and much more open and all. The Portuguese Communists who came in really had been in Moscow too long.

SULLIVAN: Sure, he had been in Moscow. I forget where he had spent the years immediately before, a capital in Eastern Europe. He also had spent about 25-years in prison, many of those years in a place I just visited called Tarrafal in Cape Verde and then later in Peniche in Portugal, but escaped from prison and then went to East Europe. He was indeed tough, although in this book I just read, interestingly at one stage he had pitched our ambassador, I think Carlucci's predecessor, saying don't worry I accept that NATO is what it is. Communist Party leader Cunhal said the right things in that particular conversation, although he was also using every bit of force and threats possible to achieve his Communist revolution.

Q: Did you get any feel for the military because they had a real...well I mean the military essentially took over and also being part of NATO was a great advantage to them and to have the threat of NATO expelling them really was hitting them hard. Did you get any feel for that?

SULLIVAN: I wouldn't say that I got a personal feel, I knew what was happening and I knew our attaches and I knew Carlucci and others were engaged in that. I didn't have much personal contact with armed forces officers except for a few who were serving in civilian government positions. I'd say the perception I had was that most of them wanted to maintain their professional links with NATO. At a certain stage Bob Schuler, who was our army attaché, had proposed and secured an invitation for General Ramalho Eanes to visit NATO headquarters, probably in the spring of 1975. Eanes was very impressed and later he was the key leader in beating back the Leftist coup attempt of November 25, 1975.

Q: You were there in '75? What were you doing and what...

SULLIVAN: Yes, we were talking to a lot of people and writing a lot of reports. As a matter of fact, this recent book talks about maybe 12 or 14 sitreps being sent in during the day of November 25, 1975, including everything from what's going on in the street to what's coming over the radio to what we were hearing from our contacts. I remember our assistant army attaché tried driving into a base that had been supposedly taken over just to see what would happen. He eventually got turned back but you know he could report what he had seen and heard. Every element of the embassy was reporting what was happening and, of course, Washington was reacting to that by to tell all these people what to do.

Q: When this coup attempt who was trying to coup?

SULLIVAN: Well there were particular units within the armed forces that were unhappy with the efforts of more moderate military to marginalize them. General Otelo Saraiva de Carvalho was one of the most known figures and was head of something called COPCON and he was involved and knowledgeable of the coup attempt. He was humiliated and marginalized by being implicated in that coup attempt. The degree to which the Communist Party was involved is still disputed today. I think they certainly had a deep involvement in creating all the conditions for a coup, in agitating against any rollback of the "gains of the revolution," in taking over the media, including the principal radio stations and the Socialist newspaper. The communist party and

communist unions also joined with other leftist groups, some of which were clearly front groups, to hold virtually daily demonstrations. Now whether on the day of the coup attempt, the communist party was involved or not is unclear. Certainly by the second day they had pulled back and this book that I just read gives Costa Gomes who was the president at the time credit for having called the Communists and urged them to disassociate themselves. There is also the theory that the Soviets themselves were somewhat of a moderating force in that they didn't really want to see a major conflict with the West as far away as Portugal. We, the United States, as well as the Europeans, had made a major point shortly before in Helsinki meetings with the Soviets of urging them not to mess on our backyard.

Q: Was the Soviet embassy I mean were you both covering the same people and did you feel that they were...how did you feel about that?

SULLIVAN: Yeah, I think they were on their side of the street, which was the Communist Party, and we were mostly on our side of the street. I think the first contact I recall with the Communist Party was relatively late in my time there maybe late '77 or early '78. Rick Melton, I know, went over and saw one of the middle rank officials in the Communist Party and that had been the first time we had had such a contact. So there really was a sharp break and there was none of the diplomatic communication that came to be later with the Soviets or Russians.

Q: All right, did you have any contact with the church itself?

SULLIVAN: Oh yes, certainly with the Cardinal of Lisbon and other bishops around the country when I traveled around the country on working visits. If I visited almost any town or major city I would visit the local bishop. There were also Jesuits who had a fairly strong presence in Lisbon and I would be in contact with them. Some of it was basically political analysis getting their perspective on developments.

Q: I'm sure particularly some of the Jesuits must have been revved up too.

SULLIVAN: The principal activism probably came...well it came more discretely from the cardinal but most visibly from the bishops in the north because they had the most conservative populations. They actually were encouraged to have street demonstrations that showed it was not just Communists who could organize street demonstrations. In addition to the personal contacts I had, I know that Carlucci was in fairly frequent contact with the cardinal of Lisbon and the Cardinal was, I think, communicating with his people encouraging resistance to communism. At that point it was a very Catholic country and so he and the Bishops had a lot of ability to influence the population through pastoral letters that were read from the pulpit in every church in the country.

Q: Well in Lisbon itself, was there the equivalent that you had in France and some other country particularly France in sort of the intellectuals of the chattering class or somebody. Was this an important element or not?

SULLIVAN: I would say less so, less so. There was some of that and they were not as totally on the Left or as predominantly Left as they would have been in France. The most conservative

intellectuals had left the country, predominately for Brazil after the revolution, but there were still plenty of people in the center and a number of people who had at certain stages associated themselves with Marcello Caetano, who had replaced Salazar as Prime Minister for the last six years before the coup. Caetano at times flirted with modernizing reform and there were certain people who associated themselves with that, people like Sa Carneiro, the leader of the PPD, later PSD, who could be viewed as centrist intellectual figures rather than Right-wing or Left-wing. There were leftist intellectuals close to the Socialist Party who mostly sought to influence the Socialist Party from within, but recognized that they had to make a choice against an authoritarian communist party. Because of the polarization caused by many years of dictatorship, the majority of left-leaning intellectuals who stayed in the country, such as the Nobel Prize winning author Jose Saramago, identified with the communist party or its front groups and even took senior positions in those post-revolutionary governments, such as editor of nationalized newspapers. The communist party took advantage of this historically based support from intellectuals in the early years after the revolution.

Q: Did you get a feel in the four years you were there that Portugal's, and correct me if this is wrong, that it was coming into the twentieth century? They really from what I gather was a sort of peasant, church-dominated country until this revolution. But the revolution itself was rather short lived as far as the Marxism but then it was more profound...

SULLIVAN: Portugal changed dramatically, it changed dramatically the four years I was there, and it changed dramatically while my sister lived there for seventeen years subsequently so I visited fairly frequently in that period. Portugal has changed dramatically, Portugal became part of Europe, Portugal ceased to maintain the illusion that it could also be part of Africa through its colonies. Portugal in the period, while I was there, was still largely a very religious country, a country whose northern half, where about two-thirds of the population lived, was composed of mini-fundias, tiny little plots of half an acre or so divided among six children.

Q: It sounds a little bit like Ireland in the period before.

SULLIVAN: Yeah, so you know what to do with the other five but send them off to Africa. Only really in the 1950s and '60s did Portugal begin to encourage substantial emigration to Africa. For so many people, the second to the sixth sons would go to Angola or Mozambique to live or they would go to France or Germany or Switzerland to work as emigrant workers and send money back to support their families. So there were connections to Europe, but Portugal was the most different country by far from the rest of Western Europe. Unlike Spain, which had had a fairly substantial economic growth in the '60s and '70s, Portugal had not, and Portugal was still very much focused on what they called the "Ultramar" the overseas territories. It wasn't totally clear in the first phase of the revolution in April of '74 what was going to happen with the territories. But, by the time Spínola and others were out of the picture in March of '75 there was no question that all of the territories were going to be independent and this was going to be a very different Portugal. The visions of where it would go varied considerably from the Communist vision to the Socialist vision of integrating into the European Union. One of the things that the Europeans could hold out which the Portuguese population wanted was entry into the European Union. They never delivered in the period that I was there, but it was held out and Europeans signed many announcements and commitments, particularly once Mario Soares became prime minister

in April/May of 1976, of the EU's concrete intention to move toward making Portugal a member of the European Union. I should add, of course, that Lisbon and Porto were more developed and urbanized places than the rural Portugal that I described above, but they were also poorly integrated into the rest of Europe and much poorer than the rest of Europe.

Q: Where did these million Portuguese-Africans, how did they fit back in when they came back? I wouldn't think it would be easy to digest...

SULLIVAN: It was not easy to digest them but it is surprising how well they were digested. I think there are a couple things to be said about that. One is in some ways the people who went to Angola in particular, because that is where 500 thousand of them went, were the most innovative, least hide-bound. So, for instance, even a wealthy person living in Estoril fifteen miles from Lisbon who had a huge piece of land and had riding stables on it; but had a feudal arrangement of about 500 people living on that property who were doing menial tasks and farming their tiny pieces of property in the back of their little huts. That was the way it was in 1976 and this landowner's son had gone to Angola, where he had to invent a new way of doing things. It was this son who then came back and subdivided this property into housing developments and golf courses and shopping centers and helped ensure that Portugal would never be the same.

So for those who had been feudal estate workers, I don't know just what happened to them. They probably got a job in the construction industry or in the new supermarket, but this influx from Africa was changing Portugal in many ways. The largest single number of returnees from Africa were drivers, drivers of trucks, drivers of taxis because in Angola, black Angolans could not be taxi drivers. White Portuguese who had emigrated to Angola were the taxi drivers. So they brought back with them, their taxis, their trucks and they did some of that business in Portugal. They moved back in with their families to a certain degree, but they also got small loans from us and helped change Portugal.

Q: Well it sounds whatever it is in a way it was a better thing...

SULLIVAN: A better reintegration than the French.

Q: ...than the Algerians and the pied noire. Really, in fact it started a civil war, it just didn't...

SULLIVAN: I don't have a good explanation for it but I don't think it was a real political elite or a political leadership that returned with that group. That said, the returnees were a factor in making Portugal more conservative politically by adding a million people who had been in Africa and felt themselves dispossessed by the revolution, even though there was a fair number of mixed raced people who came back as well. For the first time Portugal began to be a country with a substantial presence of Africans. The returnees or "retornados" were overall a push in a conservative direction politically vis-à-vis the communists, but a force for change socially.

Q: What about some of the other overseas elements, the Americans? Several of the cranberry bogs of Massachusetts and Rhode Island and the Azores.

SULLIVAN: Portuguese in the U.S. came predominately from the Azores to New England and to the farming valleys of California. A significant number of Portuguese also came from Aveiro in Northern Portugal and settled in New Jersey.

Q: These are pretty important, I mean they are hard working people and they had some clout didn't they?

SULLIVAN: I don't know how much real political influence they had in the U.S. Being from Massachusetts myself, I would say that they could rise at that time to be the mayor of New Bedford or Fall River, but their ability to becoming more important in Massachusetts politics or national politics was limited.

Q: You just said you didn't see any Portuguese names the way you would see Italian names or Irish names.

SULLIVAN: No, no. So, one of the most important Portuguese-American political figures was actually the Cardinal of Boston, Medeiros, who visited Portugal probably in about 1977. He was essentially expressing interest and support both for the church and for the Portuguese people on behalf of the American Church and the Portuguese-Americans in the United States. But in terms of either major investments or major political influence in the US, I didn't see it; there was undoubtedly some but I would not say it was major.

Q: It's almost struck me from what I gather that the crossover between Spain and Portugal was really rather minimal wasn't it? I mean...

SULLIVAN: Well they are always back-to-back. Every Portuguese hill top town on the border is a walled town to protect historically against the Spanish and their French allies, so there always is a back-to-back element in history in the relationship between the people. That said, the fact that the revolution happened in Portugal first had some effects in Spain. I don't want to pretend to explain the Spanish process but I do think that Franco, the Spanish prime minister and later the King were very alarmed by what was happening in Portugal. Maybe it helped encourage them to move their transition process through more quickly in order to avoid something they would have viewed as catastrophic like what they saw happening across the border, with destruction or socialization of properties.

I should add that Portugal was a great place to live, to meet Portuguese contacts and friends and to raise a family. Portuguese are great family people and they were terrific with my two young boys. Moreover, with a very weak Portuguese escudo, living was inexpensive and we could travel all over the country.

KEITH C. SMITH
Desk Officer for Portugal
Washington, DC (1976-1978)

Keith C. Smith was born in California in 1938. While attending Brigham Young University he received his bachelor's degree in 1960 and master's degree in 1962. His career includes positions in Mexico, Venezuela Hungary, Washington D.C., and an ambassadorship to Lithuania. Mr. Smith was interviewed by Charles Stuart Kennedy in February 2004.

Q: Oh how sad.

SMITH: Yes, it was. Promotion had become too important in his life. Anyway, there were many good people in ACDA, and some continued to be friends throughout my career. Finally after not hearing anything from EUR, I went up and talked to the country director and asked what was happening. I was kind of caught now because I had applied for the job, and ACDA is already upset with me. So they said, ok sure, I just hadn't gotten around to moving the paperwork. So I took the job as Desk Officer for Portugal. I had a deputy, because this was shortly after the Portuguese revolution, and our bilateral relations were undergoing a lot of change. Important to the U.S. was the continued use of airfields in the Azores Islands and on the mainland. Secretary Kissinger had gotten himself in hot water over our policy toward Portugal. He had fired our first ambassador because he had supported strengthening U.S. relations with the Portuguese Socialist Party. The ambassador believed that the Socialists were the most viable alternative to the pro-communist military leadership. Kissinger personally fired the ambassador and sent out a career officer who he thought would adopt a different approach. The ambassador he sent out was Frank Carlucci, who immediately instituted the policy of the first ambassador. By then Kissinger didn't think he could get away with firing Carlucci, particularly since he was greatly respected in Washington. Of course, on the policy issue Carlucci (and the previous ambassador) turned out to have been right, and Kissinger very much wrong. It was great to work with Carlucci. He was terrific and the desk had good ties with the embassy. I made at least three trips to Portugal and the Azores over the next two years. It was a great job.

Q: You were doing this from when to when?

SMITH: It would have been from late '76 to mid-'78. Afterward, I became the Spanish desk officer in the same Office of West European Affairs. I was asked to keep an eye on the Portuguese Desk, at the same time. My assistant on the Spanish Desk was James Cunningham, who later became an Ambassador at the UN. Jim was a talented and hard working assistant. Ed Rowell was the Office Director. He was a real workaholic, but a terrific guy. He was the hardest working guy I can remember ever working with. We were able to accomplish a lot, because Spain and Portugal were going through extremely difficult times and there was strong support within Washington for bringing stability to the Iberian Peninsula. It was a fascinating experience.

Q: Let's talk about it. When you came on really at the end of '76, Carter's team was just getting ready to take over. So Kissinger was going to be out. Had the battle between Carlucci and Kissinger essentially been resolved by this time.

SMITH: Yes, it had been. Over a period of time, Carlucci convinced Kissinger that we really had no alternative but to support the activities of the Socialists. It turned out to be the correct policy. Kissinger finally accepted it and moved on other issues. Carlucci had a lot of support in

Washington. He really knew how to wheel and deal with the bureaucracy to get what he wanted. The big project that I worked on was a \$300 million balance of payment loan from Congress, which was to be part of a larger \$700 million international loan to the Portuguese government. The objective was to provide a fiscal cushion that would allow the reform government to get through this difficult, somewhat chaotic period. It was the first time I had really worked intensely with Congress. At the start, I thought that getting \$300 in loan money for Portugal was a long shot. It took lot of work, but we succeeded. And Ed Rowell; god he worked hard, and made us work hard, in order to make it happen.

Q: Tell me, a lot of work, what...

SMITH: We spent a lot of time with key Congressmen and Senators in order to build support on the Hill. We wrote countless action and information memos to the Congressional leadership and to other key departments, such as the Treasury Department.

Q: Was there an issue of hostility, or was there a pro-Portugal lobby? You've got Portuguese in Rhode Island and in Massachusetts and I think in California too.

SMITH: There was only a modest amount of resistance, mainly on fiscal grounds. We received strong support on the Hill from Congressman Gary Studds of Rhode Island. He had a heavily ethnic Portuguese district. On the Senate side, Senator Dodd from Connecticut, also had many Portuguese in his district. He gave us strong support. I think that Dodd and Studds spearheaded the whole effort on the Hill. We had at least weekly contact with them. We were often asked why we wanted a appropriation of \$300 million for this particular little country. Balance of payments assistance has never been very popular on the Hill. In fact, the U.S. doesn't grant it anymore; it now being left to the International Monetary Fund. We felt that the U.S. had a lot at stake in Portugal, part of it being two air bases that were viewed as important Cold War facilities. People were of course worried about the danger of a communist military leadership taking over in a NATO-member country Portugal. In any case, the loan did succeed in stabilizing the Portuguese economy and shifting political control to the moderates. It is important to note that all the loan money was repaid with interest.

Shortly afterward, I was asked to take over the Spanish desk, which was even more fascinating. For the next two years, I worked closely with a Spanish Embassy that was much more professional than the Portuguese Embassy. Since the embassies usually don't really have high level access in the State Department, a junior person in the State Department can suddenly become very important to them. The Spanish constantly came to me for advice and for access to higher-level officials.

Q: Let's talk about Portugal first. Did you get involved sort of on the political military side because Carlucci was working this too, to sort of woo these guys who, well about the coup, the military sort of back into NATO, to give them goodies of various military things and all that.

SMITH: I didn't get deeply involved in military assistance issues, but did on base negotiations. I met several times with reformist elements of the military, during my trips to Portugal. Carlucci, however, was working directly the top levels of the Pentagon, to isolate the extreme leftists and

to provide incentives to the moderates. The Desk was more involved in economic issues and in trying to convince members of Congress, and Kissinger's office that Portugal was salvageable. We had to build a case that our economic assistance package would do the trick.

Q: Did you find that when the Carter administration came on, the State Department had to go through an educational period, or were they basically on board when they arrived?

SMITH: I think they were on board. The policy had really demonstrated success, and I don't remember there being any big changes. It was not the policy upheaval that took place when the Reagan administration took over from Carter. I think we were able to demonstrate the success of our policy to the Carter team, and Carlucci probably played an important role in this, even though he had moved on by the time Carter came in. Carlucci believed very much in our policies in Portugal, and was very good at maintaining support within the Government and on the Hill in later years. Later on Ed Rowell became Ambassador to Portugal, as did Herb Okun, Carlucci's DCM.

Q: Because you were sort of one down, there was Ed Rowell and then you, how did you find it? Did you find that Carlucci was doing things that you didn't know about, and playing catch up or not?

SMITH: No. Carlucci was a very collegial person and he kept everyone on the same page. I had good personal ties with him. When I made stops in Lisbon, he always had me over to the residence for a private discussion regarding policy issues. He also included the desk in his discussions when he was in Washington. He always made me feel like I was a member of his "team." He would pick up the phone in Lisbon and call me or anyone else working on Portuguese issues. If Ed Rowell was in the office when he called, he would talk with Ed who was good at keeping me informed of Carlucci's views. If Ed wasn't there, Carlucci would talk to me and I would brief Ed afterward. I never felt blindsided by the embassy. Carlucci had an excellent embassy team in Lisbon. Almost all went on to have highly successful careers.

Q: I've always felt that this Carlucci period in Portugal is one of the star performances of an American diplomat. It's an example of a person who made a change. Did you feel sort of exhilarated in a way from being part of this, or was this new to you? Did you realize that you were part of really something that was rather extraordinary in American foreign policy?

SMITH: I don't think I recognized how unique it was at the time. Later on, I began to understand that our success in solidifying democracy and economic change in Portugal was a remarkable accomplishment for the U.S. Most of the time, the emotion I felt was that of exhaustion from working long hours, including every weekend. I don't really think I had time to feel exhilarated, but I did feel highly motivated. Working with Carlucci on one end, and Ed Rowell on the other, was a great experience.

Q: How about the family? I often wondered about the effect of these jobs on your family.

SMITH: It was not a good time for my family. I did pay a price for being away from my kids at an important time in their lives. That's one of the things I look back on with regret. I could have

used the time I had with the family more profitable. It was a period when my wife decided that she didn't want to live overseas anymore. She wanted me to give up the Foreign Service career. It can be a difficult life for an accompanying spouse.

Q: Above Ed Rowell what was sort of the hierarchy in the European bureau?

SMITH: The DAS was Bob Barbour. He was quite knowledgeable and competent and provided good support to our office.

Q: Who was the assistant secretary for your field?

SMITH: I think at that time it was George Vest?

Q: Could well have been.

SMITH: I think it might have been George Vest. He was a wonderful man and always paid attention to the careers of junior officers in the Bureau.

Q: Did you feel part of the European scene?

SMITH: At the time, I felt that I was dealing with "real" European affairs. I still believed, however, that an assignment in Western Europe was necessary to be a European expert. Nevertheless, the Assistant Secretary and the other top people in the Bureau had a way of making us all feel that we were part of the larger international picture. Vest would hold meetings from time to time where junior people were invited to hear somebody talk about the Soviet Union or something unrelated to what we were working on. It kept the place interesting, and made us feel like important policy players. Since I was working in the Office of West European affairs, I had a fair picture about what was going on in Italy, France and Malta, in addition to Portugal and Spain. Jim Dobbins was the French desk officer while I was there. Bob Barbour, who was Ed Rowell's predecessor, had become the DAS after Bruce Laingen left for Tehran (to become one of the hostages). Bob later became an ambassador and for many years was a Foreign Service Inspector.

Q: You'll have a chance to fill this in. You moved over to sort of the Spanish desk in '79, after two years?

SMITH: In 1978, probably late in '78. I was there for two years.

Q: So we're really going up to about '81. What was the situation in Spain would you say in '78?

SMITH: There was uncertainty. The conservative government was trying its best to overcome the legacy of General Franco. Even with a conservative government, there was considerable unrest within the very right-wing military and the Civil Guard. There was serious terrorism being carried out by the Basque radicals and there was political separatism growing in the Catalan region. The military and Guard wanted the government to clamp down on civil liberties in order to combat Basque terrorism. I made several trips to Spain during that period. A lot of my time

was spent dealing with military base negotiations. We occupied military bases in three parts of Spain. They were considered important strategic bases designed to counter or deter a possible Soviet attack.

Q: You hadn't got involved with the Azores or..?

SMITH: Earlier on I'd gone to the Azores. By the time I worked on Portugal, there was no longer the question of whether the Azores were going to declare independence. But the U.S. use of the Azores airbases was the subject of a lot of negotiations, in which I participated. I made a trip to the Azores in the middle of the winter in order to consult with our airbase commanders. The issues were complex, but interesting.

During the first re-negotiation of the bases, the Portuguese were willing to give us whatever we wanted. They were still grateful for our support of democratic government after the death of the dictator, Caetano. During the next negotiation, they became more demanding. By then, they had a better idea of the military value to us of the bases, and about how much assistance they get from us.

The Spanish negotiations were much more complex, in part because the important Barajas airbase was within the Madrid city limits, and the Spanish Government wanted to close it down. We also occupied a major tanker re-fueling base at Zaragoza in the west. And we used a major naval base in the south at Rota, where we based nuclear submarines. The Spanish were more concerned about national pride than were the Portuguese, and Madrid insisted on having more control over operations at bases on their territory.

WESLEY EGAN
Political Officer
Lisbon (1977-1979)

Ambassador Wesley Egan was born in Wisconsin and raised in military bases both in the United States and abroad. He attended the University of North Carolina, Chapel Hill and served in the US Air Force. He entered the Foreign Service in 1971 and held positions in South Africa, Portugal, Zambia, Egypt, as well as an ambassadorship to Guinea-Bissau and an ambassadorship to Jordan. Ambassador Egan was interviewed by Charles Stuart Kennedy in 2003.

Q: Today is the 11th of February, 2004. Wes, you're off to, let's see, just to back up. It was 1977, wasn't it?

EGAN: 1977.

Q: Where had you been before?

EGAN: I was in the spring of 1977 I was on Larry Eagleburger's staff. I was doing the S side of his staffing, the side of his staffing that related to the office of the Secretary of State. Eric Boswell was doing M the management side of his staffing because in those days for a brief period Eagleburger actually filled two positions: one as executive assistant to the Secretary and the other as Undersecretary for Management. He had a sort of bifurcated staff and I ran the S side of his staff and Eric Boswell who went on to become the assistant secretary for diplomatic security, ran the M side.

Q: Let me stop here.

EGAN: Eric was and remains a very good friend. He was the last career Foreign Service Officer that filled the position of the Assistant Secretary for Diplomatic Security. Peter Tarnoff asked me if I would stay on in the Secretary's office for another year or two and I said no thank you. I'd been on the 7th floor for three years and I thought it was time to get back to the field. The Portuguese revolution had taken place in '74 and '75. In fact I was still in South Africa when the coup in Lisbon actually took place. Frank Carlucci, Ambassador Frank Carlucci had been sent to Lisbon shortly after the revolution and was dealing with how we should respond to a leftist government in Portugal, one of the founding members of NATO and a country that via the Azores was also a base rights country. After the revolution all sorts of people were coming back to Lisbon. Mario Soares returned from exile in Paris and all sorts of folks were floating back. Frank Carlucci, Herb Okun, his Deputy Chief of Mission and Rick Melton, political counselor, were dealing with important issues and I wanted to be part of that team. This was before the days of the open assignments system and I was in a privileged enough position in Eagleburger's office that I could make it known that I wanted to go to Lisbon to be the number two in the political section and it happened; the assignment was paneled and the orders were cut. Ambassador Carlucci was I think at the outset a little bit curious about the assignment since I was coming to him from the Secretary's staff and he and Secretary Kissinger had had several very public disagreements about how to handle relations with Portugal. Ambassador Carlucci turned out to be right. Secretary Kissinger turned out to be wrong.

Q: You weren't Kissinger's, well, we'll talk about that in a minute, but you were there from when to when?

EGAN: I was in Lisbon from the summer of '77 for what was supposed to be a four year assignment, but I left after two. I left in the summer of '79.

Q: Had you had any Portuguese?

EGAN: Nope. I went to Portuguese language training prior to the assignment and got my 3/3 language rating, but I had no previous Portuguese experience. I had no previous European experience. In fact Lisbon was only my second overseas posting. I was probably totally unqualified for the job.

Q: That's the Foreign Service.

EGAN: That's right.

Q: That's why we hire people and go through a selection process. How would you, what was when you arrived in 1977, what was the situation in Portugal?

EGAN: The issue I think that preoccupied us was what was the best defense against the possibility of the Portuguese Communist Party taking the reigns of government. Ambassador Carlucci's argument was that the best defense against the communists was to back the Socialists rather than to support the Social Democrats or the Christian Democrats. I think Secretary Kissinger and likely other members of the administration were of the view that given the importance of the Azores to us, that great aircraft carrier parked in the middle of the Atlantic Ocean, that our interests would be better served if we backed a more center right party. That was I think the fundamental issue at that moment.

A secondary, but also very important issue was the extent to which we were going to manage to retain our base rights at Lajes Field in the Azores. Lajes was a Portuguese base that the U.S. military had used since the Second World War. I remember actually as a kid flying on a military air transport plane from Westover Field in Massachusetts to Tripoli, Libya stopping in the Azores for fuel in what must have been 1951 or 1952. The Army, Air Force and the Navy all used Lajes. The joke those days was that the Army drove the ocean-going tugs, the Navy flew the planes, and the Air Force mowed the grass. The issue of retaining those base rights and what it would cost us, what the quid pro quo would be with this new political environment in Portugal, was our second most important issue.

The third priority was the impact on Portugal for the collapse of the oldest colonial regime in Africa. Soon after the revolution, approximately a million Portuguese from those colonies, many if not most of them born and raised there, returned to Portugal. In the space of a year and a half, Portugal absorbed the equivalent of about 10% of its population and these were in most cases people who had returned to Lisbon with nothing. The weight of that returning population was an enormous economic strain on Portugal which in those days was I think the most undeveloped and probably the second or third poorest country in Europe. Yet it was a founding member of NATO and a base rights country. It was a place of strategic importance and of course it was known even then that down the road the issues would arise with respect to Portuguese membership in the European Community. How the politics of it would work out, how our base rights agreement and access would be preserved were key policy issues for us. I think during my time there Portugal was the only country in Europe that was a recipient of American bilateral economic assistance, \$80 to \$100 million a year. The Embassy was a busy place to work. The embassy's work was followed closely in Washington; the issues were visible; the ambassador was dynamic; the outcome was important to the USG. It was an exciting place to work.

Q: Well, before we move to kind of what you were doing, when you got there from your colleagues and on your own, how did you view the various political parties? Where were they particularly from American interests?

EGAN: Well, the answer to that question at the time was not particularly clear. Figuring it out was a large part of the embassy's work. We needed to understand how party personalities and party platforms would evolve after the heavy hand of the dictatorship was lifted and normal

political life re-emerged. It emerged very quickly. The fear was that if the Portuguese Communist Party took control of the assembly that previous arrangements important to us, such as base rights, would be almost impossible to sustain. Also, there was a NATO command just outside of Lisbon that alternated between British and U.S. commanders. There was concern that if the Portuguese communist party came to dominate parliamentary political life that those strategic assets would be jeopardized. People were very unclear as to where the Portuguese Socialist Party would fit in. Mario Soares had been in exile for 10 years. We suspected the Socialists might cause us some difficulty in retaining our base rights access and that the party would also be trying to attack some of the major infrastructure and socioeconomic problems in Portugal after decades of neglect and dictatorship. The Christian Democrats were probably even less known to us at that point. I don't recall there being a Christian Democratic political elite in exile. Then finally you had the Portuguese Social Democratic party; the PSD led by a very dynamic man named Sa Carneiro who was killed in a plane accident some years later. The PSD was in the mainstream, European social democratic framework, but the fact that most of the political leadership of these parties had not had an overt expression in Portuguese political life over several decades of dictatorship meant that there was a lot of groping around getting to know these players and getting to know where they might stand on the domestic, regional, and strategic issues that were of primary importance to us at the time. My role in the political section was to focus on the PSD. I made it my business not only to get to know the younger technocrats in the party who were building a party organization after many years, but to begin to know the leadership of the party which was a wonderful experience for me. I made lots of good friends in the party and in Portugal in the process which was useful to me almost 10 years later when I returned to Portugal as DCM and the Social Democrats were the ruling party.

It gave me the excuse to travel all over. It forced me to actually become a Portuguese speaker. If you didn't speak Portuguese or French, you could not do business in Portugal in those days. English was just not a language you heard on the street. It wasn't spoken by the elites and although I got to Lisbon with what FSI considered a strong 3/3 in Portuguese, it was my first experience in language training and from the day I arrived I felt like a linguistic cripple. It was curious to us that Portugal in general actually seemed much more foreign than South Africa had felt. I'm sure a big part of that was language. The adjustment process in Portugal was a difficult one. Portuguese is a wonderful language. I can't stand language training. I've never enjoyed it. I don't have much of an aptitude for languages. It's always been a struggle, but the nature of my work really forced me to become a pretty respectable Portuguese speaker.

We lived about 40 minutes outside of the city center in Estoril. In those days, the Embassy was in an old apartment house on Avenue Duque de Loulé. With minimal security, we barely had a secure conference room, but as political officers we lived on the street. Some of us had better Portuguese than others, but everybody worked the street everyday. Herb Okun, the DCM, taught me an enormous amount about how to be a political officer. Frank Carlucci himself was very welcoming. I was very sorry to see him leave about a year later to come back to Washington to be the DCI. In fact we had a long conversation about that one evening just by some circumstance I don't remember, I wound up in his office alone and he was debating whether to come back to Washington to take that job. I said to him a fairly presumptuous thing for a young Foreign Service Officer to say, I said, "Well, I would think that if you went back to be the Director of Central Intelligence it would probably queer any chances you might have to be an ambassador

again.” He looked at me and said, “Well, that’s all right. I’ve been an ambassador once. I don’t need to do it again.” It was a wonderful tour for me. I was less fond of the folks that replaced him.

Q: Who was that?

EGAN: The ambassador who replaced him was Richard Bloomfield who I certainly had no personal reason to have any difficulty with, but as it turned out, he and Frank Carlucci had served together in Brazil and apparently disliked each other intensely. I think Ambassador Bloomfield might have been the economic counselor and Frank Carlucci the political counselor in Brazil. For whatever reason, these two gentlemen did not get along. Well, Frank Carlucci by that time had already established the benchmark by which future ambassadors would be judged. Frank became the sort of gold standard as far as the Portuguese were concerned as to what it was to be an effective American ambassador in Portugal. Ambassador Bloomfield, like I think everybody that followed Frank Carlucci, was judged by that standard. Ambassador Bloomfield I think felt that well, if Frank Carlucci had done it that way, then we’re not going to do it that way anymore, we’re going to do it this way. For a junior political officer, this was a difficult adjustment to make. I think it was a difficult adjustment for Ambassador Bloomfield too. They all got past that and I think he had a successful tour as ambassador and is fondly remembered, but like every other American ambassador people will say, oh, yes he’s a terrific guy, wonderful ambassador, lovely man, but he’s not Frank Carlucci.

Q: The episode with Frank Carlucci whom I’ve interviewed in Portugal he stands as one of the highlights of American diplomacy of an ambassador standing up to the Secretary of State at a very crucial time.

EGAN: It wasn’t easy to do.

Q: This is not a minor little matter, I mean this is a major matter affecting NATO, affecting Europe, the whole thing and he was right, but it was a difficult period and he did it right. This sort of stands out.

EGAN: He did it stubbornly and there was nothing secret about it. The Portuguese knew what was going on and the Socialist Party was the ultimate Portuguese beneficiary of the position that Frank Carlucci took. When Soares then became prime minister and later president of Portugal, that only reinforced the affection and respect that many Portuguese had and still have for Carlucci. Carlucci had a very sharp embassy team. Herb Okun and Rick Melton were key elements in not only making the political judgment that they made, but then sustaining that judgment in the face of pretty significant opposition at the Washington end. He was a fun guy to work for during that period.

Q: Herb and I came into the Foreign Service together. We were in the same A100 course. Herb had had problems when he was in Brazil. He was I think he was very, extremely bright. He was one of the.

EGAN: A superb linguist, a polymath.

Q: I think in Brazil from what I gather he was too young and too authoritarian. I mean you know this is one of these things that got a lot of peoples' back up.

EGAN: You mean he may have been too bright for his own good?

Q: Too bright for his own good. How did this translate into when he was older and all?

EGAN: I first met him when he was DCM in Lisbon. He was terrific to me as a mentor, as a constructive critic. I think in general he was terrific with junior officers. He was all over the Embassy. He was a man that I felt comfortable enough and familiar enough with to plop down in his office and sort of think out loud and get really smart thoughtful considered reactions from him. He was a superb drafter. He knew Frank Carlucci, but he wasn't Frank Carlucci. He was a very different personality. Herb is probably the only; he's one of two people who I met in my career that I think I would really consider brilliant. Herb Okun is one and Dick Walters was the other, Vernon Walters was the other.

Q: I have to throw with Chas Freeman.

EGAN: I never worked with Chas. Herb, I thought was a superb DCM as far as the mission staff was concerned, including the CIA station, which was a sizable station in those days, and the military staff, both in Lisbon and in the Azores. He was an outstanding number two and had the sort of relationship with Carlucci that I think a good DCM has to have. If he thought something was going wrong or the boss was headed off in a funny direction or this just did seem right, he never had any hesitation walking into Frank Carlucci's office and saying, "Frank this is ridiculous. We can't do this, that's not right." He was not only fearless in doing that, but I think he considered it one of his obligations as Frank Carlucci's deputy. I liked him enormously and stayed in touch with him over the years and I think everybody in that embassy felt the same way.

Q: Well, let's talk a bit about the social democrats. You've got the socialists who I take it are more or less the main focus of the embassy at that time and you were given sort of the.

EGAN: The ambassador's view was that the best defense against the extreme left meaning the Portuguese communist party was a solid working relationship with the socialists so the policy priority made the socialist party the focus of our attentions. But there was an equally strong feeling that we needed to have well informed positive relationships with the Social Democrats and the Christian Democrats as well. My particular focus as the political officer as number two in the political section was to try to begin to develop those relationships with the PSD.

Q: Where did the Social Democrats of Portugal fit within the Portuguese scheme of things? What was different between the socialists and then how did they fit to the socialist social democratic parties, labor party movements in Europe which were also supporting this.

EGAN: Mario Soares was a very prominent member of the Socialist International and many of his senior staff, the one that I remember in particular, Rui Mateus, was very prominent within the socialist international and spent a lot of time cultivating the socialist, the Portuguese Socialist

party's relationships with the European and Latin and South American socialist parties. Sometimes people in Washington worried a little bit about that, but it was very much a part of their identification with the socialist international and the sort of community of socialist parties worldwide. Along the political spectrum going from left to right, you would have the Portuguese Communist party, the Portuguese Socialist party, the Portuguese Social Democratic party, slightly to the right of center and the Christian Democrats to the right of that.

Q: Where would the Portuguese who came back from Africa fit in this?

EGAN: It's kind of hard to generalize about a million people, but in the late '70s if you had taken a poll and I don't know of any polls taken in those days, you would probably have found more of them on the center and center right and right than you would the center left and left, meaning a greater identification probably with the social democratic party and the Christian democrats than with the socialists or the Portuguese communist party.

Q: This would of course fall into line along with them.

EGAN: Absolutely. Those million people who returned, were within the space of five years completely reintegrated into domestic Portuguese political and economic life. In fact, as the dictatorship fell away, the people who were opening new banks, opening small business, opening large businesses, attracting foreign investment, commercializing agriculture, modernizing the wine sector, investing in cork, all of those sort of entrepreneurial business opportunities, were more often those who had returned from overseas, not those who had stayed at home.

Q: Yes, I mean this is America.

EGAN: I think many of them became the engine of Portuguese economic development in the '80s with Portugal's accession to the European Community. I doubt that would have happened as quickly as it did had it not been for the energy and imagination of many of those who in many cases had lost everything in the colonies when the revolution occurred in Lisbon. Most of them would have lined up closer to the Social Democrats and the Christian Democrats than they would have to the Socialist or Communist party. I think a lot of Portuguese voters in the late '70s also felt that the best defense against a resurgent communist party at least at the outset lay with the socialists and that's why Mario Soares became prime minister and ultimately president.

Q: This wasn't your focus, you still obviously were dealing with it. What was your impression of the communist party? From what I gather their leader was.

EGAN: A fossil. A Stalinist remnant.

Q: Which was fortunate for us. He was one of these iron teeth guys.

EGAN: Yes, I think, I don't think the potential for a Portuguese Communist Party domination of Portuguese political life after the revolution was as serious a threat as a lot of people in Washington thought it was. The Communists greatest source of support was in the shipyards and in the agricultural sector. The Party dominated the ship building yards in the Lisbon harbor and

in Setubal, the major industrialized city south of Lisbon, for a very long time. Portugal was an almost feudal place and it felt that way up to the '70s, up to the time of the revolution itself. There were also significant pockets of Communist support of the military, particularly the army. Perhaps first and foremost because of their sustained opposition to Salazar and Caetano over the decades of the dictatorship and of course their role as well in several of the African colonies with the beginning of the armed struggle. The arms struggle in Africa against the Portuguese began in Guinea-Bissau. It's not hard at all to find some of the linkages between the Portuguese Communist party and elements of the resistance to Portuguese rule in those colonies going back to the mid to early '50s. I think the rebellion against the Portuguese in Guinea-Bissau started in 1953 or 1954 under Luis Cabral who had his own relationships with the Portuguese Communist party.

Q: How did, I mean, let's talk, here you are this is a political officer there, you were saying you were all out in the streets. What would you be doing? How would this work?

EGAN: Well, I'll speak from my own experience. I had four or five other really talented colleagues in that section, but in terms of the PSD, the portfolio that I carried, I made it my business to focus on the Party at different levels. I got to know the mayors, the city council chairs, the local political boss in large towns like Braganca in the north, and in small towns out in the Alentejo near the Spanish border. They were wonderfully open and receptive to a visitor from the American Embassy. It might have been some years since anybody from the Embassy had visited and wanted to talk to the mayor about his problems, regional issues, the economy, etc. They were very open, very accessible and very gracious as you tried to do this work in Portuguese. That of course is what got you out, or at least got me out into the provinces.

The second level were the technocrats in the party. They tended to be close to my age. They were the men and the women mostly in their '30s who were trained as statisticians, who were grassroots party organizers, the ones who would make sure if there was going to be a rally that the busses got there and the hands went up in the audience and the loud speaker system was there and the banners were up on the wall. Many of them were volunteers, but many of them also paid party employees. One of them was a young man who went on to become the party's leading pollster, and we actually brought him to the States on an IV grant to observe the way in which we conducted polls, political polls and advertising polls in the United States. The third level were those who were probably also still in their '30s who were in the party leadership's inner circle. One was Antonio Gouveia who was killed with the PSD leader Sa Carneiro in a plane crash in January of 1980 and whose younger sister has until recently been the minister of culture. Gouveia was a close friend and his death was a source of great sadness to me. He had unlimited potential as a party activist and possibly even eventual party leader. The other was Rui Mateus, not in the social democratic party, but on the socialist party side, who I got to know simply because the Embassy had such extensive contacts and dealings with the Socialist Party. Rui had been with Soares in Paris in exile, had been Soares' international affairs chief, and had hoped very much that when the socialists took power in Portugal that he would become at least the foreign minister. That didn't happen and is one of the sources of his eventual falling out with Soares. Gouveia and Mateus were senior members of the inner circle of those two political parties in a period in Portuguese history in which anything was possible. They welcomed a

relationship with Americans. They became in my case good friends in the process and they played key roles as partisan political advisors.

Q: This is tape four, side one with Wes Egan. Yes?

EGAN: It probably now sounds more methodical than it was at the time. I met Mario Soares many times when I was first in Portugal as a junior officer and then also later when he was prime minister and president, but he was not certainly a regular contact of mine. That level obviously was worked mostly by the ambassador, the political counselor, and the DCM.

Q: What were the people you contacted? What were they getting from you? The relationship.

EGAN: For the Social Democrats who hadn't had any particular relationship with American authorities, it was recognition that they were credible and influential players in the Portuguese political scene and that they were political leaders of value and influence; that we recognized their role in this evolving parliamentary democracy and would listen to them when they told us why they were different from the Socialists or why they were different from the Christian Democrats. At the personal level below the party leadership level we were also in the process of identifying future leaders. The international visitor program was a principal tool to get those in their 20s and 30s to the States to expose them to our own domestic political life and how it worked politically and at the operational level. It's hard to recall how undeveloped many of those aspects of political life were in Portugal, not just compared to the United States, but compared to the rest of Europe and probably compared to most countries in the Western Hemisphere. As it evolved of course, our relationship with the Portuguese government has been very good over the years since then. But this was a stage in which the personal, substantive, and the operational relationships with these parties was coming together and growing and evolving in a way that obviously would never have been possible in the days prior to the revolution. We were cultivating people and you know, I was lucky enough to be able to go back to Portugal 10 years later as chargé because we had no ambassador in Portugal and the guys that I had known in the Socialist Party and the Social Democratic Party 10 years before, were now people in positions of authority. Just from a very narrow personal perspective I got a return on that investment and they got a return on that investment because they could walk through my door or pick up the telephone and call me, as somebody not only in a particular official position in the American Embassy in Lisbon in the late '80s, but somebody they actually knew and had known from before. That was great.

Q: Were you, I sometimes have the vision of all the socialist parties, I mean the governments of Europe sending out their representatives and you're all scurrying around doing the same thing. I mean did you find that the European countries, France, Germany, Scandinavians, or the labor party in Britain, were they doing things?

EGAN: Well, they all had I mean you've got all kinds of interparliamentary relationships in the European context and in the case of the socialists you had not only the sort of umbrella organization of the socialist international, but you also had relationships between the Portuguese socialist party and the British labor party and the French socialists and the Italians, yes, of course. You also had it with trade unions and labor movements and we played in that game too. The only

other embassy in Lisbon that I remember in the late '70s being particularly active in the way we were active were the British. Not the French. Nobody ever paid any attention to the Italians. The Spanish were disliked of course.

The British were the only ones who were really on the street to the extent that we were. It's interesting about Portugal and Spain. If you look at the border between those two countries it's as if you've got two countries that touch each other back to back, not face to face, but back to back. The Spanish have traditionally looked to Central Europe with respect to their political and economic associations. The Portuguese have always looked outward to the Atlantic and especially to the UK. Even our embassies in Madrid and Lisbon began to look out on the world in the same way. The two embassies had very little to do with each other. I remember there being very little communication between the embassy in Madrid and the embassy in Lisbon. So except for the British, I don't know of any other mission in town that kind of worked the streets the way the Americans did.

Q: How about the Soviets?

EGAN: The Soviets had the awkward position of being identified principally with a party that quickly became discredited and so their influence was not significant even as early as the late '70s. Not a major player and I mean part of that is because we are after all talking about a NATO ally.

Q: What about as a political officer did the CIA, was it much something on your horizon?

EGAN: Oh, yes, I had a very close relationship with the station. Ambassador Carlucci and Herb Okun insisted on close collaboration between the agency and the non-agency elements in the mission including the defense attaché's office. There was a great deal of sharing of information and an enormous amount of very effective coordination on reporting. In those days there was a very heavy domestic Portuguese focus for the agency so any of us who were preoccupied with the domestic scene, I mean we were working with colleagues on the station staff very closely and the reporting reflected that. In fact it was during that period that I learned the rules that ought to govern the way in which agency and non-agency reporting products are coordinated. The coordination process has got to work in such a way that coordination per se does not significantly delay the product. Two, you've got to make sure that the comments of the State political or economic officer or defense attaché representative focus on the substance of the report and not the source. The tendency I think among a lot of reporting officers is to say, I know who this guy is. I know where you got this and this fellow doesn't know his elbow from his left ear. That's just, you know, a worthless game. The comments should focus on the substance of the report, not on the source.

The third rule was not to let people commenting on the report use it as a vehicle for some other agenda or some other series of points or to express a view on some other issue that maybe they've not been able to get out through State channels.

Q: Did you find that you would be developing a contact and somebody would say, lay off that guy, this is the agency is taking care of this?

EGAN: That never happened to me in Lisbon. Never happened over the course of my career and there were many cases in which I knew that an intelligence officer and I both had a relationship with a source and we both knew we both had the relationship. It depended a little bit on whether the agency officer was nominal or integrated and it depended a great deal on the issues involved.

Q: It sounds like in Portugal at that time, there was a good healthy relationship.

EGAN: A very integrated team.

Q: Because many other places people have said, well, you know, they did their thing, we did our thing and there really wasn't any particularly at the junior level, I mean you weren't getting a chance to make your comments to review and all.

EGAN: At my first overseas assignment in Durban and there were no agency personnel. From Lisbon onward, I always had a very close working relationship with the station and military staff. Those relationships came easily to me. I worked for ambassadors who put a very high priority on a fully integrated mission staff and when I became an ambassador the first time I did the same. I think it's the only way to run an embassy. Frank Carlucci and Herb Okun put a very high priority on that sort of interagency cooperation and their successors, Dick Bloomfield and Ed Rowell, his DCM, did the same thing.

Q: Did you find any pressure or anything during the time you were there, I mean you'd been pretty far down the food chain, but still in the Portuguese American community in the United States.

EGAN: Pressure?

Q: Pressure or influence or what have you, cultural.

EGAN: Not particularly because most of the Portuguese community in the United States is from the Azores or Madeira. There were issues in the '70s about the extent of autonomy that the Azorean Regional Authority should have, particularly with respect to negotiating base rights issues in the Azores. In the '70s, the Portuguese "community" in the United States was not particularly organized. It was not a significant interest group on foreign policy issues.

Q: What about coverage of Madeira and the Azores?

EGAN: Well, we had a consulate general in the Azores, staffed by three Americans. In the '70s we had in addition to the Embassy in Lisbon, a consulate general in Oporto and in Ponta Delgado in the Azores. The consulate general in the Azores had responsibility for the American community that was part of the base at Lajes. They also handled shipping and commercial issues and they were also the principal interlocutors with the Azorean regional authority. We had very strong representation in those consulates both of which contributed to embassy reporting, had authority to report directly to Washington on their own in several areas that were a particular

regional issues or concern, and were very much a part of the country team. They both provided a unique window into aspects of Portugal that you couldn't cover from Lisbon

Q: I think, correct me if I'm wrong, this is a little before your time.

EGAN: Most things were before my time.

Q: Well, time is moving on. When we were very worried about whether Portugal and all that, there was at least talk in the corridors about well, maybe the Azores will declare independence or something like that.

EGAN: Yes, this was as you say, before my time.

Q: Well, you were young. Did you have any feel for I mean sort of the young Portuguese, the ones who were coming up the ladder? Were they did you feel that they were getting energized and looking at Europe realizing that this is really a backwater, almost a fiefdom and boy now things are going?

EGAN: Absolutely. I think one of the things that energized so many of them was that the field was so open and that a big page of Portuguese history had been turned. Domestic political life was a wide open field for people with brains and energy. If you had talent you could rise in it. The political parties weren't as heavily encrusted with their own bureaucracies or their own entrenched elites as parties elsewhere in Europe or as parties in the United States might have become. If you were a young person with ideas and a good bit of stamina and a sense of responsibility and some courage as well, you could really make something of yourself in a country that on the one hand was desperately poor and undeveloped by European standards, on the other hand small enough that you could feel that you as an individual could really have an impact and three, that because of the revolution itself and the period of Portuguese history that it brought to a close, you were part of something in which most of the rest of the Western world had a real interest. People were paying attention to what was going on in Portugal. It wasn't a small poor undeveloped country that nobody was interested in; it was a small poor undeveloped country in which a lot of people were interested. You had people like me and my other colleagues in the American Embassy and our British colleagues who were eager to get to know you and eager to establish relationships and eager to understand what your political priorities might be or how the party that you were affiliated with might comport itself if it rose to positions of authority and power. It was a very exciting period. I'm sure that I had more access and probably more fun as the number two in the political section in Lisbon in the late '70s than friends of mine who were in the political section in Paris or in London or in Bonn, might have had. It was exciting. It was an exciting place to work and a wonderful country to live in.

Q: Did you find, you got there when the Carter administration was coming in. Did you find interest in the Carter phenomenon, human rights, other things or was this a country that was really looking toward its own business?

EGAN: Yes, we weren't there yet on those issues with the Portuguese. I think there was such a focus on the strategic issues and our own access that some of those elements that subsequently

became associated so prominently with the Carter administration were not yet major preoccupations for us. I mean the whole feeling about Foreign Service work was all so different in those days. We were still doing telegrams on five or six ply green telegram forms, working out of a rickety old apartment building. In fact the political section still had a bathtub because it used to be a suite of apartments. You felt, Washington felt really far away. I'm sure the Ambassador and the DCM talked on the phone a lot to the Department, but I never did. We didn't spend time on the telephone talking to Washington. We got our marching orders from Ambassador Carlucci or his deputy every day or every other day or as often as we needed them and off we went. It felt probably more like what it used to be, to what it used to feel like working in an embassy before the war, before the Second World War than it did to what it's like to work in an American Embassy today. We had a sense of control. We had a lot of congressional visits. A lot of CODELS in the late '70s, all of which we seemed to have managed fairly well without an awful lot of guidance and hand holding by people back in Washington, so you really had the sense that you were out there. It seems odd to say, but a place like Lisbon, which is within a few miles of the westernmost extremity of the European continent, to say that we felt way out there, but we did.

The fact that I think I said a moment ago, it was a much, when I first got there, it was a much more alien feeling environment than South Africa had been. There were also some real physical hardships. I mean you couldn't buy dairy products. You couldn't find potatoes in the market. My son got meningitis while we were there and the attending Portuguese physician said, "For God sakes, don't take him to the hospital. We'll do a spinal tap here in his bedroom." His fear being that if we went to a Portuguese hospital, this was 1977, you would be sure to become ill. You'd come out of that hospital with an infection or you'd never come out of that hospital. The mortality rate was very high. The poverty rate was very high. The telephones didn't work. The things that you take for granted in a modern Western European country weren't there or were there and didn't function. That added to the sense that you were out there on a very foreign assignment and the fact that so many of the players were relatively new to us in those days I think only added to that feeling that made the whole thing a great adventure.

Q: Well, you left there in '79.

EGAN: I left there in '79. I was, I had grown a little bit unhappy at post after Ambassador Carlucci and Herb Okun left and the political counselor changed. It didn't feel like the place that I had wanted so desperately to go to in 1977 and so I very quietly made it known to a couple of people in Washington that if something interesting came up, not to forget about me. It must have been 1:00 or 2:00 in the morning when my telephone rang and it was Frank Wisner, one of the deputy executive secretaries in the Department. Frank told me that he had just been approved by the White House as the next ambassador to Zambia. Frank was going on about this at great length and I was thinking to myself, this is nice, Frank's an old friend, but why the hell is he calling me at 2:00 in the morning to tell me that? I said, well, Frank, that's terrific, but it's 2:30 in the morning here, I'm very happy for you, but why are you calling me at this ungodly hour. He then realized I guess the other purpose of his phone call was to ask if I would go to Zambia as his DCM. I said, give me 48 hours to think about it. I had a chat with Ed Rowell.

Q: Ed was what?

EGAN: Ed was the DCM. Ed had replaced Herb Okun as DCM. I had a chat with Frank Carlucci and I called Frank Wisner back after two days to say yes.

Q: You said you talked with Frank Carlucci?

EGAN: I mean Dick Bloomfield, sorry.

Q: Dick?

EGAN: Bloomfield, Carlucci's replacement. I talked with the ambassador and I talked with the DCM. I wasn't going to, it wasn't proper to accept such an offer without telling the people you worked for that you were thinking about it, that you had been asked and what did they think. I think they, as I recall, they were very understanding and encouraged me to go ahead. I think I left Lisbon with their blessing and got to Lusaka in June or July of '79 to be DCM. Of course I didn't have the slightest idea of how to be a DCM. I'm not even sure the DCM course existed in those days and it was a direct transfer. I just went from Lisbon to Lusaka and moved into the DCM's office and tried to do that job for three years.

JOHN T. DOHERTY
Labor Attaché
Lisbon (1977-1979)

Mr. Doherty was born in Kentucky in 1928. His postings abroad included Mexico City, Lima, Buenos Aires, Brussels and Lisbon. He was interviewed by James Shea in the fall of 1991.

Q: And your final assignment, as I recall, was in Portugal and you went there at a very exciting time.

DOHERTY: It was exciting but my immediate predecessor, [Dale Povenmire], had the brunt of the excitement and the fear, I suppose, because things were very, very hectic after Portugal declared its colonies free in Africa and in effect brought millions of Portuguese home and tried to integrate them into the economy and society. (Telephone Interruption)

To continue on that point, with the overthrow of Salazar and the end of 40 years of dictatorship, you had politics breaking out all over. The Communists became very, very active and for a while there it looked like they might be able to take over the government, so you can imagine how hard pressed the Socialists and the Social Democrats were, as well as ourselves, in trying to put together programs that would save the day. So those days were much more exciting than mine, although mine were exciting enough.

Q: Was Frank Carlucci the Ambassador at that time, John?

DOHERTY: He was the Ambassador when I arrived in Portugal. However, he left within less than two months, and Ambassador Dick Bloomfield took over. He came, just as I did, from Latin America. When Carlucci was there, the main thrust [of our policy] was to help the Socialists get on their feet as they were the most formidable counterweight to the Communists and the main hope there as we saw it-and quite correctly so for the future of democracy in Portugal. So Carlucci's focus was comprehensive in scope. When Bloomfield arrived in 1978, this [policy of strengthening the Socialists] had pretty much been achieved. Although the Communists were very, very strong, the Socialists had become the dominant party. The Social Democrats were also very, very strong. Our main objective then on the labor side became a quest to try to bring the labor movement of the Social Democrats and the labor movement of the Socialists together, and we worked very hard on this. The AFL-CIO, at the Embassy's request, sent in Mike Boggs, and Mike stayed there for a whole month in which he worked with both sides very diligently. Over a period of about a year, we were able to have some influence on the creation and development of what became the UGT, the General Workers Union of Portugal, which was founded in 1979. It was a cooperative effort of the Socialists and the Social Democrats with encouragement from us, the various trade secretariats, and the AFL-CIO. So in those terms I think that I was there at a very, very interesting time in Portugal.

JAMES F. MACK
Consul
Sao Miguel Island, Azores (1977-1979)

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 March 20th, 2004.

MACK: I was there from '77 to '79.

Q: How did the base negotiations with the Portuguese go. I mean our whole Portuguese policy revolves around the Azores?

MACK: Well, it did in the cold war days, definitely. We ran our anti-Soviet submarine detection operations out of the Lajes base on Terceira island. Also, during the 1973 mid-east war, we sent our military resupply flights to Israel through Lajes, where we had base rights, since the Europeans would not allow us to refuel on the continent.

There also was a fairly strong Azorean independence movement at that time. The reason was at the time of the Portuguese revolution, in I think 1972, the communists in mainland Portugal quickly came to dominate most of the posts in the government and fully expected to win elections which took place in 1976. Most of the people of the Azores were very, very

conservative and wanted nothing to do with communism. We are talking about islands of basically poor peasants with a few rich landowners, plus poor fishermen. Most of the poor majority were linked emotionally and by blood ties of their emigrant relatives to the United States.

Every Azorean, and I mean *every* Azorean, had a close relative in the United States. And most of them *wanted* to go to the United States. And very few of them had any ties at all with men in Portugal. Only the rich did. And the rich sent their children to university in Portugal where many became leftists. The poor sent their children to America where they became red, white and blue Americans. Ha! Ha!

As Portugal was drifting far to the left, a movement grew up in the Azores advocating Azorean independence and membership in NATO. You probably recall there was a period when Kissinger made a decision, a U.S. Government decision, to support the Portuguese Socialist party, which was democratic, against the communists, rather than to give up on Portugal and let it become communist to serve as a lesson for the rest of Europe.

Q: I've interviewed Frank Carlucci.

MACK: He was the Ambassador part of the time I was there. There had been a US policy debate on whether to let Portugal go communist and go down the tubes just to teach the rest of left leaning Europe a lesson. Or whether we should urge the Europeans, particularly those with socialist governments like Germany, to support democracy in Portugal and the Portuguese Socialist Party against the communists. The Communists in Portugal made a huge strategic error, just as they later did in Nicaragua, by agreeing to free elections. They were totally convinced that since they controlled the streets, the labor movement, the universities and the press, they would win a free election.

What they did not realize was that even though they did dominate the labor movement, the student movement and the media and intellectuals class, when it came to counting votes, the politically conservative small property owners, the small farmers in northern Portugal, would overwhelming vote against the Communists. The Communists ended up winning outright only 12 % of the vote and about 18% with their allied parties. It was amazing. They owned the streets of Lisbon. But when the votes were counted they were blown away. So by the time I got to the Azores, which was in '77, Mario Soares, a Socialist, was Prime Minister, and General Eanes, a conservative was President. US policy was to support the Soares socialist government. My instructions were to have nothing to do with the Azorean Independence movement. But, I did have a little problem; the senior FSN in my consular section was one of the leaders of the Azorean independence movement. So it was an awkward situation.

Q: In a way I would think that the Azoreans as a group didn't not really think their islands had a chance of becoming an independent country.

MACK: Well, I can't answer that question. I do not know. But there are a lot of smaller island states. Look at the Caribbean. They were a quarter of a million of people in the Azores. There are

probably eight countries in the Caribbean that don't have the size or population of the Azores. There are a lot of microstates that have strategic importance .

Q: What happened?

MACK: To counteract the Azorean independence movement, the Portuguese government agreed to grant the Azores a rather considerable amount of autonomy. The Azorean autonomous region has an elected assembly and president. They received a large proportion of the payments that the US makes for its Lajes base rights. That, and the defeat of the communists on the mainland, took the wind out of the sails of the independence movement. I have not been back since I left in 1979 so cannot tell you how things are now, but I do think that the fires of independence are long out.

Q: This Lajes base rights thing seems like a running bargaining situation which has gone on forever. Either you just completed a treaty and you start the new process.

MACK: I frankly have not followed this situation through years and I don't know what the status of the U.S. facility is currently. We are talking really about the use of a Portuguese base since Lajes is not a U.S. base per se. It is Portuguese base at which we have use rights. There actually was a Portuguese side of the base and an American side of the base. I have no idea how extensive the US installations are now; how many Americans are still there? In my time, there were probably well over a thousand uniformed US military and maybe a total of three thousand Americans there if you include including families, and there were a lot of families. It was not an inconsequential number. The US facility was commanded an USAF Brigadier General.

Q: Was it at the same Island you were?

MACK: No it was a different island.

Q: So in a way, I would think it would be a little hard to go from Island to Island?

MACK: Well you flew. That is how we got there. You take a commercial airplane flight, which was sometimes very exciting in winter or the middle of a storm. The turbo prop plane was solidly built. I had some frightening moments but I never had to take a drink in the ocean. And we would fly over to the base about once a month. I had an excellent relationship with the people at the base. They were happy to see us and were very supportive. My wife, in fact, got a Master's Degree in Public Administration through a university extension program at the base. She would go over there for two weeks every three months. Anyway, we had close relationship with the people at the base, including the commander of the US facility. Also, I was a member of the San Miguel Island tennis team, and so I organized tournaments against the American Base. They would come over to San Miguel with their families and we would go over there. It was a lot of fun. Everybody had a good time. It was very enjoyable.

Q: It didn't leave much chance for the troops to get in trouble nor did they?

MACK: Well, I don't think there was a whole lot of trouble. First of all, a lot of US military people were accompanied by their families. There were USAF, Navy (P-3s flew out of Lajes)

and a small US Army contingent. I think the military favored families. They wanted a stable environment at this isolated facility.

Q: It was not a fighter base or something of that nature?

MACK: No. It was a logistics support base that supported USAF aircraft coming through, and a home base for Navy P-3s tracking Soviet nuclear submarines. Ponta Delgada was a good post for a family with very young children. Our kids were very young at the time.

Q: How many children did you have?

MACK: Well we got there with two and we adopted a third while were there. So we had three, all very young, all under four.

Q: What were you doing?

MACK: Well, I, or I should say my vice consul and I were doing Consular work – non-immigrant and immigrant visa work, provided support to US military ships that would come in. Lots of commercial and private vessels would stop there also. We would have seaman issues. Strange Americans would wash up there and we would have to deal with them. I also did some political reporting and representation.

Q: Did you have a lot of Portuguese Americans coming back from Massachusetts or Rhode Island?

MACK: Absolutely! Absolutely! We even had the Archbishop of Boston at the time, Cardinal Medeiros, who was born in the Azores and emigrated to the US at the age of fifteen.

The Feast Day of Santo Cristo and the whole population turns out, many participate in the procession to demonstrate their faith and make and keep promises in exchange for God'. The streets become basically flowerbeds. People made pave the streets as if a giant carpet in different designs made of flower petals. Mostly they use azaleas of different colors (the Festa is in April) and lilies, both of which grow in great profusion in the Azores. It was absolutely breathtakingly beautiful. Archbishop Medeiros had been ordained as Boston's first Cardinal not of Irish ancestry shortly before. So his participation in the Festa do Santo Cristo made that year's event even bigger. The Azores had many native sons return to visit, but never as a Cardinal.

Q: Prince of the Church!

MACK: He was a delightful person. Anyway, after the procession, my wife and I had a big reception for him in his honor. We also had a Congresswoman from Massachusetts, a Republican actually, who was there at the same time. So it was quite an affair. Everybody who was anybody was there. It was just wonderful a wonderful time.

Q: Will did you end up with Senator Kennedy.

MACK: He never made it out there during my time.

But the Azores were kind of a fairyland, a whole different world. We really were isolated there. But, people were very good to us and we got around to see all the islands and that was part of my job. People were happy to see me. There were lots of consular issues to deal with because of the large number of immigrants to the US, returnees to the Azores, ship visits, adoptions etc. .

Q: I would imagine immigration would not be a great problem in the sense that there wasn't a lot of room for fraud or anything like that? It was fairly straightforward.

MACK: Immigration was pretty straightforward. The immigrants were family members being called by relatives already in the US. The frauds were the marriages, like a 23 year old Azorean guy marrying a fifty-five year old non-Portuguese speaking American woman; that kind of thing. We also did thirty or so adoptions a year including my own.

Q: Were the Azores in the transatlantic yachting circuit?

MACK: You are very good at this Stu. Yes, in fact, they did but they would come into mostly another island, Faial at a town called Horta which had a gorgeous natural harbor. Faial was part of archipelago with three big islands Sao Jorge, Faial and Pico. These islands were quite close, probably no more than 10 miles apart and easily visible from one another. The sea between them was protected and quite calm. It was a great place for Trans-Atlantic yachts to stop so if I happened to be in Faial I would certainly go down to the harbor in Horta to see what was going on. I remember I did get a ride on a yacht one time in San Miguel a US yachtsman took me out for a few hours.

Q: I think Horta in Faial was where the Alabama came in during the civil war put the guns on board or something before it started its cruise under the confederate flag.

MACK: Is that right?

Q: It came out of Liverpool without guns and all. This is part of the Laird ram it was called and it was met at Faial where it took on its armament. This was to try to get around the union blockade.

MACK: Faial was quite a bustling place a hundred years ago. And we actually had a consulate there for many years because of its importance as a whaling center. The population then was much greater than now. Then they had a horrible volcanic eruption in the late 1950s, I think 1957, that destroyed a large part of the island. Shortly thereafter, the US Congress passed some special legislation allowing any resident of Faial to immigrate to the US. About two-thirds of them did. That is that main reason the population went from 30,000 to about 12,000 in period of twenty years. During the late 50s and 60s, the US Consulate in Ponta Delgada on Sao Miguel, which processed immigrants from all of the islands, was issuing immigration visas to 12,000 Azorean immigrants a year. That meant the consulate for a time was the seventh largest immigrant visa issuing post in the world. Can you imagine!

Well the result of all this out migration from the Azores was that the total population in islands had dropped from about 440,000 in 1920 to about 250,000 when I was there from 1977-79. The number is probably less today. And the island of Faial itself was a beautiful but sad place because it was half abandoned, with homes boarded up and collapsing. Even in the main city of Horta which is nicely laid out along a curved bay there were a lot of abandoned houses.

Q: How heavy was the hand of the Embassy in Lisbon?

MACK: Not very heavy. My only explicit orders were that I was to have no truck with the Azorean Independence Movement and to maintain good relations with the leadership of the US military installations at Lajes airbase on Terceira Island. I complied with both instructions. The first order was a bit more tricky proposition because my senior local employee was active in the independence movement, and an American citizen who had purchased farm there and lived here with his family was connected to the movement and his wife was good friends of my vice consul's wife. Sao Miguel was a small place. The second instruction was easy since there were great folks at the base who treated us extremely well. I think I had two or US Ambassadorial visits the whole time I was there. Every four months, I would travel to Lisbon and report in to the Embassy there, but really, the folks in the American Embassy in Lisbon had a lot of other more important things to worry about other than the US Consulate in Sao Miguel.

Q: Didn't they worry about the negotiations for renewal of our Azorean base rights?.

MACK: Yes, *but I was not involved in those negotiations.*

Q: This was done by the lawyers of the Pentagon and the State Department.

MACK: Right. So the bottom line was that I didn't cause problems for Ambassador Frank Carlucci or Ambassador Bloomfield. I drafted and sent my dispatches to them. When I was in Lisbon, Ambassador Carlucci would invite me to play tennis with him.

Q: Well it kept you reporting.

MACK: Well, it sure did. And I found drafting my reports a lot easier than encrypting them, which I had to do when my vice consul was on leave. Sao Miguel turned out to be a good post for a young family with kids below school age. It was a good assignment.

JOSEPH P. O'NEILL
Portuguese Language Training, FSI
Washington, DC (1977)

Consul General
Lisbon (1977-1980)

Joseph P. O'Neill was born in New York in 1935. From 1953-1956 he served in the US Army. After joining the Foreign service in 1961 he served positions in Laos, Vietnam, Thailand, the Philippines, India, Portugal, Ethiopia, Djibouti, Sudan, and Eritrea. Mr. O'Neill was interviewed by Thomas Dunnigan in May 1998.

Q: You were next transferred to?

O'NEILL: I came home for Portuguese language.

Q: You took Portuguese language and went on to Lisbon.

O'NEILL: Yes. There was a question about where I should go next. I thought it would be best to go back to East Asia, where I knew the place, etc. But my career counselor and Josephine said that I needed a different outlook on life. So, I was sent out to Lisbon as the consul, later the consul general. I did primarily consular work. I was responsible for the Azores. I did political reporting out there because the consul out there didn't want to, didn't feel she should do it, she was a consular officer. I visited Oporto, had some consular cases in Funchal. But of that whole assignment, we had one baby while we were there. That was Kevin, the fellow you just met who is going into the Marines. I was also sent out to Teheran on TDY. It doesn't show up on the records.

RICHARD BLOOMFIELD
Ambassador
Portugal (1978-1982)

Ambassador Richard Bloomfield was born in Connecticut in 1927. After serving in the U.S. military during World War II, Ambassador Bloomfield attended the Georgetown University School of Foreign Service and joined the Foreign Service in 1952. He subsequently served abroad in Bolivia, Mexico, Uruguay, Ecuador, and Portugal, specializing in Latin American economic affairs. He was interviewed by Richard Nethercut in 1988.

Q: This is part two of the interview with Ambassador Richard Bloomfield being conducted in Boston on May 6th, 1988. The interviewer is Richard Nethercut, a retired Foreign Service Officer.

Ambassador Bloomfield, could you now turn to your assignment to Portugal and describe how that came about?

BLOOMFIELD: Well, I was in Ecuador--had been in Ecuador for about 20 months more or less, I guess, and I received a phone call one day from the Under Secretary for Personnel who said that the Secretary, Cyrus Vance, was going to propose my name to the White House to succeed Frank Carlucci in Lisbon. You could have knocked me over with a feather. I mean, it was the last

thing that I expected at that point because I'd been in Ecuador only a short time. I might have thought, "Well, I'll finish Ecuador and if I'm lucky I'll get another ambassadorial assignment, maybe in a slightly larger country in Latin America."

But the idea of going off to Portugal had never entered my head. And I later asked George Vest, who was then the Assistant Secretary for EUR, how they happened to pick me out of the hat. This was '78, so it was four years since the revolution which threw out a decades-old authoritarian government. While the early concern about a Communist takeover was now largely abated and the constitution had been promulgated, and there was a civilian government, there was still concern about Portuguese stability and also the economy was in bad shape. So George said that they were looking for somebody who spoke Portuguese, which I did since I had served in Brazil; somebody that had some background in economics, which I had; and finally they wanted somebody who had already had experience as Chief of Mission. They didn't want to send a first-time ambassador there. And finally they wanted somebody who they thought was tough, but, as George put it, "in a nice way."

So, at any rate, I left Ecuador, in January, and I asked the Department for a quick refresher course at FSI since I hadn't spoken Portuguese in about seven years by that time. And also continental Portuguese is quite a bit different than Brazilian Portuguese. So they agreed to that, and I spent a few weeks in Washington at FSI trying to a) brush up my Portuguese, and also learn the Lisbon accent. And then I arrived in Lisbon in March.

It was a very interesting time. As I said, the democracy was launched, it had been launched in mid-'76, so by the time I got there democracy was less than two years old. This is in a country that from 1928 to 1974 had been ruled by only two men, Salazar from the late '20s to the late '60s; and then Caetano. It was a country that had gone through real trauma, not only in terms of a revolution at home, but in their rather disorderly retreat from their colonies in Africa. It was really the African independence wars--wars of independence--that precipitated the overthrow of the government in Lisbon; the Portuguese military had become so fed up with the rather corrupt, inefficient, and backward government that they were fighting under at home, and in effect they turned around on their masters and kicked them out. That's really what happened.

And then there was this period of a year or so when it looked as if the Communist party was going to pick up all the marbles. Then that was stopped by some military men, General Eanes, who later became president, and a semi-presidential system with a parliament and a prime minister was installed.

But when I got there the question of the future of Portugal was still very much up in the air. There was still concern that, with all of these contending forces in the society that had been unleashed by the end of the old regime, there could be a threat to political stability and constitutional government. The economy was in pretty bad shape. So it was a difficult time.

And I had always thought to myself and I say this with a great immense respect for Frank Carlucci, because he really went there under very difficult circumstances and did a fine job--but I have always thought that, in a way, his job was easier than mine. What I mean by that is that when he went there it was very clear who the good guys were, and who the bad guys were. The

bad guys were the Communists and the people in the military who were pro-Communist who were allied with them. The good guys were almost everyone else in the country. In other words, all of the democratic parties from the right to the socialist left, were the good guys. And it was very clear that the embassy's role, and the US role, was to support the good guys against the bad guys.

Well, by the time I got there the good guys had supposedly won and now they were fighting among themselves. And each one of them, each party and each individual in this struggle, wanted to use the US Embassy, or the US Ambassador, as an instrument...I mean to use this in their internal power struggles. So I found that one of toughest tasks in Portugal was to keep neutral, to keep the appearance of neutrality. I must say the Portuguese are not very good about letting you do that. I mean, I loved them, and I admire them. But, like all of us, they have many wonderful qualities and a few not so wonderful ones. One of the not so wonderful ones is that they engage in very personalistic kind of politics, and it's the kind of attitude that if you're not with me, you're against me. So they sometimes would interpret my attempts to be neutral, to be partisan. In other words, "Well, if this guy isn't doing what I'd like him to do to enhance my political clout, he must be supporting my opponents" kind of thing. And you were constantly walking on egg shells as far as that was concerned.

And then there was another problem. By the time Frank left Portugal, the conventional wisdom in Portugal was that the US Government had picked out the Socialist Party as its chosen instrument, and that we were backing Mario Soares, the leader of the Socialist Party. And that we would do everything to favor that party and, in effect, to help it defeat its opponents. People would tell me right to my face that they knew this was our policy and it would be in the newspapers. It was really just sort of taken for granted.

Now part of this had come about simply because the Socialists were the largest democratic party in the country. They were the government for the first two years, and to their credit, of all the parties they were the ones who, when the Communist were threatening back in '75, got out in the streets. They mobilized their people. I mean they risked their necks to confront these guys because the Communists, after all, had support of some of the important military officers who had led the revolution. So for all those reasons it was inevitable that the US would be seen to be working with that party. That was part of it.

The other part of it was, there was a personal problem between Frank and the leader of their main opposition party, the Social Democratic Party. And I doubt that I knew all the whys and wherefores after so many years had passed. Francisco Sacarneiro was the leader of that party and later became Prime Minister. By the time Frank left, they weren't speaking to one another. The people in the PSD generally felt that the Embassy was completely biased against them.

So I had to try to overcome that. I mean it wasn't just a case of starting out with a clean slate and then trying to keep an appearance of being nonpartisan. We were already considered to be partisan. I had to work our way back to being neutral. So that was fun, that kept me busy. One of the first things I did, of course, was to invite Sacarneiro to lunch, just one-on-one at the residence, and that was a signal to him, and to his people, that from now on we were going to be friends. And we were, we became very good friends, as a matter of fact. He was killed, tragically, in a

plane wreck after he'd been Prime Minister for a year and had done very well. He had won the Parliamentary elections and within a couple of weeks was killed in this crash. It was a great tragedy for Portugal because he obviously had a lot to contribute to the country.

At any rate, I spent a little more than four years there which is a fairly long tour for an Ambassador. I guess I could have stayed there another year or so because, as far as I know, they weren't trying to move me, but I retired to come up to Boston to take this job.

Q: Now your tour in Portugal spanned the two administrations. I wonder whether there was much of a shift in policy, or whether you felt that your position was affected by the change in administrations?

BLOOMFIELD: Well, I was really very lucky in that respect because there was really no change in policy. You know, if I'd been in Latin America I'm sure I would have seen a distinct change in policies. But you see there was nothing in the Portuguese situation which would cause or give problems to an American president whether he was a conservative Republican or a liberal Democrat. In effect, what we had there was a truly democratic regime; they were pro-American. We had an airbase in the Azores which was very important to us. They were willing to let us stay there, and they wanted close relations with the United States. So there was no reason for policy shifts, I mean major policy shifts. Obviously there were some changes in style, or availabilities of monies, or whatever, but, no, I had no difficulty in that respect.

Q: Were there points of view within the US Government-- you mentioned the airbase on the Azores--were there issues on which there were different positions within the US Government?

BLOOMFIELD: Only one comes to mind. The Socialists were out of office within six months after I got there. They had a coalition and the coalition broke up and the President, in effect, fired the Prime Minister as he has the right to do under constitution. And then there were a series of interim governments. And there was finally an election and the Social Democratic Party, that I just mentioned, won, and Sacarneiro became Prime Minister.

Now, although their philosophy of government and policy was more akin to the Reagan policy, than the Socialists had been, they were also more nationalistic. They thought that we were taking liberties under our treaty as far as the base in the Azores was concerned. And this became, not a theoretical issue, but a real issue, because we were at that point ferrying equipment and men into the Persian Gulf area, the Middle East. There were problems...as I recall, we were trying to build up our ability to intervene especially after the Iranian revolution. We were trying to make deals with Somalia and some of the Emirates for bases, and landing rights, and we were stockpiling equipment, and we'd created this strike force down in Florida which was going into the Gulf.

Oh, I know what it was. It was probably the Afghanistan invasion that touched all that off. That's what it was. The Russian occupation took place in January of '79, I think? So we were using the Azores to periodically send a couple of squadrons of aircraft to Egypt to show the flag, in effect, and for other things. The Portuguese came to us and said, "Hey, wait a minute, what's going on here? First of all, it's our base, it's not your base. We, in effect, don't rent, we give you...have conceded certain facilities to you." Which technically was true. "And secondly, our

understanding is that it's to be used in connection with NATO. We're a NATO country, and you're a NATO country, but if you want to use it for any out-of-NATO operations, you have to get our permission." And the Defense Department immediately said, "No, we're not going to do that." Of course, we'd been used to having our own way there because we had pretty much under Salazar, and during the turmoil of the revolution nobody paid much attention to it. And also this was a new kind of situation.

And also, the Portuguese were quite sensitive about this Middle East thing because during the Salazar administration in '73 in the Middle East war, we tried to send...we were ferrying, I guess it was, supplies to the Israeli Army, and the French and all of our other stalwart allies wouldn't let us use their airfields. And we pretty much insisted that we use the Azores. And when the Arabs put on the oil embargo they cut Portugal off completely from oil. So they suffered for that. So when this thing started repeating itself, you see, six years later, even though it was a different government, they remembered all of that.

So there was a period in which the Defense Department kept insisting that we insist on our rights. I mean they sent me telegrams that were drafted by some lawyers in Defense which were cockamamie stuff. I just pointed out to them, I said, "Look, this is a sovereign government and there is nothing in our agreement with them that says that we can use the base for anything we see fit." And I said, "If you really want to get down to it, if you want to insist on your rights, then they can just drive a bunch of fire trucks out on the airstrip and you're not going to get your planes in there. So why make trouble for yourself? Why not just tell us to go in and request it through a diplomatic note?" And I said, "I'm sure they will give permission every time. But why make trouble for yourself by insisting on principle when in fact it's a very dubious principle to begin with?" So eventually they caved in and we did that. We would do what every other embassy does everywhere else in the world, and go in and give them a note, and they'd reply almost immediately and say, "Yes, go ahead."

But other than that I can't think of any other thing. The main problem I had really was the lack of resources... what I suppose every Ambassador feels. But I really felt that we short-changed the Portuguese terribly. You know, that base was very important strategically and still is for us. We had problems with the Spaniards using Torrejon base near Madrid. The Spaniards were very, very strict on what we could use it for. Well, you remember even in the Libyan operation that our planes from England had to fly all the way around because the Spaniards wouldn't let them fly over their territory.

Well, here we had this base in the middle of the Atlantic that the Portuguese were letting us use for operations in the Middle East. And I felt, and the Portuguese felt, that we should aid them--they wanted military aid. And after all, this was a NATO army that they were building--supposed to be building up--and we were being niggardly, you know, the amount of aid that we were offering them every time the base agreement came up for renewal, was really pretty poor. I've forgotten the exact amounts but, it was \$20-\$30 million dollars or something. Then they'd look down the other end of the Mediterranean, and the Greeks and the Turks were getting several hundred million a year. So that was a constant frustration for me, and as it turned out while I was there the treaty came up for renewal--the base agreement came up for renewal. So we started negotiating. I was the head of the American team, and there was a special diplomat, the head of

the Portuguese team. We really got nowhere. I mean we would have these meetings, and these people would come out from Washington. We couldn't make any commitments on the money side, and they weren't going to make any commitments without something concrete from us. As it turned out I left there still in the early stages of those negotiations; and my successor, fortunately, had better luck with the Bureau of the Budget than I did and he eventually got enough stakes to put on the table so that the agreement was renewed.

But we're having the same problem now. I saw a couple of weeks ago that the Portuguese Prime Minister was coming to visit President Reagan and the big issue was that they felt that we were not giving them enough aid, and that there was some question as to whether they would renew the base agreement. So, its a constant problem. I always felt that we took them too much for granted. You know, its the squeaky wheel that gets the grease, and they never squeaked very loud so we said, "Well, no problem."

Q: Were you in Portugal at a time when the issue of Angola was a concern to the Portuguese, or is that something in their past?

BLOOMFIELD: Oh, no. Not their past, it's a constant obsession with the Portuguese. The Portuguese, most of them, were heavily marked by their African past. They took great pride in the fact that they were the European country that, in a sense, explored the rest of the world to the East, not to the West, because they really had to share that honor with the Spanish. But, you know, Africa, they were the first ones who sailed around there, and India, and so forth. Also, many Portuguese, of course, served in the military as conscripts in Africa and they fought this long war against the African independence movements. And there was something like almost a million Portuguese that came back from Africa after the independence. So you couldn't have a conversation with a Portuguese for more than ten minutes without Africa coming up, no matter what you'd been talking about. So it was of concern to them, but it was also a concern to the United States, and it was really for that reason that I had some involvement with that situation because we were, at that point, trying to get...well, during the Carter administration...to get the South African government to comply with the UN resolutions and grant Namibia its independence. And part of that problem, as it still is if you read the papers the past few days, is the Cuban troop presence in Angola. And since the Portuguese had special knowledge of the country, we would periodically consult with them about Angola. I remember Don McHenry used to come through Lisbon when he'd go to Luanda to negotiate with the Angolans, and so forth. So, yes, it was a fairly lively issue.

Q: Were there other topics, or incidents, that you would consider major achievements or frustrations during your period in Portugal?

BLOOMFIELD: It's much more difficult for me in that tour to point to specific achievements, because it really was a situation in which, while we had a great deal of influence, the degree to which we could effect internal developments was much, much less than the case of, say Ecuador, when I was there. So what I can say was accomplished but I can't take any particular credit for it was that by our general posture of trying to show the Portuguese people that we were interested in their country, that we had good relations with them, that we respected their leaders and had them to Washington, that we did give them assistance, even though they didn't think it was

enough, that by our general attitude and presence we did to try to reinforce democracy in the country.

And I must say, as I said before, when I came there democracy was still a fairly fragile flower. By the time I left it was much clearer that it was going to last. Democracy was going to last, and the instability would be the political instability of frequently changing governments, but the democratic system was there to stay. Now, I don't take any particular credit for that, but certainly the United States just by its general attitude, and as I say, encouragement made some contribution. After all, the Portuguese did it, we didn't do it.

Other than that I did manage to keep the Azores base thing on a fairly even keel in spite of some of the problems that we had. I did work, for instance, with the Portuguese Air Force and managed to get them airplanes that they wanted. They had started that when I first got there. They wanted F-5's and they didn't have the money to buy F-5's, so we eventually found some less hot airplanes they could refit. They got a very nice squadron of aircraft. So it was things like that, just trying to be responsive and that was about it, I think. They were difficult to work with at times because of these internal political feuds, but on the other hand, they were basically friendly to us. They were, after all, very committed democrats. They're very conservative basically. The Socialist Party in Portugal is about as conservative a party as you'll find anywhere in the world, and very pro-American. So, from that point of view I didn't have any big crises or anything like that.

Q: Did you find that the mission in Portugal had to spend time handling American dignitaries? Did the Congress...

BLOOMFIELD: No, not that much. It's not like the other parts of Europe where they come frequently. Maybe more so now. I have the impression that more American Congressmen go to Portugal now, but I guess for some reason in those days, it was still considered something of an out-of-the-way place. We had our share. We had a meeting, an Inter-Parliamentary Union meeting and a big US delegation. We had our CODELs, and so on, but it wasn't like London or Paris where there's usually ten Congressmen in town all the time. Nothing like that.

Q: Did you find marked differences in your two tours with respect to the Country Team, and could you comment about running the Country Team and your experience?

BLOOMFIELD: I didn't find that much difference for the reason that, although you might expect that Portugal being an European country would be different and not thought of as a third world country there were many similarities to developing countries in Latin America. To give you an example: we were very anxious to give Portugal economic assistance in the aftermath of the revolution because we were trying to strengthen the democratic forces there, and yet there was no aid program for Western Europe, so they created one for Portugal, and it was administered out of the Near Eastern Bureau of AID.

So, I again had the kind of diverse representation from the US Government that you would expect in a place like Ecuador. Not quite as much as in Ecuador, but we had a military assistance

group there separate from the attachés. We also had the attaché office, and we had the Ag people. We had pretty much the usual deck of cards.

EDWARD M. ROWELL
Deputy Chief of Mission
Lisbon (1978-1983)

Ambassador Edward M. Rowell was born in Oakland, California in 1931. He obtained a B.A. from Yale University. In addition to Luxembourg, Ambassador Rowell served in Recife, Curitiba, Buenos Aires, Tegucigalpa, Lisbon, La Paz, and Washington, DC. He retired in August, 1994 and was interviewed by Charles Stuart Kennedy on September 10, 1995.

Q: Today is February 15, 1996. This is a continuation of the interview with Ambassador Edward M. Rowell. Ed, you were off to Lisbon as Deputy Chief of Mission. You were there from when to when?

ROWELL: I arrived on July 16, 1978, and left on July 15, 1983. It was exactly five years.

Q: In the first place, being a Deputy Chief of Mission is always a little bit like a marriage with an Ambassador. How did you get the job?

ROWELL: I campaigned for it and then I was lucky. I knew that I needed to go overseas again. I had been stationed in the US since 1970. I wanted to go overseas as a DCM. At one time I had hoped to go as DCM to Madrid. The Ambassador to Spain in 1978, Wells Stabler, asked me what my boss, Bob Barbour, was hoping to do. Bob was scheduled for reassignment overseas from his Deputy Assistant Secretary position that same summer. At the time I talked to Wells Stabler, I thought that Bob had the inside track to be DCM in Paris. I mentioned that to Stabler. He said, "Well, if Bob doesn't want to come to Madrid, then I would like you, Ed Rowell, to be my DCM." I thought that was fine. That conversation with Ambassador Stabler was during a business trip in Madrid to support the bases negotiations. I went back to Washington and recounted the conversation to Bob Barbour. Bob grimaced and said, "Well, I probably should have told you a little bit more about my personal plans." He was going to Madrid after all as DCM. He said he would strongly support me for the DCM slot in Lisbon, for which I was a natural choice. I had been engaged in Portuguese affairs since November, 1974, all of which, except for the first six months, covered the post revolutionary period. I had been instrumental in shaping American policy, including the assistance program, and vetting a number of the other activities. I spoke Portuguese, the language of the country.

We were at the point of changing Ambassadors. Frank Carlucci was about to leave after three years, and Dick Bloomfield had been picked to be Chief of Mission. He had been our Ambassador to Ecuador. I approached Dick, and he was favorably disposed to me. In fact, when he had been going to his first mission in Ecuador, 1975, he invited me to go as the DCM there. However, I told him that I had just broken into European affairs after 15 years' confinement in

Latin America. I said that, although I enjoyed Latin America, 15 years were enough to pay my debt to the Department and the training program.

This time (1978) Dick he wanted to offer the job as DCM in Lisbon to his DCM in Quito, Ed Corr. However, Ed and the Personnel system persuaded Dick that while the DCM position in Quito had been good for Ed Corr, being DCM again under the same Ambassador at another post would not advance Ed's career. So Ed went on to do other things and, of course, has had a distinguished career himself. He was Ambassador to Peru, to Bolivia, and to El Salvador. And Dick Bloomfield then invited me to go to Portugal as DCM.

Q: This was in 1978?

ROWELL: 1978.

Q: What was the situation in Portugal when you arrived? Having been dealing with Portugal, although you were not Ambassador, did you have an agenda of the things that the Ambassador and the DCM were probably going to have to address in Portugal?

ROWELL: I wouldn't describe it as my agenda, but I would say that there was a clear, American agenda. Ambassador Bloomfield had arrived in March 1978 -- four months before I did. In a way, when I arrived in Lisbon in July, I was still more fully read in on Portuguese affairs than Dick was because I had been dealing with them continuously for almost four years. I knew the various elements of US Government interagency activities and disagreements. I knew about the strains which we had had with some NATO allies over how best to support the democratic process in Portugal. I was familiar with the constant rise and fall of governments in Portugal. They had a lot of governments and a lot of votes of no confidence and changes. In fact, one such vote of no confidence took place very shortly after I arrived, and the Socialist Prime Minister, Mario Soares, was thrown out of office. A Social Democrat was inaugurated.

The political turbulence had made it difficult for the Portuguese to make certain changes in their fiscal management to deal with some of the problems of the international environment. For example, there was the way world trade was changing. We had, at the time, a substantial agricultural assistance program that consisted of delivering to Portugal large quantities of both feed grains and some food for humans, like fats and oils, soybeans, and also some grain. At the time total US agricultural sales to Portugal were running at about \$600 million a year. This was big business for the United States and very big business for Portugal. Remember, this was during the 1970's -- long before the inflation which began to hit the US in 1978 and into the early 1980's.

We had a substantial military assistance program. We had a lot of problems getting it coordinated with our NATO allies. This was part of a total NATO effort to bring Portugal out of the military structure that it had used during the colonial period and into a NATO type of structure in which the Portuguese could play a genuinely useful role vis-a-vis the Warsaw Pact. It also related to contingencies that might have to be invoked in the event of another oil crisis or some other crisis in the Mediterranean.

I was familiar with all of these things. I was familiar with how they were planned and negotiated within NATO, and how they were justified, first at OMB [Office of Management and Budget] in the US budget process, and secondly in getting Congressional approval. I was familiar with the coordination between the Defense and State Departments, not just on military assistance but on the never-ending negotiations of our privileges at Lajes Air Base in the Azores. Lajes remains today an important facility. It was a principal way station, for example, when the US was transporting supplies to the Middle East for a variety of contingencies and into Africa.

It is rather simple to explain its importance. If you take a Boeing 747 jet aircraft, the kind that people fly in all the time and which is part of our reserve air fleet, and you want to use it to send equipment, say, for a Persian Gulf conflict, you have a choice. You can load it up with equipment and less fuel, in which case it has to stop more often, or you can fill it up with fuel and fly it non-stop, but without much cargo. Well, Lajes Air Base made the difference. It allowed us to touch down there, refuel, and carry much more cargo. When you're trying to move a lot of materiel in a hurry, you want to be able to land at intermediate airports. In NATO plans Lajes Air Base was significant for resupply to Europe and the ferrying of aircraft. It was also important for anti-submarine patrols throughout the North Atlantic. It was a constant preoccupation of the Supreme Allied Commander, Atlantic [SACLANT]. I was familiar with the details of all of those things.

The trick in being DCM in Portugal was, first of all, to have a realistic view of the Portuguese. They were democratic, they were going their way, they still harbored certain reservations about the US, and particularly the US role in Africa. They felt that the US, as the most significant of the NATO allies, should have helped them more to hang onto their colonies. Of course, that was something that we wouldn't do. We had refused to do it, as had the other NATO allies throughout the prolonged, colonial wars. But that didn't mean that we harbored designs on what had been Portuguese Africa, which is what many Portuguese -- though not all of them -- thought or feared. So we had to deal with the Portuguese on that.

We had to deal with them realistically in terms of the stability of their governments -- when was a commitment a commitment and what kinds of commitments could they not make. We needed to deal honorably with Portugal in terms of the commitments which we had made in helping their military to convert to a NATO force from a colonial force. So there was a lot to be done.

Now, I ran into a problem with Ambassador Bloomfield. The problem was my fault, which it always is when you're a DCM. [Laughter] When you're Number Two in an Embassy, it's your fault. I came on too strongly. This is a classic error. I tried not to. I was conscious that it was a classic error and I was trying to avoid it. I recall one morning at an Embassy staff meeting. Ambassador Bloomfield had returned from consultations in Washington only about a week or so before. A critical question came up. I don't remember the content of the question but I remember how it affected me. It dealt with a major issue of policy. Every head in the room turned to me for the answer. Not a single person looked to the Ambassador who had just come back from Washington, the source of policy. I knew I was in trouble. Not long after that, Ambassador Bloomfield called me into his office and handed me an interim efficiency report in which he said that I had undermined his authority in the Embassy. He said, "Take this. I don't want to talk about it now. I want you to read it, think about it, and come back. We need to talk."

The issue was whether I could really be a Number Two or should I start looking for another job. I wanted this DCM job very badly. I knew that I could be a Number Two and thought that I could turn the situation around. I persuaded him that I could. It took me three months to do it. Obviously, I succeeded, because I was in Portugal for a total of five years.

Clearly, this had been eating at Ambassador Bloomfield for some time. That morning's events had triggered the fall, as it were. On the other side, he was an officer who always felt a certain degree of loyalty to his subordinates. He believed, as I always had, that your job is to make your subordinates better and to make them succeed, not to defenestrate them the first day that something goes wrong -- or even the third or the fourth day. He did that with me and for me, so it eventually worked out.

Q: I'm interested in the modalities as well as just the events. How did you, as a DCM turn things around? You'd obviously come from a place where you knew the policy and helped to develop it and so forth. What was your game plan and how did it work?

ROWELL: Actually, it was really pretty simple. To explain it, I need to step back a moment. Ambassador Bloomfield had given me enormous latitude in running the Embassy. Quite a few experienced pro's commented on it, including Chief of Station [director of CIA activities in an Embassy]. What had evolved was a situation in which he was truly "Mr. Outside," and I was "Mr. Inside." People who came to the DCM got answers, very often answers on the spot. I thought that I had defined well enough what was internal decision making on the basis of established policy, and what was a policy question which therefore had to be referred to Ambassador Bloomfield. I had followed a practice of keeping him informed of virtually everything that was going on, although not on absolutely every detail, including telling him which things I had already given tentative decisions on and which ones I was holding back for his decision.

The solution to the problem really was to regard a few more issues -- but not many more -- as policy and defer them to him for decision. And to make sure that the rest of the Embassy saw that I was deferring to him. When I went into meetings in the Embassy, I avoided jumping in with a proposed solution to every problem, even though I had a solution in reserve in case Ambassador Bloomfield asked for it. I thought that having solutions ready was part of the job. You're not a good Number 2 if you just bring problems to the boss. You have to bring a game plan for dealing with the problem. He might have a much better solution -- or just a different one. Whatever it was, unless I was helping to bring a solution, I felt that I was merely part of the problem. I operated on that principle.

Ambassador Bloomfield understood my rationale. However, he said that he would really like to think through his own answers to problems occasionally without having me hand-feed them to him in every situation. So it was simply a matter of arranging the conversation at staff meetings in a way that constantly thrust his primacy and his role at everyone. I can't tell you how I did that, because it was a question of sitting in the room and listening to how conversation was going, interjecting myself periodically to direct people to the Ambassador. Then, following up on his intervention. Partly, this involved me, because, although Ambassador Bloomfield certainly had

no lack of self-confidence or self-respect, he didn't always thrust himself into the conversation. I simply arranged to make sure that he did.

Q: You must have had to sit on your hands from time to time, didn't you?

ROWELL: Yes, but he was a good Ambassador. He knew the business. By the time he had been there for six months he was acquainted with everything and didn't need priming from me.

Q: It's interesting. Here were two professional diplomats, dealing with policy problems. Could you give me a little about Ambassador Bloomfield's background--where he came from and so forth?

ROWELL: He was a career Foreign Service Officer who came in through the examination process. His first posting was in Bolivia in the early 1950's, where he was the junior Economic Officer. Incidentally, my father was the DCM there at the time. That may have been one reason why Ambassador Bloomfield dealt so gently with me, although I don't know. Considering the degree of his discomfort, he dealt with me gently, and very professionally. Frankly, I would like to think that he would have done that with any DCM. He had long experience in Latin America. As I said, his first mission was as Ambassador to Ecuador, where he solved very difficult and long festering problems involving Gulf Oil Co. and the Ecuadoran Government.

His second ambassadorial mission was Portugal. He had previously served in Brazil, but I had never worked with him before. I'd always known him as one of the ARA [American Republics Affairs] old hands. However, I hadn't tracked his career that closely. I'm sorry that I don't know much more about him.

He had had a tragedy early on in his career. He had five children, and his wife died when the youngest child was an infant. Later, he married a woman who had been a secretary, I think, on Capitol Hill. She really raised the younger two children. And, of course, she was there as his wife when we were in Lisbon. They have since divorced.

Q: No, this gives us a picture. You were looking at this as a professional, and we're talking about the role of the DCM at a staff meeting--or was it called a Country Team Meeting then?

ROWELL: Yes, it would have been a Country Team Meeting.

Q: What are the minefields of a Country Team Meeting? In a way, you came from a unique perspective, having gone from EUR [Bureau of European Affairs] in Washington to an EUR post.

ROWELL: Well, but Portugal was different. One of the things that made me instantly valuable to EUR had been my previous Latin American experience, which involved intimate acquaintance with AID [Agency for International Development] and with military assistance operations, both of which I'd worked with. I also was comfortable in Latin cultures. When I went to Lisbon, the Mission management had to put together a set of agency representatives that was outside the usual EUR operations. EUR had no in-house experience and no in-house experts with both of these categories of operations. The number one task of Mission management is first to define the

policy issues for the United States, put together the different Mission elements, and get them to propose strategies and implementing elements. Then we had to make sure that they stayed in synch with each other in the implementation process and keep them together in terms of the debates with Washington. We had to gain the support, for example, of the US Theater Commander in Stuttgart on military assistance issues and the support of the US Mission to NATO in terms of coordination with our NATO allies. Something comparable needed to be done with the US Mission to the European Union with regard to European collaboration with Portugal on its economy and its conversion to a democratic structure.

Q: At some point did Ambassador Bloomfield say, "Okay, this is settled. I think that we've reached..."

ROWELL: My answer to that is that when the regular efficiency report time came about four months later, and he wrote the report, it was settled. The way he wrote the report made it clear that this issue was settled. It also came up in the discussion of the efficiency report, because the issue of the earlier mock efficiency report came up once in the discussion. So I think that he was comfortable with the situation.

Q: Something which has interested me is Portugal's role in NATO. It had been in NATO from the beginning...

ROWELL: Right.

Q: But one has always had the feeling that Portugal was in NATO first, because of the traditional link with the United Kingdom, and the other, because of the Azores. One never thought of Portugal as being a military power. At this time, toward the end of the 1970's, how did we view our military mission to Portugal and Portugal's contribution to NATO?

ROWELL: You are right that we had encouraged the other Europeans to accept Portugal as a NATO ally, partly because of the Azores. In fact, substantially because of the Azores, although we had managed to sustain a military base relationship with Spain during all those years when Spain was in exile and not allowed to join NATO, despite its repeated applications. Could you repeat your question?

Q: What were we doing with the Portuguese military and, at this point...

ROWELL: The other NATO allies and the United States had really minimized their military collaboration with Portugal, because Portugal had dedicated its entire military establishment to sustaining its colonial role in Africa. This, incidentally, involved a very different kind of military doctrine. It meant a different kind of military structure. It was heavy on people and relatively light on equipment. They were fighting a guerrilla war. Heavy equipment isn't that helpful in a guerrilla war, where you have to have lots of people and lots of units, with heavy infantry weapons and that sort of thing. And they have to be all over the area. None of that was useful to us in terms of standing, face to face against the Warsaw Pact and against the Soviets. We required bases in mainland Portugal and in the Azores both for controlling the Atlantic Ocean and for the resupply of Europe.

The Portuguese role, as we saw it, was the protection of that infrastructure and some degree of support for anti-submarine patrol activities in the Atlantic Ocean. The Portuguese could also make a contribution to certain, rapid reaction forces. They had a good training program, they had a good commando force, and they had reasonably well-trained Marines -- sort of shock troops suitable for air transport and rapid reaction.

When the revolution came and they were out of the colonies, then our effort was to enhance the training for their rapid reaction forces and significantly to enhance their anti-submarine capabilities. They could make a much stronger contribution in terms of anti-submarine patrol and anti-submarine warfare at the gates to the Mediterranean Sea and between the Azores and Portugal. There was a NATO Subcommand, called the "Iberian Atlantic Command" (IBERLANT), headquartered in Portugal that was responsible for that geographic region. I think that it was immediately subordinate to SACLANT [Supreme Allied Commander, Atlantic at Norfolk].

What that meant was that the Portuguese needed a new set of frigates and the training and everything else that went with them. It also meant that they needed substantial improvements in their Air Force, both for maritime patrol, for air to surface attack, and air to sub-surface attack. They needed some improvement in their air defense capability to provide some defense against the aerial mining of harbors and estuaries -- or an airborne or missile knockout attack against port installations, both maritime and air. Then the NATO allies at Evère, at the NATO headquarters, and, more often, at the military headquarters of NATO, worked with the Portuguese on a program that would help them with this upgrading, because they were fully occupied. They couldn't do it themselves. They wanted to do it. Certainly, they had the basic raw material to work with in terms of the literate manpower that they could recruit, as well as well trained and motivated officers. It was a question of how you split up the assistance tasks, the contributions that different allies were to make.

This system of NATO support produced a screwball set of frigates in which the Dutch and Germans helped with the hulls and the propulsion, we helped with some of the anti-submarine warfare equipment, and the Canadians provided communications gear, as did the Dutch. I don't know. It was called *tutti fruti*, since there was potentially a very messy marriage of equipment provided by different allies. Although they stated their contributions in cash, in fact, the contributions were in kind.

Q: Were you there when they were putting this together?

ROWELL: Yes. It was negotiated, renegotiated, and then re-renegotiated as different allies wanted to give something, but their budgets were constrained, and it was hard to figure out how to do it. The Portuguese couldn't buy the equipment outright.

Q: How did the Portuguese feel?

ROWELL: The Portuguese Navy people were terribly frustrated, because the equipment wasn't delivered on time. It was delayed. They couldn't get their own government to increase the

amount of Portuguese input so that they could settle some of these questions. I think that if they had paid for it, this marriage would have worked. The result was that the Portuguese were always having to cajole one NATO ally or another to give more. These gifts didn't fit well, and the ships had to be designed, redesigned, and re-redesigned. It wasn't satisfactory from anybody's point of view, but there it was.

This meant that our Embassy in Lisbon was constantly working with the US military authorities - the Pentagon and the U. S theater commanders at Stuttgart and at Norfolk, SACEUR and SACLANT respectively; SACLANT for the anti-submarine portion and SACEUR for the air defense portion and for the rapid reaction forces. Then, the US, using Lisbon inputs, dealt with the allies collectively at NATO Headquarters. It was a complicated coordination process.

We had substantial other agency elements in the Embassy. We had AID, we had the Foreign Agricultural Service [FAS], we had the Department of Commerce. Obviously, we had the Department of Defense, both in the sense of the military attachés and the Military Assistance Advisory Group.

One of my first difficult leadership problems came from Frank Carlucci. It was only a couple of weeks after I arrived in Lisbon in 1978, and I was Chargé d'Affaires -- Ambassador Bloomfield was in the US. Something political had happened to Prime Minister Mario Soares. Frank Carlucci, who was Deputy Director of CIA, asked the newly arrived CIA Station Chief to personally deliver a message from Carlucci to Soares. When the Station Chief told me what Carlucci had instructed him to do, I asked what the message was. It was an innocuous expression of good wishes. I told the Station Chief I would deliver it. He said that first he had to check with Carlucci. Carlucci insisted that the Station Chief deliver it. I sent a personal message to Carlucci via the Station Chief saying that the Ambassador, and in his absence I, would deal with top officials, not the Station. I would deliver the message, but the Station Chief could accompany me if he and Carlucci wished. And that's what we did. So far as I'm aware, neither Carlucci nor the Station Chief tried to end-run me again. When I was in Washington on consultation two years later, I visited Carlucci at his CIA offices and asked him why he had tried the message stunt. He and I both knew that if I had acquiesced, he and the station would have had direct communications with Soares without the Ambassador's knowledge. I reminded Carlucci that when he was Ambassador in Lisbon he would never have let such a thing happen. He laughed and said it was just a case of "where you stand depends on where you sit."

Everything considered, it was a complicated Embassy. It required real management, a real marriage of institutions and agencies, and careful planning.

I introduced a system of mission planning that I carried with me when I became Ambassador to Bolivia, elaborated again when I returned to Portugal as Ambassador, and finally in Luxembourg. It was essentially like Mission Program Planning, except that I introduced it in 1978, long before Mission Program Planning was invented and applied on a worldwide basis. It reflected my graduate business school training at Stanford and my experience in the Inspector General's Office. I used a system of frequent management reviews with each of the different Embassy elements to make sure they were meeting their targets.

Q: What was your impression? Here was the first AID project in Europe since the Marshall Plan.

ROWELL: Well, the United States had programs in Yugoslavia and some limited programs elsewhere, primarily in Italy, following earthquakes and so forth.

Q: In 1980 Italy had an earthquake, and our assistance was AID coordinated. However, essentially, this was a real, structured AID program. What was your impression of how it worked there, AID staffing, and so on?

ROWELL: It worked well. AID staffing was excellent. All of the AID officers who went to Portugal spoke Portuguese. Some of them had African experience, incidentally, which helped in dealing with the Portuguese, because we had some people on our staff who understood Africa. Virtually all of our AID people also had been in Brazil at one time or another. In fact, I personally knew quite a few of them from previous service in Latin America. Subsequently, when I was an Ambassador, I managed to bring back one of AID people to be one of the three Executive Directors of the Luso-American Development Foundation. That individual is still there. They were all very competent people and knew what they were doing.

Q: One is always worried about a bureaucracy, which mainly works in lousy places around the world, all of a sudden having a program in Europe. It would be something like having a staff made up of people about to be retired, and so forth.

ROWELL: None of these people was almost retired. A lot of them were in their '40s and maybe a couple in their 50's. These people were at the strong end of mid-career or the upper end of mid-career. The fear you expressed is well placed, but that's not how it worked, for the same reason that you feared. Yes, how many AID people get to live in a place like Lisbon? Very few. Therefore, there will be enormous competition to get there, and those with the greatest clout and rank will get there. Yes, but the competition was so fierce that you also got the very best people.

Q: Anyway, it worked. The current scene of bureaucracy is very interesting.

ROWELL: And the programs that they ran involved things like helping with community infrastructure, because the Portuguese had to absorb something like 700,000 refugees from Africa when the former Portuguese colonies were set free. There was food and feed grain assistance, which was essential for getting their agriculture going again. There was some limited technical agricultural assistance. There were housing guarantees. There was a substantial amount of technical assistance in terms of business administration, both at the level of universities and training Portuguese instructors who could train their own business leaders. There were contracts with outfits like the International Executive Service Corps which can help small businesses. We underwrote some university-to-university relationships, because the Portuguese went from a structure in which they had about four major universities, with some sub elements equivalent to teachers' normal schools, to about 12 universities all over the country. That involved a huge expansion of faculty and university type infrastructure, including laboratories, classrooms, dormitories, and so forth. We helped with all of that. It worked.

Q: You said that there was an election just after you arrived in Portugal.

ROWELL: That's right, just at the time I arrived. The man with whom I had expected to work, Mario Soares, was suddenly relegated to a very small private office in an old downtown section of Lisbon. So there was somebody else in office as Prime Minister.

Q: During the time that you were there, how did you find dealing with the government?

ROWELL: It wasn't hard. You called an office and said that we need an appointment to talk about whatever the subject was. You had an appointment quickly and were able to go in and handle the matter.

What you couldn't get was an instant answer to a proposal or question. There was always a lot of internal consulting within the government. You could present an issue, but then you had to prod them to pursue it. Unless it was an issue that was on their front burner, they tended to relegate it to a second or third echelon of some kind. Getting an answer could take days and sometimes weeks. With Washington breathing down our necks, asking, "Where's the answer, where's the answer?", we would pursue it.

What other issues did we consider with them, aside from our bilateral relationship, to help them in their conversion from being a colonial power to being a member of the European Community, or of Europe, and a full participant in NATO? We used to talk with them about their international trade negotiations -- a variety of international trade negotiations. At the time Portugal was a member of the European Free Trade Area [EFTA], a kind of circle of countries around the European Community, most of them trying to figure out how they could get in. In the meantime, they had a certain amount of trade conflict with the European Community. On some trade and commodity issues we shared interests, so we would talk with them about those shared interests.

We dealt with the Portuguese continually on Middle East issues -- on Iran, Iraq, and the Persian Gulf. The Portuguese had a long trading history with Indian Ocean countries and Persian Gulf powers, as well as with the littoral countries around Africa. They just were there, and so we wanted to talk with them. Following the seizure of our Embassy in Tehran...

Q: This was in November, 1979.

ROWELL: Right, and then came the break in relations between the US and Iran and our effort to produce pressures on Iran to release the hostage American diplomats and to make the Iranians behave in a more normal way in terms of international comity. We went to the Portuguese often because they had and have an Embassy in Iran. They had substantial trade relationships with Iran. They depended for a long time on Persian Gulf petroleum and still do. The Portuguese also had some now-residual but still, at the time, strategically significant mines producing titanium and uranium ore. They were marketing these commodities on the international market. We were interested both in the commodity arrangements and in where the commodities went.

Q: We're talking about trying to keep them away from the Soviet Bloc.

ROWELL: Right. Portugal, as a trading nation, has always been an entrepot for various high tech commodities. We were interested in maintaining the quality of their COCOM [Coordinating Committee on controls on East-West trade business]. Sometimes they did, and sometimes they didn't follow those rules. We also tracked the delivery or non-delivery of weapons to the former Portuguese colonies, particularly to the communist-dominated governments that had taken over, certainly in Angola, which was very close to the Soviet Union and, to a lesser extent, the government of Mozambique, which claimed to be close to the Soviet Union but didn't operate as closely to it as Mozambique and the Soviets claimed. It was a fairly active place.

Q: I can imagine.

ROWELL: Later, when we were trying to resolve the post-colonial civil wars in Angola and Mozambique, we worked with the Portuguese, as well as with the Soviets, every week on that issue. There were other European countries which came to be mediators. One of the important countries was Italy.

Q: In dealing with the Portuguese Government, say on Angola and Mozambique, where they had left not long before, what did they feel about the civil wars there, which were going on? Particularly in Angola, which had a very strong communist element, and where there was a Cuban expeditionary force?

ROWELL: The Portuguese wanted to see the Cubans out of Angola. They wanted to see Angolans running Angola. They wanted a positive relationship with whoever was running Angola, just so long as they were Angolans. And they wanted the civil war to end so that Angola could return to prosperity. It is an incredibly rich territory with enormous commercial and investor potential.

The Portuguese believed, and believe to this day -- and they have substantial reason for so believing -- that despite the period of the colonial war, which ran essentially from 1961 to 1974, they had had a reasonably good relationship with the indigenous peoples of Angola, Mozambique, and their other former colonies. They believed that they would be accepted as businessmen, traders and investors in the former colonies. The principal European language spoken in those territories was Portuguese. Most Europeans don't speak Portuguese. The Italians don't speak Portuguese, and neither do the Spaniards or the French. The Portuguese believed that, since they were not a major world power, they presented no military or overwhelming economic threat to their ex-colonies. They wouldn't be able to dominate their currencies, international exchange rates, or international trade in anything that they were producing.

However, Portugal was a country which had amassed a reasonable degree of wealth and knew how to earn its way in the world at large. They believed that their membership in NATO and their relationships with the industrialized countries in Europe meant that they could be instrumental in arranging for investment capital, if things ever settled down. Basically, the Portuguese wanted to end the civil wars, stop the fighting and get on with the business of developing the former colonies economically. What they wanted out of that was a chance to be shareholders in enterprises, a chance to share engineering and management with Angolans who

would, in fact, be the principal engineers and managers, and a chance to be first among the trading nations that would be allowed to trade with those territories. But as traders.

Those were and are all reasonable aims. I think that they have substantially succeeded in doing this, except that investment has gone slowly because of the aftermath of the civil wars. However, the Portuguese are determined to get over that aftermath. There are things like land mines all over the place and some unreconstructed people, both in Mozambique and Angola, who occasionally break out into violence.

The fact of being a small country, not seen as a major political, economic, and military threat, really does ease the way for Portuguese re-entry into their former colonies. As far as I can tell, the Portuguese are well accepted in Angola and Mozambique.

Q: During this time that you're talking about, what was the feeling of the Portuguese Government toward the Soviets? At one time the Soviets were messing around in Mozambique. They also went into Afghanistan in December, 1979.

ROWELL: In the immediate post-colonial period the Soviets and their surrogates, the Czechs and East Germans, messed around a great deal inside Portugal, particularly between 1974 and roughly 1978. That was a time when the Portuguese caught a Czech Ambassador busy paying people to push Portugal into an anti-NATO, pro-Warsaw Pact role. He took money to a special clandestine meeting in northern Portugal. I don't remember when that was, but it was within two years after the revolution of 1974. The Soviets and Eastern Europeans were mucking around in Portugal at a time when the Communists still had a lot of people planted in key ministries who had access to critical documents on capital assets belonging to Portuguese citizens worldwide.

So the Portuguese really lost no love for the Soviets. It was demonstrated in the poor performance of the Portuguese Communist Party, which kept going down, down, and down in the elections. The party probably hit its apex in 1975, during an election when it got perhaps 16-17% of the votes. From there on it was just down, down, down.

Q: You would have thought that they would have had a natural...

ROWELL: Well, they did, but the Portuguese are a Christian, a Catholic country. The Catholic Church certainly left no doubts in the mind of its followers what it thought about communists and communism -- which was intensely negative. Certainly, Portugal's Western allies left Portugal in no doubt what they thought about communism. They said, "You can't be a communist country and a member of NATO at the same time." So there was a lot of pressure, and the Portuguese Communists simply didn't make it. They were beaten in the elections time after time. They never came close to amassing substantial support.

Q: This is Tape 5, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: As I was saying, the Communists never came close to amassing the level of political support that they got in France or Italy.

Q: It wasn't really a case of the kind of Eurocommunism which was going strong at that time.

ROWELL: The Portuguese Communist Party was unreconstructed, a hard ball, Moscow-style Soviet communism. Álvaro Cunhal never went the way of Berlinguer, for example, in Italy. There was none of that soft face.

Q: Sounds as if the CIA was paying him. [Laughter]

ROWELL: No, they weren't.

Q: On the international scene, to go back to something that you mentioned before, from 1979 until the beginning of 1981, the Carter administration was terribly focused on Iran and the hostages issue. Did the Portuguese play any significant role in the whole Iranian affair?

ROWELL: No, they did not. There was only one casual event when the Shah of Iran had completed medical treatment in the United States at the end of the stay which triggered the seizure of our Embassy in Tehran. He got a privately chartered aircraft to carry him from the US to Egypt. He was quite ill. The chartered aircraft had to refuel en route to Egypt. We asked the Portuguese if the plane could refuel in the Azores. They gave us permission.

The getting of the permission was personally interesting for me. I was Chargé [in charge of the Embassy in the Ambassador's absence] from the country at the time. I received a telegram from Washington about 8:00 PM in the evening instructing me to get permission for the Shah's plane to refuel. It was a holiday eve. I tracked down the Foreign Minister, Diogo Freitas do Amaral, by telephone. He was on his way back to Lisbon from a trip to his home base in northern Portugal. He told me to meet with him and Prime Minister Sá Carneiro at the latter's apartment at 11:30 PM. I did that, and we talked about an hour. I told them we were determined that the Shah had to go to Egypt, he was very sick in any case, and the quickest and most discreet way for him to travel was via the Azores. They were worried that the new regime in Tehran might become angry with Portugal if it found out the Shah had refueled in the Azores. They feared that their Embassy in Tehran or their oil supplies or commercial relationships with the Persian Gulf could be endangered. Freitas do Amaral and Sá Carneiro withdrew to another room. After about an hour they came back and told me the Shah's plane could refuel in the Azores. I went back to the Embassy and sent the go-ahead cable to Washington at about 3:30 AM.

Q: How long was Bloomfield the Ambassador to Portugal?

ROWELL: Four years.

Q: Pretty much the same time that you were there. Were there any special events in Portugal other than this constant problem of bringing the country around economically, militarily, and all of the rest that occurred during this time?

ROWELL: Yes. Mario Soares -- who has, incidentally, just stepped down as President of Portugal, because their constitution limits Presidents to two consecutive terms -- was replaced as Prime Minister by Sá Carneiro, a Social Democrat. During the election campaign of 1980 Sá Carneiro was running for President. He was killed in an airplane crash. That sort of changed the political chessboard and brought other people forward. It was a major issue. Nobody knew how that would affect the election or whose party might win. In the end the Social Democrats won the legislative elections and the office of Prime Minister. Gen Eanes won his second term as President. After he completed his second term, Mario Soares, a Socialist, served two terms as President.

That was a critical event when Sá Carneiro was killed. The country went into exactly the same type of unending introspection as did the US after the Kennedy assassination. The Portuguese themselves equated it to the Kennedy assassination. They asked for technical help from the US National Transportation Safety Board and the FAA to examine the remains of the aircraft, the documents, and other data, to see if we could establish the reason for the crash -- was it mechanical failure, pilot error, conspiracy or what? There was a risk in giving the Portuguese this help. The risk was that if our technicians concluded the crash resulted from causes other than conspiracy, those Portuguese inclined to suspect a conspiracy would say that we were part of a cover-up. Ambassador Bloomfield and I totally agreed that we should provide this technical help, despite the risks. Sá Carneiro's government had been a coalition of Social Democrats and Christian Democrats. It represented the legitimate return of "conservatives" to democratic government in Portugal. The country was still completing its process of post-revolution political stabilization. A conspiracy would have been presumed to derive from far-left losers -- in effect an effort at destabilization. So, to help the political process, we needed to give the aid that had been asked of us because the conspiracy theorists would otherwise never believe their own authorities. They had to have some external, and presumably impartial...

Q: And if you didn't do it, that would have added fuel to the conspiracy theory, too.

ROWELL: The US had, and I think that it still has, in today's world, a reputation for being the best in certain types of investigations. One of these is aircraft transportation accidents. There is no other authority to which you can go that will have the same degree of respect.

There wasn't any conspiracy. We were satisfied that there wasn't any conspiracy. Just the same, the conspiracy theorists are still alive and well in Portugal today. I had an inquiry about it only six months ago. They just won't let go. And potentially we are still part of it, even though they figure that we probably had absolutely no reason to be involved in any "cover-up." There wasn't any.

Q: I take it that during the time you were in Portugal the United States could watch the elections and developments in Portugal with interest but, at the same time, in a benign way. We weren't concerned that there would be a sudden shift to the Far Left.

ROWELL: No. I really divide my stay in Portugal into two segments. The first was from 1978 to late 1980 -- say, two years. That was when we were concluding the immediate, post-colonial and post-revolution period. It was the time of maximum US assistance. It was when the Portuguese

were concluding their first 5-year presidential term under the constitution ratified early in 1976. It had been drafted in 1975. With that set of presidential and legislative, Parliamentary, elections, they then moved into the 1980s period of growth and transition into the European Union.

They concluded negotiation of their entry into the European Union in 1985. Entry officially took place in 1986. That began a formal transition period -- I think it lasted around five years -- during which they had to straighten out certain critical weaknesses in their economy and bring their industry up to snuff, so that they could survive in the European Union. In fact, Portugal had been working on bringing its economy closer to European Community standards since 1980. Despite the fact that their industrial establishment was really obsolescent in many respects, going into the European Union wasn't that traumatic for Portugal -- not nearly as traumatic as it is for today's Central European countries. The reason is that the European Union, then called the European Community, had always been Portugal's most significant industrial customer. The principal industrial product was textiles. They also had some steel fabrication, some computer equipment, some ceramics, and that sort of thing. However, textiles were the major product, and, despite the tariffs between the European Union and the European Free Trade Area, Portuguese textile manufacturing had been competing effectively inside the European Community.

So, dropping European Community trade barriers for countries coming into it like Portugal presented no particular problem. They were already in the phase of modernizing their textile industry in order to stay there. They had had occasional conflicts with Spain on fishing rights. The Portuguese were landing fish and were selling some maritime products inside the European Union. However, as I say, the period from 1978 to 1980 was a period of consolidation of the democratic structure of the revolution. From 1980 onwards, it was a matter of preparation for entry into the European Union (EC), which would be the non-military, non-defense side of total incorporation into the community of democratic market economies of the industrial world.

Q: I am going under the assumption that we were in favor of this entry into the European Union.

ROWELL: We strongly encouraged it. At the same time we acknowledged that we would take real commercial hits when Portugal entered the EC. As I pointed out earlier, in 1978 Portugal took over \$600 million worth of agricultural commodities from the United States. We were already at the stage where we were hurting on agricultural commodity sales into the European Community, and the picture was getting worse and worse and more difficult. So one of the negotiating problems that we had during the 1980's--and, really, it climaxed after I left my position as DCM in Portugal--was to negotiate the arrangements to compensate us for the loss of significant Portuguese markets. When Portugal entered the EC, our agricultural sales to Portugal dropped to less than \$300 million a year -- a loss of over 50%. That was real money. And there were some other losses, but that was the single largest loss.

We were doing other things during that period. We were selling airplanes to the Portuguese airline. I had a significant role in that. We had an American investment community that was thinking of Portugal as perhaps a good place to invest because Portugal would go into the EC. They thought Portugal's labor situation was stable and amenable. People like Ford, GM, Texas Instruments, Monsanto, Digital Equipment Company, and other US firms, whose names don't come to me right away, were all operating in Portugal.

Q: We were encouraging them to invest in Portugal?

ROWELL: We had a very strong and well-organized American business community. That was due to an initiative by Ambassador Carlucci, taken shortly after he first arrived, when the revolution was still going on, and American businessmen needed direct, frequent, and immediate contact with the American Ambassador. He set this up. So when Ambassador Bloomfield and I came along, we took advantage of what was there. It was very, very good. We worked very hard to keep it intact. And it's still there. We had an outstanding business relationship. We used that business relationship to surface issues.

Of course, the Embassy could be useful to the entire business community to enhance exchanges among businessmen on helping each other -- for example, on labor relations, on meeting the requirements of the Portuguese investment code, on problems involving double taxation between Portugal and the US. There was a whole range of things. When new American investors were thinking of coming into Portugal, the American business community was well enough established that we were able to refer those potential investors to talk with American businessmen already operating in Portugal. The businessmen had hands-on information about risks and problems.

I remember sitting in on a meeting where we had a new investor who was encountering some problems relating to worker education that the Portuguese Government had promised but wasn't delivering, and to changes in accounting that were going to affect the investor's corporate tax status. Two or three of the American businessmen there said, "Well, this is the way we have been handling it, and it seemed to work for us. Send your accountant around to our accounting department." So they were helping each other, but the Embassy had played an important role in bringing them together.

We sold coal -- huge quantities of coal. We were instrumental in getting the Portuguese to decide to use coal in the expansion of some of their electricity generating capacity. We didn't get the whole coal supply business. The Portuguese prudently diversified their sources of supply.

Q: How about fishing? Did this cause us any problems?

ROWELL: No, we didn't have much in the way of fishing conflicts. The Portuguese mainly fish for cod off the Grand Banks of the North Atlantic Ocean. Squid were somewhat of a problem, but every problem we had with Portugal was minuscule compared with the problems we had, say, with Spain.

Q: This might be a good point to stop. Were there any other issues that we might talk about regarding Portugal? Oh, one point. You were there when the Reagan administration entered office, a new, Republican administration which came in with the emergence of the somewhat Far Right in the United States. Did that cause any problems as far as our administration adjusting to Portugal, or wasn't this an issue?

ROWELL: Almost by accident there were some good things and some less good things. The good thing was that President Reagan was determined to rearm the US and to see that NATO was robust in terms of any confrontation with the Warsaw Pact. That helped us in terms of support for the military assistance we were trying to deliver directly from the US to Portugal and in terms of the negotiations with our other allies on what they would give to Portugal. It was very important help.

In the initial Reagan White House there were a couple of advisers on the National Security Council staff who had had long involvement in South Africa and, to a lesser extent, in the Portuguese colonies under the pre-revolutionary governments. One of these staffers had some investments and a residence in the Azores. They had a lot of friends on the very conservative right end of the Portuguese political and social spectrum. The Portuguese had trouble trying to decipher whether the statements and writings of these individuals represented President Reagan or the longstanding personal interests of these individuals. Some of their statements were rather more conservative than any of the people in authority in Portugal at the time. As it happened, for reasons quite unrelated to Portugal, both of them had left the National Security Council staff before the Reagan administration had been in office for two years. The issue simply disappeared, although one of them continued to maintain private interests in the Azores and occasionally visited Lisbon. This wasn't a problem.

Q: Did you find yourself trying to puzzle out what was coming out of Washington and where they stood, or did you have a problem trying to interpret this?

ROWELL: No, the good side of having these two people in the Reagan administration was that they both really understood Portugal and the Portuguese. They certainly understood the colonial situation and what was possible and wasn't possible. That was the good side.

The bad side was that, since all of their ties had been with the pre-revolutionary authorities, they were essentially negative toward the new regime, particularly toward the Portuguese Socialists who were really like West European social democrats. They were a little less hostile toward the Social Democratic Party and most open to the Christian Democrats as the most conservative surviving political party. So they helped to feed a kind of intuitive American reaction that anybody who had the word Socialist in the label was clearly bad. It was ironic because the Socialists in Portugal, particularly under Mario Soares, had three times made difficult fiscal decisions to tamp down inflation, maintain a decent balance of payments, and an economic environment that would justify more foreign investments. They had paid the price three times in elections and were thrown out of government each time. Those who had opened the spigots to win elections had been the Social Democrats, the so-called conservatives.

Q: Of course, everyone can say the same thing about the Reagan administration.

ROWELL: It was ironic because, at times, American businessmen would arrive in Portugal and say, "Well, thank God, you have the Social Democrats now." I might say, "Wait a minute. Remember, you were worried about inflation. The guys who 'turned it off' were the guys now on the 'outs,' the Socialists. I'm not advocating one party or the other. I just want you to understand how these people behave when they're in power, so that, when you're making a business decision,

you can project the kind of environment you think that you're going to be working with afterwards."

Q: Shall we leave it at that? If there's anything more that you want to add about Portugal, we can pick it up the next time. I think that we've covered it. In 1983 you went where?

ROWELL: Back to the Department of State to become principal Deputy Assistant Secretary of State for Consular Affairs.

Q: Okay, we'll pick it up at that point.

A. ELLEN SHIPPY
Political Officer, Socialist Party Reporting
Lisbon (1979-1982)

Ambassador Shippy was born in Colorado and raised in New Mexico. She was educated at the University of New Mexico and the George Washington School of Law. After a tour with the Peace Corps in El Salvador, Ms. Shippy joined the Foreign Service, where she served first in positions dealing with Latin America and later in with those concerning Asian and African affairs. She served as Political Counselor in Bangladesh, Deputy Chief of Mission in Uganda and she served as Ambassador to Malawi from 1998 to 2000. Ambassador Shippy was interviewed by Charles Stuart Kennedy in 2001.

Q: Today is January 11, 2002. Ellen, why Lisbon?

SHIPPY: I really don't actually remember, but I think it was because I wanted to go to Europe, but I wanted to go to a European country with a reasonable climate. I would have loved to have gone to Great Britain, but those jobs are always very highly bid, so that was probably why I decided Lisbon was a better possibility.

Q: Well I think you will probably find Lisbon more fun than Great Britain or London, because it is so mellow there and all. You were in Lisbon from what?

SHIPPY: 1979 to 1982. I was the Deputy in the Political Section. Dick Bloomfield was ambassador. Ed Rowell was DCM and a guy named Datus Proper was the head of the Political Section. I "replaced" Wes Egan and Joe Sullivan. (The Section lost a position as they left and I arrived.)

Q: Well, when you got to Lisbon, what was the situation there? I mean this is after the real tensions of the mid-1970s and all that. What was the situation in Portugal at the time?

SHIPPY: They were consolidating their democracy. It was before they joined the EU. As I recall it was reasonably straightforward. I was covering the Socialist Party which was out of government at the time.

Q: Is this Soares?

SHIPPY: Mario Soares, yes, was leader of the party. Ramalho Eanes was President. Francisco Sa Carneiro was Prime Minister. I was there when he was killed in a plane crash; that was toward the end of my tour. They had elections at least twice while I was there. We went out and about around the countryside talking to political candidates, watching political rallies and so forth. The Communists were still active. I covered the communists as well as the Socialists, and met Alvaro Cunhal, the head of the party. I covered it just like a Political Officer covered any political party.

Q: Right when you arrived in 1979, we had this problem in Iran where the Islamic fundamentalists entered. Many had taken over the embassy; we had hostages and all that. Did particularly the Azores and moving military and all that, was that an issue at all when you were there, particularly at the beginning?

SHIPPY: What kind...

Q: I was just wondering, sometimes, you know, we need the Azores. I don't think there was any great movement of military equipment, but there was some going to the Middle East. How did Portugal stand on the hostage business?

SHIPPY: I don't remember any issue about moving material through the Azores with respect to Iran.

Q: How about where stood the perennial Azores negotiations?

SHIPPY: Yes, we were entering the pre-negotiation stage, and did a lot of preparatory work on that. There was posturing on both sides. About a year before I left, we got a Pol-Mil position established and filled. I had been doing the Pol-Mil work, but with my other responsibilities, it was too much. And with base negotiations approaching, we needed an officer dedicated to Pol-Mil work.

Q: Well, you look at the Azores negotiations, going through their umpteenth generation right now, and I mean it is all about money isn't it essentially? I mean how much we will pay.

SHIPPY: Yes, and the benefits Portugal would get.

Q: So you say and I understand the great preparations, but I would think everything would have been prepared before. I mean just go into your pre-negotiation scenario.

SHIPPY: It is new people every time, and the new people have to go through the process. My favorite story about the Azores is in the Falklands War Britain used the Azores. Their usage was based on a treaty that went back to the 1400s.

Q: How did you find the Portuguese attitude in the military towards the United States at this point? I mean these young officers had come in I think 1974, something like that.

SHIPPY: Right.

Q: And there had been a pretty tense time.

SHIPPY: Relations were good. They wanted the U.S. training they could get through IMET. While there may have been individual soldiers or officers who weren't that keen about U.S.-Portuguese relations, it was not a huge problem.

Q: In Portugal at that time, was there any difference between say northern Portugal and southern Portugal? Were they having to divvy up that way into the political spectrum or...

SHIPPY: Southern Portugal was considered the communist area; northern Portugal the more conservative area. Much of northern Portugal was fairly isolated and fairly poor, and wanted more government intervention. The southern beaches of Portugal were beginning to get tourism, nothing like Spain, but something was beginning to happen. Then you had the large farming plantations in southern Portugal. I don't remember regionalism being an issue like it had been in some other countries I have served in.

Q: What about the communists? I know you weren't specifically covering the communists, but they had been led, which is probably to their detriment, by some hard line Stalinists with the 1974 revolution. People actually came out of the Soviet Union; they just worked with them. By this time had they changed? Had they become more Euro-communists?

SHIPPY: I did cover the Communist Party, as well as the Socialists. The Communist Party leader, Alvaro Cunhal, was still hard core. But some of the members were evolving towards being Euro-communists.

Q: Because this was the time of was it Berlinguer in Italy and other places. In fact there was concern that the Euro-communists would put on such a sort of friendly face that they might get snuck into power.

SHIPPY: Right.

Q: How about the Socialists? Were the Socialists, were their ties pretty strongly to the Socialist movement in particularly Scandinavia, Germany, France and England?

SHIPPY: Yes, the Worldwide Socialist Union; the Portuguese were very strong players in that, and so, yes, the ties to the other European socialist parties were strong. There was a lot of exchange. And there were also ties to socialist countries and socialist parties in developing countries. One that caused some problems for us was their ties to the Salvadoran FMLN, which was tied to a major guerrilla group in El Salvador. So, yes, it was important just as the conservative party's ties to the conservative Christian Democrats were important.

Q: Where did we fit in in this particular equation?

SHIPPY: We didn't fit in because we didn't give money to political parties, or at least at that point we didn't. We didn't have NDI and IRI and all those organizations. What they wanted was tangible assistance.

Q: So getting together and linking hands and singing songs didn't have much appeal.

SHIPPY: No. The Embassy had no problem with access and visitors had no problem with access. It's just that they wanted things that the U.S. wasn't able to provide.

Q: As a political officer what was your impression of the Portuguese media?

SHIPPY: Hmm. Somewhere between developing countries and western European countries like Germany and England, a ways to go to develop a fully professional objective media. There were party newspapers, but...

Q: So one newspaper would be one party and one paper...

SHIPPY: Well, one newspaper was the government newspaper and one was the socialist.

Q: So you had to take them all and then balance.

SHIPPY: Yes.

Q: You were there the election of Ronald Reagan came about while you were there. Did that, how was that seen? I mean you were there at the beginning.

SHIPPY: The conservatives obviously were happy. The socialists, I don't recall any huge expressions of opinion. I don't know that it had that much internal effect on Portugal. Certainly the Portuguese didn't develop the relationship that Reagan and Thatcher developed.

Q: Well I take it, and correct me if I am wrong, Portugal on American foreign policy was not of much consideration in what was going on in Washington.

SHIPPY: No, Portugal, the Azores were important, and obviously we didn't want to see a communist victory in their elections.

Q: But that was pretty much it, except of course, you did have the Portuguese in Rhode Island, Massachusetts, New Jersey and some other states. Did they cause much of, were they...

SHIPPY: No, consular issues to some extent, but they were not a pressure group like the Irish.

Q: What about from your observation how were things going between the Portuguese and the Spanish?

SHIPPY: Reasonably well. I don't recall open hostilities. It seems to me there was some issue between them that they were dealing with.

Q: So we didn't back ourselves in any position to try to act as a mediator.

SHIPPY: No.

Q: Well it sounds like you were fortunate to be there at a tranquil time. How did you find dealing with the Portuguese government?

SHIPPY: I had good relations with the people I dealt with, had good relations with the Foreign Ministry. The people I dealt with for the most part were professionals interested in doing a good job.

Q: Did the Soviets have much influence then?

SHIPPY: No. Presumably they were working with the Communist Party. They certainly didn't have any influence with the government. Oh, I take that back. They may have had some influence with the government because of their revolutionary ties, but it didn't seem to be a big issue.

Q: I was just wondering during the time were there any sort of issues that arose, maybe on obscure things between our two governments, a tempest in a teapot?

SHIPPY: No, I don't recollect anything.

Q: What about Angola, Mozambique and all. Did these, was there any residue from the former...

SHIPPY: Portugal was still dealing with all of the people who had returned, the Portuguese who had returned from Angola and Mozambique. There were still issues of housing, employment and education for these people. When we had U.S. officials coming out from Washington to go to either Angola or Mozambique, they would generally come through Portugal and talk to Portuguese officials, and then go on to the other country.

Q: Did you ever get down to Angola or Mozambique?

SHIPPY: No, I didn't.

DAVID M. EVANS
Director, Office of International Security Operations
Washington, DC (1980-1981)

Mr. Evans was born and raised in Philadelphia, PA and was educated at Harvard University and the University of Belgrade Law School. After service in the US Army, he joined the Foreign Service in 1963. As an Economic Specialist, Mr. Evans served in Warsaw, Belgrade, Moscow and London. In addition to his economic assignments, he served in senior level positions dealing with International Security and Counter-Terrorism. He also served as Political Advisor to the Commander-in Chief, US Naval Forces in Europe. Mr. Evans was interviewed by Charles Stuart Kennedy in 1996

Q: A decade later, it was the same thing, until Iraq invaded Kuwait. Up to that point, we were being told to keep hands-off, very decidedly by both Kuwait and Saudi Arabia, until all of a sudden, their ox was gored. Turning to some of the other places, were there any particular problems, incidents, or situations that you had to deal with on our worldwide base agreements? Greece, was that a problem?

EVANS: Greece was not critical. Spain was a big problem because the Spanish had cold feet and were trying to, and did, of course, reduce their involvement. In fact, we had to move our bases to Italy. The Italians were our rock in the Mediterranean while the Spanish wanted to reduce and eliminate our presence. As you know, we had to move the Air Force base out of Teheran.

Q: We moved it to Sicily, didn't we?

EVANS: Aviano, I think, in Southern Italy.

Q: Sigonella, or something?

EVANS: Sigonella is in Sicily.

Q: Anyway, we moved into Southern Italy.

EVANS: Right. There were little problems. The Portuguese hung in there pretty firmly with us. We considered Portugal as our rock solid pillar in the Western Mediterranean, Italy our pillar in the Central Mediterranean. Unwritten, of course, was the role of Israel in the eastern part of the Mediterranean and of southern Turkey and then Greece. Greece was always a problem. You couldn't really rely on the Greeks that much because of the Greek/Turkish issue. There was nothing at that time involving Morocco, as I recall. The focus was so much on Southwest Asia, that I don't remember any other global negotiations except the renewal of something in the Pacific that I was hoping to get to go on, but did not, for one reason or the other. I was really tied down, working flat out on this combination of implementing the Southwest Asia strategy and then the Iraq/Iran war. We had a task force with the French, the British and the Americans in the Gulf on combined rules of engagement. That was all done out of my office with the Navy Captain running that operation. The Navy Commander was running the Southwest Asia part. We did an amazing amount of work with this small bunch of people. The Air Force Colonel was, I knew, sort of reporting to other people. That was understood, and I didn't worry about it. It turned out, that he was directly involved in the Iranian hostage situation. In fact, when the hostages came out, in January 1981, that was done through my office in the State Department.

My office was the coordinating office for that. The Air Force Colonel was doing it but it was so secret that it was actually kept from me.

HENRY ALLEN HOLMES
Ambassador
Portugal (1982-1985)

Ambassador Henry Allen Holmes was born on January 31, 1933 in Bucharest, Romania. He attended Princeton University and the University of Paris and served in the US Marine Corps. He entered the Foreign Service in 1957, wherein he served in countries including Cameroon, Italy, France, and Portugal. He was interviewed by Charles Stuart Kennedy on March 9, 1999.

Q: Well, you went to Portugal from, what, '82 to-

HOLMES: I was in Portugal from '82 to '85, and that was a wonderful assignment, to be a chief of mission in Europe. As a Europeanist and having served almost entirely my career in the European Bureau, this was a great assignment, because there was a lot going on, and it wasn't your sort of classic middle-sized European ambassadorship that would be left for career officers once the big posts were distributed to large party contributors. Portugal was a wonderful assignment because it was sort of the soft, underdeveloped belly of Europe, if I might paraphrase Churchill. When I got to Portugal I know it had a per capita GNP of \$1800, which made it the poorest country in Europe other than Turkey. It was poorer than Greece, which was saying something. It had a deficit of over \$3 billion on current account, and in our embassy there - it was an embassy of over 100 people - we had an AID mission and a MAG, a military advisory group, there. It was a fascinating time to be there, and there was an opportunity there to participate in economic development as well as the more classic diplomacy that one usually conducts in a NATO capital. About that time, our base rights agreement was running out of time, and we had to renegotiate our agreement that governed our presence in the Azores, so there was a lot of discussion in Washington about having a separate negotiator for that. But I argued that the base rights were so central to our relationship with Portugal that I felt that I wouldn't really be fully in charge of US-Portuguese relations if somebody else conducted negotiations. And I'd had a lot of political-military experience, so I pretty much insisted that I should do it, and did, in fact, conduct the negotiations, which went on for some time. We even had one government - not as a result of the basic negotiations, but I lost a negotiating partner for a while, while the Portuguese Government reestablished itself. And basically, I was conducting three negotiations simultaneously. One was the political negotiation that governed our presence there. Then there was the military. The military base rights agreement that undergirded the political presence, if you will, hadn't been revised in something like 15 years. It was badly out of date, as was the labor agreement for the Portuguese workforce at our base in the Azores. So we basically had three concentric circles, negotiations going on. I had a very good team from the Pentagon that came and worked with me, and I had the good fortune to have as my counterpart a wonderful Portuguese diplomat, Calvet de Magalhaes - very experienced older diplomat who came out of retirement to do this negotiation. We had a sort of an understanding of what the shape of this

negotiation should be. We never quite articulated it to each other, but each understood that our views were convergent. We often afterwards would regale ourselves with stories about whether he or I was more an object of suspicion of our respective military establishments. There was a lot of play behind the scenes in Portugal between the General Staff, who really were trying to get much more payoff for reestablishing our base rights than we were prepared to give. He was difficult. It was also difficult in the sense that in Washington in the Department there was an undersecretary for security assistance who basically wanted to dole out the funding that was available to conclude this negotiation on a month-by-month basis. And I went back on consultation and went to see Larry Eagleburger, who was then undersecretary, and I said that I could not conduct a negotiation without having all the cards in my hand, and he said he would have to have an NSC meeting about it, but not to worry that it would turn out the right way, and it did. And so I had a certain amount of money available for military assistance and economic assistance for Portugal, and I came back and I tucked about \$50 million in my back pocket as my strategic reserve, and then I went to Calvet de Magalhaes and I told him that I had come back with a pretty good set of instructions and that in my next meeting with the foreign minister I would tell him what I had, but I wanted Calvet de Magalhaes to know that I had a reserve fund (which was not the reserve fund that I had pocketed but a second reserve fund that I wanted him to know about), so that at a certain point he could be the hero and deliver the Americans. And it worked very well, except that when I invited Secretary Shultz to come to Portugal to do two things on the same visit - one, to inaugurate our new embassy and to sign the base rights agreement - we weren't quite finished, because the Portuguese General Staff was still holding out unrealistically for more than we were prepared to give them. And so when Shultz arrived, the political agreement was completed, but the military base rights part of the agreement was not completed, and I wanted - and Shultz agreed with me - to have it all tied into a package and done at the same time. So there was a gala dinner that night, and my wife, Marilyn, and I went up and had drinks with the Shultzes in their hotel suite and we talked about the toast that he would give at the dinner, because the military folks were still negotiating as we were there having a drink. And he said, "Well, I'm not going to use all of this airy, good-fellowship, bonhomie kind of material because we haven't concluded the negotiations, and I think we could stay away from it, just as a kind of a signal to the Portuguese that we're not going to celebrate something until it's done all the way." I had told him about my strategic reserve, and he used it in his meeting with the vice prime minister. He alluded to it. And so we went off to the dinner, and Shultz was prepared to talk about the age of exploration and the Portuguese Cabrillo who founded California, where he came from, and so forth. And as we were sitting down to dinner, at the end of this large banquet hall I could see the US Navy captain who was my negotiator walked in the room and gave me a thumbs up. So I quickly told Shultz that the deal was done, that we had our agreement, and we could go forward with it. So that was it. It was a very interesting brinkmanship act, and it turned out very well. It was a very good agreement. Shultz inaugurated our new embassy, and I was very pleased. This had taken a while, because I got there in September of 82, and we didn't really finish it until well into the following year.

Q: It seems like base negotiations of the Azores are something that are sort of an ongoing thing.

HOLMES: The Azores base was very important to us during the Cold War because of the tracking of Soviet missile submarines, strategic submarines, throughout the Atlantic, and there was a whole network. We had the underwater arrays and then the P-3 aircraft that were dropping

sonar buoys and flying out of Keflavik, Iceland, and all the way down to the Azores to track these Soviet subs as they came out of the Bering Sea and moved down through the North Atlantic within range of the United States. It was a very important mission to track them.

Q: Was it basically implicit on both sides that it would be hard negotiating but you basically - both the Portuguese and the United States - were going to end up with agreement?

HOLMES: Yes, that was certainly understood, but the Portuguese had a very curious maddening style of negotiating. Sessions were never angry. When they were not prepared to move further on a particular point, they would just go dead-weight on you. It was like moving bags of cement - always in a very quiet polite way, but they just wouldn't budge. So the danger was that an unsatisfactory, unresolved situation could go on for months if not for years because it was relatively easy just to roll our rights forward another six months or another year. So that was the problem. We wanted to get it done and just not have this kind of hanging over our heads. And we also, for the first time, negotiated a presence on the mainland, which was basically part of an array of telescopes we had in five locations around the world. I remember the acronym: it was GEODES. It was an optical tracking station, basically. We had a couple in the United States; we had one in Korea. And this was to be the fifth of these tracking stations, which basically tracked objects in space and allowed SPACECOM in Colorado to keep track of seven or eight different space objects, everything from space stations to space junk to meteorites, and they had them all plotted because of this array of telescopes around the world. So this was kind of a new venture.

I think our relationship was strengthened a lot with the Portuguese in that period, also because they were very helpful to us. Mario Soares, who was prime minister during most of the time I was there, was leader of the opposition when I arrived. He was the kind of father figure of modern Portugal. He had been in exile for many years during the Salazar years, was a leader of the Socialist Party, was one of the great figures in Europe and was our friend. He was very intent on helping us, since we wanted to reopen the door to southern Africa, to Mozambique and Angola, which had been pushed away from any kind of a relationship with the United States during the Kissinger years. Chet Crocker, who was assistant secretary for African affairs in the Department at that time, and Frank Wisner, his deputy, were very intent on using the Portuguese to open a door to those countries in southern Africa so that we could begin to negotiate a new relationship with both of those countries. We had talks about that, and Soares was very helpful in that regard, because of course, having been the person who came in after the Revolution of the Carnations in April of 1974 and basically quickly moved to dissolve the remnants of the Portuguese colonial empire, he had a very strong reputation in those countries. Under his government it was possible to get access to Mozambican and Angolan leaders who otherwise were not particularly hospitable to the US Government.

Q: How did you work this?

HOLMES: Frank Wisner made quite a few trips to Portugal, and we would go and talk to the foreign minister, and Frank would lay out, basically, US strategy, which culminated in a number of accords that Chet Crocker and Frank negotiated in southern Africa. But basically, at the beginning of this process, the conduit was through Lisbon, and then once the doors were opened and the relationships established, then we would keep the Portuguese informed, obviously, as to

what was going on, but it was just in the initial period that the door to southern Africa was opened in Lisbon.

Q: What about Portugal as a NATO ally?

HOLMES: Yes, that's an interesting question, because for the 13 some years of the Portuguese colonial war, which was one of these hopeless ventures, they wasted their scarce military and defense resources on this war, and by the end of the war they really had very little to contribute to NATO, in terms of the whole defense planning process. And one of the things that Frank Carlucci had done as the ambassador that came in right after the revolution and helped pull the democratic leaders together to avoid a Communist takeover - because the last remaining Stalinist party in Europe was in Portugal. And one of the things that Frank did with the security funds that he got out of Washington was to help recreate a sense that Portugal was part of NATO, that its forces should modernize and be committed to NATO, train with NATO forces. The idea was to give them a western European NATO mission and turn their backs on Africa, and it was also a way of absorbing a lot of young military who otherwise would have been tempted to participate in revolutionary coup-making activity if left to sort of slosh around in Portugal at the time. So we were well embarked on the program that Frank Carlucci had started of modernizing the Portuguese armed forces. I had a long negotiation - and I had some help from Frank, who was then deputy secretary of Defense and came to visit us in Portugal about two weeks after we arrived. I met more people thanks to him in three days than I would have in three months. But we got some very good deals through them. I think they were A-7s, if I recall. They were surplus A-7s which were refurbished in the United States and became the P-74s. We got a very good price for the Portuguese, and they had a very good... Lemos Ferreira - I remember him - he was the chief of staff of the Portuguese Air Force, American-trained pilot, part of that generation of people that had done their training in the United States and had a very strong feeling for the United States. He was very pleased to get these aircraft, and they had a very good facility, quite modern. This was an aircraft repair facility outside of Lisbon. They had been able to build a modern facility thanks to money that they received from the Germans for the joint use, had there been a war, of a base at a place called Beija. And so not only were they in a position to maintain these aircraft, but also to maintain other aircraft and to service other aircraft that were in the American inventory. So we worked a deal for some aircraft that were stationed in Europe to receive depot maintenance at this Portuguese facility, which kind of added to the development of their fledgling aeronautical industry. So there were some things like that that were done. And then building up two brigades that in the even of a war would fight with Italian forces, and then in addition giving them a certain amount of equipment, navigation and armament, to modernize their very old destroyers so they could play some role in the Atlantic. Portugal is a Triangular country. There's the mainland, the Azores, and Madeira, and there's a NATO reserve air base on Madeira. So they had a national reason for having ships, and they of course had an ancient maritime tradition. It was very curious. When I first got to Portugal, to show you how high the Pyrenees were, 90 percent of Portuguese exports going to other parts of Western Europe went by sea, which is kind of emblematic of their reliance on the sea, and they always looked outward to the Atlantic. It was Mario Soares who started almost as one man to force the Portuguese to start thinking about joining the European Community. He eventually accomplished it shortly after I left there.

Q: Did Portugal get involved with the Mediterranean at all, the Sixth Fleet or anything like that? It was Atlantic Command?

HOLMES: It had an Atlantic vocation, always had been, and an African. Of course, going back to the time of Henry the Navigator and the first... My first assignment in Africa, Cameroon, derives from the Portuguese word for shrimp, *camerões*, because when the Portuguese navigators went there, they saw shrimp jumping in the Wouri River, and *ergo* the name.

Q: That long progress down the African coast [that] Vasco da Gama finally navigated around.

HOLMES: So they had this long maritime tradition; they had this Atlantic vocation; the Portuguese had always had an Atlantic sponsor, a special ally. For many years it had been the British - from 1385 and basically until the end of World War II - and then we became their sort of protector and sponsor. It was an astonishing... You know about the Treaty of Windsor, between Portugal and the United Kingdom. It's the oldest-

Q: Isn't that the oldest-

HOLMES: It's the oldest, long-running defense treaty in history, from 1385 to the present. And there was a famous battle where the English sent longbowmen that turned the tide against the Spanish knights, and they had all kinds of sweetheart business deals over the years, and we were able to operate a base out of the Azores by the middle of World War II because Churchill leaned on Salazar, who was neutral, reminding him of the Treaty of Windsor. He kept insisting, and eventually we got in there and were able to use that very successfully against the German U-boat menace. And then we piggy-backed on that, and that's how we got the Azores at the end of the war. And they still invoked the Treaty of Windsor, the British did, to stage tankers out of Madeira to refuel the Vulcan bombers on the way down to the Falklands to crater the runways. Once again, they invoked the Treaty of Windsor - quite astonishing.

Q: Did the states of Rhode Island and Massachusetts play much of a role in being the ambassador there?

HOLMES: They played some role, I would say. It was very clear that particularly in Barney Frank's constituency in and around Norton, Massachusetts, was heavily Portuguese-American and Azorean-American. The only Portuguese-American member of Congress is Tony Coelho, who is from California and a very minor Portuguese-American implantation in his district. But he came to visit me, and he took that very seriously. But I did use that at a certain point where, during our base negotiations the Department, again this undersecretary for security assistance tried to cut back the money that had been, I thought, fenced for the Portuguese negotiations. And so knowing that I would get nowhere with this individual, I came back to Washington and made some visits on the Hill, and I went to see Barney Frank and told him about it. And it was an amazing visit. I spent 45 minutes in Barney Frank's office. While I was there, he phoned about 10 members of Congress to get their support for retaining the promised moneys for Portuguese assistance, and then he said, "I have to go and vote. Come with me. We might catch a few more on the way." And sure enough, in the elevator, we caught two more members of Congress. And this resulted in a letter from the Speaker to the Secretary of State - without reference to me - I

was not mentioned, fortunately, because I was really being quite naughty. I had told the Department none of this. I just went straight to where the money was. And this was a very strongly worded letter, and the Secretary turned to Larry Eagleburger apparently in a meeting and said, "Where is this pressure coming from?" Larry had an inkling. But it made the difference. The money that they had hived off of the fenced money for Portugal was restored. So in that instance, the Portuguese-American constituency helped.

Q: What about relations with Spain at that time? How were things working there?

HOLMES: The Portuguese and the Spanish had a curious relationship. It was a little easier later, when their Felipe González became prime minister and Mario Soares was prime minister, but the Portuguese and the Spanish always had a quarrelsome, difficult relationship. They quarreled about fishing rights. The Portuguese, basically from a very early period, from the 12th or 13th century, had defined themselves against the Spanish. They really had a common language. Portuguese and Spanish are very close, but they worked very hard and successfully at establishing a very separate identity. Whereas the Spanish are much more Latin, much more outgoing, the Portuguese are more quiet, even dour. They're almost more Celtic than Latin, and the way they do things is different. I mean in Portuguese bullfighting, for example, they don't kill the bull. I mean, it's representative of their way of doing things. The Portuguese revolution - there were fewer than 10 people that were killed in the Portuguese revolution. It was quite extraordinary, to give up an entire empire and turn that country inside out, bringing on whole new... and a very hard-line Communist Party - they call it the Revolution of the Carnations. The soldiers went around the streets of Lisbon with carnations stuck in their barrels. The Portuguese temperament is entirely different from the Spanish.

Q: How did you find, when you were there, dealing with the Portuguese Government?

HOLMES: Dealing with the Portuguese Government was an interesting experience for me because I worked very, very hard at playing down the proconsular role. The American ambassador in Portugal was a figure and was somebody that... I had the most extraordinarily easy access to every member of the government. No door was closed to me. The prime minister, Mario Soares, was very kind to me in opposition when I first arrived there, and he would invite my wife and me over to their small apartment for Sunday lunch, so I knew him a fair amount by the time he came into office. But my relationship with him was such that every month or so he would invite me over for lunch to his office, the prime minister's office, and they'd put screens up in his large office and just the two of us would sit at a table and eat *bacalhao* stew, which he loved, and they put these curtains up so that they wouldn't see that he was violating his wife's diet. This is very rich food. But we had an extraordinarily good relationship.

I can remember, for example, when we went into Grenada. We had a night-action message that came into all NATO capitals to go in and get support. I got an immediate appointment with him at seven o'clock the next morning. I got his agreement, his support. I asked him if we could say so. He said, "Yes, you may." And I went back, and he was the only NATO ally that immediately supported the United States. I guess the British did.

Q: Oh, the British were kind of unhappy about this.

HOLMES: They were unhappy about it, and afterwards, Soares regretted it a little bit because he had a little bit of a problem with his NATO allies that he had so easily acceded, but it was sort of a natural thing. Great access.

But I worked very hard at playing down this proconsular role, and it all came into focus in a major way towards the end of my time in Portugal, based on the suggestion of the AID chief, which was a very good idea. We could see that the aid to Portugal was being frittered away, and we were drawing down. It was becoming increasingly clear that having an AID mission there was no longer necessary and that Congress would not continue to support this. So we decided to propose the establishment of a foundation which would be capitalized with the ESF and some of the military security assistance funds, and it was capitalized \$100 million. A private foundation of public interest, it was called. It was called that way so as to get around certain taxes that the Ministry of Finance wanted to impose. It was established as the Luso-American Foundation for the Cultural, Economic, and Educational Development of Portugal. The Portuguese Government loved the idea, but the most difficult thing was to persuade the Portuguese that the three-man directive committee, that there would be two Portuguese and one American; they wanted to have two Americans and one Portuguese. And I said, no, there have to be two Portuguese so that you can outvote me. I think it's very important. This is your foundation, it's your destiny, and it's important that you can outvote the American ambassador. It was a struggle. Their instinct was to stay locked into this very special relationship with the United States. I said, "Look, you're going into the Common Market. You will always have a relationship with the United States and the United Kingdom and this Atlantic vocation, but you will be increasingly moving into the European framework." I just thought it was important that when push came to shove they could outvote the American member of the committee. And that's the way it turned out.

Q: How did you find socialist ties? I'm thinking of European socialist ties, because they played a role when Frank Carlucci was working to try to turn things around in Portugal in the early days after the revolution. You had France under Mitterrand. I'm not sure whether Germany had a socialist government or not. You certainly had Sweden socialist.

HOLMES: Yes, Olaf Palme. There was a very close relationship. Soares had, from his years in exile - that is, when he wasn't in a Portuguese jail - enormous entrée with the world socialist movement. I mean, the Labor Party in Israel, Olaf Palme, as I said, later on Felipe González in Spain, French Socialists - Soares was a major figure and had close relationships. By the way, he spoke excellent French, and that was his sort of big second language. And yes, I think they were helpful, but it's misleading in a way, because some socialist parties in Europe were much more to the left than was the case in Portugal. If you look at a classic political spectrum of parties, whereas yes, the Socialist Party of Portugal had the Communist Party to its left and there was a Social Democratic Party to its right, in fact, on issues from an ideological point of view, the Socialist Party of Portugal was much more like social democracy in your average European country, rather than a more doctrinaire socialist kind of party.

Q: They didn't hold hands and sing "The Red Flag Forever" and that sort of thing.

HOLMES: No, no. They were very clearly a social-democratic party, and the Social Democrats in Portugal were more centrist or center-right.

Q: What about the Communists? Did you have much dealing with them?

HOLMES: I had no dealing with the Communists. They didn't want to have any dealings with us. Cunhal, who was the long-time head of the Portuguese Communist Party, was a hard-line, ultra-loyal Stalinist who had spent a lot of time in the Soviet Union and I think at one point even had traveled on a Soviet passport. He thoroughly disapproved of what we were doing and didn't like us one bit. But he was almost an abstraction in the sense that, yes, he was Portuguese, but I'm told that even today the Communist Party of Portugal has not changed its name. It's still the Communist Party. It gets smaller and smaller; every time there's an election they go from 15 percent to 12 percent down to nine. Probably before long it will be down to seven percent. But he still talks about restoring the Soviet Union and the dominance of the Communist Party in Russia. So he's caught in a kind of a time-warp today and behaved a little bit that way during the time that I was there. But he was highly regarded by the Soviet Union, and they were always very careful to send important visitors, to invite him and other members to various meetings in Moscow. It was a little implantation.

Q: There was no attempt within the Communist Party there to turn into Euro-Communists - you know, put on Gucci suits and sit down with the big boys?

HOLMES: No, absolutely not. As a matter of fact, although there were maybe a few members who would have liked to do that, who were in contact with their brethren in Italy and in Spain, they would be quickly squashed by Cunhal, who was absolutely true-blue.

Q: That must have made it easy for you.

HOLMES: Well, it did in a way. As I say, we had no particular contact. Of course, they lost no opportunity in their newspaper to criticize us for just about everything that they could, but every once in a while I would be at a function and I would meet Cunhal, and I would be polite with him and shake his hand and chat with him. But he wasn't interested in prolonging conversations that we had. At that time I spoke fluent Portuguese, so it was not a question that there was a language barrier.

Q: What about the media? How did you find the media there?

HOLMES: Well, I never could understand how a country that was as poor as Portugal could have so many newspapers. It was amazing. They had 12 or 14 daily newspapers there. I can't remember the exact numbers, but it was disproportionate, certainly, to the readership, and it was just quite extraordinary. The paper of record, the sort of *New York Times*, if you will, was *O Diario*. That was their big paper, and very highly intelligent breed of journalists in Portugal, very intelligent, very well educated, very familiar with politics in the rest of Europe and to some degree with the United States. And I would occasionally give an interview and talk about various issues with them. *O Diario* had a lot of fun with me. After the Shultz visit, after we closed the base agreement and opened our wonderful new embassy, the following day there was a long-

scheduled meeting where I was the speaker at the Portuguese-American business council. I'm not summoning up the correct name, but it was basically a commercial Portuguese-American business association, and I was the speaker. And it was more heavily attended than usual, I think because we had concluded this base negotiation and so forth. I gave my speech, and at the end, they asked if there could be a question and answer period, and I said sure. I looked around the room, and I couldn't see any press present. There didn't seem to be anybody present, so I felt a little bit more relaxed about answering the questions, and one guy got up and said, "Tell me what it was like negotiating with the Portuguese Government for this base agreement." So I looked around, didn't see anybody, and I made the gesture - I pulled my pockets inside out, literally, I just pulled them out. And that brought the house down, but also there was a photographer that popped up underneath this platform and caught that picture with my pockets hanging out and everybody laughing - and I was laughing too. And that picture plagued me for the rest of my time in Portugal. It was on the front page of *O Diario* the next day. It was the photograph of the week, the photograph of the month, and then the photograph of the year. I couldn't get away from it. But you know something? That picture did a lot for our relationship, because the feeling was, the American ambassador with this gesture was saying, you know, that the wily, smart Portuguese negotiators took the United States to the cleaners.

Q: *Oh, yes. This never hurts.*

HOLMES: Which really wasn't true. It was partially true, in a way; I mean they got more probably... But it really did a lot for the relationship. It sort of titillated their sense of their *amour propre*.

Q: *We talked at great length about this when you were in France. What about power centers? Was there an intelligentsia, think tank, writers? How did you deal with them?*

HOLMES: They did. There was a literary society, and there was a strategic studies center and a very active university community which peopled those organizations, they and the politicians - not only the University of Lisbon but probably the oldest university certainly in Portugal and one of the two or three oldest in Europe other than Bologna was in Coimbra. I went to all these places, and I was invited to give speeches, to be on panels, and I did that. I enjoyed that. That was very much, I thought, an important part of my job, sort of outreach to the academic community. And we would talk about policy issues. But I did find that, yes, - other than the strategic studies institute (and again I can't remember the exact name of the organization) where I remember giving a long speech about arms control and our strategic relationship within NATO and our negotiations with the Soviet Union that was heavily attended and was kind of a global, big-picture kind of discussion - inevitably in interviews and in universities, the questioning tended to become very quickly local - maybe Iberian, but not as much discussion about Portugal entering the European Community as I would have thought. And that was part of Mario Soares's problem, too. For a long time he was a committee of one in just driving this issue, because people just weren't interested.

The Portuguese were very curious about the way they conducted their lives. Most Portuguese were not ambitious people. Greed was not a factor. If somebody set up a small company to make a widget and it was successful and they got enough money to pay the mortgage off on the house

and have a nice vacation and then come up with a profit at the end of the year, instead of plowing that money back into the company and maybe borrowing a little bit more and expanding their industry, they would just stay where they were because they were comfortable. Obviously there are Portuguese entrepreneurs, and I don't want to exaggerate this point, but they had a very kind of a comfortable neighborhood approach to life, very sweet people, very courteous.. It's the only place I've ever been where if you asked directions someplace they'll go five miles out of their way to show you how to get there, lead you. So Soares really had his work cut out for him. He had a long-range vision for Portugal, and eventually he got there. But I could see what he was up against when I would go around to these communities and talk to people. I would ask questions about moving their focus from the Atlantic to Europe, and I didn't get much of a response.

Q: Were there problems with Canada over fishing at that time?

HOLMES: No, I had a big fishing problem. The world price on cod is set in Portugal. I mean, it is the national dish. They *love* codfish. And there must be close to a thousand different ways of preparing codfish. It's so popular that by the end of the 18th century, Portuguese waters were basically fished out. There weren't any cod left. One of the first exports of the United States as a young nation in the late 18th century to Portugal was codfish - from off of Cape Cod. And they got most of their codfish from Iceland and from Norway. But increasingly expensive and in shorter and shorter supply. At a certain point, an enterprising Alaskan business brought in to Madeira a load of Pacific cod. Then I got a lot of pressure from Senator Stevens to sell this to the Portuguese and to establish a relationship between some of the principal fishery import companies and Alaska. And I tried. I tried my damndest. They didn't like it. It tasted the same - certainly to me it tasted the same - but it had a different shape. And they were so traditional that they did not go for Pacific cod. I got into a lot of trouble. And there were all sorts of threats about support for Portuguese aid if we didn't come through on this cod deal. Well, there never was a deal. This enterprising guy just took a chance and brought in this load of codfish and stashed in a warehouse where it was rapidly rotting, and there were not buyers. But it was, again, a very conservative country changing the diet on something as important as codfish. That was my major fisheries war that I had when I was there.

Q: We had the same problem with rice. People in countries are used to a certain kind of rice. We have a different kind of rice, and they don't respond.

HOLMES: Yes.

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

HOLMES: I was blessed. When we got there, there was a DCM there, and I was extremely happy. It was Ed Rowell, who was a fabulous diplomat. And his wife was one of the great Foreign Service spouses of all time. In fact, Rowell and I put her up for the Avis Bohlen award, and she won it. They were the most exemplary Foreign Service couple. They knew the place inside out. They had friends all over the place. They both spoke fluent Portuguese. They really made our job easy for us when we came in, and a guy who had tremendous judgment and later was ambassador in several places including going back to Portugal at one point.

Q: He's also the president of our organization which is in charge of doing these oral histories right now.

HOLMES: A great DCM. My second DCM was also terrific, Alan Flanigan, who later was head of our interest section in Havana, Cuba, and then went as ambassador to Nicaragua or El Salvador - I can't remember exactly which now. They were wonderful, and again, an outstanding DCM who had both European and Latin American experience.

Q: Speaking of Latin America, what about our Central American policy? Did that cause any problems for you? We're talking about Nicaragua, El Salvador.

HOLMES: Not major problems, but we got a pretty good roasting in the press. And although Mario Soares was always very polite, it was very clear where his sympathies lay. This was a troubling aspect of US policy for him, for his very natural and strong relationship, strong feelings of friendship and alliance with the United States. Clearly there were differences there, and particularly the people around him, some of his staff people whom we knew very well and liked. Jim Creagan, who was political counselor and who had made a lot of friends in Portugal, and he and I would sometimes sit down over dinner with some of the Socialist staff people and have some pretty strong arguments about our Latin American policy, which they largely disapproved of. But it wasn't a big problem just because that relationship between the United States and Portugal was so strong, this very special relationship, so it never tore at the innards of our relationship the way it did in other countries.

Q: Well, this might be a good place to stop, don't you think?

HOLMES: Okay.

Q: Allen, in '85, you left Portugal, and whither?

HOLMES: In '85, I left Portugal and I came back to Washington. George Shultz asked me to come back and be assistant secretary for political-military affairs - actually, director of the Bureau of Political-Military Affairs, and then when I got back the Senate insisted that it be made an assistant secretaryship. So I was in fact the first assistant secretary for political-military affairs.

ALAN H. FLANIGAN
Deputy Chief of Mission
Lisbon (1983-1987)

Alan Flanigan was born in Indiana in 1938. He graduated from Tufts University in 1960 and served in the U.S. Navy from 1960 to 1966 as a lieutenant. After entering the Foreign Service in 1966, his assignments abroad have included Lima, Izmir, Ankara and Lisbon, with an ambassadorship to El Salvador.

Q: Today is July 10th. I think we were just about ready to get you assigned as deputy chief of mission in Lisbon, Portugal in 1983. Who was the ambassador and what were the main issues you dealt with in Portugal?

FLANIGAN: Well, the ambassador was H. Allen Holmes who had been there one year at that time and for whom I had worked previously when he was deputy assistant secretary of State for European Affairs. The principal issues between the two countries at the time focused on various things ranging from trade to the defense relationship. We were re-negotiating the agreement for our base in the Azores at that time. I think negotiations had been going on for several months, perhaps a year, and they continued for several months after I arrived. These negotiations are always difficult because in any basing arrangement, a country basically gives away some of its sovereignty, and it likes to be able to justify that with some material benefit. We, of course, resist material benefits to the extent that we can. Those were still the days, however when we did have substantial security assistance to use in the negotiations. I don't recall the specific amounts, but I do remember that we came up with a fairly generous arrangement for the Portuguese. In part because the base was important, but also in part because the Portuguese had successfully come through a very difficult period in their history after the death of Salazar and the uncertainties that accompanied the transition from dictatorship to democracy. It was a very uncertain period. They had gotten rid of all of their colonial empire as well, and we wanted to do what we could to make sure that they stayed on the democratic track which they were on quite admirably. It was an interesting period in the relationship, a very positive period. It was a good relationship between the United States and Portugal. Portugal for historic reasons always looked toward the Atlantic, and its back was up against Spain. It felt a small country against a large country. Traditionally it had a very good relationship with the United Kingdom. We hadn't really supplanted that in an absolute sense, but in a relative sense we had. We were a very important ally to them. Conversely we saw Portugal as an important country in that part of the world.

Q: The base negotiations you mentioned, particularly those in the Azores, were they being conducted for the United States by the embassy, or was there a special negotiator, or was it a combination of the two?

FLANIGAN: In this case it was the ambassador who was the negotiator, Ambassador Holmes.

Q: Did that work well? I know you had experience before and later with special negotiators.

FLANIGAN: I had experience. I was a special negotiator later, and I had experience in Spain which involved both. My sense is generally speaking, that it is better to have a special negotiator, but in this particular case, it worked just fine.

Q: You mentioned that Portugal had given up its colonial empire particularly in Africa. Were we consulting, talking quite a bit with the Portuguese particularly about Mozambique and Angola?

FLANIGAN: We did some consultation with them. I am not an Africanist, so I can't be as profound as I would like to be on this, but my sense was that Portugal as the former colonial power didn't have as much influence or knowledge as Portugal itself assumed it should and would have. The Africa bureau in the State Department was wary of appearing to be too close to

Portugal. Therefore, although we consulted with the Portuguese, it was a somewhat tenuous relationship. The Portuguese felt we should have consulted more, and we tended to feel that the Portuguese were narrowly focused. At the risk of over generalizing let me say that the Portuguese still had very romantic feelings about their former colonies. The Portuguese generation that fought the colonial wars, and there were wars in Angola, Mozambique, and Guinea Bissau. They were bloody wars, at least that was our American understanding of them. But, many of the Portuguese still had very positive feelings about their experiences, and in fact, on a percentage basis, not many Portuguese died in those wars. The wars were not very pleasant, but there was not a high casualty rate in the end. My impression was that they tended to look back on those years much more positively than we would think.

Q: You mentioned the transition to a democratic system that had taken place in the 70's. That was really firmly established. There was no danger of rolling back as occurred in Spain, one small episode, but in Portugal everybody was fully committed to it.

FLANIGAN: It seems so. There are always concerns, because the non-democratic period is not very far removed, but at the time I arrived I recall, the president and the prime minister were from different parties already. As often happens, they were working together with some difficulty. Both of the principal leaders were heroes of the revolution if you will. Remalho Eanes, the president, had been a general, and Mario Soares, the prime minister, had been a socialist activist. Their relationship was very tentative and not very cooperative at all, but they did manage to get along enough for the country to govern itself. While I was there, I was there for four years, there were parliamentary elections. The Socialists lost, and a new center right party led by a relatively unknown economist, Antonio Cavaco Silva, won the elections and came to power. He subsequently served as prime minister for the next decade. Mario Soares then ran for the Presidency and won. He became president for - I believe it was a seven year term - so Portugal enjoyed a period of political stability for several years.

Q: DCM is very much involved in the management of a mission. That is true whether the ambassador is career or non career. Did you have any particular management issues or did things move very smoothly and effectively? There was a consulate in Porto still?

FLANIGAN: There was a consulate in Porto and one in Ponta Delgada in the Azores. The one in Ponta Delgada you can understand the reasons for more readily I suppose because it is geographically difficult to get to very easily. We also have a consular agent in Madeira, in Funchal. The post in Porto was there in a traditional sense. It had been there a long time. There was a great attachment to it in Portugal and in the Department.. It was closed a few years after I left, and I regret that. I think it was an important part of our presence there. But whether it was essential or not, I suppose, was the question that had to be asked when the budget had to be cut. Portugal is a small country; Porto seemed like a reasonable cut, I suppose. During my time in Lisbon the most important management issue was relocating the chancery. We moved the day after I arrived. Fortunately, my predecessor had to deal with the construction, and so I got to live with the benefit - and finishing up as always occurs. The new chancery was not fully completed when we moved, and for the first time in many years all of the agencies of the U S government were housed in the same building. It is a much easier way to manage a large mission if you have

everybody, including the military group, the AID mission and others under the same roof. It was also an attractive facility.

Q: This chancery was probably not built under the newest security guidelines.

FLANIGAN: It wasn't, but serendipity gave the new building better security characteristics than might have been expected. The Department had spent several years selecting the right place for the new chancery. The site finally selected was somewhat controversial since it was not in central Lisbon. Fortunately this meant that site was relatively large which permitted the chancery to be set back a good distance from the surrounding streets. Nevertheless, one of the things that Portugal did have unfortunately was a residual terrorist movement. On two or three occasions while I was there, the chancery was the subject of more or less abortive attacks. A couple of mortar rounds were fired into the compound one night. They hit a few windows and left some shrapnel in the walls. There was another apparent effort to fire a rocket propelled grenade from a hill across the way. It did not fire. Fortunately neither of those incidents resulted in any injuries.

Q: You mentioned that Allen Holmes was the ambassador when you arrived for a year or so, Who succeeded...

FLANIGAN: He stayed three years and came back to be assistant secretary for of State for Political Military Affairs, and he was succeeded by Frank Shakespeare who had in earlier years - during the Nixon administration - been head of the USIA. He stayed for just over a year however because the post as ambassador to the Vatican opened up. He really, although he enjoyed being in Portugal and wanted that, he really desired to go to the Vatican, so he was reassigned to the Vatican. So he was the ambassador during my third year, and the fourth year I was in charge because Shakespeare's putative successor ran into difficulties in the confirmation process. In fact was never confirmed.

Q: So you were Chargé for quite an extended period.

FLANIGAN: About 11 months.

Q: One of the reasons we are interested in having bases in the Azores is not only NATO and the role of Portugal in NATO but the Middle East and that region. Were there some significant developments during the period you were there that you got involved with?

FLANIGAN: In fact, no. Most of the Middle Eastern crises that involved the Azores occurred either before or after I was there. There was one incident not involving the Azores which is of interest. I can only say a limited amount about it here. At one point in 1985, there was an effort by a group within the United States government to try to ship Hawk missiles from Israel to Iran. The goal was to gain the release of U S citizens being held hostage by pro-Iranian groups. The Portuguese got involved simply because the people who were putting this operation together wanted a place to change planes, to "launder" the missiles, if you will. One night in late November, 1985, there was an effort to do that through Portugal, but it failed.

Q: Seems like there might have been a closer place to Israel and Iran to do that.

FLANIGAN: You would think so. I'm not sure why they chose to consider Portugal except it was close to the United States. I suppose there was a feeling that it would do what we wanted it to do. In fact I think under normal circumstances, Portugal is inclined to be cooperative and does try to be helpful. There was also as you recall, a NATO command just outside of Lisbon. It was commanded by, an American two star admiral at that time. It was a naval command called IBERLANT. I believe the commander is now Portuguese. It is a small installation.

Q: Were American ships based there?

FLANIGAN: No, there was no basing there. In fact there is no port at the installation itself. It was a headquarters element.

Q: Were you quite involved with NATO issues in Lisbon or not really?

FLANIGAN: Not really. That was the only substantial NATO element, and it was not what you would call a major element of NATO obviously.

Q: Were there significant economic or trade issues between Portugal and the United States or were they primarily with the European Community then?

FLANIGAN: During the time that I was there, Portugal and Spain were both negotiating for entry into the European Community and entered the European Community. I remember attending the ceremony at which Portugal acceded to the European Community. So, increasingly during the period we were there, those issues became European issues as opposed to bilateral. At least the Portuguese made an effort to do that. We generally resisted it because we found it more convenient to deal on a bilateral basis. In any event I do not recall that there were major chronic issues economic or commercial issues that affected the bilateral relationship.

Q: Anything else we should say about your term in Lisbon?

FLANIGAN: Well, yes, I think there are a couple of interesting things. President Reagan visited Lisbon in 1984, I believe it was. It was the only experience I've had close up with a presidential visit. As deputy chief of mission, I was principally responsible for coordination. I learned up close what I had heard but never really understood about the amount of effort that goes into the preparations for one of these visits. It is amazing how we over-plan and over-organize for a visit by the president. The amount of energy and effort that goes into it is phenomenal. My experience then – which has been confirmed by talking to colleagues who have participated in similar visits – persuades me that although the country that receives a visit is nearly always pleased to receive the visit, the process of preparing for and conducting the visit can and often does result in a substantial amount of damage to the working relationships between the two countries. So you wonder about the balance. We impose demands and conditions that are difficult for any country to accept.

Q: In fact did this visit went off well?

FLANIGAN: This visit went very well. We were the beneficiary of a less fortunate visit that had just preceded it. That was the one to Germany during which the President went to Bitburg Cemetery. In retrospect the visit to Bitburg was one of those mistakes in planning that sometimes occurs. It is amazing that they occur since these things are planned and re-planned and rehearsed. I don't recall the dates involved, but we had people from the White House there several months in advance to plan preparations for this visit, and of course the scope of the visit, the places of the visit, the events of the visit changed totally several times in that several month period.

Q: What was President Reagan in country about 24 hours?

FLANIGAN: No, he was there for two nights and I believe about three days, so it was a substantial visit. It was the end of a trip through Europe. I think the idea was to conclude a relatively arduous visit to several countries by spending two or three days in Portugal, to rest and enjoy what is really a very pleasant country. We often received visits from Congressional delegations which were doing exactly that. In fact it was sometimes difficult to get some of the delegations to do the serious stuff too.

Q: Was this the first presidential visit to Portugal after the end of the dictatorship?

FLANIGAN: Yes, it was the first presidential visit to Portugal since, I am trying to think, it was the first presidential visit since the dictatorship, and I don't believe we had anybody there during the Salazar years, so it had been a long time.

Q: Was there something else about Lisbon that you'd want to mention beside the visit of President Reagan?

FLANIGAN: Simply that I had the good fortune both in Lisbon and in Ankara of serving in countries where the relationship between the two countries is very positive both on a official level and on a popular level. The Portuguese people had a very positive view of the United States and the American people, and there are several large Portuguese communities in the United States - on both coasts. The same thing goes for Turkey although the role of the Turkish immigrant population was not as pronounced. The image of the United States in Turkey was a very positive one. My family and I were fortunate to serve in these two countries. As representatives of the United States we felt welcome in both countries no matter where we went.

Q: I don't recall whether you had Portuguese language training before you went.

FLANIGAN: I briefly, actually I took 15 weeks of a conversion. No it wasn't even a conversion. I took 15 weeks of Portuguese which was almost adequate. Portuguese as spoken in Portugal is I think, a very difficult language. It is a much less melodious and open language than the Portuguese of Brazil for example; it is much more difficult both to understand and to speak. The Portuguese chronically believed that the Spaniards were insulting them by pretending not to understand them when they spoke Portuguese; they clearly understood the Spaniards when the Spaniards spoke Spanish. But, in fact, Spanish is easier for the foreign ear to understand, and Castilian Spanish is certainly easier to understand than Cosmopolitan Portuguese if you speak both languages imperfectly as I did..

Q: But you were able to manage to get around and do what you needed to do. Of course, English, I suppose, is fairly widely spoken.

FLANIGAN: Sure. English is pretty widely spoken. Historically, French was the second language of the educated classes, but increasingly English has become the second language, especially in the business and diplomatic communities.

MARK LORE
Economic Counselor
Lisbon (1983-1987)

Mark Lore was born New York in 1938, and graduated from Bowling Green State University. He served in the US ARMY from 1961 to 1964 as an overseas captain. His positions include Rio de Janeiro, Brasilia, Luanda, Rabat, Brussels and Lisbon. Lore was interviewed by Charles Stuart Kennedy on June 26, 1998.

Q: In '83 where did you go?

LORE: In '83 I was assigned as economic counselor in Lisbon.

Q: Let's stop here for just a second. Okay, you were economic counselor there?

LORE: I went to Portugal as economic counselor. I had not had a Portuguese-speaking assignment since my Angola tour and of course, the degree to which I spoke Portuguese as a Portuguese African desk officer. I had been working in French since 1972, so I had to brush up my Portuguese at FSI. However, it seemed like a natural assignment. At the time Portugal was just emerging from the rocky period after the 1974 revolution. So again, it was a place that people wanted to go to and where they wanted to serve.

Q: You were there from '83 to...?

LORE: '83 to '87, four years.

Q: What was the government like in Portugal at that time when you arrived there?

LORE: In the spring of that year of '83, Mario Soares was elected as prime minister. This brought into power a moderate socialist regime, very close to the United States. Soares and Frank Carlucci, who had been ambassador during the worst period of the military rule after the coup, were very close personally. Politically, the Portuguese situation had been resolved in a way that the United States was happy with. The good guys won. But economically, the country was a basket case. The difficulties following the revolution -, the loss of the colonies, the return of large-scale white populations from the former colonies creating a big burden for the beleaguered government in Portugal, uncertainty about Portugal's reliability as a NATO ally, a drying up of

investment and generation of relatively large fiscal deficits and foreign debt - all created considerable uncertainty.

By the spring of '83, Portugal's very high international debt was viewed as almost unfinancable. It was an economic basket case. There were considerable worries that, while Portugal was making strides politically, it might be undermined by its severe economic problems. But four years later, when I left, Portugal was a member of the EC and politically and economically it was doing great. Of course, I don't take credit but again as in Morocco I went out to a country which was generally thought to be in for a bad siege and in fact things turned out much better than they had been expected to.

Q: Before we examine what happened, when you arrived who was our ambassador and how were American relations then?

LORE: The ambassador was H. Allen Holmes, a career officer. It was his first ambassadorship, his only one. He has been ambassador in other senses, but this was his only bilateral ambassadorship. He was an excellent ambassador, a man who was almost universally liked. Just a very nice and very competent man. The bilateral relationship was a good one. Soares was obviously a man we knew. The U.S. had helped him and Soares knew we had helped him. We'd been a major part of his support in allowing the moderate socialist forces to come back. At the time we were beginning Azores negotiations to renew our base rights - always the major issue between the two countries. But they were being conducted in a non-confrontational way, easier in many ways because we didn't have the African problem that we had had in earlier years when Portuguese governments tried to hold us up on African policy as a condition for continuing our base rights. So the relationship was good, but there was considerable uncertainty at the beginning about whether Portugal could right itself economically.

Q: What happened? Again from your perspective, did the United States have any hand in it? I mean, we're talking about a basket case up to an aspiring young EC member in those '83 to '87 period.

LORE: Well, Soares, when he ran for office, promised the Portuguese people that if he was elected he would give them austerity. Portugal is one of the few countries that I know where you can win on that sort of a pledge.

Q: They're a rather dour, austere people.

LORE: Well, they can be. They're very friendly, very warm people, but they have this outer appearance of dourness and austerity. It's a country that had been beggared by its own colonial ambitions. Portugal was at that time still really more of a third world than a first world country, and most Portuguese were not used to having very much. So austerity may not have held the same kind of threat for them that it might have had for others. In any case, Soares appointed a strong economic team, worked closely with the IMF, and ran an austerity program that was very tough - as events proved, too tough. It bit harder than it needed to and Soares was ousted when he ran for reelection later on.

But, just to show the Portuguese didn't bear any grudges, they ousted him as prime minister but, oh I guess it was a couple years later, brought him back as president of Portugal. So the Portuguese people still regarded Soares with some affection but he was given a good slap across the knuckles. In any case, the IMF program, the austerity and the growing interest in Portugal as a base for serious investment given its negotiations to join the Community all helped to revive the economy.

Q: What was your role as economic counselor while this was going on? Was it a passive one of looking at it and saying, "Gee this is happening," or was it one where you were helping people to encourage to invest, etcetera?

LORE: Somewhat like Morocco. The embassy did work hard at promoting U.S. investment in Portugal. Again, because this was viewed as important, particularly in a relatively small country, a few big investments make a lot of difference, particularly in certain regional areas. So we did encourage investment. We had some trade problems at the time. Throughout my tour we had serious problems which took a lot of my time in the area of codfish and the area of textiles. The numbers weren't big, but these are two products that are near and dear to the Portuguese heart. They are among the world's great cod fishermen and traditionally had always fished off St. George's Bank. However in the 70's, we largely restricted these waters to our own fleets. Likewise, the Canadians largely closed off theirs to preserve what little is left. So the Portuguese had to go elsewhere. There were delicate negotiations about access to Alaskan waters where we were promoting fishing activity at that time. Sensing their leverage, American commercial interests drove a hard bargain. The Portuguese weren't easily reconciled to traveling to such distant waters and were nervous about the costs of doing so.

The textile area is a more familiar story. Portugal was shipping lots of cheap textiles into the United States. That's something they do very well and they have a highly developed textile sector. They ran afoul of some of our textile limits and this required considerable discussion. It was very politically hot for the Portuguese government because the northern part of the country where the textiles come from is the most politically powerful part of the country.

Q: How did you work this? I can see this, you and the ambassador and all caught between the fact that you want to help encourage the Portuguese to have an industry and textiles is a good one, yet at the same time the mills in North Carolina and elsewhere aren't very happy with this. Did you find yourself with a balancing act?

LORE: Yes, well, the fact of the matter was a country will hit our arbitrary import limits, then there is an immediate call for consultations, and these consultations are inevitably highly political. They're conducted by USTR by this time - and USTR didn't view itself as the protector of U.S.- Portuguese relations or relations with any individual state, but rather the protector of U.S. textile interests. But nevertheless at the same time they have a mandate to serve the consumer as well, so they can't deliver themselves over to the kind of protectionist positions that the Department of Commerce sometimes defends. When you had a periodic crisis, in quotes, where we would suddenly put the breaks on imports, there would be consultations, there would be a certain amount of give and take, and some arrangement would be worked out.

We followed the textile sector closely because of this. But we had good working relationships with the Portuguese officials involved. We also had some issues on shoes which were getting important at that time. There you didn't have a formal quota mechanism but you also had some protectionist pressures coming out of the United States. We got through it okay, but it was, I don't know if it still is, but trade was during those years a significant irritant in U.S.- Portuguese relations.

Q: I would think that even with the USTR who has only one client and that is the United States economy as opposed to the government, would be less likely to want to beat up on the Portuguese than say some other countries too, in a way. Was this ever a factor? I mean, the Portuguese have a good image in the United States and it's not like some of these other ones where it looks like you've got masses of...like the Chinese, Taiwanese, Mexican, or something, where you've got masses of ill paid labor and it could flood us. I would think the Portuguese would be treated somewhat differently. Was there that feeling at all?

LORE: Well, probably in the background there is. If our relations with the country are generally good, then I think it does affect the climate of these talks and perhaps the ultimate willingness of people to compromise. Obviously, the State Department, which has influence, believe it or not, in these discussions is going to fight harder for Portugal in those days, particularly given the concerns about stability, than it might for some other country. But I wouldn't exaggerate the importance of all this. It does seem to me that textile policy is run on a highly micro-basis, where you're not talking about Portuguese textiles per se, but you're talking about provision of men's wool overcoats, say, from any source and you get into very highly differentiated markets where it's difficult to show a lot of flexibility without real questions being raised by U.S. producers and other foreign suppliers.

Q: What was your impression of Portuguese negotiators, government people, and all, the people that you were dealing with?

LORE: In the textile area they were okay. They tended to string things out, which is a Portuguese way of doing things. They tended to complicate things. But they were businesslike and usually tried to play the game the way we felt we had to play it rather than excessive pleading to higher levels which some countries try to do. So by and large they were cooperative negotiators and we got business done. The Portuguese government is small and their depth isn't great. Their ability to deal with our much more numerous delegations and far greater resources was a problem off and on, but that exists in many cases.

Q: What was your impression about the Portuguese attitude towards the Reagan administration? I think by this time, or I'm not sure, maybe you were there at the time of the bombing of Libya and all that and our action in Nicaragua and Grenada and all that. Was there concern about what's the United States up to, or not?

LORE: The Portuguese were not in the EC yet so they didn't have those constraints. They were among our most loyal allies. This was so, even in areas where there was some controversy domestically about the U.S. position. For example, there was only muted criticism of Grenada, despite the fact that most European countries took a more forthright stand against it. The

Portuguese permitted aircraft to refuel and use Portuguese airspace during the Libyan bombing, again something that was controversial in places like France. So no, we had extensive cooperation as events later proved. In fact, although I didn't know about it at the time, Oliver North had engineered shipments of some of these Iran-bound missile components through Portugal, a sign that the White House at the time viewed Portugal as a particularly pliable ally.

Q: What about the role, again from your perspective, of Sweden and...I'm thinking that Portugal... "starling" is not the right term, but was a favorite. The socialist governments in Sweden and Germany and France felt that they wanted to make sure that a moderate socialist country survived so they were quite active. How did you find this? Helpful, not helpful? What was the role?

LORE: Very helpful. Particularly the German support.

Q: The SPD.

LORE: Yes, was very, very important. Arguably as important if not more important that the support the United States gave.

Q: But we weren't running crosswise?

LORE: No, we were working together on that. It was true that just after the Portuguese revolution when Kissinger was Secretary, Kissinger had the idea of just letting Portugal collapse and it would be the so-called inoculation in Western Europe against any other adventures in communism. Take a small relatively insignificant country, let it go communist, it collapses, it shows how terrible things are, and you can use that as the bad example to the French and Italian communists and others as this is what happens if you go down the wrong path. Carlucci opposed that policy vigorously and won out in the internal debate.

Q: I think it's one of the great moments of American post-war diplomacy.

LORE: Yes, and Carlucci gets a lot of credit for basically saying, "Look we don't need to give up on this country. We've got friends there, things we can do." Working with others like the Germans and so on in a small country where the public was predisposed to a Western and pro-West orientation, it proved to be doable.

Q: Was there anything else you think we should cover at this point in Portugal?

LORE: No, I think that my last two years particularly were heavily involved with the oncoming EC membership. As Portugal negotiated its way into the EC this had several ramifications. In general, however, Portugal never had much trouble in the negotiations. The European Community of that time was not worried about Portugal. It was too small. They were worried about Spain. But the Portuguese were not controversial.. Everybody wanted Portugal and Spain to come in to consolidate democracy in these two countries and the Portuguese did not offer an economic threat so it was a done deal.

We covered this extensively with the foreign ministry and with other parts of the Portuguese government that were negotiating the accession arrangements. In the final year the U.S. became concerned with possible trade effects. It had to do with soybeans and it had to do with soy oil and other issues where the EC was trying to extract from Portugal certain commitments to buy European rather than world market which meant us. This was something we were quite concerned about and made a major issue with the European Community at the time of Iberian accession. So that also was a major focus of my last year in Portugal.

Q: How did it come out?

LORE: It came out with the usual kind of muddled compromise. But I think it came out with a compromise that we could live with.

Q: One, we had a Secretary of State, George Schultz, who had an economic background, probably the only one....the only Secretary to have this. Did you feel his hand on things? Not necessarily on Portugal, but on economic matters?

LORE: I don't have the impression that Schultz, as it turned out, had much time for international economic policy. I think he came in intending to be much more active in that area. But the reality of the position of Secretary of State is that you're on a plane most of the time putting out fires in places like the Middle East and you really can't get into GATT renegotiation or IMF diplomacy or other things that you would like to do, even absent the competition from Treasury and other people who have the inside track on these issues. While we appreciated having a Secretary with a feel for economic policy and economics, in point of fact, most of his time had to be spent on political matters.

Q: At this time looking at the accession of Portugal into the EC, I take it, because of the concerns about soybeans and all there was even a greater concern about the EC as being exclusionary on our part.

LORE: That's right. There was great concern that the EC would use Iberian accession to shut the U.S. out of some quite lucrative markets. It's got to be remembered that while Portugal is a small country, it was a pretty significant agricultural market for U.S. goods. Portugal has to import much of its agricultural consumption. So particularly in areas like wheat, corn, oils, rice, Portugal is a major consumer and a very attractive market.

Q: Well, why don't we stop at this point and next time we'll pick it up where you left Portugal in 1987 and you went off to...?

LORE: I came back to be the deputy director of Brazilian affairs.

Q: Okay, we'll pick it up then.

JOHN E. KELLEY

**Labor Officer
Lisbon (1983-1987)**

John E. Kelley was born in California in 1936 and raised in Washington, DC. He attended Pasadena City College and the University of Virginia. He then went to Hawaii with the Weather Service and joined the Coast Guard, receiving a degree in government from the University of Hawaii. Mr. Kelley later obtained a master's degree in international relations of Northeast Asia from American University. In addition to serving in Japan, Mr. Kelley served in Korea, Portugal, and Australia. He was interviewed by Charles Stuart Kennedy on May 21, 1996.

Q: Today is July 22, 1996. So where did we leave off at? You were going to Portugal?

KELLEY: Yes that's right, as a labor officer.

Q: Did you get any briefing, indoctrination as to being a labor officer--did that mean anything any different than just going as any kind of officer?

KELLEY: Yes it does. Labor attachés all go through a series of courses, some of which are given at Georgetown University by Roy Godsen and a few other fellows over there. It had a heavy history ideology component to it--what the history of the labor movement was, what efforts were made to infiltrate it by the communists and all of this sort of thing. Then there was an effort on the part of the Department of Labor to get you to drop by and spend some time with them. They would schedule meetings with various people in the Department of Labor to let you know who had an interest in your activities and what kinds of resources the Department of Labor had available for exchanges or assistance to labor movements and/or departments of labor, particularly the Ministries of Labor in other countries. So there was an effort to have the Foreign Service officers get the idea that they were really representing another department of government--the Department of Labor.

Q: Did you feel that the labor officers were also representing the AFL CIO?

KELLEY: Very much so. The AFL CIO didn't want to give any kind of official blessing to that, but where they could derive an advantage to it they wanted to have the labor attachés feel an obligation to them. They didn't want to be put into the position of having to endorse what we did or to take any kind of suggestions or directions from us or from the Department of State. They tried to maintain their autonomy while trying to take advantage of our presence and to get us to support their efforts, but without letting us know exactly what they had in mind to do or bringing us into the circuit in an intimate way.

Q: Did you have any feeling that there was a AFL CIO ideology that you would transgress at your peril?

KELLEY: There was quite clearly a set of goals and objectives that the AFL CIO had and they expected us to support those. Fortunately they were congruent with the United States government goals and objectives, although U.S. goals and objectives weren't spelled out to the degree that the

AFL CIO's were in the labor field. So there wasn't any real conflict as regarded to supporting their policies which might not have been the case in other countries. But certainly in Portugal they were supporting the development of a democratic labor movement which was embodied in the UGT, a labor union confederation that had been created with a great deal of assistance from the AFL CIO. That was entirely congruent and congenial with our own goals and objectives in Portugal, so we were able to support that objective with great enthusiasm.

Q: Before you went out was it your impression that anything you reported in would probably be looked at by the AFL CIO?

KELLEY: Yes, I was pretty sure that would be the case. It's well known that the AFL CIO virtually controls the nomination of the principal advisor to the Secretary for Labor Affairs. He's over there all of the time at the AFL CIO taking documents back and forth. So they were going to be reading all of our traffic, if not reading every word, they're certainly going to know what's going on--they're probably going to read everything. So you would have to write everything with that in mind.

Q: What were you getting from the political EUR, the desk officer and others? Did there seem to be much interest there in what you were going to be doing in the labor movement?

KELLEY: Not really, the desk was pretty thin, they only had one guy. We had base negotiations going on regarding our bases in the Azores at the time and political changes taking place with the social democrats displacing the socialists. There was just one guy with negotiations over the relations of Portuguese Africa taking place--war taking place in a lot of their former colonies in Africa. That poor guy was up to his hip sockets in stuff to do.

Q: Who was that?

KELLEY: I don't know what his name was, but whoever he was he was busy.

Q: You were in Portugal from when to when?

KELLEY: I must have arrived in 1983 and left in 1987.

Q: When had the revolution taken place in Portugal?

KELLEY: In 1970 or thereabout, during the Nixon administration.

Q: So by this time we had been living with the new Portugal for some years.

KELLEY: Yes, the new Portugal was somewhat different from that which had existed immediately after the revolution, although, many of the vestiges of the communist influence were still very much in evidence and quite strong.

Q: Who was the Ambassador when you got there?

KELLEY: Allen Holmes was there when I first arrived and then he was replaced by Frank Shakespeare. Then we had a period where we were without an Ambassador for awhile.

Q: One of the questions that I would like to ask you is what was Allen Holmes' style of operation?

KELLEY: He was a career Foreign Service officer, of course he was very easy to work with. He was an ex political officer and quite approachable. To start off with we were all singing off of the same sheet of music because we all came out of the same background--at least people working in the political area were. He was easy to relate to, easy to talk to, and so internally in the Embassy he kept morale at a pretty high level.

Q: How about with Shakespeare?

KELLEY: Shakespeare was a pro even though he wasn't a career guy. He was more ideological. He spent a lot of time bringing in the folks from the various conservative foundations. Anytime some hotshot Republican would be traveling around in the region he would have him diverted into Portugal and they would have a little seance with whoever this grand high poobah might be and some exchange. His whole idea I think, was to try to convert the Foreign Service to the conservative viewpoint. His whole optic was limited by what the Coms were doing and making sure that we undercut their game, whatever it might be. Or if they didn't have a game then we found something else to occupy ourselves that might discomfit them if they were to suddenly produce a game

Q: Did you feel that there was a difference between how Shakespeare coming from (he was part of the Reagan administration) in sort of the conservative to liberal spectrum and the Embassy? Did he represent a different outlook than maybe the normal officer?

KELLEY: Oh yes, clearly he was much more conservative, much more ideological and had his own particular optic. He was a very devout Catholic and that played a big role in how he saw the country. But he was a consummate pro too. The guy had been in government in key positions, he had been Nixon's TV advisor in his first successful campaign for the Presidency and had been the head of USIA. The guy was capable of running a pretty large operation and it was a very worthwhile thing to be in touch with a guy who was able to pick up the phone and call any key official he wanted to or any key political figure that he wanted to and find out exactly what was going on in Washington and punch the right buttons if he needed to. He could do a lot of good things for the Embassy and for the country that we were dealing with. That would often translate into clout for us when we needed it with the Portuguese government.

Q: I think that what you're saying is something that is often overlooked and that is that some political appointees really do bring in clout within an administration which can be very important. Because a normal Foreign Service officer, no matter how competent in the country, usually doesn't bring any of that ammunition with him or her.

KELLEY: The better career people do because they make the effort to turn themselves into personalities in their own right. Mort Abramowitz was a guy I worked with that was very good at doing that kind of thing for example. He was the political advisor at CINCPAC in Hawaii when I

was there. He made a very definite point of becoming an independent actor while he was there and he could move and shake on his own. He had links to all kinds of political people and he could use it to the advantage of the Commander in Chief. Or he could do something for the CINC that the CINC couldn't do for himself.

Q: What was the political situation when you arrived in Portugal and did it sort of stay that way?

KELLEY: When I first arrived the socialists had been in power for awhile and the country was not really doing all that crash out economically. The socialists were beginning to lose support and Portugal was trying to get into the European community and there was a lot of debate about that. The communists were still quite strong, although they didn't really have a presence in the government per se, they had a great deal of influence there over people who were in the left wing of the socialist party. There was not a lot of difference ideologically between the left wing of the socialist party and the communist party. The democratic labor union was in some trouble because the country was not doing well economically and militancy was valued more than good old hard headed economic bargaining. The country was spinning its wheels and directionless for the most part. Charisma meant more than good solid policy in government to Portugal when I first arrived there.

Q: How did this militancy show itself? You said more than hard headed figuring out what's in it for me, they went more for militancy--what do you mean?

KELLEY: It was a holdover from the pre-revolutionary days and the immediate aftermath of the revolution. In pre-revolutionary days the management of corporations, the ownership of corporations, was clearly in the ascendancy, they had total control over the work place and there was a tremendous backlash against that when the communists gained ascendancy in the government and when their labor movement was unleashed and took over the work places in effect, and almost all of the factories and corporations in Portugal. They took over to the extent that management went into hiding, literally. They were prisoners in their own offices, they were not able to run their own factories, laws were passed which paralyzed companies, which gave tremendous benefits to workers and took away innumerable advantages, or even working prerogatives, that management in any country would just take for granted even in the most socialist country. There was a real attempt to eviscerate private enterprise in Portugal. Management was traumatized, these guys were in total shock. By the time I arrived there they were still treading very carefully with their work forces in most cases. Some companies in the Rust Belt, the traditional heavy industries, still hadn't regained control of their factories or their operations. They were living in substantial fear of the trade union movement. The workers were in fear of the trade union movement too, because they used strong arm tactics to maintain their control over the workforce as well as over management.

Q: Did you have much to do with this--obviously you did. What did you do as a labor officer?

KELLEY: Some of what I did was symbolic, some of what I did was very pragmatic and very practical and some of it was just observing. The symbolic things that I was to do was to go out to visit the democratic trade unions and try to help them to establish contacts with their counterparts in the United States in an effort to get not only some kind of assistance for them but some feeling

that they weren't alone. Much of the ideology which was at the base of the troubles they were having in Portugal with their enemies in the CGTP, the rival communist trade union movement. Many of the problems that they were having didn't engender a great deal of sympathy among the European labor movement which was itself substantially socialist, did not really see so much threat from the communists as we in the United States did. The leadership, however, of the UGT, the democratic movement, being right up against these people and knowing how physically brutal as well as politically brutal they were, knew that they were in some danger of being subverted and pushed out of the work place and wanted some very practical help in terms of advice and also financial help. They weren't necessarily going to get it without substantial strings attached from the European labor movement. So the United States was a substantial source of assistance to this movement and the more links they could get with individual trade unions in the United States the better. So I tried to help them establish that.

Q: Then what would happen? The individual trade union in the United States would give some financial help maybe?

KELLEY: Or they would put some pressure on the AFL CIO to direct some assistance to a particular union. They would send people over to Portugal or invite people from the various labor unions in Portugal to come to the United States, or they would see them at international meetings and try to establish closer links. A lot of it was symbolic, but some of it was practical in terms of having people attend schools in the U.S., or when they were in the U.S. have them come by and visit their headquarters and get some practical exposure to how they operate.

Q: The European unions--did you ever find yourself in competition with them? From what I gather, it sounds like they almost left Portugal alone.

KELLEY: There was some substantial contact between some of the European unions and Portugal. The Germans were always very active in the trade union movement and they were particularly active in Portugal. The British were worse than useless because their labor movement was still living in the stone age and they were off fighting their own battles.

Q: They were fighting with Margaret Thatcher.

KELLEY: They were trying to revive themselves, but they didn't have much in the way of resources left over to deal with Portugal anyway. The French were as confused as ever, they didn't have much of a meaningful effort underway. There was a lot of contact with Spain just because it was so close, but it didn't amount to much. It was more friendship than practical assistance.

Q: So in many ways the United States represented the one life preserver for the unions that were--in the American context--would seem more open and not dominated by a strong ideology?

KELLEY: To a very substantial degree, the AFL CIO refused to have anything to do with the communist-dominated confederation during the entire post revolutionary period. They held out for the creation of the UGT and the strengthening of it when a lot of European unions were dancing around the issue. There was never any question about where the AFL CIO stood and

they got U.S. government money allocated to support the UGT. They put their own money into the game and made sure that there was strong support for continuing this assistance.

Q: Could you explain a little bit about what the union setup was? Would there be two unions for iron workers or something like that?

KELLEY: Yes, in almost every industry you would have rival unions. One of which would be recognized as a bargaining agent but the other would also have a presence in the work place. Both of them had offices provided by the company but the dominant union was almost always, in traditional industries, the communist union. There would be negotiations frequently and one or the other of these unions would try to out do the other one and the communist unions usually would try to mobilize their workers to try to cripple the company and bring them to their knees that way. The UGT, the democratic union, would try to strike some kind of an economically sensible deal which would allow the company to make some money and, at the same time, improve the workers conditions. They would actually try to sign contracts which would have an economic benefit for the workers. It would be pretty rare when the communist confederation or its components would try to sign a deal that didn't have a large ideological component to it that wasn't accompanied by a lot of threats of striking and this sort of thing. This wasn't the style of the democratic union. The democratic union didn't want to resort to strikes except as a very last resort--and didn't resort to political strikes at all.

Q: Could you explain what political strikes are?

KELLEY: They would be strikes that would take place whenever there was some big political issue taking place in the country that would have nothing to do with the industry involved. There would be a call for workers to go out on strike and try to paralyze the country because the communist party didn't like some policy that the government was pursuing. As an example, something that might have to do with joining the European community or something like that. Or there would be some attempt to change the labor laws and there would be massive demonstrations and this sort of thing and workers would go on strike and sometimes they would even try to call a general strike, but as a rule those would be called off at the last second. There would be all kinds of lesser strikes, all of which would have the objective of sending a political message to the government, rather than having anything to do with the corporation.

Q: Looking at this, how did you feel about where this was going? It seems that the communist union was setting out to more or less destroy the business of the country, it sounds like a self defeater in the long run. Was it perceived that way?

KELLEY: What they were trying to do was exact revenge, I think more than anything else, against management for the way it had treated the workers in the past. The democratic unions felt very strongly about this too, they recognized that past management practice had been pretty atrocious and so something needed to be done about this, but the democratic union made some distinctions between different kinds of management and tried to encourage those that were more forward looking. Where this was all going? That was largely shaped by the then-pending Portuguese membership in the European community, which would have brought incredible sums of money into Portugal for labor purposes. Being the top dog in the labor movement at that stage,

or having an in with the government, would have brought tremendous advantages to a labor movement. The communists were totally opposed to European community membership. The UGT was in favor of it and the influence of that was clearly going to be to favor the democratic labor movement.

Q: How did this battle work out while you were there?

KELLEY: There was also a side battle going on which was of some interest to us too. That was while our negotiations for our continued use of the Portuguese airbase in the Azores was going on, we were concerned that the communist unions, which had a presence on the base, would continue to have a very strong influence, that they would be in a position to paralyze our operations. So one of the things that we wanted to do, not necessarily linked with the negotiations, but certainly with the negotiations in the background, was to try to strengthen the UGT and its membership on the base. Because at least we would be dealing with a union that would be striving for more traditional labor union objectives and not be the tool of some political movement. So we had that as sort of a backdrop to our efforts. It was an important component of what we were trying to accomplish there. To try to get a more traditional labor movement established on our military base. Then we were trying to see the communist movement generally discredited and undercut. That was the other part of our effort.

Q: Where was the support coming from for what we would call the UGT type movement as opposed to the communist type movement within the society of Portugal?

KELLEY: It was largely in the non-Rust Belt industries and factories.

Q: Can you explain what the term Rust Belt means?

KELLEY: The Rust Belt is the traditional heavy industries, those that deal with steel, automobiles and those sorts of things, stuff that rusts. The non-Rust Belt would be office workers, government workers, white collar workers rather than blue collar workers. Those white collar workers would tend to be sources of greater strength for the UGT. Blue collar workers were generally CGTP, agricultural workers for example. Portugal was a fairly conservative country traditionally, so the more conservative people in the country who didn't want to see chaos reign in effect, wanted to see some restoration of balance and order and some economic improvement in the country would tend to favor the UGT.

Q: Did you deal with union leaders on both sides?

KELLEY: I was pretty circumscribed by U.S. government policy. I didn't deal with people who were communists who were at the same time officials of the CGTP. This was in part, AFL CIO influence. Most labor attachés didn't think much of that particular part of the policy. They would have much preferred to have been in a position to talk directly to the communists. I did find ways around that.

Q: Did you find the communist labor movement was beginning to look over its shoulder at what was happening in the Soviet Union? The Soviet Union was beginning to crack, not quite, but it was getting there.

KELLEY: No, not really. Portugal was one of the last bastions of the old hard line. The leadership was pretty Stalinist to the core. There were clearly people who could see what was happening, but they had an old line leader of the party who was not about to tolerate any deviation. They weren't oblivious to what was going on in the Soviet Union, but they acted like they were.

Q: What about within the Embassy--what was the role of the labor officer within our Embassy in Lisbon?

KELLEY: I tried to keep out of the purely political reporting that went on in the Embassy, although I was attached to the political section. I was fairly autonomous, I just stuck to labor reporting. We had plenty of political officers, and not really enough for all of them to do. A lot of them were young and trying to earn their spurs and so I stayed out of their work. If there was anything political going on I usually brought them in to deal with it or at least to write about it, if they were doing a political story and didn't have any union component I would bring them in and let them meet the guys who were involved and let them write up that part of it and just check it out, rather than get involved in it directly and take it away from them. I viewed my role as being pretty strictly to deal with the unions. When it came to the base negotiations that was a different matter. In dealing with the base I actually went out to that base and was engaged in more consultations with the military on the base than anybody else in the political section--trying to help them with their labor problems and trying to get them an environment in which they could operate with some feeling of assurance that their operations weren't going to be disrupted.

Q: We both know that in Korea the labor officer also had human rights. Did you have a human rights portfolio?

KELLEY: No, I didn't have that. I regarded that as a political issue and let the officers in the political section deal with that.

Q: How about the Portuguese media? Were their newspapers and T.V. pretty much along one ideological line?

KELLEY: Different newspapers would take a particular political slant depending on which party they were loosely affiliated with. There was a communist newspaper, there was a socialist newspaper, there was a social democrat newspaper, and there was a more conservative newspaper. They were all national newspapers. The communist newspaper was put out by the party, the other papers were just editorially sympathetic to, and had their editorially staff dominated by, adherence to one or the other of the political parties.

Q: Were there any personalities within the labor spectrum that you dealt with more than other? How did you find them?

KELLEY: I obviously dealt more with the head of the international department than anybody else. I dealt a lot with the President of the UGT who was a very charismatic, very politically astute fellow. I would deal with the leaders of each of the major unions in the democratic movement, the Presidents of these various unions. Occasionally I would become close friends with maybe half-a-dozen different people below the President in a few unions. If I found somebody that I thought was more effective than the top guy, I would make a point of cultivating that person.

Q: Were you able to look upon any things that you were able to influence?

KELLEY: I think the main thing that I was able to influence was by going to Irving Brown who was the international director for the AFL CIO, who had his headquarters located in Paris. I was able to elicit his support for getting the UGT to strengthen its efforts to organize the base workers in the Azores. They were giving a lot of lip service to doing this, but they weren't really doing very much. They had their hands full with trying to get themselves established in the mainland and quickly I recognized what was going on and that they could talk a good game but weren't doing very much and they wanted more money out of the AFL CIO if they were going to do that. The AFL CIO wasn't going to come up with more money, but by talking to Irving he agreed with me. Harking back to his days working with Eisenhower, I asked him to do the same thing he had done when we were having problems when NATO was first trying to get Europe organized in defending U.S. military bases from communist influence. He just harked back to that role and pitched right in. He told the leadership of the UGT in no uncertain terms that they really had to put forth a more substantial effort at the base. They really wanted to do more, they hadn't given it the kind of attention that they did after that. They sent some of their best people out there and started a serious organizing campaign.

Q: Were you able to use representatives from the substantial Portuguese American community, particularly in Massachusetts who were involved in the American labor movement to come and serve as an example or facilitate or anything like that?

KELLEY: There was one fellow who came out--it was a fellow with the machinists who was actually out in California. He spent a lot of time--he got his union to finance all of this of course--because he had a strong personal interest in Portugal, and he worked very closely with several unions that were in areas that the machinists organized in the U.S. He provided a great deal of assistance as a matter of fact. Very practical, pragmatic assistance. He could talk their language--he was doing this on his own, I wasn't getting him to come out. He would have done it whether I was there or not. Knowing that he had the interest, then I could go to him and point out things that needed to be done and use him as a resource, an enthusiastic supporter, who would then mobilize the right people to get more assistance channeled out to Portugal. Or he would tell me how to go about doing it if I didn't know. He was the key guy, there wasn't so much help out of the east coast though. There were people who had contacts of their own.

Q: Did you sense unease about Portugal with those in the Embassy who dealt with NATO? You had sort of a split labor movement in Portugal and NATO, of course, was pointed at that time towards the Soviet Union.

KELLEY: There was some unease and it was more noticeable when Frank Shakespeare took over the Embassy than had been under Holmes, about the strength of the communists on the military bases and their potential for being disruptive in the society and the economy as a whole. The Portuguese for the most part exhibited the same kind of behavior, I think that may have been common across Southern Europe, they tended to be more militantly anti-communist in important ways than say the Swedish, or the Germans, or other people, talking about the population as a whole. So you wouldn't get this flirtation with neutrality, this criticism of NATO from the people who were part of the elements of society that supported the government that you might get in Northern Europe, especially in Scandinavia--Sweden. There was a rejection of the Swedish model and there wasn't this squishiness about the communists that you might find in Scandinavia and in Northern Europe generally, even in Great Britain. Because there was a division in the labor movement, there was a place for the voices of those who were willing to support the alliance where in places like Britain there is no division in their movement so you don't have any place for the voices of those dissenters in the labor movement to be expressed.

Q: How did the Reagan visit go in Portugal?

KELLEY: It went very well, it was sort of a whirlwind visit. He was out for some NATO-related thing as I recall. I think he had been up to Russia and he made a swing through Portugal. I think that was when Shakespeare was there--another reflection of his clout. It was one of these half day or maybe one full day, whirlwind, imperial entourage, visits. The Portuguese were extremely flattered, we got innumerable brownie points for bringing the President in. The President got some appreciation for where Portugal was and what the key issues were and we got excellent press from it. The whole environment was very friendly, the communists weren't able to mobilize anything of any consequence and it gave a great deal of impetus to the efforts of the government to put Portugal back into the mainstream of Western alliance.

Q: When did you leave there?

KELLEY: 1987.

Q: When you left in 1987, how did you feel things were going at that time?

KELLEY: I thought that they were going very well. Clearly Portugal was going to be part of the European community, there was already a great deal of money coming in and it was being spread around. It was largely benefiting the UGT and they were sending incredible numbers of people, by that time, to the various countries of Europe for training. There was a definite shift away from dependency on the AFL CIO on the part of the UGT. There were more independent resources. The AFL CIO money and the connection was still very valuable to them. But I felt that the UGT was going to be the wave of the future. That was a more clearly accepted view than it had been when I first arrived.

RICHARD A. VIRDEN
Counselor for Public Affairs, USIS

Lisbon (1986-1990)

Mr. Virden was born and raised in Minnesota and educated at St. John's College in Collegeville, Minnesota. He joined the Foreign Service of the United States Information Service (USIA) IN 1963 and served variously as Information, Press and Public Affairs Officer, attaining the rank of Deputy Chief of Mission in Brasilia. His foreign posts include Bangkok, Phitsanulik and Chiang Mai in Thailand; Saigon, Vietnam; Belo Horizonte, Sao Paulo and Brasilia in Brazil; and Warsaw, Poland, where he served twice. Mr. Virden also had several senior assignments at USIA Headquarters in Washington, DC. Mr. Virden was interviewed by Charles Stuart Kennedy in 2011.

Q: Did you find your time in Washington you might say enlightening as far as how things work and that sort of thing, for later in your career?

VIRDEN: Yes, I did. I particularly enjoyed the war college experience. I really did think it gave a new perspective. And then the not quite two years working on Latin American affairs also, I think, yes, an important learning experience with internal battles over U.S. policy and program direction in support of that policy.

So at the end of that two year time then in Latin American affairs I was assigned as public affairs officer in Lisbon, Portugal. I took a brief transition course from the Brazilian version of Portuguese that I'd learned earlier to the continental version, which is slightly different, and then went to Portugal in the summer of '86 for my first assignment as a country public affairs officer.

Q: You were in Portugal from '86 to

VIRDEN: April of 1990, so almost four full years. When I arrived the ambassador was Frank Shakespeare, a former director of USIA. Soon thereafter Charles Wick, who was then the director, came on an official visit. So here I was, a fledgling PAO, hosting a visit by USIA's director and working with an ambassador who once had that job.

On the morning after Director Wick arrived, I went to a breakfast with him and the ambassador at the ambassador's residence. Ambassador Shakespeare was saying something complimentary about our USIS program when Director Wick, who was known as something of a comedian, turned to me and said sternly, "Okay, that's all very well, but you're fired!"

Q: To you?

VIRDEN: Yes. He was kidding, as it turned out, but he had been looking at his briefing book and was unhappy to find included an unfavorable U.S. press item about him that someone had slipped in. Ambassador Shakespeare defended me, said that "Obviously, somebody else was playing a dirty trick here," and that we'd look into it. With that, we were able to move on. We never found out what who was the prankster, though we had our suspicions.

Q: Yeah, ho, ho, ho. In Portugal, what was the situation when you arrived?

VIRDEN: Well, they'd had their revolution about a decade earlier.

Q: '74.

VIRDEN: And now at this point they were kind of just getting used to not having an empire anymore and to getting into the European Union; the effects of the latter were not yet being felt when I arrived there, but over those next few years you did see the start of modernization, really, and economic development of what was still a fairly backward country in those days.

With membership in the EU, you started to get an increase of money coming in from other members of the EU. You could see that happening, and with it Portugal began to slowly change its focus from its colonies in Africa to European-related issues and to adjust to no longer having the empire it had ruled for five centuries.

One of the major issues for the United States during this period was the negotiations to renew our agreement for use of the air base out in the Azores, the Lajes base on the island of Terceira, which we'd had ever since the Second World War.

I was a member of the negotiating team, which was a very interesting experience. On the Portuguese side, we had the national authorities in charge, but we also had regional political leaders from the Azores, who were determined to continue reaping economic benefits from our use of the base; it was a multisided negotiation.

In the end, we did reach a new, 10-year agreement that included a substantial amount of economic assistance. We did not call it rent -- no one wanted such a characterization for a transaction between allies -- but we did guarantee annual funds for Lisbon and also to the territory of the Azores. And Portugal could continue to describe its making available the facilities in the Azores as part of its contribution as a charter member of NATO.

So it was worked out I think satisfactorily for all. This was no zero-sum game.

Q: When you went in, did you all sort of have, you knew you were going to have to pay a hunk of money and we'd been doing this since the 1940s, but did you kind of know how much you were going to pay and you went through the motions, or how did it work?

VIRDEN: Yes, I think we had a figure in mind. We didn't know exactly the mixture between economic and military assistance, nor did we know how U.S. funds would be apportioned between Lisbon and the Azores. On the Portuguese side it was fairly contentious.

On our side, we knew we wanted to do this, since Lajes was -- and remains today -- a useful facility, particularly as a stopping off point for ferrying supplies and soldiers to other parts of the world, including the Middle East and South Asia. I think Lajes was used extensively in the first Gulf War and in our current engagements out there, too. It's a very convenient spot.

Q: Did you feel the influence of Massachusetts and Rhode Island? That's where a lot of Azoreans live and they have powerful senators. Did you

VIRDEN: Yes, we did and we would hear from those offices quite a bit on consular matters, too, lots of Congressional queries about family reunification. As you say, Fall River and New Bedford are real hotbeds of Portuguese immigration.

So as you quite rightly say, many Azoreans have made their way to New England, and those communities are a political factor. They helped us secure pretty generous funding for the economic side of what we were providing to Portugal, for example.

To help ensure that the U.S. assistance was used effectively, something called the Luso-American Development Foundation was established and funded. I'm not quite sure how it stands today, but I believe it remains a significant player to this day. It is not a direct line agency of government but instead an independent foundation endowed with money given by the United States as part of the Lajes agreement.

The foundation's board members include political and business leaders appointed by both countries. It has been considered such a success that the model was followed elsewhere, including in Poland, where a Polish-American enterprise fund was set up after the fall of communism.

Q: Was there much contact or conference with Spain at that time, with our offices in Spain, or were you really moving in separate paths?

VIRDEN: I went over there to compare notes, for orientation, but there was very little direct engagement. The two countries are on separate paths.

The Portuguese, of course, have always resented the Spaniards; they say, for example, that they can understand the Spanish language but the Spaniards make no effort to decipher Portuguese. So they felt dissed by that.

Once in a while you would hear an old Portuguese proverb to the effect that Portugal got nothing from Spain but bad weather and bad marriages. So you get an idea of the attitude.

Q: Right now, the Portuguese are going through sort of a financial disaster and this after the Portuguese got into the EU and were able to borrow money. Did it seem to be a pretty effective government?

VIRDEN: Yes. You had a number of parties that sprang up immediately after the revolution and most were still active at this time, a little over a decade after that. So you had the Socialist Party of Mario Soares, who was president when I was there. You had the Social Democrats, led by Prime Minister Cavaco Silva. And then some other prominent politicians in both these major parties.

You had a Communist Party whose old time leader, Alvaro Cunhal, was still active; the communists had been pretty strong in the mid-Seventies, right after the revolution, but had faded quite a bit by this time. Their message seemed rather tired (The Portuguese said Cunhal would “just turn on the cassette”). So they were not a major contender.

But overall, party politics was quite lively. The politicians seemed to be quite competent. One of the young Social Democrat leaders, Jose Manuel Barroso, went on to various leadership positions in Brussels, where he is currently President of the European Commission.

So Portugal had a very good crop of politicians, very competent. And there was a feeling then that, we’re just inventing it now, we’re present at the creation. They’d just come out from that era of empire and were starting to reap some benefits from the European Union.

The difficulties we’re seeing right now, today, all that came later. In the mid 80s the atmosphere was very hopeful; it felt like the beginning of something good.

Q: Were there the equivalent of the French pieds noirs, out of Algeria? Were the former settlers in Africa coming back, were they a significant force?

VIRDEN: They were definitely a phenomenon, they were there and in fact we had a few returnees working in our embassy; they tended to be kind of diehards who just couldn’t get used to the loss of empire.

To the extent they were a significant factor, it was in trying to maintain a continued interest in Africa. Portugal was still a player in African affairs at that time. I can remember frequent visits to Lisbon by leaders of Angola, for example; talks to try to bring peace in Angola were brokered by the Portuguese and the meetings sometimes took place there. Portugal retained a strong interest in what went on in Africa, particularly in their former colonies, like Angola and Mozambique.

So, yes, to that extent, they were an influence. Now, that continues, I assume, somewhat to this day, but, also, gradually, as Portugal is drawn into European Union affairs, the importance of Africa becomes somewhat less in Portugal’s outlook.

Q: What about the Portuguese media: TV, newspapers, radio? How did you find dealing with them? Did they have a slant, or what?

VIRDEN: I enjoyed dealing with them very much. I got to know some of their top journalists and TV people. They had a wide range of papers, some very good ones, very quality newspapers and editors there, that I liked and whose company I enjoyed.

Television, the state television was extremely important then. It had been mostly a state monopoly in previous years. That was starting to change, you started getting independent television, but the state broadcasters, both TV and radio, were still extremely important and we were able to work with very well with them.

This was the days in USIA when Worldnet was going strong and we were able to get Portugal's president, Mario Soares, through state television, to give us a direct interview on Worldnet. It didn't hurt that both his senior political aide and the key official at RTV were former International Visitor Grantees – and good friends. Compliments to my USIS predecessors for that; some of the benefits of good public diplomacy appear only over time.

We did have a very cooperative relationship with all of the media then. It was not a troubled period. They were very happy to work with us.

The Communist Party had its outlet, they were there, but we had the whole range of media available and it was very flourishing democracy by this time.

Q: Could you make contact with the communists?

VIRDEN: They were an open, legal political party at that time. I don't remember that we had a whole lot of dealings with them. We knew their players and our political section was in touch with them, but we didn't have a lot in our USIS section that I can remember.

One thing that relates to that that I remember, though, in November of 1989 we had set up a conference with Portugal's strategic studies institute to discuss NATO in a multi-polar world. That was the title of a two or three day conference we were going to have, kind of like a think tank exercise, experts from the U.S. Portugal and some other countries.

Well, on the very eve of the conference the Berlin Wall came down! So at the opening session the next morning, the French representative -- he was from a think tank in Paris -- got up and said, "Well, here's the speech I was going to give this morning" and very dramatically tore the thing up! We had a very spirited discussion after that.

Q: Was terrorism at all around at that time?

VIRDEN: Angola and trying to settle the civil war in Angola was one of the issues we dealt with then that had a dramatic military component, an ongoing guerrilla war. But the sort of preoccupation with terrorism that we have today, I don't remember anything like that, looking back now.

Q: I wouldn't think there would be, but I was just asking.

Was there much of a flow of economic refugees coming out of Africa into Portugal?

VIRDEN: There was some of that, yes. That was part of what we tried to do, to help with the very poor who were coming back or fleeing the violence in Africa.

Remember that Portugal is only a country of about ten million people, and though it once had a worldwide empire is nonetheless relatively poor. Even now, after a couple of decades of help from the European Union, per capita income is still, what, about ten thousand dollars.

And the infrastructure in the country was weak. Again, the European Union helped by financing major roads that were very much lacking in the mid 80s.

Q: Your ambassador was Frank Shakespeare while you were there?

VIRDEN: Frank Shakespeare was there only about my first year, and then he left to become our ambassador to the Vatican.

Q: How did you find your ambassadors used you while you were in Portugal?

VIRDEN: Quite effectively, I thought. USIS was very well integrated into the mission there. USIS was in the chancery, unlike some of my previous posts, where we were off at separate installations. So here we were very much right there, in all of the meetings, an integrated part of the embassy. So I think that worked quite smoothly.

I think back to what Edward R. Murrow said when he was director of USIA that he wanted to be in on the takeoffs, not just the crash landings and I felt that in this case we were right there, in all of the discussions and that's how it should be. Luckily, we didn't have any crash landings, *gracias a Deus* – thank God! -- as the Portuguese would say.

Q: How was social life there?

VIRDEN: Oh, it was a lot of fun. The food was good, the weather was good, and so was the wine. We had a fine house in a close in neighborhood overlooking the Tagus River and the spot from which many of the great Portuguese navigators set sail. The Portuguese are friendly people and their country is an intriguing blend of old and new. Lisbon was a great place to serve then and I'm sure it is today, too. We had a good time there.

One unfortunate thing was that the school in those days was a disappointment. It was proprietary, a privately owned school and just not very challenging. So after Andrew finished 9th grade there, we decided to do something we never believed we'd do, we sent him to boarding school back in the States.

Q: Where'd he go?

VIRDEN: He went to St. Andrews, in Middletown, Delaware.

Q: Oh, yes, that's a very good school.

VIRDEN: And it worked out very well, but it was a hard thing for Linda and me, sending him away like that; we never thought we'd do that but just decided it was the right thing to do.

Q: Well, then, you left there when?

VIRDEN: We left Lisbon in the spring of 1990. My next assignment was to Bucharest, so I was sent back to Washington briefly to cram in a little Romanian language study. I went home I think it was like April or so and then studied Romanian until the summer.

And of course Romania was in turmoil at this time. About the same time I got the assignment, in December of 1989, we watched on Portuguese television as the Romanian dictator, Nicolai Ceausescu, and his wife were executed.

JOHN D. CASWELL
Portugal Desk Officer
Washington, DC (1987-1989)

Political/Military Affairs
Lisbon (1989-1991)

John D. Caswell was born in Massachusetts in 1947. He attended Franklin and Marshall College and the Fletcher School at Tufts. He was also a staff officer at the National War College and served in the US Navy. He entered the Foreign Service in 1974 and served in Brazil, Bulgaria, Peru, and Portugal.

Q: Well then, in '87 whither?

CASWELL: Down the hall to become the Portugal desk officer in the Office of West European Affairs.

Q: You were doing that from '87 to '89?

CASWELL: Correct.

Q: I was thinking of the Portuguese desk officer as being the desk officer for the Azores.

CASWELL: In a way that's right, because one of the most important parts of the relationship, certainly from the U.S. government's point of view, was, if you will, the NATO relationship. The NATO relationship involved both Portugal's vote on the North Atlantic Council in the circles of NATO on different issues, and there were a number of them where we were talking about arms control issues with the Warsaw Pact and so forth. The practical, preeminent NATO issue for us with Portugal was access to Lajes air base in the Azores, because the Portuguese armed forces, appropriate to a small country of only about 9,000,000 people, their army, navy and air force weren't particularly formidable military forces. The military contribution that their armed forces could make was fairly modest, but by providing us access to use this base in the middle of the Atlantic Ocean, this was a very valuable contribution.

Q: The Portuguese-American relationship was pretty solid, wasn't it?

CASWELL: Yes, absolutely. It was a very different sort of relationship than, say, dealing with the Bulgarians, but in some ways I find a relationship like the U.S.-Portuguese relationship can be more difficult than a relationship like the relationship was with the Bulgarians where there were very low expectations on both sides. In a relationship like the U.S. relationship with Portugal, you could have high expectations on both sides and maybe the expectations were not reciprocal or maybe they weren't always realistic, and so therefore the role of the diplomat in trying to get around disappointments or trying to assuage occasional hurt feelings was more important and tricky in a relationship like that. And that would be, I'd say, the major challenge of the time period when I was on the desk, because essentially from the Portuguese viewpoint they saw the relationship as revolving around Lajes, they saw Lajes as a major asset in which the Americans were interested, they saw it as their contribution to NATO, which is true - we saw it that way also - but they also had a much more of a landlord's viewpoint about the whole thing. "We've got this valuable real estate. We want to get the highest possible rent for it that we possibly can. We like the Americans. The Americans are our allies and so forth, but business is business. In real estate the name of the game is location, location, location, and we have it." Lajes was very important as they would always remind us, specifically they would remind us and they would always remind me about the role that Lajes played, for example, in reinforcing Israel in the 1967 war.

Q: 1973 war.

CASWELL: Or '73 war, right. In '67 the Israelis walked all over the Arabs; they didn't need help. It was the '73 war. So they'd say, "We know this is very strategically important for American interests in the Middle East and in the Persian Gulf. Therefore, you guys should be willing to pay for it." Well, we always tried to finesse that and say, "We're allies, we're all members of NATO. This is your major contribution to NATO, and we're all very happy about this," but then our implication was, "Don't talk to us about the rent." But the Portuguese always did talk about "the rent", and they were always unhappy, in my time period on the desk, with how much we were paying in "rent", and the "rent" was military assistance. They had been pressing earlier on in the Reagan administration for more military assistance, and in the time period of the early '80s military assistance budgets were growing globally, so the administration in that time period was able to, could afford to, provide more in the way of FMS monies - I shouldn't lapse into jargon - Foreign Military Sales loans or grants, and also other monies called ESF, Economic Support Funds, which were in effect a kind of cash transfer from the U.S. Treasury to, in this case, the Portuguese treasury, which could be used for a variety of reasons, more like budgetary support. The ESF weren't to be used for buying guns or fighter aircraft or whatever. There was also IMEX, International Military Education and Training funds. In the early '80s the military assistance trend line was up and it reached sort of a peak for Portugal at, I think, something like 125,000,000 annually, I think about the peak - maybe it was even a little bit more than that, 135,000,000 or 145,000,000, whatever. It got up to that level about 1985, and then what happened was the global budget for security assistance started to go down, so every year we would have these cut throat intramural battles inside the State Department and inside the Pentagon about how you divide up the pie and what are the different competing interests and which country should get how much of what kind of assistance. Well, Portugal started losing out, seeing its total military assistance going down for several years. So by the time I got there in '87 they were quite unhappy and they felt that the Americans in effect had been welshing on

understandings that were reached the last time the base agreements were negotiated. I should have mentioned also before that their security assistance funds were going up in the early '80s not only because the global budget had gotten bigger but because we were negotiating a new base agreement. When we reached the base agreement - we signed it, I think, in '84 or '85 - the level that they achieved that year they came to feel was new rent level and that for the life of the agreement, 10 years or whatever it was, seven years, it should stay level. What happened, of course, was, because of shrinking global budgets, it started to go down. The first year it went down a bit and they got angry and they said, "This isn't right. We want more next year." In fact, however, they got even less the next year. So by the time I got on the job in 1989, they were very angry about this thing. They couldn't call to renegotiate the agreement, but there was a provision in the agreement in which either party could call for a review of implementation and how procedures were working out, so they called for a review. It was very clear that they were unhappy and what they wanted was more military assistance, because they had in effect two primary domestic constituencies which had to be addressed. One was the Portuguese military, which saw Lajes as their cash cow to help support the modernization of the Portuguese armed forces. The other constituency was the regional autonomous government of the Azores, which also saw Lajes as their cash cow for money. Although technically speaking ESF money would go to the national treasury, the Azorean government expected that at least a lot of that money would in turn flow back from Lisbon to the Azores to support projects of local interest in the Azores. They had a very influential politician who was in effect the governor of the Azores. His name was Mota Amaral; he was a savvy politician and he had connections. He was a member of the governing party in Portugal, the Social Democratic Party, and he had good connections both in Lisbon and he also made a point of currying connections in the United States through the Azorean community in the United States. Whenever he wanted to call people up in Massachusetts and Rhode Island to ask favors and so forth, he could do it, and he made a point of over the years currying relations. He frequently called Senator Kennedy's office, Senator Pell's office, and we would hear from them, Barney Frank's office, various people, Congressman Gary Studds from - I forget the Congressional district number, but basically it was southeastern Massachusetts. So that was the primary challenge of the two years on the desk, negotiating our way through this review process so that we could come to a happy outcome of the review that would not impact negatively on the operations of the base, and to do that meant fighting a lot of bureaucratic battles over the security assistance project to make sure we got enough money, FMS money, for sales, both credits and loans, soft loans, and at the same time trying to work with our friends in the Pentagon and other agencies to come up with other kinds of assistance in kind in to supplement the dollar figure, inflate and puff up the package in any way that we could. That meant looking at trying to spring used F16s out of the DOD larder, which could make the money go further, and then of course you had the challenge of trying to convince the Portuguese that used F16s were as good as new F16s.

Q: Did you have a problem with the Portuguese whenever sort of a pronouncement would be made - I would imagine Portugal would be one of the last countries to be named on the list - and making sure they were included in trips that people were making or what have you?

CASWELL: It wasn't so much of a problem. I'll tell you what the major problem was, but it's kind of along the same lines as what you're talking about, whether they felt they were taken seriously or not. They had a major blow to their egos and made them feel as though they weren't

taken seriously by the fact that when Allen Holmes, who had been a very successful ambassador in the mid-'80s and was the ambassador at the time that the base agreement was negotiated, left there was no immediate successor named. Then when the State Department did name a successor, it was a man named Richard Dietz, who was also, like Allen Holmes, a distinguished career Foreign Service Officer who'd been ambassador in several places before, in Jordan and, I think, Tanzania. I think he'd been a DCM in New Delhi and he'd been ambassador several places. He's a very intelligent man, very articulate man, had silver hair. He really looked the role of ambassador and everything was fine, and they couldn't wait for Richard Viets to show up. What happened was that Richard Viets had earlier on run afoul of Jesse Helms. I can't remember now - I'm not sure I ever knew - all of the twists and turns of the story, but I think Richard Viets became kind of a victim of Jesse Helms' longstanding problems with the State Department. If I remember correctly now, there had been an ambassador who had been named to go to Switzerland, I think - I forget the name of the ambassador - but somehow some questions had arisen - this was a political appointee by the Republicans - some questions had arisen about that political appointee's conduct while ambassador in Switzerland and specifically about abusing some of the facilities, some of the accounts, abusing the use of residence for private purposes or using vehicles for private purposes or something like this. There was a scandal. Or maybe it was the ambassador in Vienna, someplace like that. Jesse Helms felt that the State Department as an institution and the career Foreign Service had hung this political appointee ambassador out to dry and had humiliated this ambassador, and I think in Senator Helms' view this ambassador really hadn't done anything wrong or hadn't done anything that career Foreign Service Officers who had been ambassadors hadn't done. Well, he, through or his staff or whatever, had fortuitously gotten information or tried to dig up information; somehow they came up with information that convinced them that Richard Viets had done many of the same sorts of things in terms of abusing the privileges...

Q: I think he had a disgruntled GSO, General Services Officer, more or less, who was giving this so-called information.

CASWELL: Exactly. Probably it was just fortuitous and Helms got the information from this disgruntled GSO, but whatever, he then basically decided he was going to make an example out of Ambassador Viets and he was going to do anything and everything he could to prevent Ambassador Dietz from being confirmed. He had hearings and sent many questions over to the State Department and asked for documentation, and when he got that documentation, he asked for more documentation. Anyway, he dragged the process out for, I don't know, a year and a half or two years. The Portuguese got angrier and angrier and couldn't understand, or said they couldn't understand, why the State Department couldn't deliver an ambassador to Lisbon. By the time I got to the Desk, the process had been going on for at least year - I think it was about 15 months or so - and they were saying to me, "At first we understood there could be the necessity of having a Senate confirmation and there could be some difficulties and it could take some time, but it's gotten to the point now where we think - now they didn't use the term - 'you don't respect us' - you don't attach enough importance to see to it that this is done. It got to the point where the Portuguese ambassador was just livid about this. They felt that it was part of the problem, that was part of the reason why Portugal wasn't getting the "rent" that it was supposed to get for Lajes. If there were an ambassador with some oomph in Lisbon, he would have seen to it that the security assistance level stayed at that \$150,000,000-a-year level, which they, Portugal,

felt entitled to. Even though we never felt that we agreed to a specific dollar figure, they felt in their own hearts that this was what it was. So they saw the problem of this being all lumped together. So that was the principal thing that I think kind of fed on a sense of, like Rodney Dangerfield, they didn't get any respect and they saw this as emblematic, so this was another one of the principal challenges.

Finally Ambassador Viets got fed up with the whole process and said, "I don't need this anymore. I don't think I'm ever going to get confirmed. I've answered all the questions they put to me both in writing and orally, and they still have more questions." After all the various attempts by various people including the Secretary of State to try to force this thing, nobody would stand up to Senator Helms and force it, so Viets just resigned. Then suddenly we looked around for someone we could get in as fast as possible, and we in effect "slam-dunked" a man named Edward Rowell, who was at the time ambassador in Bolivia but had formerly been a DCM in Lisbon and was well known to the Portuguese authorities and they liked him. We got Ambassador Rowell quickly into Lisbon, and it improved matters considerably.

Q: Ed Powell is president of our association right now, and there is extensive oral history with him. When did you leave the Portuguese desk?

CASWELL: 1989 and I went to become the Political/Military Affairs Officer in Lisbon.

Q: You did that from '89 to...?

CASWELL: Until '91. I got ill. I developed a chronic kidney disease. When it was diagnosed in early 1991, I got medevaced out of Lisbon and then I ended up losing my medical clearance and never got back except to pack out, so I left quickly in 1991.

Q: When you got to Portugal, were you right back doing exactly what you'd been doing before more or less?

CASWELL: Essentially that was it. I had done a good job as the desk officer, and because the political/military affairs issues were preeminent in the relationship, I probably spent at least two-thirds to three-quarters of my time doing political/military affairs type issues. So it seemed like I was the natural person to fill this job when it came open. I was the embassy's choice and it was just natural, I just went over there to do it. Essentially the principal thing that I was focused on there was to follow up on implementing, carrying out the things that had been agreed during the review process on the base, the review of the base agreement. Well, what had been agreed was a package of military assistance, because all of the issues that the Portuguese had raised about the agreement in their review, as soon as we came up with a military assistance package that they were satisfied with, then they just said, "We can now close the review process. There's nothing else to review. Everything else is just fine." So the job then, from '89 on through, was to make sure that the military assistance package was implemented in a satisfactory fashion, and basically that involved particularly the centerpiece in the assistance package, the F-16 package, and that involved - the old saying 'the devil is in the details' - there were a lot of details in getting the F-16 package implemented. You might have agreement that we're going to finance the transfer of 12 F-16s, but then what kind of widgets and what kind of antennas and what kind of doo-hickeys

go on those F-16s, can we afford them within the military aid budget, and how quickly will they be delivered and the training and all of that. Believe me, there were a lot of details, a lot of things that can go wrong, a lot of issues that just have to be ridden herd.

Q: What was your impression of the Portuguese military and their role at this time, because, of course, in '74 or '75 the military had taken over and they were quite concerned about it? How did we see the military then?

CASWELL: Well, they were not politicized by this time period of the late '80s. The officers that had been in the forefront, the politicized officers, if you will, that were very much in the forefront during the revolution in '74-'75 and then the immediate years after that, that were leftist to varying degrees in their political orientation, had all been retired or were gone. They had either been forced out or had gradually reached mandatory retirement age. The succeeding generation basically said, "We don't want to fool around in politics. We leave the governing of the country to politicians. What we want to do is professionalize the armed forces," which for a generation or whatever had been caught up in these colonial wars in malaria-ridden pest holes in Africa and maybe had a lot of conscript soldiers but all of the budget had gone into operations and salaries, so therefore they had either no equipment or antiquated equipment or equipment that didn't work. They didn't really have a contemporary mission anymore, because the old mission had been to keep the colonies and now the colonies are all gone. So they were looking for a new mission. Well, the new mission was going to be NATO and Europe. That was always there, but it was more sort of a lip service mission because the real fighting was down in Africa. Well, now they don't fight that war anymore. The real story is Europe and it is NATO, but "how could we be taken seriously in NATO Europe with our woebegone equipment, and we don't have up-to-date military doctrine and we don't have properly trained people and so forth and so on". So that was the big issue for them, and that meant money first and foremost. Where was the money going to come from and how was the money going to be spent? - two sides of the problem. Okay, in terms of where's the money going to come from, well, Portugal's not a particularly big, rich country. The treasury's not particularly big. They would try to get as much as they could, but they saw the relationship again with the United States through NATO and through Lajes as the way to finance a lot of the modernization. If you can't get it out of Lisbon, get it out of Washington. That's why the Portuguese military were such an important constituency for the Lajes base agreement, because they were one of the primary beneficiaries. Secondly, the other issue was how were they going to spend it. A lot of their money, a lot of their budget, had traditionally gone to pay salaries of people and particularly the army - the army was the biggest service and, even worse than that, the army had a lot of antiquated facilities scattered around Portugal. Many times these were old historic buildings. Portugal's a little country that has a lot of history and a lot of past, and it seemed like almost every town, from big cities right down to little itty-bitty villages, seemed to have some local quartel or some army building or sometimes a grandiose building that had at one time been a monastery but then nobody else could keep it up anymore so it fell to the army and now it's the local barracks and is falling down. Well, they had a lot of budget tied up in paying the salaries of an army that couldn't really go anywhere, that wasn't equipped to fight anything, and that was basically sitting around and painting barracks or painting old monasteries, trying to keep up this large inventory of antique infrastructure in effect. They couldn't get rid of it, they didn't want to get rid of it, but it was sucking up all of the money. It's a little bit like the military in this country and all the unwanted

bases that they would like to get rid of but the Congressmen won't let them get rid of the bases because they create jobs in the home district. Well, it was that way. So they faced the institutional problem of shedding a lot of that, becoming a smaller, leaner, more professional force that could contribute in a meaningful way to missions within NATO, and to be able to afford to do it, they had to get the revenue but they also had to stop wasting a lot of their money, their scarce money, on a lot of the stuff that they'd traditionally done. And there were a lot of sentimental attachments to the old buildings and the old this and that, and the old practice of conscripting boys from small towns, letting them stay at home and painting the local monastery or whatever, and that's their national service, but it was a waste of time. That was for them the major issue. But outside of those sorts of issues, by the late '80s or early '90s they weren't interested in trying to play politics about who was going to be running the country or anything like that. There wasn't an army candidate for president or anything.

Q: What was the government like there at the time you were there?

CASWELL: Well, the Prime Minister was a man named Anibal Cavaco Silva, who was an economist, a rather dour, very intelligent but not charismatic, not colorful, not a warm and cuddly sort of politician, but he was a respected man. He dominated the Social Democratic Party, which was the one of two principal parties in Portugal by this time. There was still the Portuguese Communist Party and there was a small center-right party, but they weren't really politically significant. They had their set constituencies but they seemed unable to grow beyond that and they weren't major forces anymore. The second major party was the Socialists who were sort of left of center but politely left of center - they weren't radical at all - and that was the party of Mario Soares. The Social Democrats of Cavaco Silva were sort of the Republicans, if you will, of Portuguese politics and more free enterprise oriented and wanted to generally stake out a kind of center-right position kind of like the Republican Party in this country. Anyway, Cavaco Silva was the Prime Minister, and in the Portuguese system the Prime Minister drives things. Mario Soares was President, but the President is more of a chief of state position, doesn't have a lot of power in the day-to-day government, and Soares was content to do a lot of state visits and make everybody feel good, whereas Cavaco Silva was more of a lean, no-nonsense kind of guy, and his major focus was modernizing Portugal which had come into the European Union and was getting a lot of - I forget the exact term but it was economic assistance to help them make the adjustment and to modernize their economy so they could fit in better into the European scheme of things. His whole focus in his time in office was to try to revitalize the Portuguese economy, make a lot of infrastructure investments, try to streamline the laws, and try to modernize Portugal so that it could benefit from having joined the European Community and not just become some sort of a retirement backwater, if you will. As some Portuguese observers would put it, they didn't want to become the Florida of Europe, they wanted to become the California of Europe.

Q: And he really was quite successful, wasn't he? Portugal has in the past 10 years, the next 10 years, made considerable progress.

CASWELL: Indeed, I think Cavaco Silva was very successful. He ended up retiring from politics and the Socialists are back in power in Portugal, but I think what he set out to do in terms of modernizing the country and spending wisely this restructuring money, I guess it was called that - I can't remember just now - but Portugal had a really woebegone infrastructure in many ways,

their roads and the electric lines, telephone lines, everything, as either nonexistent or terribly antiquated when they entered the European Union. They did not waste a lot of that money that they had gotten from Brussels. I think they invested it wisely in building up the necessary infrastructure so that Portugal could integrate itself with Europe. So I think they've done a good job.

Q: How was the Portuguese-Spanish relationship?

CASWELL: An awkward sort of - I don't want to say testy -but sensitive relationship. One might make the analogy of Canada with the United States where the Canadians are always afraid of being overwhelmed or absorbed into the United States, that their distinctiveness and their difference will somehow get lost and that border disappear and Canada will disappear. It's similar between Portugal and Spain. Portugal's a much smaller economy and much smaller population in comparison with Spain and certainly in that period was much less dynamic.

Q: Spain was really hitting its stride.

CASWELL: Yes, and I think the Portuguese were afraid. Now, on top of that, if you go back to the history, whereas U.S.-Canadian history - well, I guess there was an American invasion or two right during the Revolutionary War and so forth...

Q: 1812 and all that.

CASWELL: But there were certainly were instances of Spanish armies invading Portugal back in the medieval period, and there was a period in which Portugal, because of dynastic issues - the Portuguese king was died without any direct heirs and connections between the royal families of Spain and Portugal - there was a period in the late 16th century/early 17th century, about 60 years, when the two countries were merged and Portugal was ruled from Madrid. That period came at the end of Portugal's glory period and the beginning of their decline, and the Portuguese see that period of 60 years as a very black period in their history. Basically Portugal did become a backwater in the Spanish kingdom, and they've always been, as a result of that experience, feeling that, if they ever were absorbed into Spain, their best interests would not be looked after. So historically the Portuguese have conducted their diplomacy always looking overseas for an ally. Initially historically, it was Britain. Today that role is played by the United States, but a kind of an ally, an ultra-marine ally they would call it, to backstop their sovereignty and their independence from Spain, because they're always afraid in the back of their minds that they will be overwhelmed and absorbed by Spain, either by military means in the old days or the current threat is more with this European Union. The northern Europeans just sort of always lump Spain and Portugal together in their minds. The two countries are down there on the end of the peninsula by themselves and, well, isn't it kind of an anachronism thinking of Portugal and Spain as being separate countries. The Portuguese were really afraid of these economic forces maybe leading to their ultimate absorption.

Q: Okay, John, why don't we pick this up the next time. We'll have you going back. You had to leave on a medical thing. Where did you go? We'll put it at the end here.

CASWELL: I came back. I got to go back to pack out, but after that I came back and I was essentially without a job and I was looking around, and I found one of my old ambassadors from the time period when I was in Bulgaria, Robert Barry, who had just been made the coordinator for assistance to Eastern Europe. This was the period after the Berlin Wall had come down and we were ginning up economic and political assistance programs to help the new Eastern European democracies make the transition. He recruited me to not work directly in his office but to go over and work on the AID side to help them organize themselves and provide some in-house experience in Eastern European issues in AID, so I went off to work in a new office that was called the Regional Mission for Europe in AID.

Q: And you did that from when to when?

CASWELL: 1991 to 1993.

Q: Okay, we'll pick it up then.

WESLEY EGAN
Deputy Chief of Mission
Lisbon (1987-1990)

Ambassador Wesley Egan was born in Wisconsin and raised in military bases both in the United States and abroad. He attended the University of North Carolina, Chapel Hill and served in the US Air Force. He entered the Foreign Service in 1971 and held positions in South Africa, Portugal, Zambia, Egypt, as well as an ambassadorship to Guinea-Bissau and an ambassadorship to Jordan. Ambassador Egan was interviewed by Charles Stuart Kennedy in 2003.

Q: Did you get involved on the administrative side with the development of what became the National Foreign Affairs Training Center?

EGAN: No because most of that was after I left. My most intense involvement on management and administrative issues was with Whitehead and Ron Spiers who was the Undersecretary for Management and with George Vest who was the Director General on the process of ambassadorial selection. I was the sort of the executive secretary for the D committee that made those recommendations that went forward to the White House and I would help get everybody ready for those meetings. I also helped deal with the results of those meetings. On occasion, I had the unfortunate task of calling people to tell them they didn't get the nod this time and some of those conversations were quite painful, but no I was not involved in any particular way with NFATC [National Foreign Affairs Training Center].

Q: Well, then how long were you in Portugal?

EGAN: I got back to Portugal in July of 1987. I was there until the summer of 1990. I was chargé for almost a year. Ambassador Viets never made it to post and he eventually withdrew his

own nomination and not long after that resigned from the Foreign Service. When Ambassador Viets' nomination died, the Department called me and asked me how I would feel if they put my name forward as the nominee for Portugal. The person that called me was Charlie Thomas. I'd known Charlie for many years. I told him I thought it would be a mistake. The Portuguese didn't understand why so much time had passed and they, a founding member of NATO, and a member of the EC didn't have an American ambassador. Washington kept telling me to explain to them the nature of our process and what the problem was, but they knew our process perfectly well and they knew the nature of the problem with Viets' nomination, but that didn't solve their problem. They were offended and angry. I said they had dealt with me very graciously and easily during my long period as chargé but that if my name were put forward, we would be asking them to accept a number two, a second choice. When Charlie Thomas called me, I don't even know whether he had any real authority to ask me that question, but he did. In the end, Ed Rowell was nominated and quickly confirmed which was the best decision.

Q: Bolivia.

EGAN: Ed was the ambassador in La Paz, Bolivia and of course he had been the DCM in Lisbon in the '70s. Ed zipped through the nomination process and was at post probably within six months. I stayed on for perhaps another year and then got a call from Frank Wisner in Cairo asking me to be his DCM there.

Q: What was the situation in Lisbon when you arrived?

EGAN: Well, it was a hell of a change from the first time around because all the things that we had been so worried about in the 1970s, whether Portugal, can you trust a socialist Mario Soares, what's the real communist party influence going to be, how steady a NATO ally will they remain after the revolution, will we be able to sustain our base rights agreements in the Azores, what kind of an EC member are they going to be, what role are they going to play with respect to talks between the MPLA and UNITA in Angola? Those questions had for the most part all been resolved in the intervening 10 years. Soares was president and loved it. The relationship was a much calmer and more routine one than it had been right after the revolution. There were a couple of issues that dominated our work. For a period of time after the revolution, Portugal was I think the only European country that was a recipient of bilateral U.S. assistance and it was a couple of hundred million a year. It was substantial and part of it was in development assistance and part of it was in military assistance and much of the military assistance was in equipment, hardware, excess MAP, training, all of course related to our presence in the Azores. Lajes Field was an important refueling station, it was like having an aircraft carrier in the middle of the Atlantic, and it was the base for much of our antisubmarine warfare work in the Atlantic.

Q: In Iceland sort of.

EGAN: That's right. We had a substantial Air Force, Army and Navy presence. I used to joke; I still joke about the role of those three services at Lajes Field in the Azores. Somebody would say, what are all these people out there doing because there were like 2,000 Americans on that base. The answer was always, well, the Army drives the seagoing tugs, the Navy flies the P3 Orion ASW aircraft, and the Air Force mows the lawn. It was an important installation for us and our

base rights agreement for Lajes was coming up for renewal. The Portuguese wanted some F-5Es which we were having trouble finding the money to supply. Simultaneously, our economic development assistance, much of which had been devoted to housing issues immediately after the revolution because of the enormous return of Portuguese citizens from the five African colonies, could not be kept at such high levels. We don't pay rent for bases, but of course, there was inevitably a consideration provided and we were trying to find a way to sustain the impact of what had been some pretty sizable bilateral non-military assistance levels and to stay engaged with the Portuguese on certain development issues and to avoid the appearance of just suddenly terminating that economic assistance while at the same time needing to renegotiate the agreement on Lajes. So, we came up with the idea of creating a foundation, the Luso-American Development Foundation to be endowed by either the last year's worth of bilateral economic assistance or a portion of the last couple of years' worth of non-military assistance to create an endowment of tens of millions of dollars. The foundation would have first an American director and a Portuguese deputy and a professional staff and it would be a mechanism through which Portugal and the United States could continue to cooperate, not just on bilateral development issues, but also cultural and artistic exchanges. It would be a new institution that linked these two long time allies together and it had some money in the bank. So, that foundation came to life. It exists today. I think we finally found a way to come up with a short squadron of F-5Es and we did some ship rebuilding and renovation for them and we found some tanks and that sort of stuff. I think we renegotiated a couple of small, slightly more political aspects of the base rights agreement. Those negotiations were then concluded by Ed Rowell quite successfully and the foundation was given a real shot in the arm during his time as ambassador. So the bilateral relationship, without any of the anxieties of the immediate post-revolutionary period, became one of those relationships that was managed in a much more routine way as it is today. Sad to say from a sort of narrow professional point of view, I think it was probably much more interesting and more fun to serve in Portugal right after the revolution and then again for a brief period in the late '80s than it might be to serve there today. I think it's a much quieter place now. I was glad I was there when I was. I left in 1990.

Q: Well, speaking of that, how did the events of particularly later in '89, the fall of the Berlin Wall and the Soviet Union is still intact but its change and all. How did that?

EGAN: Great confusion in Portugal. Great confusion because people were surprised by the speed of the disintegration, were not mentally or emotionally prepared for it to come so quickly and weren't satisfied or comfortable that things were going to be easier afterwards. A lot of concern about what this huge change in the traditional rules of the game in a European context meant in a regional sense, what it meant for the future of NATO.

Q: Yes, very much so.

EGAN: What it meant with respect to EC expansion and what it meant with respect to so many of those other problems in the world that had for so long been dominated by this bipolar rivalry in Sub-Saharan Africa, Latin South America, South Asia, the Far East. There was in fact a fairly prominent school of thought among Portuguese elites that the world was going to become a much more complicated and perhaps even more dangerous place with respect to regional conflicts. The Portuguese were unsure what it was going to mean for Portugal's place in the

world and they were unsure what it was going to do to their two most important bilateral relationships with the U.S. and the UK.

It highlighted some of the differences between Portugal and Spain. Spain tends to look to central Europe and the Portuguese to the Atlantic powers. The Portuguese commercial agreement with Britain is I believe the oldest extant commercial treaty in the world. From both a political and a political/military perspective, would Lajes now be less important; was the Portuguese role in NATO less important? It was a period of considerable anxiety for the Portuguese. I think one of the things they did when I look back on it, now I'm not sure it was obvious to me at the time, but when I look back on it now I think they threw themselves into their commitment to a modern Europe particularly in the context to the EU with a rigor that might have been less pronounced if the Soviet Union still existed. I sensed that when I talked to Portuguese friends. The growth of Lisbon, parts of the wine industry, much of the broader agricultural sector, and the development of tourism in the south are now increasingly dominated by Europeans, especially French and German investment interests, much more so than when the British ran the port industry and the U.S. Air Force mowed the lawn at Lajes.

Q: I would imagine while you were there during part of this period that you had to spend an awful lot of time answering the question, do you still love us or do you still need us? People were really questioning NATO.

EGAN: Well, as I said Portuguese identification of its own role in the NATO alliance was very much on their mind. The Portuguese are too sophisticated and too self-confident and have dealt with us too long to ever approach such issues asking if we were still a friend. It's a much more sophisticated political elite than that. The question would arise not in terms of Portugal, but in terms of Western Europe NATO. When I was in Lisbon, their most important bilateral relationships and their most important diplomatic postings were their ambassador in Washington and London and their representatives to NATO and Brussels. Those were their key diplomatic postings.

Q: What about the relationship about the second time you were there with Spain? I mean you look at it.

EGAN: Very troubled.

Q: Portugal, you can't get there from here at least by land. I mean they're surrounded by Spain.

EGAN: It's a very complicated relationship. The Spanish throne ruled Portugal for 80 years in the late 16th Century. The Portuguese haven't forgotten it, nor have the Spanish. They are two countries that because of their history they don't face each other. They're not even side by side on the Iberian Peninsula, they're back to back and they look in very different directions. A lot of Spaniards that I have dealt with aren't quite sure why Portugal even exists. Why is there this funny place out there on the western coast? If they need to be, the Portuguese are very accomplished Spanish speakers. I have never met a Spaniard who will admit to or even try to speak reasonable Portuguese. It's a very uneasy relationship and the irony of course is that Juan

Carlos the current king of Spain was raised outside of Lisbon. He was raised by his grandfather in Estoril. He learned to sail at the sailing club in Cascais.

The second time we were in Lisbon I used to notice that Embassy Madrid and Embassy Lisbon would work on issues and report to Washington and rarely kept the other embassy informed or rarely had a real dialogue with the other embassy on an Iberian issue. So we organized two summit meetings between Embassy Madrid and Embassy Lisbon. We met on the border for two days and we met for six or seven hours a day and had discussions on political, military, security, economic and all the other issues important to us and to the two countries.

Q: I think this is a good place to stop. Is there anything else we want to pick up the next time around still dealing with Portugal?

EGAN: I don't think so. By the second time I was there it had actually become a comparatively quiet place. This is a real break point for me because from here I go to the Middle East where I spent the rest of my career.

Q: Was there, we might just mention here, any influence because there's so many Portuguese particularly from the Azores immigrants to the United States and they had the.

EGAN: Most of the Portuguese community in the United States is not from continental Portugal but from the Azores and Madeira. Very few are from the mainland. The most prominent member of the United States congress with a Portuguese background was Tony Coelho, but he was a Californian of Azorean extraction. Issues related to the non-Brazilian Portuguese speaking constituency in the United States arose almost entirely with respect to issues that affected the Azores and very occasionally with Madeira, but principally with the Azores, including the negotiations that we went through periodically on our base rights issues at Lajes. There were very few occasions that I recall of the Portuguese community in the United States making its voice heard with respect to issues that were particular to the central government in Lisbon or regional European issues.

Q: Okay, well, Wes, the next time we'll pick this up when you're off to that tranquil spot known as the Middle East.

EDWARD M. ROWELL
Ambassador
Portugal (1988-1990)

Ambassador Edward M. Rowell was born in Oakland, California in 1931. He obtained a B.A. from Yale University. In addition to Luxembourg, Ambassador Rowell served in Recife, Curitiba, Buenos Aires, Tegucigalpa, Lisbon, La Paz, and Washington, DC. He retired in August, 1994 and was interviewed by Charles Stuart Kennedy on September 10, 1995.

Q: Then where did you go? What happened?

ROWELL: I went to Portugal. My wife and I had gone home to the US to spend Christmas of 1987. We were at a house in Rehoboth, Delaware with our children when George Vest, the Director General of the Foreign Service, telephoned me in Rehoboth and asked if I would be willing to go to Lisbon. I said, "This is kind of sudden." He said, "It's very sudden. I need your answer now." I said, "Can I talk it over with my wife? What's involved?" He said, "If your answer is 'yes,' the Secretary of State [George Shultz at the time] will talk to the President and ask him to make a 'recess appointment,' so you can get there right away. We've had no Ambassador in Lisbon for over a year. A number of problems have arisen because we don't have an Ambassador. We need to get you there right now. This is the time frame. We'll make a recess appointment now and you can be confirmed later. However, we'll have an Ambassador there."

Well, I discussed the appointment with our children. I discussed it with a head hunter who had me in mind for a very attractive position.

Q: A head hunter is...

ROWELL: An executive recruiter. I had been in touch with him because I figured that I had been an Ambassador and that was likely to be the final assignment of my Foreign Service career. Very likely, I might not get another Embassy. So I had started my job search. I was then in the third year of my assignment to Bolivia, and, typically, three years would complete the assignment. So I had a job offer in Washington, which was interesting and remunerative. Another possibility, the one involving the head hunter, would have been even more remunerative in Southern California. A lot of trade-offs were involved. So my wife, our children and I took a long three-hour walk on the wintry beach discussing the pro's and con's. Then I went back to the house and called George Vest. I said that I would go as Ambassador to Portugal.

So, right after Christmas, 1987--in fact, on January 2, 1988, my wife and I flew back to Bolivia. I told the Bolivian President what was happening. I left Bolivia 10 days later on January 12, 1988, stopped in Washington for 48 hours to be sworn in as Ambassador to Portugal under a recess appointment, and went off to Portugal.

Q: Can you give us a little feel for the Washington environment at the time? Why had there been a year's lapse in assigning an Ambassador to Portugal? Normally, Portugal would be a place, if nowhere else, that a friend of the President's could end up in, or something like that.

ROWELL: A person had been nominated to go to Lisbon. In fact, he was a career Foreign Service Officer. Some questions had arisen, and the nomination had become very controversial. Frankly, I had been in Bolivia and hadn't been paying any attention to the controversy. I knew vaguely that it had been going on since early in 1987. When Congress recessed in December, 1987, the nomination died, and the President's options were either to resubmit the name of the same person, and probably go through another year without an Ambassador, or to nominate somebody else. Because the whole process of confirmation is rather slow, if the President had waited for me to be confirmed, we would have been without an Ambassador to Portugal for another six to eight months. The Department of State and the Defense Department felt that our

relationship with Portugal was important partly because of the use of Lajes air base in the Azores, partly because Portugal was completing its transition to a modern, democratic, Western European market economy integrated into the European Union. So that meant selecting somebody who was already in the Executive Branch, with a full security clearance, and saying to that person, "You go to Portugal as Ambassador now before the Senate resumes session at the end of January so that the constitutional requirements for a recess appointment are met." The situation was made to order for a career officer, someone who can be plugged into a hole when you're desperate for a quick plug. I was the one whom they called.

At the time there were probably only about three career officers in the Foreign Service who had comparable fluency in Portuguese as I did, who already knew enough about Portugal not to require much briefing, and who already had an established a set of relationships there that could be used immediately to deal with the problems that had festered for so long. So I went to Lisbon.

I arrived in Lisbon--I don't recall the exact date. It was in January, 1988, before the Congress reconvened. I presented my credentials within a week, extraordinarily quickly by Portuguese standards.

Q: Did you have an agenda of what needed to be done in Portugal, either one that had been made up in advance or just by quickly briefing yourself on the situation in Portugal? You'd been away from Portugal for three or four years, there had been a hiatus of more than one year since your immediate predecessor left, and things had changed so much in Portugal since then.

ROWELL: The top issue on the agenda was US use of Lajes air force base and the renewal of the agreement that permitted that use.

Q: Lajes air force base is in...

ROWELL: The Azores. The agreement that permitted US use of the air base had already expired. We were still using Lajes air force base on sufferance, but the sufferance was growing thin. The Portuguese had made it quite plain that one of the problems in arranging for an extension of the agreement was the absence of an American Ambassador in Lisbon. We had an excellent Chargé d'Affaires there, Wes Egan, who is now our Ambassador to Jordan. But the Portuguese wanted an Ambassador, not just a Chargé d'Affaires. It made a big difference to them. So the use of Lajes air force base was the first issue. It was the issue which was the most consuming during my first year there as Ambassador.

There were some other issues related to Portugal's entry into the European Community. When Portugal entered the European Community, our sales of agricultural commodities to Portugal fell by more than half. I think that I mentioned that earlier in this interview. We were beginning to have some problems with the European Community in continuing the trade compensation that had been offered to the US to offset the loss of sales of agricultural commodities in Portugal. Portugal was beginning to boom as a result of investments flowing in from the European Community. A number of US businesses were beginning to wonder about trade opportunities in Portugal. Some significant business opportunities were beginning to open up. For example, Portugal planned to expand its electricity generating capacity. Would American companies have

a chance either to build the plants or provide the fuel? Those were the most critical elements on the agenda.

Apart from that, there was the problem of trying to stamp out civil war in Angola and Mozambique. Remember that the Soviet Union and the Cubans were still there, fueling their part of the war. There was a permanent watch, in Portugal as well as in other countries, designed to restrict weapons deliveries to rogue states.

Q: Should we stop at this point, do you think?

ROWELL: Yes. To recapitulate, the main issue in the portfolio when I arrived in Portugal in 1988 as American Ambassador was restoration of Portuguese confidence in the US as an ally and interested party. They felt that we had lost interest in Portugal because we had not had an Ambassador there for over 13 months. The absence of an American Ambassador was due entirely to political controversy in Washington and specific controversies regarding the nominee. The Portuguese, ever in the European conspiracy mode of thought, believed that there must have been some issue in this delay in the appointment of a US Ambassador related to Portugal as well. So it was restoring their confidence in us.

There was also the matter of sustaining our continued use of Lajes air base in the Azores. There was also the matter of trying to find ways to enable US investments and US international commodity brokers to take advantage of new openings in Portugal because of its involvement in the European Union. There was also the matter of putting the final touches on recovering markets lost because of Portugal's entry into the European Union. Those markets had provided us with almost \$600 million annually in agricultural sales. For example, in the late 1970's and early 1980's it was \$600 million per year. When I returned to Portugal, our agricultural sales were about \$300 million per year. The difference was due to membership in the European Union. We've already discussed the nuclear non-proliferation watch, as well as the effort to find peace in Angola and Mozambique. This effort involved a lot of discussion with the Soviets while I was there in Lisbon.

Q: Today is April 25, 1996. This is a continuation of the interview with Ambassador Ed Rowell. In the first place, I recall that there was a problem between Senator Jesse Helms [Republican, North Carolina] and Dick Viets. Was it Dick Viets who was originally nominated as Ambassador to Portugal?

ROWELL: It was Dick Viets. He had been our Ambassador to Jordan and was nominated around January, 1987, to be our Ambassador to Portugal. However, the nomination went nowhere. I was in Bolivia during all of 1987 until I came back to the US to spend Christmas with my family. Frankly, I hadn't paid any attention to what was happening on ambassadorial nominations and not much attention to who was in Lisbon. So I can't tell you very much about the nature of the controversy.

Q: If I recall, and I may be mistaken, and somebody can do some research on this, Dick Viets had given some poor personnel ratings to some of his junior officers who were unhappy with them, or something like that. Somehow, this became a cause for Senator Jesse Helms. Did the fact that there had been a controversy over the former Ambassador-designate spill over onto you, or were you just sort of pulled in from left field and so didn't have the same problem?

ROWELL: I came in from left field. When the Congressional session ended, the Viets nomination died. He would have had to be renominated to be considered during 1988. The Executive Branch concluded that the nomination was dead, and Viets himself asked that his name be withdrawn. That was in December, 1987. Then the decision that faced the President and Secretary of State George Shultz was whether to find somebody else, nominate that person, and put him or her through the usual, confirmation process. That would have cost at least another six to eight months before we would have an Ambassador in Lisbon after having had a hiatus of over 12 months. Or, would they make a recess appointment? If they made a recess appointment, then it had to be somebody whose security clearance was already valid and who, they could be confident, did not have some hidden skeleton about to leap out of the closet. That really dictated a career Foreign Service Officer as Ambassador to Portugal. The choice was limited in terms of people who spoke Portuguese and who already had a basis of relationships to try to dig ourselves out of the hole we had gotten ourselves into with the Portuguese.

I was lucky enough to get the call. George Vest called me and said that they had decided that they wanted to go with a career officer and a recess appointment. That meant that I would have to be in Portugal by January 21 or 22. In other words, before Congress returned from the Christmas recess. This meant a very quick turnaround.

Q: You were in Portugal as Ambassador from 1988 to when?

ROWELL: To 1990.

Q: Were you able to pick up threads with people you have previously known? Did this work out? The other matter that you might talk about is the difference you saw in Portugal when you returned.

ROWELL: Let me talk about the threads. Wes Egan was the Chargé d'Affaires in Lisbon at the time. Major Portuguese figures knew me fairly well. As soon as I called George Vest back and said that I would accept nomination as Ambassador to Portugal, the Department got the papers over to the White House within 24 hours -- even while I was filling in the formal documents. They used the documents which I had filled in in 1987 before going to Bolivia. The White House said, "Yes," and within three days the Department had asked Wes Egan to get agrément for me. Wes obtained agrément almost instantly by Portuguese standards. There may have been a delay of perhaps a week, but it went amazingly fast there. But then, you know, I knew the President of Portugal personally. I knew the Prime Minister. I knew the Foreign Minister. I knew the chief figures in the Opposition as well as in the government parties. So they knew what they were saying "yes" to. They didn't have to ask somebody, "Who is this person?"

When I arrived in Portugal, the credentials ceremony was already planned to take place within four or five days so I could become fully functional immediately. This was good, because Frank Carlucci, the Secretary of Defense, was due to arrive in Lisbon within 10 days on an official visit. I needed to be able to operate. The day after I arrived in Lisbon I went to a barber shop near the Embassy Chancery building, the barber shop which I knew Mario Soares, President of Portugal used to frequent when he was not in office. I went into the barber shop and found a chair. Sitting next to me and having his hair cut was Mario Soares. So we had a good and very friendly chat within 24 hours of my arrival, even before I presented my credentials. We talked a little about the general relationship between Portugal and the United States. I said how good it was to be back in Portugal and see old friends.

I walked in, unannounced, at the Goulbenkian Foundation for one of its regular concerts a day later and bumped into a dozen friends -- people in industry, in government, in the foundation, in business. I had an impromptu reunion with them.

My wife hadn't yet arrived with me, because she was packing up our household effects in La Paz, Bolivia and getting us out of there. When we flew back to Bolivia immediately after Christmas and New Year's -- I'd spent the intervening days filling in papers in Washington related to my appointment to Portugal -- I had 10 days left. I got back to Washington, spent two and one-half days in Washington, and was sworn in as Ambassador to Portugal by George Vest, Director General of the Foreign Service. He told me that it was a great pleasure to swear me in as Ambassador because normally all he did was to swear people out of the Foreign Service. This was one of the few occasions when he, as Director General, got to bring somebody into a new job. Then I left for Portugal.

You were asking...

Q: My other question was, what was the state of Portugal when you arrived there in January, 1988? Could you contrast it with when you were there before?

ROWELL: Thank you, Professor, I always like questions like that. Regarding things that had changed. First of all, there had been a real estate boom after Portugal entered the European Union. Money began to flow in from the nasty winter weather capitals of the European Union -- from Frankfurt, Bonn, and even London and other places. This happened as people who were doing very well decided to buy vacation homes in Portugal. Also, a lot of business firms from other parts of Europe were coming into Portugal. Those people were buying up space for offices. There seemed to be jobs for almost everyone.

Almost everyone had bought an automobile, so Lisbon, a city which had been a little hair-raising when it came to automobile traffic previously, had become much worse. There was no parking available. Cars were parked in the streets and on the sidewalks. Cars raced around. It was nearly total chaos, really bad. We had a communicator at the Embassy who insisted on riding a motorcycle on one of the most notorious roads between the Embassy Chancery area and one of the residential areas. Somebody probably tipped his motorcycle. He didn't know exactly what happened. He wound up hospitalized and suffering from broken bones for several months. It was very dangerous on the road.

Air pollution was horrible, and restaurant prices were up, but there was a kind of vibrancy, a confidence in the air. The Portuguese also knew that they were well past the immediate post revolutionary phase.

The aristocracy and the top financial leaders who had left Portugal immediately after the revolution of 1974 had all returned and were reasserting their financial authority. They were much more engaged in politics and were resuming the old status that they had enjoyed before the revolution.

A lot of roads were being built, as well as power lines, communications lines, and schools. These were partially financed by the European Union under its Structural Support Fund Program, which provides money to bring the least developed parts of the Union's member countries up to the average economic level of the European Union as a whole. This work was well advanced in Portugal. I subsequently learned during my later stay as Ambassador in Luxembourg that the authorities at the European Investment Bank and in the European Union in Brussels thought that Portugal and Spain had done particularly well in managing the funds under the Structural Support Fund program. The European Union had provided money for infrastructure -- a bridge, communications link, or a school or hospital. They would come down three years later, and could see that they had gotten exactly what they expected. They were pleased with the results.

There were some things in Portugal that had not changed. One of them was the belief among people in the Azores that somehow or other the US would always pay substantial amounts of money to retain base rights at Lajes air force base. The Portuguese defense establishment tended to rely on US military assistance to make up Portuguese shortfalls in budgeting for defense purposes. Remember that all of the military assistance was aimed at bringing Portuguese forces up to full NATO qualifications to perform the missions assigned. They were to participate in a Rapid Reaction Force. They also were responsible for maritime patrol and protection of the sea lanes in a major quadrant of the Atlantic Ocean that reached out to the Azores. So their expectations in terms of US military assistance remained very high.

On the other hand, we were starting into a phase when US military budgets would be shrinking. I had to renegotiate the base agreement in the Azores that had already lapsed before I arrived. I did so. It took a year. It was one of those things that went back and forth. The bottom line was that we had much less to offer than we had been able to offer in previous years. We had to walk back from some commitments that we had made in previous years. They were being stretched out by the appropriations process itself. That made the process quite difficult and even painful.

I was in a situation in which I was de facto the principal negotiator on the base arrangement in the Azores. I had taken part in base negotiations with Portugal and Spain previously when I had been Director of Western European Affairs in the State Department. At that time the principal negotiator had been an Assistant Secretary of State in Washington who traveled over for negotiating sessions. This time I handled the negotiations as the Chief of Mission on the site.

When I left Lisbon, I recommended to the Department of State -- I think much to the chagrin of my successor -- that the principal negotiator should NOT be the resident Ambassador. The

resident Ambassador needs to be a person who becomes a kind of lightning rod and court of appeal. He should be a person observing the process and perceiving where there is confusion and where there are real, confrontational problems. However, when you make the resident Ambassador the negotiator, then, if there is a real confrontation or difficulty, there is no one to appeal to except the chief of state. Well, you don't appeal to Presidents or Prime Ministers to resolve disagreements on social security payments for the local labor force at Lajes air force base in the Azores.

Anyhow, the Portuguese designated the Secretary General of the Foreign Ministry as their negotiator, and I was the negotiator for our side. As I said, the negotiations took a year to complete. I frankly engaged in a lot of tactical planning, since the core issue was to be the level of defense assistance that we could provide. That meant that the US Defense Department was the principal contributing party. The Defense Department played a significant role both in preparing our positions and in helping to conduct the negotiations. Periodically, a Defense Department representative would come to Lisbon, and we would have formal negotiating rounds with the Portuguese. In between the formal rounds I had a lot of informal discussions with the Secretary General of the Foreign Ministry. He, in turn, was pulling together interested parties from the Portuguese Defense Ministry, Finance Ministry, Regional Government of the Azores -- trying to work out something that would be acceptable. We exchanged thoughts fairly frequently. At the end it came down to something between three and six maritime helicopters and how many F-16 aircraft we would provide.

Q: The F-16 at that time was our top of the line fighter aircraft.

ROWELL: It was our work horse fighter.

Q: It was no longer really a top of the line fighter.

ROWELL: But it was our principal, work horse fighter in NATO. I told the US Defense Department how many F-16's and maritime helicopters I thought we needed to offer. They came back with a package. Then I went in and made an offer. Frankly, I didn't offer what I was authorized to offer. I offered less, because that's the way the Portuguese negotiate. If I had offered the whole package, that would have become the floor from which they would have gone further. The negotiations became very tight and went back and forth for several weeks. Since I already had the authority, I went back to the Portuguese and increased the offer but didn't go as far as I was authorized. Again, that offer didn't do very well. I told the Portuguese that I had exhausted my negotiating authority.

I knew that I was very close to the ceiling and I knew how tight our budget and other authorizations were. I had a sense of the cost-cutting mood of the Congress. I felt that since I had been the negotiator, what this required at that point was somebody who would arrive on the scene like a *deus ex machina* and say, "This is our last offer. This is the end of it." So I told the US Defense Department that I had not gone to the maximum which the Defense and State Departments and the White House had authorized. I pointed out that we would be having our semi-annual NATO meeting involving Defense Ministers within a month at The Hague in the Netherlands. I said that I thought that that was the right place and that Secretary of Defense

Carlucci was the right person to conclude the matter directly with the Portuguese Defense Minister, with others sitting in the room. I thought that that would wrap up the negotiation.

I went to The Hague for that meeting and gave Carlucci whatever advice that I could on what was happening. Carlucci obviously knew all of the Portuguese from his time there as Ambassador immediately following the revolution of 1974. He didn't need to be given any of the background. He made an offer which went a little bit beyond what I had been authorized to offer. This didn't surprise me. I figured that the US Defense Department had probably been holding something back. And the negotiation was concluded.

The point I'm trying to make is that in conducting that kind of negotiation, there always has to be some kind of appeal mechanism in reserve -- some kind of person who can come in, as a kind of *deus ex machina*, and say, "This is it" to top level people on the other side. Because they are top level figures and the final offer is a little bit better for one side and not too insufferable for the other side, they can say, "That's it. That's the deal." All of the subordinates have to accept it, and you're home free. Basically, this was the strategic line that I had adopted in conducting the negotiation after we'd been in it for about six months.

Q: I have heard that in other base negotiations sometimes the most difficult position for the Ambassador to be in is negotiating with the US Department of Defense. Often this is on base rights and so forth. However, I assume that in the case of the Azores the base rights had been exercised for so long that they were no longer a particular issue.

ROWELL: The critical issue was the level of US military assistance to Portugal. There were some problems in the Azores. We'd been held up in getting permission to put up some relatively new and easier-to-maintain facilities for the Americans stationed at Lajes air force base. We had a problem over the social security payments for Portuguese personnel at the base in the local labor force. The Azorean government was trying to claim substantial amounts of back payments. Another issue was over a different local tax, but I don't remember what it was.

These issues were part of the environment in the negotiation, but they weren't resolved in the negotiation. They were handled separately. In fact, I got them all resolved. I had a very close relationship with the Portuguese Minister of the Republic for the Azores, General Rocha Vieira, who later became the Portuguese Governor of Macao. He is still there. He undertook to deal with the Azorean authorities in a way that was suitably responsible from the Portuguese perspective. As a general, he knew the Portuguese defense establishment. As a cabinet minister he had the confidence of the President of Portugal and of the government. He went ahead and handled the matter in the Azores. We were able to find a workable solution on every one of these little ancillary issues that tend to drive a base commander up the wall and always give the Pentagon a certain amount of grief. So, in all of this the American Embassy in Lisbon did its job.

Q: What about the problem, which continues, that the Azores are technically part of the NATO context, but we have interests there beyond NATO. I think in particular of the Middle East and Libya. You might explain the context involved. Were these subjects addressed in the negotiations?

ROWELL: Since World War II the Azores facilities have had two functions. One was to provide a platform for anti-submarine patrols and protection of the North Atlantic sealanes. The other function was to serve as a refueling stop for airlifts to other parts of the world -- to Africa, the Middle East, South Asia and Europe. For example, the Azores were terribly important during the buildup before the Gulf War in 1990-1991. We used the Azores repeatedly for certain flights -- very often involving disaster relief -- going into Africa. We always used the Azores with the consent of the Portuguese. Under the terms of the agreement a mechanism was provided for clearing flights through the Azores.

When we were ferrying small aircraft such as F-16's to Europe -- for example, Air National Guard units going to Europe on a temporary basis -- they would often transit the Azores. There might be a squadron or two squadrons of F-16's, F-4's, or whatever the aircraft involved. They could reach the Azores on one load of fuel, refuel, and then get over to Europe. So a lot of air traffic went through the Azores. The US component at Lajes air force base was operated by the US Air Force. That is, the operations contingent at the base was run by the US Air Force. It had a US Navy group attached to it for anti-submarine warfare. And a US Army group ran the tugboats in the harbor. So the US Air Force ran the ground installation, the US Navy most often was flying the airplanes in and out on anti-submarine patrols, and the US Army was in charge of the tugboats.

Q: Did the issue come up of, say, supporting the responsibilities, as we saw them, of resupply to Israel in case of an Arab attack?

ROWELL: Obviously, it came up in 1973 during the Arab-Israel War of that year. The Portuguese, as I mentioned earlier in this interview, had felt that their compliance with the terms of our agreement, which allowed us to use the Azores, had cost Portugal dearly in terms of its relationships with the Muslim countries. As the Portuguese saw it, this seriously affected the reliability of their energy supply which came primarily from the Persian Gulf at that time in terms of oil. I don't recall, during my time in Portugal as DCM, that there was any Israeli emergency that required the use of the Azores or during my time there as Ambassador.

Q: Was there anything in the negotiations implicitly saying that if the US attempted to resupply Israel through the Azores, the Portuguese Government didn't want us to do this? Did this come up?

ROWELL: No. There was some discussion about the mechanism for clearing flights through the Azores. The bottom line, and it was a kind of common sense bottom line, was, "Look, the routine, normal use that goes on all the time, including the weekly supply flight to Embassies in Africa and the periodic flights of Air National Guard units to NATO bases wherever they were, in Sicily, Italy, Spain, or wherever" presented no problems. The Portuguese wanted to treat these flights almost as an air traffic matter. They left this to the Portuguese commander at the air base, who was the overall commander of the facility. The Brigadier General commanding our forces had to salute the Portuguese commander.

If there was a potential controversy or political problem involved in the activity, they wanted to be consulted, and preferably earlier, rather than later. They didn't want any of these cases where

we would get a telegram or a telephone call one night, saying that there's going to be a transit tomorrow at 10:00 AM, local time, and it's going to some place where it could cause the Portuguese a problem. During my time as Ambassador there were probably three or four occasions where we did that kind of thing. I didn't have any control over the timing of the requests.

So the negotiation on transit rights through the Azores really involved how to define this broad category of potentially controversial events so that it covered everything, but without being too specific. The Portuguese didn't want to be specific. You wouldn't know in advance with whom a problem might come up, two years later. So there had to be a kind of generic definition. Secondly, there would need to be some base lines for advance notification so that the Portuguese could consider, with some degree of care, the implications. We managed to negotiate that without any difficulty.

There is a difference between political and legal style between the US and Portugal. For the Portuguese the intent of an agreement and common sense interpretation is what you rely on. If you rely on that, then you can presume that you have the political will on both sides to make an agreement work. If the political will is there, the agreement will work. If you attempt to provide for every contingency through some clause in a contract, because you rely on the contracts as you write them, you're not guaranteeing yourself anything in dealing with Portugal. That's not the way they work.

The fundamental issue is political will. We're dealing with sovereign powers. There is no court to which one can appeal if the agreement doesn't work or one of the parties doesn't comply with the agreement for some reason. In subsequent years, after my departure from Portugal, the US didn't fulfill its commitments on aid, but we still use the Lajes facility.

The tendency of our lawyers is to try to nail down every last detail. Sometimes, this effort goes too far. Our lawyers are right to want to nail down a whole bunch of details, particularly in terms of the status of forces, customs exemptions, and all of those kinds of things, where you'll have administrators on both sides doing things. If it's all written down, they have no problem and they just do it. If it's not all written down, then it can become political and sticky. However, on the major issues we shouldn't assume that writing it all down solves it, because it doesn't.

I spent much of my two years as Ambassador to Portugal visiting the Azores, talking directly with the Azorean authorities, from the President of the Azorean Regional Government to the legislators and others, warning them over and over again that the Cold War style of military assistance was finished. The agreement that I was finally able to sign in January, 1989, was probably the last of any generosity that they would ever see. However, they had to start making provisions for the future, both in their budget and in their plans for the development of the Azores which would be based on other ways to earn income, because Lajes Air Force Base wasn't going to pay for it.

I'd started the spade work, and some people had begun to believe it. The Communists were beginning to use those statements to beat up on the regional government for not being prudent in budgeting to take this changed situation into account. I have to admit that it was my immediate

successor as Ambassador and his successor who finally brought this issue home to the present situation in which, in effect, we're giving the Portuguese nothing.

Q: Did you have problems with the American troops on the Azores in their relations with the Azoreans? We've just gone through a case of rape and other problems on Okinawa, but it's a wholly different type of military presence.

ROWELL: Nothing of any notoriety occurred while I was in Lisbon. Obviously, that had nothing to do with me but rather with the quality of military leadership and discipline which the American military were showing in the Azores themselves. There were occasionally incidents, but they were normally handled in the islands and discreetly, under the terms of the Status of Forces agreement. Incidents could cut both ways. Occasionally an American serviceperson would suffer a raw deal at the hands of an unscrupulous landlord. Such problems were relatively rare on both sides. I never had to become involved in anything like that. So I never had a problem the way our Ambassador in Tokyo has had.

Q: How did you find the staff at the Embassy at the time?

ROWELL: The Embassy staff was well qualified. I had a superb Deputy Chief of Mission, Wes Egan, who is now our Ambassador to Jordan. I had known him when he was the second-ranking officer in the Political Section in Lisbon from 1970 to 1980 or 1981. The Political Counselor was very, very strong and one of those unfortunate people who was being forced out of the Foreign Service because of too long a period of time in grade. That is, he had not been promoted for a long time. We always had someone in Lisbon with African experience assigned from the Bureau of African Affairs because of Portugal's continuing interests in Africa and our desire to coordinate whatever we were doing with the Portuguese, particularly as it related to Soviet involvement in Angola and Mozambique. This was still the period of the Cold War.

The Economic Counselors were good. We had an aggressive Agricultural Counselor, which was important because we were trying to recover agricultural business which we had lost due to Portugal's entry into the European Union. The Commercial Counselor was a strong figure. USIS [United States Information Service] was always strong, and their FSN's [Foreign Service Nationals] always played a critical role. I had outstanding access to Portuguese television and press. I did TV and press interviews, all in Portuguese. USIS knew how to make my language skills pay to the maximum.

We haven't talked about the junior officers. I was encountering an entirely new group of junior officers. This was, after all, 10 years after I had first arrived in Portugal. In terms of basic preparation the junior officers were very, very strong. Some had advanced degrees. They almost certainly had some post-graduate college work. There was some unevenness in performance. Some of them really weren't cut out for the Foreign Service. I remember one couple where the wife wasn't cut out for the Foreign Service. Her husband had to choose between being a Foreign Service Officer and being married. He chose the latter and resigned. This was clearly a growing problem because, since officers were entering the Foreign Service at a later age, there was a somewhat greater likelihood that they would be married and that the spouse was someone who had married an aspiring lawyer, an aspiring MBA [Master's degree in Business Administration]

candidate, or an aspiring historian. She didn't realize that she was perhaps marrying the Foreign Service. This was new and different. Some of them took to it, but many of them didn't. The later the age of entry into the Foreign Service, the greater our recruitment and retention risks.

Q: Was it purely because of the marriage or was it also because of the type of person who enters the Foreign Service? From your observation there, did you see any officers who didn't have a problem with their spouses but they just weren't cut out for the Foreign Service? How did this show?

ROWELL: Well, when somebody isn't cut out for the Foreign Service, typically you see a person who finds it very hard to get out of the office, establish relationships with host country nationals, or wine them and dine them and come back and produce something that has valuable information for us. Or you have somebody whose household is dysfunctional. Things don't go well at home, and the person arrives at the office tired or maybe late. And there is an unending string of complaints and illnesses. Occasionally, I've seen people who would come in, but if they were in a reporting function, such as Political or Economic work, they would simply be unable to produce quality reports. That is, something that reflects an understanding of what is relevant to American interests and can state it concisely and in a useful, analytical structure for Washington. In their reports they wander all over and produce a kind of stream of consciousness reporting or something that was just based on a Memorandum of Conversation and is limited to that. It had no particular relevance. Maybe memoranda of conversation are significant if you've just been talking to the Prime Minister, the Foreign Minister or the President. But they probably have only internal research value when they record a talk with a senior person in one of the local political parties.

The officers were all good. There were the usual frustrations. Junior officers generally don't enjoy visa lines. They would like more independent authority than they usually get. If you have a Political Counselor who hasn't had any training in management and how to structure political work, junior officers can get frustrated. That happened at one stage -- and did not involve the first Political Counselor whom I referred to.

However, on the whole I would say that it was a good Embassy. It was strong. We had an AID person who was cleaning up the residual matters in Portugal and working part time for AID in North Africa. He was a housing specialist, but he was very imaginative and knew how to close down the program and how to shift things over to Portuguese institutions, so that all the good that we had managed to accomplish since the revolution would be preserved. He was also very good at working closely both with the Commercial Attaché, when there were business opportunities coming up, and with USIS at making sure that we got appropriate kinds of credit for our efforts. He did this in a way that wasn't overbearing or demeaning or somehow implying that we were kind of running things, as we used to do too often in Latin America.

Q: Could you talk about both the role of the Agricultural Counselor and the whole agricultural problem? This was one of the major items on your agenda when you arrived in Portugal.

ROWELL: Right. When Portugal and Spain entered what is today the European Union, the United States negotiated compensation arrangements with the Union, because we knew that

under the rules of Portuguese and Spanish entry we would lose a substantial share of our market for agricultural commodities. Most of these commodities were used for animal feed -- for fodder. This included soya cake for animal fodder. However, there were some shipments of grains and oils for human consumption as well. There were some types of agricultural goods, for example, corn gluten, where the rules of the European Union didn't particularly inhibit the import. Our Agricultural Attaché was out trying to develop Portuguese interest in these other types of commodities.

There was a transition period provided for in the agreement with the European Union, during which Portugal and Spain gradually switched over to the Community-wide external tariff. During this transition period our market in Portugal and Spain for agricultural commodities declined but wasn't totally closed off. So the Agricultural Attaché did what Agricultural Attachés do.

The other things that the Agricultural Attaché had to do was to talk with the Portuguese authorities about the positions that Portugal would adopt in meetings of the Agricultural Council of the European Community. That Council managed the Common Agricultural Policy [CAP] of the European Union. To the extent that we could persuade the Portuguese that they ought to adopt positions that would make it easier for American commodities to come into the European Community, that would help us. At least there would be one vote in the Community in terms of that kind of trade.

Q: How responsive did you find the Portuguese on matters dealing with the European Community--representing not just our interest but mutual interests?

ROWELL: Well first of all, the Portuguese look after their own interests. We're responsible for our interests, and they're responsible for theirs. They would receive our representations, but every member of the European Community has a complicated calculus. Although they may be hurt by one set of Community rules, the Community tends to compensate them in some other arena. So if the Portuguese have to pay more for animal feed, and this is hurting their agriculture, then the Community might find a way to increase the subsidy funds coming to Portugal, either to help Portuguese agriculture, Portuguese agricultural education, or transport that would reduce some aspect of agricultural costs.

Since a basic policy of the European Community was to provide subsidies to upgrade the less developed economies of the Community, Portugal was getting a lot of that money. In the end, I think that the Portuguese -- although I have no written document that would prove this -- would make their own judgment about where Portugal's interests lay. They would say, "All right, if we can get this much more from the European Community, that will more than offset what we might be losing by having to pay more for American agricultural commodities and foodstuffs." Then they would conduct their negotiations at Brussels on that basis and generally came out well from a Portuguese point of view. From our point of view, we kept them aware of what the costs were, and that helped them calculate more closely what they could get from the European Community -- but they always got it. We didn't get any important help from the Portuguese on European Community Common Agricultural Policy questions.

Our biggest sales triumph was in coal for new power plants that were going up. There was also a kind of investment triumph in helping American companies to negotiate attractive terms for establishing factories in Portugal. Of course, Portugal was anxious to get that investment and negotiated in a very serious way. The Embassy's role was primarily one of keeping an ear to the ground, understanding the American firms' major concerns and interests, as well as something about the competitive offers that firms from other countries were making. Then we tried to understand what the Portuguese were thinking. There was one investment project involving Ford Motor Company, for example, which set up an automotive electronics factory. They kept me rather fully informed of their interest from the beginning and the progress of their negotiations. There were several occasions when I was able to telephone a point man, a former Foreign Service Officer, Bill Kelly, and say, "Look, this is beginning to happen. The Portuguese are beginning to think this way. I don't think that that squares with what you told me the last time you and I discussed this matter." He said, "No, it doesn't, and thank you very much." I was able to give American companies some heads up advance notice like that.

Ford had their own manager there, who was very good. However, there were times when we would hear things that he didn't hear, even though he was a native Portuguese and well connected -- the right kind of family and all that sort of thing.

My point in saying this is that even the biggest American corporations gain if they can work comfortably with an Embassy. I know of many American corporations who have misgivings about keeping in touch with an Embassy, because they believe that Embassies misuse corporate proprietary information and sometimes leak it to people to whom it shouldn't be leaked. Either to the government with which they're negotiating or to their competitors. I've always treated corporation confidential material as carefully as I treated US security classified material. I think that Bill Kelly was able to persuade his superiors at Ford headquarters that we had a very effective and helpful relationship.

I was able to help a couple of other American companies -- Texas Instruments at one point, Digital Computer Corporation at another point -- sometimes by helping them to cross talk with other American corporate managements within Portugal. Remember that these factories were not all in one industrial park, so that the management of a factory South of Lisbon normally wouldn't be talking to the management of a factory near Oporto. However, I had a series of business meetings that took place regularly which allowed them to cross talk. Issues would arise. For example, Portuguese entry into the European Community meant that Portuguese citizens were free to go to work in other countries under the new European Single Act. Although this didn't mean much to hod carriers and grape pickers, it meant a great deal to certified public accountants, production engineers, and certain other professionals. Suddenly, companies in Portugal -- Portuguese as well as American -- were discovering that if they didn't double or triple the compensation they were paying to a senior professional, that person might go to Madrid. The cost of living in Madrid was higher than it was in Portugal, but the professional couldn't resist the much higher income. Or the Portuguese professional might get an offer in Bordeaux or Lyon, France. So the costs of companies established in Portugal were rising sharply in a way that they hadn't anticipated. This problem was another issue that we took up with American companies in Portugal.

There were no major aircraft sales at that time, although I had been instrumental in helping Lockheed to sell Tri-Star jet transport plane aircraft to the Portuguese airline at an earlier stage.

Q: What about the political situation in Portugal when you were Ambassador? What were our concerns? This was a transitional period. During this period we saw the Soviet Union cease to exist, or we were getting close to that point. Portugal was working out the kinks of its revolution. What were our interests? How did we deal with the various political parties?

ROWELL: Glasnost [openness in Russian] and Perestroika [restructuring in Russian] had arrived. From my point of view the most significant implication was that there were openings to try to solve the civil and guerrilla wars going on in Angola and Mozambique. We had a series of negotiations with the Soviets. The negotiators sometimes met in Italy because Italy was a major factor in trying to broker peace in Mozambique. Some of the meetings between the US and the Soviets were held in the American Embassy residence in Lisbon. For that purpose it was the Russian Deputy Foreign Minister for African Affairs, whose name doesn't immediately come to my mind right now. The US negotiators were Frank Wisner and the non-career Assistant Secretary of State, Chet Crocker, a well reputed academician. They both came. Sometimes the sessions would last for three hours at a time in that residence. Once or twice these sessions were held at the Russian Embassy, but most of the time they were held at our Embassy residence. I was present a couple of times but did not participate in them, for the most part. The negotiations were not between me and anybody in particular. I was providing facilitative assistance.

The Portuguese were delighted to have these negotiations taking place in Lisbon in view of their deep involvements and major economic interests in both former colonies. One of the interests the Portuguese had was the \$400 million World Bank loan they had taken out just before the revolution of 1974 to build the Cabora Bassa Dam in Mozambique. The dam had been built, but Mozambique wasn't able to make payments on the loan because guerrilla activities kept interrupting the flow of electric power to South Africa, which was the principal customer. At the time South Africa was still a pariah country. This meant that, since the Portuguese Government had guaranteed the loan, Lisbon was stuck with making the payments. They were anxious to get out from under that.

I said earlier that in terms of internal politics, Portugal was well past the immediate, post-revolutionary phase. The Portuguese Governments were lasting for a full term of office. They had clear programs which basically were private sector oriented toward integrating the country into the European Union and making the most of Portugal's membership in it.

Q: It sounds as if you could call this a very comfortable relationship with Portugal when you were there the second time.

ROWELL: Yes. However, there was one aspect of my strategy for dealing with the country, the defense relationship, which had been at the heart of our associations with Portugal since World War II. This was now declining to third, fourth, or fifth place in terms of daily business. The use of Lajes air force base in the Azores might or might not go down, but the relationship involving large transfers of US military assistance certainly was finished.

I needed to find something else to sustain a relationship that, on the whole, had been very positive. It had been good for us and good for Portugal. It was the kind of thing that we needed to sustain. I looked to cultural and educational relations to help to sustain that relationship. Obviously, to the extent that we had American firms that felt that they saw an opportunity for investment in Portugal, that was one major component of a good relationship. American firms know their own business. I wasn't telling them to invest in Portugal because it was good for the US. What I did tell them was that if it was going to be good for them to invest in Portugal, I hoped they would do so. I knew that the Portuguese would treat them well and would stick to their agreements. That kind of association was what we had to have to sustain an easy, workable relationship for the long term future.

On much the same grounds I tried to use my role as a member of the Board of Directors of the Luso-American Development Foundation to get the foundation to increase resources allocated to Portuguese universities to help them enhance their relationships with American universities. The objective was to ensure that there were more exchanges among faculty members and somewhat more exchanges among students -- exchanges involving research projects that would be of interest on both sides of the Atlantic Ocean. Although the foundation would provide seed money, in the end we all recognized that these relationships would have to become self-sustaining and that intellectual and personal ties would have to take form. In future years this would lead to the creation of additional research projects that might help Ph.D. candidates to obtain funding from the kinds of resources normally available to universities. Such funding could come from foundations, government research grants, or something like that, and would not be dependent on the Luso-American Development Foundation. It definitely would have nothing to do with our old defense relationship.

The initiative on education worked reasonably well. I know that the Luso-American Development Foundation still supports those kinds of relationships. In fact, the Foundation occasionally sponsors lectures and meetings in Washington, DC.

When I arrived in Portugal, the Foundation was in danger of spending itself out of business. We reversed that. Basically, this was done by reversing the size of the American input. Before my arrival there had been a tendency to treat the Foundation almost as an AID type operation. AID's philosophy, when it implements a project, is to get the project started and then get out. There were some people in AID who felt that, "Well, we provided all of the capital for this," and indeed we had. One of the areas where we short-changed the Portuguese on the agreement that had been signed before I arrived was in the capital going to this Foundation. We weren't paying into it, although we had committed ourselves to do that. Of the funds we provided, some were used to subsidize the Azorean Government and some went to the Foundation. Our appropriations shortfall was so large that the Portuguese Government had to take out of its own Treasury funds to make up for our shortfall in terms of subsidies to the Azorean Government. So there was nothing left for the Foundation.

However, the Foundation's Portuguese directors managed to get additional contributions from the Portuguese Government. We changed the basic approach to projects. There were more co-sponsorships. There was a smaller share, in terms of seed capital for various projects, and there was more emphasis on technical assistance. I am happy to say that the Foundation continues to

function. I think that it is a very good institution. The objective was to bring its expenses to a level that the interest on the endowment could support.

Q: Speaking of foundations, you mentioned the Gulbenkian Foundation. I think of Gulbenkian as being a wealthy, Armenian arms dealer or someone of World War I vintage. Or was it oil that was the source of his wealth?

ROWELL: It was oil. He traded in oil and he got five percent on every deal. That was his margin. He had enjoyed living in Portugal from time to time, though his preferred residence was London. When he was close to dying, he asked his lawyer, who happened to be a Portuguese, a man named Azeredo Perdigão, to propose to the British that his beautiful but small art collection might be given to one of the British museums in London -- I don't know which one. This impressive collection included antiques going back to 2,000 years before Christ, some of them Chinese artifacts. Gulbenkian said that he would provide the money to build an appropriate wing to house his collection. He would then provide an endowment to ensure its permanent care and so on.

The British said, "No." They said that they ran their own museums. They would be glad to have Gulbenkian's collection but they would manage it in their own way. That didn't satisfy Gulbenkian. He asked, "Where should it go?" Perdigão said, "Why don't you put it in Portugal? Portugal's always been good to you, and I'm sure that the Portuguese Government would accommodate your desires." They did. Gulbenkian set up the endowment and built the museum in Portugal. In 1988 the endowment was worth between \$1.2 and \$1.5 billion. It included some assets that were not producing much income but were appreciating in value. The Gulbenkian Foundation was spending about \$60 million a year on its various activities. So, in addition to the original museum, it supported a performing arts program, a resident orchestra and ballet company, visiting companies and performances, and all kinds of good things. The Gulbenkian Foundation also funded some chairs of Portuguese language at universities in the United States. It contributed to the restoration of Portuguese installations in Asia which had been constructed during the age of discoveries, including cathedrals and churches -- that kind of thing. It is a big deal in Portugal. It is, perhaps, the Portuguese equivalent of the Ford Foundation.

Q: Did the situation in the Persian Gulf in 1990-91 between Iraq and Kuwait boil over when you were in Portugal, or was that after you were there?

ROWELL: That was after I left Portugal.

Q: Was Portugal ever used as a kind of neutral ground by the PLO [Palestine Liberation Organization], Israel, or anybody else for meetings?

ROWELL: No. The Portuguese liked to think that they were a kind of neutral ground. They were relatively unconcerned about the prospect of terrorism until there was a murder at a meeting of the Socialist International in the Algarve [south coast area of Portugal] in my first period in Portugal, 1978-83. It was a terrorist act. At this point I simply don't remember who was killed, but it clearly involved a PLO-type assassination. I am reluctant to say the PLO, because I don't think that the PLO did it. It may have been the PFLP-GC.

Q: It was a kind of Middle Eastern terrorist act.

ROWELL: It was a kind of Middle Eastern terrorist act against another country in the Middle East. That incident shocked the Portuguese. They suddenly realized that there is no permanently neutral ground. You cannot always expect that people will respect your territory because they need it as a place to base themselves or get together. The Portuguese instituted more serious customs inspection programs.

Q: Did Portuguese-Americans play any part in matters you were concerned with? There are quite a few Portuguese in the United States, particularly on the East Coast.

ROWELL: At the time the most prominent Portuguese-American was Tony Coelho, a Democratic Congressman from the San Joaquin Valley in California. He was quite high in the Democratic Party hierarchy in the House of Representatives. He visited Portugal a couple of times during my tenure there as Ambassador and was received very well. I think that he was the Democratic Whip in the House of Representatives.

Q: I think that you're right.

ROWELL: I would say that he was encouraged to come to Portugal. The Portuguese understand the way the American Congress works well enough to know that having a Portuguese-American in such a senior, influential position in the House of Representatives was a good thing in any case and potentially quite useful. However, I don't recall any specific instance in which this made a critical difference.

Q: You didn't have anything like the Cyprus issue, as Greek-Americans do.

ROWELL: No. We didn't have that kind of problem. Coelho didn't represent enough influence to make a complete exception for Portugal as we were cutting back on our appropriations for defense cooperation.

Q: I only have one more question on Portugal, but there may be other things that we will want to raise.

ROWELL: Would you state the last question again?

Q: What was your impression of Mario Soares as President of Portugal and, perhaps, in his previous positions and where he was at the time you were there as Ambassador?

ROWELL: I'll answer that next time, because I have a lot to say about him.

Q: Today is May 8, 1996, and is a continuation of the interview with Ambassador Ed Rowell. Ed, can you talk about Mario Soares during your second tour in Portugal?

ROWELL: Yes. You are asking about my impression of Mario Soares during the period from 1988-90 and whether the man had changed. My answer is that the man was remarkably consistent. He had mellowed quite a bit in the first years after the revolution, when he realized that socialist ideology was inadequate for governing a country or even for dealing with many of the problems of government in the economic field.

As I mentioned earlier in this interview, he had at least twice pushed a Socialist-led coalition government to take serious monetary measures to stop inflation and get the country back on a healthy economic track. Each time the coalition government paid the political price by being voted out of office.

Now he was President of Portugal. He was seeing the issues of government from a very different perspective. He had been one of the main contributors to the post-revolutionary, Portuguese constitution. He had insisted on a structure which paralleled that of the French Fifth Republic -- what they called a semi-presidential structure. Under this system you have a President with some authority. You also have a parliamentary, ministerial style of government with some authority. And the dividing line isn't always clear. When you have strong personalities from opposite political parties in each office, that of the President and of the Prime Minister, with different philosophies, you have friction.

There had been friction in Portuguese governments from the first day of the ratification of their new constitution. The first President under the constitution, Ramalho Eanes, had been the Army lieutenant colonel (and later a general) who led the revolution. He had the feeling that the President needed to be a power center, a powerful figure. This would have followed the pattern that had been established by Salazar, for example, who had been Prime Minister under a figure-head President. Well, the revolution was undoing everything. This was to be a real President, elected to be President. Eanes felt that he should have much broader powers, something closer to an American style presidential system.

Soares had disagreed with this view from his positions as Prime Minister, when he was Prime Minister, and Foreign Minister, when he was Foreign Minister. He attempted to moderate Eanes' view of the presidency. When he was in office as President, Soares stuck to his guns. He felt that the presidency had real powers but that he had to be very careful not to intrude on the powers that had been written into the constitution for the government and the Prime Minister.

Soares was a Socialist. The government, when Soares was President, was Social Democratic. There were times when the Portuguese Government did things that Soares disagreed with, but he was careful to use his presidential powers strictly within the limits of the constitution. He avoided overstepping those powers.

I had assumed that Soares would behave that way anyhow while I was en route to Portugal to take up my post as Ambassador. During my first meeting with Soares in the barber shop the day after I arrived in Lisbon, we talked a little bit around this subject, but not in depth. I had a sense that I was right. When I presented my credentials very shortly thereafter, and we had a private

conversation after the ceremony, I left that conversation, knowing that I had been right. That brought me to the first major decision I had to make as Ambassador.

Within a week after my arrival a major change was proposed for the charter that governed the Luso-American Development Foundation. It was endowed primarily with funds that had come from the Azores Base Agreement. The American member of a troika of executive directors at the Foundation had wanted to stick very closely to a developmentalist philosophy. The Portuguese executive directors -- one of them a Socialist and the other a Social Democrat -- pushed for something that came closer to meeting the political needs of the country. When Cavaco Silva, a Social Democrat, became Prime Minister, he and the Social Democrat executive director of the Foundation concluded that it was time to tighten up the charter of the Foundation to give the government a little more say in its activities and to reduce what Cavaco Silva perceived to be an excessive American role in dictating the activities of the Foundation.

The man who had been Chargé d'Affaires in the Embassy -- at that point my DCM [Deputy Chief of Mission] -- came to me and said...

Q: Who was that?

ROWELL: That was Wes Egan. Wes told me that a draft law to revise the charter of the Foundation was moving through the Portuguese Government. The Foundation's charter had been established by law. The effect of the law would be to increase the size of the Board of Directors, increase the weight of the Portuguese representatives, and thus make it more responsive to Portuguese national needs, as perceived by the Portuguese directors. I was pressed to ask Mario Soares to intervene and veto the law, which he could do. Then the law would have gone back to the Portuguese Congress in a process similar to our veto override process.

I considered this and then rejected Wes' recommendation. I believed that it would have put Mario Soares in a position of having to choose between the way he felt that the presidency should relate to the government and a certain sense of responsibility for Portuguese-US relations and the relationship with the US Government. Never mind our personal relationship which, actually, was quite good. It had been quite strong. I felt that this was not an issue that demanded that weighty an outcome. This was, after all, a development foundation. It had a limited endowment of \$90 million whose purpose was to do good. These funds had come from the US Government to the Portuguese Government under the Lajes Base Agreements. In turn, the Portuguese Government had transferred this money to endow the Foundation. Its purpose was to use the endowment as an instrument to do good works that would have a Portuguese-American quality to them, in the sense of long term cooperation. I felt that, had I supported Wes' request, we would have been undoing that long term objective if I put the Portuguese President in such an awkward position.

This outcome would have been bad for the US-Portuguese relationship and, ultimately, for the Foundation because a Presidential veto would have been overridden in that particular case. It would have been the wrong thing to do. It related to the way Soares was playing his role as President.

Q: You're talking about your relationship to the Portuguese Government, in this case. What about your relationship to the American Government? Where was the pressure for you to persuade him to veto this law coming from?

ROWELL: On the whole, Washington didn't care. Washington would have cared if my actions or my decisions had further complicated the situation affecting US use of Lajes air force base in the Azores or had created some additional negative aspects in the overall relationship, which could have complicated something else. However, the kinds of concerns I have described were the kinds of things that Washington usually left up to its Ambassador.

Q: Where was the pressure coming from?

ROWELL: It was essentially coming from the American executive director at the Foundation, from some members of the American Community, and from within the Embassy. They saw was a dilution or significant diminution of American influence in the operations of the Foundation. They feared that significant politicization in the use of its funds, corruption of its purposes.

Q: This is Tape 8, Side A of the interview with Ambassador Ed Rowell. You were saying...

ROWELL: That was a real risk, and no question about it. In fact, there had been at least one project, at the time I arrived in Portugal which had been approved almost wholly on a political basis. It didn't have a good economic, developmental, or people-centered purpose to it.

However, in the end what I had counted on was the need of the Foundation and its directors for survival. Survival would require that the Foundation not become merely a political tool of any particular government, because when that government fell the Foundation would end as well. Moreover, if the Foundation had played that game, it probably would have started to draw down its endowment at a rate that would have bankrupted it within a few years. In retrospect, certainly during the time that I was there, there were no new special political demands on the Foundation after the composition of the Board of Directors changed. I really don't know what has happened since 1990 when I left Portugal. This is now 1996, and I can say that the Foundation is active. It has projects in the United States that help to tie American and Portuguese educators together and to promote an understanding in the US of what Portugal is and its history. The Foundation conducts other projects in Portugal and Africa. It has not bankrupted. The Portuguese Government has changed, but the Foundation is still in business. So I think that it has come out well.

Now, back to the first question, which concerned Mario Soares. I've dealt with the question of how he saw himself in the presidency. During his years as President, and certainly during 1988-1990 when I was Ambassador to Portugal, he sought to be the embodiment of the presidency as he had conceived of it when he helped to write the constitution. So he was very circumspect in terms of when he confronted the Government and when he did not. He tended to emphasize his role in the foreign affairs field, which was a field substantially reserved to the President, rather than to the Government. So much so that, for example, during my two tours in Portugal, the

Minister of Foreign Affairs typically would have a meeting once a week with the President. In the conduct of foreign relations that was a Presidential, not a Government responsibility, although the Government maintained the Ministry of Foreign Affairs and provided its budget.

Soares had become a kind of beloved, almost Teddy Bear like figure for the Portuguese public. He is charismatic and warm. He puts his arm around people and talks to them in a very human way. It is easy to see how he could be a successful politician. People gravitate to him.

During the period 1988-1990 he was nearing the end of his first five-year term as President. He was going to run for a second term. The constitution permits up to two consecutive terms. There could be more terms after a gap following the second, consecutive term. He had undertaken a series of regional visits to different parts of the country -- to the Azores, to Madeira, to the northeastern, remote part, the central, mountain part, and so on.

I remember that on one Portuguese National Day -- I think this was in June of 1988 or 1989 -- he'd gone to a series of events in a place called Castelo Branco, which is in the East Central part of the country near the Spanish border. The weather was wet and cold. The town was going through a pageant that was part of its medieval lore. There was Mario Soares, seated on a dais, slightly raised, with a cloak over his shoulders -- the embodiment of a renaissance painting of royalty in full regalia. There, on the stage, were lambs and kids [young goats] with their feet bound so that they wouldn't run away. There were bales of hay, baskets of potatoes, corn, and other foods, and a procession [passing the dais] of schoolchildren paying homage to the President in this medieval reenactment. In the first place, it was touching. But it was also very funny that this Socialist, who had helped to write a democratic constitution, was there in the role of the king in that pageant.

You need to remember that the Portuguese have a kind of myth about a man named Sebastião, or Sebastian, who was a teen-aged king toward the end of the 16th century. He led Portuguese nobles in a battle against the Moroccans at a place in Morocco called El Ksar El Kbir, near the northwest coast of Morocco. Through a series of misjudgments, the king and his nobles were all killed. There was no immediate heir to the throne, and Spain took over the country. Portugal remained under Spanish domination for the next 80 years or so. This is an important element in a Portuguese schoolchild's history of the country. There are all kinds of stories about Sebastião returning on his white horse from Morocco to save Portugal -- from what? Well, obviously, at the end of the 16th century, it was from the Spaniards. But even today there is sometimes talk of Sebastianismo -- and that means dreaming about someone who arrives on a white horse to save them from the crisis of the moment.

Well, the Portuguese had been through a revolution and times were getting better. However, for some people things were still tough, as they always are. For somebody, in any country, things are always tough. So there was always an aura of Sebastianismo about this. Soares was the man who, somehow or other, had led that march down the Avenida da Liberdade in 1975, who had helped to write the constitution, who had been Prime Minister, and who now was President. He was sitting there, telling the Portuguese that things were going to be all right. He was saying that Portugal was stable and was going to be safe. You could feel that in the crowds. It was very, very interesting. Later the Diplomatic Corps, including myself, accompanied Soares on a couple of his

other regional visits, including one to the Azores. These visits were good, but none of them had medieval pageantry about them the way that event in Castelo Branco did. To me, that one picture kind of summarized Soares' role in the country.

Q: You knew each other off and on for some years. Did he ever talk to you about the American Government and the American presidency--just to get a feel for how it worked? Did this ever come up?

ROWELL: No. That subject never arose. His own model was France. He was aware of the problems that France had encountered with its two constitutions of the Fourth and Fifth Republics after World War II. He had attempted to deal with those problems when he was helping to write the Portuguese constitution after the revolution. Soares' education outside of Portugal had been in France. He is a Francophile. He is very warm toward the United States but basically he is a Francophile and was a personal friend of the late François Mitterrand the former French Socialist President, who held that job for 14 years. So he had looked to France, both as a model and as a warning signal of the problems that could arise in that constitutional model. He didn't really ask us how we worked. We are a totally presidential system, as are the other governments of the Americas.

He really didn't want a purely presidential style of government, partly because he mistrusted it in the Portuguese cultural context. He feared that if you concentrated as much power in one hand, as he perceived American Presidents to have, then there would be a greater risk of a reversion to some new Antonio De Salazar, Portuguese Prime Minister and de facto ruler from 1932 to 1968. He deliberately split power between a Prime Minister and parliamentary government, on the one hand, and the Presidency, on the other hand, to prevent any one person from acquiring the level of power that Salazar had enjoyed. You need to remember that during the Salazar-Caetano period, the President of Portugal was a pure figurehead. The Portuguese President at that time had no power or authority at all -- much like the President of the Federal Republic of Germany today.

Q: I'd like to capture something in a nutshell. You were an American Ambassador. You grew up in the Foreign Service system. The President of Portugal was a Socialist. How did you and, by extension, other Americans, view socialism at that point--its strengths, weaknesses, and so forth. Sometimes, socialism is almost a bad word in the American political context.

ROWELL: The answer is that I've never bet on labels. I've always bet on what facts and specific persons -- how were things actually operating. Soares was a dedicated Socialist, but he ran his governments and adopted policies geared to market economy principles and to a limited role for government. Nobody ever questions Soares' motivations or those of his party stalwarts who were in government with him -- nor, for that matter, the other democratic parties that competed with them -- in terms of their dedication to their country, to making the economy work better, to seeing that people were better off, and to consolidating democratic rule. Disagreements were on policies, how best to arrive at the overall goals.

So my problem as an Ambassador was to make sure that Washington looked through the title of Socialist and at the realities. I met a lot of visiting American businessmen who were coming

through Portugal. We were actively promoting American exports and, where it made good sense, American investment. I always told them about the two times that Mario Soares was voted out of office because he was straightening out the economy and cutting gross overspending. I said, "So that's this Socialist. Think of him as the man who takes those kinds of decisions when they're necessary. Don't think of him just as a socialist." That's a critical difference.

Q: I wonder if you could talk a bit about the role of visits, both official and others, to Portugal. I'm not talking about tourist visits, but other visits, including Congressional visits. How did you as the Ambassador structure these and what were you trying to gain from them?

ROWELL: I really have to break the answer to that into my two, separate stays in Portugal. We had many more visits during my first years in Portugal in 1978-1982 than during 1983, and then during my return as Ambassador in 1988-1990.

During those earlier years my objective was to get people to understand, first of all, how close Portugal had been to a Communist take-over, and how much courage the Portuguese has displayed in defeating that Communist effort. Second, I told them what I just told you about Mario Soares as a Socialist. I wanted them to understand that this was a man who was a democrat first of all. Third, I wanted to help them see how the Portuguese were coping with all of the enormous adjustments that they had to make following the revolution. Remember, in those first years they did not yet belong to the European Community. They were having to do things on their own as a separate country. They had had to absorb an influx of people that amounted to roughly seven percent of the total population. Think of that. If that were the US today, that would mean absorbing roughly 18 million people in the course of one year.

Q: And these people were hopping mad, too. We're talking about the people coming to Portugal from the former African colonies.

ROWELL: Yes, they were mad, and so on. Portugal absorbed these people with great skill. They had the resources to deal with them, but they also had liquidity and budgetary problems. So my objective was to get American legislators and senior American executive branch officials to see the scale of the problem in relation to the size of the country. Secondly, to see how the Portuguese were addressing these problems. Thirdly, to get them to see how the Portuguese were relating to the United States, first of all, and then to the other NATO allies, since Portugal was a NATO member. One of the prerequisites for being a member of NATO was that the country must be democratic. There may have been some questions about one or two of the members at one time or another earlier in NATO's history, but at that point that was considered an absolute requirement.

Q: Greece was one example.

ROWELL: Finally, I sought to make sure that these senior American visitors understood Portugal's role in NATO, both in terms of overall NATO strategy, and, secondly, the role that Portugal had played vis-a-vis the United States during certain crises, most particularly the Arab-Israeli conflicts in the Middle East -- the 1967 and the 1973 wars. For doing this Portugal had paid a certain price in terms of its relationships with Arab nations. In that regard that had affected

the reliability of Portugal's energy imports, because Portugal has always had to import energy -- including petroleum products.

So I regarded these visits as an opportunity for the visitors to see these problems. The way I described them sounds as though I was reading from a book. But these visits were an opportunity to meet the people who were managing these problems. In other words, to meet Mario Soares, to meet a Prime Minister and a Foreign Minister, and to make personal judgments about the caliber of these people. Cavaco Silva has just left the government. He was voted out in December, 1995. He was Prime Minister for 10 years. He was the son of a gas station attendant. He had managed to earn his education the hard way. He'd taken his Ph. D. degree in economics at the University of York in England. He was a very serious man with a very good sense of how you make a market economy work. He was also interested in trying to make the system work so that the little guy was taken care of; taken care of in the sense that he had his opportunities, was not going to be allowed to starve, and his kids weren't going to die for lack of inoculations or be crippled for lack of a doctor to set a broken bone. That sort of thing.

I wanted our legislators to sense, first of all, that the US had significant security interests at stake. Secondly, that Portugal was a country whose values meshed with ours. Thirdly, that it had leaders whose measure our Congressmen had been able to take personally because they met and talked with them. The Portuguese leaders knew what they were doing and merited our confidence. So, for me, every one of these visits had a purpose and was useful. And, from my personal point of view -- and my wife shared that -- it never hurts to know another Congressman. We used these visits as opportunities to establish our own personal relationships with individual Congressmen.

Q: In what context would you say that "it never hurts to know another Congressman?"

ROWELL: You never know when some Congressman is going to be sitting in a critical chair in some committee or subcommittee that can affect our foreign relations. Say that you've met the Congressman personally and he's sat with you in your home. You've had a meal together and have called on significant personalities together. You've followed this up by sitting down and chatting a little bit about that meeting, about the personality involved, and what was going on. The Congressman has had a chance to decide how good, or not so good, I was and to know whether he feels comfortable with me, and so on. If the personal relationship felt comfortable, I always felt that I could pick up a phone and talk with the Congressman directly at some future time if that would help to resolve an important foreign relations problem I was working on. Now, that might not change the way things were going, but at least it gave me a real window.

It's one thing, if you're calling cold and say that you're the Ambassador to X country. The Congressman will be polite -- he or she may not have met you. But if he's met and talked with you, if he remembers you, that broadens the field in terms of the ability to discuss the issue.

Q: Were there any problems regarding Portugal in our Congress during this period?

ROWELL: The principal problems were related to the budget and the fact that it was already shrinking substantially.

Q: You mean the American budget.

ROWELL: The American budget. We were cutting back dramatically on the types of assistance that had been written into our agreements with Portugal. For example, I had to renegotiate a base agreement to get the Portuguese to accept a lower flow of assistance than we had promised. The year after I left that issue was on the table again, and the assistance agreement was again being renegotiated down. That was the main problem.

Q: You mentioned that the French influence on Soares was considerable. Portugal was part of NATO. The French were still playing this game, begun by De Gaulle, of not being in the military part of NATO, yet being in the North Atlantic Council. It was a very peculiar situation with France. Did this have any impact on the Portuguese view and performance in NATO, either military or political?

ROWELL: No, France's decision to withdraw from NATO, the military structure under the North Atlantic Treaty was strictly its own. The Portuguese were never tempted to parallel it, for reasons of their own profound national interest. First of all, they understood that the ability of the US to use Lajes Air Force Base in the Azores to resupply Europe or Israel (as we had) or to ferry supplies to the Persian Gulf area (as we had in 1990-91) was Portugal's single most important contribution to NATO. They understood also that without that contribution, there wasn't much of a Portuguese role in NATO, and Portugal's status within Europe would decrease substantially.

Beyond that, even though Soares and many Portuguese are Francophiles, raised in a French-style educational system, Portugal's oldest treaty relationship is with Britain. The Portuguese have what they call an Atlantic mentality, meaning that they had looked to the sea. Their relationship with Spain is back to back. The Portuguese spinal column is against the Spanish spinal column. Spain, as the Portuguese presented it, was a Mediterranean country with classic Mediterranean relationships with North Africa and with France. Portugal was Atlantic, with an oceanic viewpoint that reached to Brazil and around the Cape of Good Hope to the Indian Ocean and the Pacific Rim. So in terms of global situations and military positions, strategies, and relationships, Portugal has kept itself allied with Britain since the late fourteenth century. There were always tensions between Portugal and Spain in the Iberian Peninsula. As I mentioned earlier in this interview, the alliance between Portugal and Britain is based on one of the oldest treaties still operating in the world. This set of treaties is still called the "Treaties of Windsor," dating from the 1380's. It is still in effect, still invoked and applied, as of today at the end of the 20th century.

Had Portugal attempted to do what De Gaulle did, the Portuguese would have been ostracized in NATO. They weren't big enough to carry it off by themselves, and they were never tempted to do it. It just ran totally against their "Atlantic" interests as they perceived them.

Q: Let's talk a bit about the role of the Portuguese Army during this time. In the first place, during the time of the Portuguese revolution, there was great concern in the United States, and I guess elsewhere in NATO, about the Portuguese military sitting in on their plans. It was felt that they might have a direct tie to the communists and, through them, to the Warsaw Pact and the Soviet Union. Had that had any impact? I think that we had kind of frozen them out, hadn't we?

ROWELL: I think I answered this point earlier in the interview, but just for the record...

Q: I'm really talking about how they felt about it now.

ROWELL: After the revolution, when the communists were in key positions in Lisbon, the Portuguese military representatives at NATO, unilaterally and on their own initiative, absented themselves from those NATO meetings where, for example, our nuclear strategy was being discussed. They refused to hold for deposit, as they were entitled to hold, NATO documents related to NATO nuclear strategy, as well as certain other military preparedness and planning documents. They simply said that if they held the documents, they had to report to Lisbon and forward them to Lisbon. They felt uncomfortable about that, given the uncertainties surrounding what was happening in Lisbon. So they refused to take possession of the documents. That was a decision unilaterally taken by the Portuguese military representing Portugal in NATO. This decision wasn't countermanded by Lisbon, because Lisbon was too busy in the immediate, post revolutionary period.

So NATO never had to say anything to the Portuguese military representatives. NATO never took a resolution imposing anything on the Portuguese representatives. NATO accepted this Portuguese initiative and lived by it. During the 1980's and 1990's, those Portuguese military who were still on active duty and who remembered the immediate post-revolutionary period -- and remember that I'm talking about it 15 years later -- knew that what had happened had occurred as a result of Portuguese initiative. They hadn't been run out of NATO. They hadn't been chastised or had their personal relationships cut off or anything like that. They had been treated with decency, and there were no repercussions.

They felt considerable frustration with NATO. They had not received the level of military assistance that they expected, now that everything had settled down, to help them convert their military structure to one wholly dedicated to NATO purposes. By 1988 the main *raison d'être* of the Portuguese armed forces was to perform a NATO role. That required an upgrade of the Air Force and the equipment it had. It required a radical upgrade of the Navy and the equipment it had so that it could play a much more significant role in the protection of the North Atlantic sealanes in the context of anti submarine warfare. It meant some significant reconfiguration within the Portuguese Army itself, so that it could provide the rapid reaction forces that it had pledged to NATO.

All of that required a lot of money. New jet airplanes are not cheap. Modern anti submarine frigates are not cheap. Even modern Army equipment is not cheap. Take a look at an American military unit, of the kind we have in Bosnia, for example. Never mind the armor but just the battlefield electronics, which play an enormous role today. The Portuguese Government didn't have the resources to buy this kind of equipment. NATO pledged military assistance. It was slow in coming. The process was cumbersome. The negotiation process on Portugal's three anti submarine frigates ran on for six or seven years. That's where the Portuguese armed forces felt their frustrations and resentments.

Q: Were you in Lisbon at the beginning of the crisis in the Persian Gulf in 1990, when Saddam Hussein overran Kuwait?

ROWELL: No. I left Lisbon in April, 1990. Saddam Hussein did not seize Kuwait until August, 1990.

Q: At the time that you were leaving Portugal, did you see any particular clouds over the US-Portuguese relationship? How did you feel about it?

ROWELL: The only cloud was the question of having to rewrite the base use agreement covering Lajes Air Force Base in the Azores. US military assistance had been cut well below the level that had been anticipated, and that primarily impacted on the rate at which the Portuguese armed forces could equip themselves for NATO missions. Although glasnost and perestroika had arrived, the Soviet Union still existed.

Q: And there were still a lot of Soviet subs...

ROWELL: Still a lot of Soviet subs out there in the Atlantic Ocean and still a lot of negotiations going on regarding the treaty to reduce conventional weapons, still a long way to go on the START II [Strategic Arms Reduction Treaty] agreement, and still a lot of problems in terms of nuclear non-proliferation, so...

Q: And also we didn't know whether this movement toward improvement in the Soviet Union was just a blip before it went back to what it had been before.

ROWELL: That's right. The Berlin Wall had not yet fallen.

Q: Well, is there anything else we should talk about regarding Portugal? As an old consular hand, did you see any big consular problems of any nature that you can think of?

ROWELL: No. All of the consular functions ran normally. There was the usual flow of Portuguese immigrants from the Azores and northern Portugal to areas in the United States where Portuguese have typically concentrated. That is, southeastern Massachusetts, Rhode Island, and California. There may have been some shepherds from former Portuguese territories such as Cape Verde in Nevada ...

Q: The shepherds were usually Spanish Basques, but there had been some Portuguese shepherds.

ROWELL: The flows were normal. There were no unusual demands for immigrant visas. There was an aircraft crash in the Azores while I was in Lisbon as Ambassador, a nasty one involving a charter airplane flying from Germany to the Dominican Republic. I think that the aircraft was registered in the United States, so we were involved. There were some Americans, although not too many, on that plane. We had the usual emergency response team deal with that disaster.

Apart from that there was the normal run of American citizen problems during the tourist season, when people are being robbed, cars are broken into, and purses snatched. It happens all over the world now.

Q: When you left Portugal in April, 1990, what happened? Where did you go?

ROWELL: Where did I go and why did I leave Portugal? I left Portugal because the President decided to appoint Ted Briggs...

DAVID MICHAEL ADAMSON
Political Counselor
Lisbon (1991-1995)

David Michael Adamson was born and raised in Connecticut. He attended Swarthmore College and Tufts University. He entered the Foreign Service in 1974 and served in Vietnam, France, Panama, Portugal, and Honduras. He was interviewed by Charles Stuart Kennedy in 2002.

Q: Today is the 13th of December 2002, Friday the 13th. David, you were in Portugal from 1991 to when?

ADAMSON: 1995.

Q: What was your job?

ADAMSON: I was political consular at the U.S. embassy.

Q: Who was our ambassador at the time?

ADAMSON: Our ambassador initially was Everett Ellis (Ted) Briggs, the distinguished career diplomat in his third and final ambassadorial post and who had been my ambassador in Panama.

Q: What was the status of Portuguese/American relations in 1991?

ADAMSON: Relations were very good. The Portuguese, traditionally, are Atlanticist in orientation. They were a member of NATO. The United States had played what they saw in Portugal as a constructive role during the Portuguese revolution during the mid-1970s, when the dictator was thrown out, and democratic institutions took hold.

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

ADAMSON: Actually, they were about to have elections when I got there. The government of Prime Minister Cavaco Silva, which was a center-right government, was re-elected. He served two full terms as prime minister. He was quite a popular prime minister. He was helped by the

fact that Portugal had joined the European Community, later the European Union, in the 1980s, and received a great deal of funding from them. It was in the midst of a modernization effort, so Portugal was coming up in the world, although it was one of the poorer countries of the European Union.

Q: How did you operate there?

ADAMSON: Well, Portugal had the presidency of the European Community in the first half of 1992. That was a major challenge because we were a medium sized embassy. But, for those six months, we served as the interface, if you will, between the United States and Europe. Much communication was channeled between us. We had to do running reporting and analysis of what was going on in the European Community. That was very active and challenging work. So, it was generally very agreeable, because we had a good relationship with the Europeans and specifically with the Portuguese.

Q: What was your impression of the European Union, at that time? I guess we're talking about the European Community at that time.

ADAMSON: It was the European Community until about 1993. There was a lot of energy in the European Community. It was budding into something progressively more important, particularly economically, but also at this point, the European Community was taking on political and even security dimensions. So, it was becoming more and more integrated, while at the same time, the fifteen nation states who were members still retained their individual identities. So, it was a curious kind of hybrid, and still is, between being a true supranational state and being composed of sovereign member states. At this point, it still seems that the European Union will be a collective of individual, sovereign states with pooled sovereignty in some areas, that will never become a United States of Europe the way we are a United States of America.

Q: Did you find any concern on the part of the Portuguese about the European parliament passing regulations that affected the entire European thing?

ADAMSON: There wasn't too much concern about that. The Portuguese were basically tickled pink to be inside this club, and to be receiving as much assistance as they were. The fact that there were certain inconveniences, like having to accept regulations that weren't ideal, you didn't hear much about that. The positive side dominated.

Q: While you were there, it seems like we had perpetual negotiations over the Azores. What was that like while you were there? Did you get involved?

ADAMSON: Yes. That was one of our big issues, along with the European Union, and following domestic politics, the election and so on. The issue of most immediate importance to us was our base negotiations. While I was there, we were negotiating a new accord between the U.S. and Portugal that would regulate our use of the air base, at Lajes, in the Azores. The U.S. executive branch had originally pledged to make its "best efforts" with the U.S. Congress to finance the purchase by Portugal of some 20 F-16 aircraft, more or less in exchange for base access. The U.S. Congress later backed away from that. That produced some real tension, bilaterally. This was

communicated to us by Portuguese Defense Minister Fernando Nogueira, Cavaco's deputy and later a candidate for prime minister, a failed candidate. So, there was tension, but eventually we got over this hurdle, by proposing a broadened agreement creating various committees and commissions, a bilateral commission with various subcommissions that would attempt to deepen, strengthen relations in a number of functional areas between the U.S. and Portugal. Basically, it was a way of hiding the fact that the U.S. didn't have really any money to provide other than the indirect economic benefits of our presence, but we could offer them a broadened, strengthened bilateral relationship. It was on that basis that the agreement was eventually consummated in 1995.

Q: Hearing you talk, and knowing nothing about it, you want some F-16s, and you get a bunch of committees, that doesn't strike me that you're getting much if you are the Portuguese.

ADAMSON: It was a bitter pill for them to swallow. But they only had two options. One of them was to break off the negotiations and tell the Americans to go home. This would have been painful for the U.S., but ultimately less painful for us than for them, because it was their major contribution to NATO and the tangible manifestation of their close relationship with the U.S. By this time, as I have noted, they were being richly financed by the European Community anyway, so their need for U.S. aid was mitigated, which was what drove the U.S. Congress to eliminate the F-16 financing. So, European monies were coming in. They ended up paying for the F-16s with their own money, and settling for this second best kind of agreement.

Q: While the U.S. Congress was digging in its heels... For example, Senator Pell has strong connections to Portugal, because he comes from Rhode Island, where there are a lot of Portuguese.

ADAMSON: I think basically there was a feeling in Congress that Portugal had grown up, was a member of the European Community, had access to rich financing, and the whole paradigm with the U.S. sort of indirectly paying for base rights, by financing weapons acquisitions, was obsolete. So, Congress just cut off the monies. This was at a time when the U.S. was dealing with a budget deficit. That was the rationale.

Q: You got there in 1991, and there were going to be elections. Did we have any interest in this election, other than watching it?

ADAMSON: We really didn't, because the opposition party, the socialist party, was also very much a moderate party, with which the U.S. had very good relations. So, it didn't matter, from our point of view, which one of the parties won. Democratic institutions were strongly embedded at this point in Portugal, so we didn't have concerns that the rules of the game wouldn't be respected. In the end, it was kind of a ho-hum election from our point of view.

Q: What happened to the individuals who caused so much concern in Portugal in the late 1970s? The young officers, and the communists, and all that?

ADAMSON: A couple things had happened. By 1991, the military had become de-politicized. They no longer had any role whatsoever in politics. They were completely subordinate to the

defense minister and to the prime minister. On the one hand, there was absolutely no question of intervention by the military, who probably at this point no longer had very many leftists anyway. On the other hand, the communist party, run by Alvaro Cunhal, although he was aging at this point, was still active but commanded little support, in the neighborhood of five percent of the electorate. They were simply not a threat. The major party on the left, the socialist party, which was about as socialist as the democratic party in the U.S., was a congenial party from our point of view.

Q: Did the Portuguese keep an eye on Africa?

ADAMSON: Yes, very much so. The Portuguese had an intense interest in Africa, which derived from the fact that they were active colonialists in Africa for about five centuries, from the late 1400s, until they left Africa in 1974, 1975. They were our primary European partner in trying to broker peace accords in the former Portuguese colonies of Mozambique and, particularly, Angola. Angola was a resource rich country but had been in civil war since the Portuguese left in haste in 1975.

Q: Did you and our embassy find yourself involved in this thing?

ADAMSON: There had been accords brokered by Portugal, the U.S. and Russia, which were signed in Lisbon, but slightly before I arrived in 1991. Those accords, unfortunately, broke down. We were still active in the sense that the embassy conducted a lot of consultation with the Portuguese on Africa. We had senior Department of State Africanists, including the assistant secretary, coming through, and consulting with the African specialists, even the Portuguese foreign minister. So, there was a lot of diplomatic contact, facilitation and negotiations with the Angolan parties, taking place in Lisbon.

Q: How were relations with Spain at that time?

ADAMSON: Relations were good. That is an understatement. They were excellent between Portugal and Spain, probably the best in their histories. Nevertheless, the relationship between Portugal and Spain is a little bit like the one between the U.S. and Canada. We're good friends, but the Portuguese have a certain reserve about their neighbor, which is much larger than they are and which historically had designs on them. The Portuguese imagine, I think, that the Spanish have a certain arrogance about Portugal, that it should be just another one of their provinces. When the Portuguese look toward Europe, it's almost as if Spain doesn't exist. They sort of look as if their border is with France, with some kind of no man's land in-between. They travel through Spain without paying much attention to it. Their orientation, as far as it is to Europe, is toward Britain, with which they have a historic if somewhat controversial alliance, and toward France. Spain is often ignored, even if there is fundamentally a good relationship.

Q: Correct me if I'm wrong, but I think during this period Spain was undergoing sort of a renaissance. Affluent is probably not the right word, but it was hitting its stride as part of Europe, and shunning the old Franco times. Was that met with a certain amount of unhappiness by the Portuguese, or were they going along on a parallel?

ADAMSON: They were going along on a parallel, but perhaps on a slightly less vibrant course. The Portuguese and the Spanish actually shared very strong interests, such as insisting on structural adjustment funding from the European Community. They were two of the primary beneficiaries.

Q: You were saying that Spain was a couple steps ahead.

ADAMSON: Yes, they were a couple steps ahead of Portugal in terms of development, but they were on a parallel course. They had shared interests, in terms of continuing to lobby strongly for funding from the European Community, in terms of wanting strong European links with Latin America.

Q: Was there much communication between our embassy in Madrid and the embassy in Lisbon?

ADAMSON: Surprisingly perhaps, but very little.

Q: It's not surprising. I think this is usually the case. I would think there would be a certain Iberian unity, or something like that.

ADAMSON: Traditionally, the Portuguese want to maintain a very strong, separate identity from the Spanish. They don't think of an Iberian entity. They think in terms perhaps of a Portuguese-speaking world identity and especially in terms of a close relationship between Portugal and the Portuguese speaking African countries. They don't seek, and they don't perceive, an Iberian entity. Although they did work with the Spanish in terms of lobbying and pressing the European Community to continue substantial structural adjustment funding for them.

Q: How about Brazil?

ADAMSON: I suppose there is a certain parallel between the relationship between Britain and the U.S., and between Brazil and Portugal, except that perhaps the gulf between Brazil and Portugal is bigger, because Portugal is a country of 10 million, Brazil 170, 180 million. It really is a giant, compared to a relatively small country. The Portuguese were concerned, and remain concerned, I expect, not to be overshadowed in the Portuguese-speaking world by Brazil's economic strength, by Brazil's cultural and linguistic strength. There is a bit of an uneasy relationship, even though Portugal does seek to cement a close relationship among the Portuguese speaking countries of the world.

Q: Did you feel any emanation from the Portuguese descent community in New England, basically, maybe elsewhere? Were there any issues?

ADAMSON: That certainly was an issue the embassy focused on. In the context of the base negotiation, the U.S. had helped Portugal finance the establishment of a Luso-American foundation, known as FLAD, in the English acronym. It encouraged close cultural interaction between the two countries. A lot of that interaction from the U.S. side came from New England, and also from California, another area from the U.S. where there has been a lot of Portuguese immigration. We were certainly conscious of the Portuguese-American community. We even

encouraged the Portuguese to work with the Portuguese-American community as a way to increase their influence in the U.S. Congress.

Q: Did you get the feeling that sometimes you were trying to get the State Department, the rest of the U.S., to pay more attention to Portugal?

ADAMSON: A little bit, although we didn't have any illusions that Portugal was that important. When the Portuguese had the presidency of the European Community or of the Western European Union, then they did get attention in Washington. I suppose what was more frustrating for us was the base negotiation. It was pretty difficult to get Washington's attention. The attitude ultimately in Washington was, "Well, if the Portuguese didn't want to play the game, according to the new rules, then we would take our marbles and go home."

Q: How did you find the American military base personnel fit into the community in the Azores?

ADAMSON: Not really a problem, no. The base commander was sensitive to the Portuguese. Of course, there were certain frictions, mainly having to do with the the Portuguese labor force at the base. There were always complications and frictions over our relationship with Portuguese workers. That was probably the touchiest issue. Sometimes there were landing rights issues, transit issues. The Portuguese were sticklers on having adequate notice and things of that kind, protecting their sovereignty from their point of view. Generally speaking, the U.S. military was quite sensitive to Portuguese concerns.

Q: I guess you got there after it was over, but had the Portuguese played any role in the Gulf War?

ADAMSON: No. They didn't seem to feel particularly bad about that. Of course, they have limited military assets, but still they really hadn't played a significant role in the Gulf War.

Q: During this 1991 - 1995 period, were there any other issues that came up?

ADAMSON: Not too many. The key issues were the base negotiations, interaction with Portugal in its European Community and Western European Union roles, following domestic politics, and Africa. Those were kind of the four crown jewels of the relationship. Other issues were secondary.

Q: Well, looking at the European Community at this time, was there any feeling by you or others in our embassy about the way the European Community was developing? In a way, it was our creature. In the beginning, we wanted to get these people together so they wouldn't fight each other. But, at the same time, we were building another economic super power. Were we looking at it thinking that it was getting too successful, and they cut out our market?

ADAMSON: No, there wasn't too much concern in the economic area. Even if there were, and still are, trade frictions from time to time on particular issues, the main concern at this point was the fact that the European Union was working toward developing some kind of a defense capability, defense identity, earlier known as a security identity. There was continuing concern in

Washington that this might undercut NATO. We always worked to assure that that didn't happen. That is to say, even if the identity developed and strengthened, that it didn't undercut NATO. I think we were successful in that. That was the main concern, as far as Europe was concerned.

Q: Well then, you left there in 1995?

ADAMSON: Yes. I should add one other issue, in the context of the European Union, primarily, how to deal with the Balkans and the emerging problems in that region. There we worked very intensively with the European Community and with the Portuguese when they were in the chair. By and large, this interaction between us and the Europeans worked well. We had parallel interests and generally had parallel perceptions of the situation. The Portuguese, from time to time, were an important influence on that issue.

Q: There was this period, as Yugoslavia started to break up, and fighting broke out, the Europeans said, "We'll take over, it's a European problem." We were delighted with this. Of course, it didn't work. Were the Portuguese ready to shoulder the responsibility or were they sort of observers in bemusement of what was happening there?

ADAMSON: You're quite right that we were initially happy to see the Europeans try to take on this problem. Of course, the Europeans were not successful, and eventually had to bring us and NATO in. It was a complicating factor for us, but ultimately, I think we saw that as the only way to go. It came out all right in the end, but getting there was difficult. There had been a great deal of reluctance in Washington, particularly in the George Herbert Walker Bush administration, to get involved.

Q: Were you going over to the Foreign Ministry, encouraging the Portuguese to get involved in this Balkans thing, and we'll sit back and cheer you on?

ADAMSON: Not so much. Really by the time I was working the issue intensively, the U.S. was becoming more involved. We were working together with the Portuguese. The Balkans is not an area of the world in which the Portuguese traditionally have any interest. The main problem was trying to find an adequate interlocutor on the Portuguese side, because the Portuguese wanted to talk about Africa. We eventually did find interlocutors, and the issue was handled.

Q: Where did you find Balkan experts?

ADAMSON: They didn't have people with a great deal of experience there, but they had some excellent diplomats, such as Ambassador Cutileiro, a distinguished Portuguese diplomat who had been educated in Britain. He was given the Balkans portfolio during their presidency of the European Community. He handled it very effectively. He was a quick study and he learned the issue quite well, and later became head of the Western European Union.

Q: What was your impression of the Portuguese Foreign Service?

ADAMSON: It was mixed. They had some very capable people, and then they had some less capable, less motivated people. They tended to be followers rather than leaders within Europe.

Sometimes it was a little difficult to get into vigorous discussions with them, except on issues where they had a special concern, such as Africa. Their work habits weren't always the most impressive. They could come into the office as late as 11:00 or 12:00, and take long lunches. They worked into the evening somewhat. They generally had smart if not always dynamic people.

Q: Looking at the Portuguese government, how were decisions made? Did they have a parliament, a presidency? Where did you look for the pressure points for power?

ADAMSON: Power was primarily in the prime minister's office. The prime minister was in the position of being a strong leader of his party, having a majority in Parliament during the period I was there. This meant that it was almost one man rule, in the sense that he not only controlled the executive branch, but also the legislative branch. Portugal had a curious arrangement, and still has that arrangement. Whereby, they have a popularly elected president as chief of state, above the chief of government. The chief of state, however, doesn't have many formal powers, but he can make life a little uncomfortable for the prime minister if he wishes to. The chief of state while I was there, Mario Soares, was a socialist, from a different political party than the social democrats under Prime Minister Anibal Cavaco Silva. So, friction was quite commonplace between those personalities, and those institutions, but ultimately Soares didn't have enough power to really change most things. He could present roadblocks, delays, and he could speak out in a loud dissenting voice. In the embassy, there were two different schools of thought on this. One viewed Soares' presidency as a necessary and desirable check on the prime minister's power. The other, minority school of thought, to which I adhered, was that the Portuguese system didn't really need that check, that Soares was a nuisance, that the prime minister should be allowed to govern without the president nipping at his heels, and then the prime minister should be held to account when there were general elections. I did not see a strong prime minister as a threat to democracy but rather as a vehicle for getting things done, but among official Americans, perhaps not surprisingly given our own system, I was a minority.

Q: Soares had an international reputation at that point, didn't he, as being the one who brought Portugal out of times of trouble?

ADAMSON: That's right. He was a key player in the mid-1970s process of democratizing Portugal and making sure it didn't fall into the hands of the far left. He had always had a good relationship with the U.S., and that continued in the years I was in Lisbon. I called on him once at the presidency when the Ambassador and Deputy Chief of Mission were away, and I had a good chat with Soares; he is a great man in many ways. We didn't have any problem with Soares, quite to the contrary. For the most part, we were just bemused observers at this intermittent struggle between Soares and Cavaco.

Q: Did the changeover from the Bush administration to the Clinton administration make any difference, from your perspective?

ADAMSON: Whenever there is a change in the administration, there is always kind of a blip on the screen. There was a substantial blip on the screen when Clinton took office. This was not because his policies were radically different from Bush's. Because his emphasis was on the U.S.

economy, however, he wasn't in his initial period very interested in foreign affairs. I don't think we got him to a NATO meeting until his second year in power. The Europeans were really dissatisfied in 1993 with the degree of attention they were getting from Clinton. There were all kinds of stories about how European leaders would go to see him, and the Clinton White House was disorderly, chaotic, and they were always left waiting. They would have a 10:00 meeting with the president, and they wouldn't be on until 11:00. So, there was dissatisfaction with the amount of attention they were getting. Over time, that sorted itself out.

ELIZABETH FRAWLEY BAGLEY'

**Ambassador
Portugal (1994-1997)**

Born and raised in New York State, Mrs. Bagley was educated at Regis College, Georgetown University Law School and Boston College. She also attended the University of Dijon, France. Pursuing her interests in national politics and world affairs, she first worked on Capitol Hill and later in the Department of State as Chief of Protocol and Chief of Project and Assignments. As a Democratic Party Supporter she worked actively as Chairman, Washington area Finance Chairman in the Dukakis Presidential campaign. In 1993 she was appointed Ambassador to Portugal and served there until 1994.

Q: Today is February 10, 1999. Elizabeth you are off to Portugal. You were in Portugal from when to when?

BAGLEY: I arrived September 1, 1994 and departed the end of November, 1997, over three years.

Q: We have talked about how the appointment came about, but let's talk about the issues. Before you went out there what were the issues that you felt were the most important?

BAGLEY: East Timor was one issue that I recognized immediately. The issue was whether East Timor should become independent and receive some kind of autonomy or self-government from the Indonesians. East Timor was a colony of Portugal until 1974/75 and because the Portuguese revolution occurred, they looked the other way and allowed all the colonies to become independent – Mozambique, Angola, Guinea Bissau in Africa. The Portuguese hadn't colonized much in East Timor except to bring the Catholic religion there. So, it was Catholic, in the middle of Muslim Indonesia. It was only half of the whole island and very small, but the majority wanted to remain under Portuguese control or be independent like the other colonies. There was an uprising in 1975 led by Xanana Gusmão who is still in prison. He began a revolution, a Marxist revolution, during President Ford's Administration. In fact, Ford and Kissinger had been to Indonesia right before this and looked the other way. Clearly they weren't going to support a Marxist revolution and needed to maintain close relations with Indonesia. These Marxist revolutionaries took over and were immediately suppressed by the Indonesian forces, which then took over the island and imprisoned Xanana and his army of supporters. The Portuguese objected

and there was finally a resolution before the UN that was passed stating that Timor is defacto and de jure a colony of the Republic of Portugal, which stands today. This was a volatile issue, certainly not bilateral but an issue that always permeated Portuguese politics because it was a matter of national pride for Portugal. Portuguese-Americans also knew the issue and tried to press their local representatives to support the Portuguese position more strongly with the Indonesian government.

Q: We are talking about Massachusetts and Rhode Island, basically.

BAGLEY: Yes. It was the first thing Claiborne Pell asked me. Strangely enough during my time as ambassador, Russ Feingold, we don't know why, seized on this issue and had a couple of hearings and resolutions before Congress. It is now actually starting to move because of the instability of the Indonesian government. A couple of weeks ago it was in the paper that José Ramos Horta, the foreign minister, had indicated that Xanana Gusmão may be released from prison and put under house arrest.

The major bilateral issue was over the Lajes airbase in the Azores which we had begun to use during World War II. We had paid for it up until recently. We had a former AID administrator who actually ran this new foundation called the Portuguese-American Development Foundation [FLAD] which was setup with funds we had given. We decided finally that we were not going to pay for it any more, much to the Portuguese chagrin, but we cited the fact that as a charter member of NATO, the Portuguese should share responsibility for the common defense.

Q: We didn't need it?

BAGLEY: We didn't need it as much as we did before. It was becoming less and less important. It was used more as a refueling stop and, of course, as we got bigger planes we didn't need that. It was used as a transshipment base during the Gulf War. It was important for humanitarian shipments of supplies, but strategically it wasn't important anymore. But, the Azores are very important to the Portuguese economy. We were renegotiating the international agreement between the United States and Portugal at the time I was ambassador. They had been doing it for about two years when I arrived.

The other negotiating was a bilateral tax treaty which had been negotiated over 33 years. Those were the two bilateral issues and East Timor was a peripheral issue, when I arrived. A few more issues developed later.

Q: Well, the Azores have always been our main concern with Portugal for so long. Implicit in not paying anymore is we don't need it anymore.

BAGLEY: We decided that we didn't need it as much as we had and we brought the Portuguese, I think reluctantly, into the realization that we were NATO allies and why were we paying for a base that was supposed to help all of us. This should be part of their NATO contribution. There were 1500 Americans there supporting the island anyway, so there was a lot of that kind of justification. We didn't want to pull out and knew that the Portuguese didn't want us to either. So,

we tried to gradually convince them that we were equals, they were not dependent on us and we shouldn't be owing them money for using a base that all of NATO shares.

Q: Was this the first time we had raised the question of payments?

BAGLEY: This had been decided in 1992, so it wasn't my issue. This was just a re-negotiation of the decision that was made in 1992.

Q: Usually on these negotiations they send out a team from the Pentagon and State Department.

BAGLEY: They did. I don't think I met the team until they came for the final go around. They might have come once. They had a retired diplomat, retired from Sri Lanka. We were not supposed to be involved, which was, I thought, very strange. Here they had this team and the ambassador was not supposed to be involved. We had one political officer that was dedicated to this. I didn't get into it in real earnest until March, 1995, when both teams decided to withdraw from the negotiations and my political officer came to ask if I could help bring them back.

Q: What was your involvement?

BAGLEY: When I came to Portugal, the first thing I had to do was to convince the prime minister to come to Washington, because of outstanding problems. One problem was that my predecessor left a year before I arrived and there were lots of reasons for this. So they felt under-appreciated and neglected, as the Portuguese are wont to do. The prime minister, Cavaco Silva, had wanted to come for the last couple of years and apparently had a very good relationship with President Bush. He was a Social Democrat, probably a moderate Republican if you were to compare him to our political system. There were fits and starts and obviously he wasn't going to come until there was a new ambassador and he didn't get along at all with the last ambassador. What I did initially, knowing this was a problem, was to talk to Sandy Berger and my friends over in NSC and told them I would love to arrive in Portugal with an invitation from the White House. So, we worked it out that not only would he be invited for an official working visit, we would have a reception for him with Portuguese-Americans, which had never been done before. The reason being there the congressional elections in 1994 would naturally be in November and this was going to be in October and we were hoping to get the Portuguese constituency out to vote. We thought this would be a very good political use of this visit.

My first meeting with the prime minister was within three weeks of my arrival. We were talking about his trip to Washington the following month, mid-October. I had already been told that he wasn't interested in coming then because there was a budget problem and he was basically being coy, for whatever reason. He was annoyed. He was supposed to come before but it was canceled. It is traditionally a lunch that you have with NATO allies and this was a reception. He just wanted more than they were ready to give him, so he decided not to come. So, my first task, I felt, was to get him over for a visit.

Q: What was his name?

BAGLEY: His name was Anibal Cavaco Silva, who was probably in his early fifties. He was a very attractive, charismatic in a way, but with a dour side to his personality. He wasn't very warm. Clearly I didn't think he wanted to like me because not only was I from the wrong party (he was close to Bush), but he felt that the Clinton administration hadn't been very good to him in the last year or so, and he didn't like the former ambassador, which had nothing to do with Clinton as he was career.

I went in to meet with him with my DCM [Deputy Chief of Mission] and political officer. He wasn't terribly friendly to me. We had already been down to the Algarve, in the south of Portugal, where he is from, so we talked about that. He finally said, "Well, thank you for the invitation. I know you are here to give me an invitation to come to Washington, but I can't come because of a budget problem and I have to stay and it is just not going to work. So, I will come in January, February or March of next year." I said, "Mr. Prime Minister, maybe I shouldn't be bringing up domestic politics, but you are a politician. We are having elections in November and what we want to do is not only bring you over for an official working visit with the President so you get to know each other better, but also to showcase you with the Portuguese-American community. I have worked very hard on this before I came and I can tell you now there is too much going on in January, February and March that they have already committed to and it is not going to happen. The only time it will happen is now because it really is good for us, due to the congressional elections in November. If you could possibly look at your schedule again, I guarantee you will be happy with this visit. I will personally do everything I can to make it a success.

Well, I thought my political officer and DCM were going to melt into the woodwork they were so upset. The prime minister looked at me and said, "You know, no one ever said that to me before. You are right, I'm a politician too and that makes sense to me. So let me think about it." I got a call before I returned to the embassy saying that he would go.

Q: How did the visit go?

BAGLEY: Fabulous. In fact he wrote me a long letter before I returned to the U.S. and even came to my going away party with his wife. He wasn't the prime minister then, but he was very complimentary and engaging, which is unusual for him because he's actually a shy person who never went to social functions after he retired as Prime Minister. He wrote me a long letter and said that that was the most important trip of his life and he will never forget it. It was so special. He thanked me every time he saw me. He came to Washington with his wife, Maria, a difficult person too, and [they] stayed in Blair House for three days, got the 19 gun salute, went to Arlington Cemetery, went to the Hill, [where the Senate majority leader hosted a luncheon for him. The following morning, he was the guest of honor at a breakfast] at the Senate Foreign Relations Committee before his visit to] the White House. I went in first to brief the President, while Hillary and Maria Cavaco Silva had a talk and then Cavaco came in to meet the President.

The schedule was for a 15 minute conversation and the prime minister was a little upset with this. I said, "Mr. Prime Minister I guarantee it will be longer than that, believe me." I had told the President that he was very bright and pro-American, although he was close to Bush. They got along very well and the meeting went on for 45 minutes, which is easy to understand as the

President is very engaging and interested and they covered a whole range of issues. You had the Maghreb problems in northern Africa, the EU and other European issues, so there were a lot of items to discuss besides U.S.-Portuguese relations.

After the meeting we all walked in with Hillary, Maria, the President and the Prime Minister into the East Room and there were 250 Portuguese-Americans standing there clapping and cheering. It was a two hour reception with a receiving line, [lots of food and drink and Portuguese music]. It was wonderful! Portuguese-Americans had never been invited to the White House before, so this was a very special honor for them, and for Cavaco to see them all together.

Q: Where did you get your Portuguese-American guest list?

BAGLEY: I worked very hard on it. I called everybody in the Senate and the House personally. I had told the White House I would help them because I was worried and did want to make this a success domestically and politically for my own relations with the Portuguese government. So, I called and wrote letters to all the members of Congress who had major Portuguese constituents and asked them to fax to me and to the White House a guest list so that they could have their most prominent Portuguese constituents. What we wanted, of course, were the Democrats, but since most of them were [Democrats] anyway, I sent letters to everyone. There was a big response. The Portuguese-American Leadership Council called with a number of people they would like to be [invited]. The greatest numbers came from California, Rhode Island, Massachusetts, New York, New Jersey, Connecticut and Hawaii, [where there was a large population of Portuguese who had emigrated from Madeira].

So, it was an amazing success. We flew by [military] helicopter all over Washington. The best part was the reception. I had never seen anyone so transformed as Cavaco was at the reception. It was really quite moving and he has talked about it ever since, so we, of course, established a great rapport then. This rapport was extended to his foreign minister, and defense minister who came with him. That was really the cementing of my relationship with the government.

Q: Did you find that the Portuguese immigrant community in the United States had their own agenda?

Q: BAGLEY: Yes, the visa waiver was the third issue besides the air base and the tax treaty.

Q: Could you explain what the visa waiver was?

BAGLEY: Congress passed a law stating that we would waive tourist visas for a number of European countries based on [certain criteria, such as] how many overstayed their visas, the economic situation in the country, [the chances that they would return home, etc]. Portugal didn't meet the criteria, [so they were denied access to the visa waiver program, which was very embarrassing for them].

Q: The point is the Portuguese who received tourist visas didn't return. This was normally the problem and means the poorer countries' visitors would not return while tourists from more affluent countries usually did return.

BAGLEY: Yes, that's correct. The three countries in Europe that were denied waivers were Ireland, Portugal and Greece.

Q: Well, for good and sufficient reasons.

BAGLEY: Yes. The trouble is while I was [ambassador], Ireland was able to receive [the] waivers.

Q: I presume this was because of Ted Kennedy and his sister.

BAGLEY: There was an issue about that, did they stack the deck? There was a bigger issue, too, [in that Jean Kennedy Smith] had a definite problem with some of her staff who felt she was pushing too hard, [as] they didn't fit the criteria. Being Irish, I would not be one to [blame her as I felt that both countries should receive it]. For some reason the Greeks never cared, but the Portuguese really care, [as a matter of national pride, especially since the Spanish had it]. When I brought the next prime minister for a visit to Washington, this issue was the primary issue for him.

This became a major issue for me because it was the embassy that would have to ask the questions of length of stay, where going, do you have a job here, etc. They were faulting me or my embassy for being too tough. I asked my consul general to do a total check and to find out. I said that first of all it is a congressional mandate. We can't give this to you unless you are able to change your statistics. They argued back that we were the ones who put down the statistics and [our embassy was] too tough on [them]. You are asking [the] questions and denying [the] visas. I stated that if we give you the visa and you don't come back, that is a problem. They said that that was because they don't stamp our visas, that the consul is supposed to stamp or the airlines are supposed to give us the stamp when we leave and they don't do it. I said then that they needed to deal with their consulate and deal with TAP, the Portuguese Airline, that is their problem.

It was back and forth all the time. I presented the foreign minister with this study that I had done at the Embassy. I said that I was working on the congressional piece and I [told him that I would love to have Portugal on the visa waiver program because] it would be to our benefit if our consuls didn't have to spend so much of their time dealing with this problem. We are not trying to maintain this, but you have to help us by making sure you don't overstay and [address the issues] that [exacerbate] this problem.

I think we finally ended up with it looking like the visa requirement was going to be waved. It was a major issue, [but eventually thanks to members of Congress like Senator Jack Reed, Barney Frank, and Patrick Kennedy, we were able to get them on the visa waiver list].

Q: Did you have any problems with your consular officers. Often an ambassador, both career and non-career, who has arrived in a place and not dealt with visas and things like this think it is all off to one side. But, all of a sudden they find themselves up against the fact that there is a law, there are circumstances in the country and the consular officers are following the law. At the same time, the ambassador can't issue a visa. There is this constraint. Of course, the

ambassador can huff and puff and make it sort of difficult if the consul doesn't. Did you have trouble adjusting to the refusal rate?

BAGLEY: I gave my consular officers total leeway on visas. I asked for the numbers and inquired as to whether we were being too strict. I went down and spent some time there and looked through the numbers [to see] what was happening. I came back and gave the foreign minister a few pointers. First of all TAP airline: we have discovered certain flaws in your procedures that would make it easier for you. The refusal rate we can work on by being open but if the statistics are there there is nothing we can do. Make sure your travel agencies have the right documents; they were just sloppy. They would just say, "I have friends of mine calling and saying we can't get a visa for my daughter who is going over for a wedding." She would be from a wealthy family, was going to college, and would be coming back. The reason they couldn't was because of sloppy paperwork. So, I said that if you get your travel agencies doing the work correctly, and fill out your forms right, the chances are you are going to be okay. You are refused and sent back to redo it because there are things that are not in there and we can't do it unless you give us all of the information. It [became] little things like that, but the Portuguese weren't very good with details, which was one of the problems. But, I made a very strong effort and they knew it.

Q: We will stop here. One of the questions I want to ask is that there was a long interregnum between your predecessor and when you came on board. Was your DCM the chargé?

BAGLEY: Yes, [you're right!]

Q: This often is a problem because it is just human nature that if a DCM has been in charge for a post a year or so they can't help to feel they know the business and all.

BAGLEY: Especially a political appointee.

Q: Believe me it is not just political appointees, it is just human nature.

BAGLEY: Fine.

Q: Today is February 24, 1999. Let's start with the DCM situation. As I said it was almost fate that if a chargé is too long at a post it is a problem.

BAGLEY: She had arrived about two years before I did and then the ambassador retired in 1993, so she was chargé for a good year. She happened to be in Washington and came to see me. It was kind of curious because it was very much role reversal, as so many things came with my job. This time I was [with my family] and my role was as a mother. When she arrived I was putting the kids to bed and was upstairs. She had a drink with my husband who started asking her all these questions that were not necessarily the kind of questions he should be asking. Is the CIA present? How many people? Tell me what the defense capacity is? I think what really hit her was the CIA thing. That was after maybe three questions about how did she like Portugal and what

was it like. Instead of asking soft questions he hit her with hardball questions which I would not have asked because the answers are classified and he is not supposed to know the answers anyway. She was very polite but she immediately became defensive and was wary of my husband from that moment on. Also, she was close to 50, had never married and so she didn't have the appreciation for balancing husband and family and work that others might have had. So, I think she always felt that Smith should just be home in Washington or elsewhere. Whatever he did he shouldn't be in the embassy. He felt very strongly that he wanted to be part of things. Not the kind of Bill and Hillary co-presidency sort of thing, he knew enough to know that especially in a Latin country my being the first woman ambassador made it very important for me to be the dominant figure in that relationship and make it clear who was the ambassador. He was very good about being in the background publicly. But, he is a very gregarious person and it was very hard for him to not be in the middle of everything. He finally decided that what he could do is come to the embassy with me and help out our administrative officer with the American School.

I think she had a good experience being chargé. I didn't find out until later when I went to a restaurant and someone would say, "ambassadora" and then ask what happened to the other ambassadora? I realized later, even though she was kind of deferential and a very discreet person who was always politically correct, that there were a few things that happened apparently before I arrived on the scene, and she had in fact, taken on the title of Ambassador without having the right to it!

When I arrived, I think my presence was very much felt. I arrived with a husband who is 6'6," I'm 5'9," and I arrived with two small children - one who was four years, and a one year old baby who still couldn't walk yet, so I was carrying him. This was a different situation than they had ever seen before. I think we made such a major impression first hand that I never felt any kind of threat that there was any problem, because the DCM immediately stepped into the background. We worked well together.

I would arrive at the embassy around 9 or 9:30 depending on the traffic because I was coming from Sintra, which was another issue because I wasn't in the residence for two years. Right before I arrived they had found termites in the top floors and they had to reconstruct the whole residence. Smith, like a wife would have done, went to Lisbon to look for a house to rent. The FBO said it would be only six weeks. Well, six weeks turned into almost 2 ½ years. We rented a beautiful house in Sintra, which is 30 miles outside of Lisbon. The worst problem in Portugal is traffic. Their roads were insufficient, so, the traffic was bumper to bumper going into Lisbon every day. I would take my daughter, four and a half, to school first and it was kind of on the way so we would always drop her off. Therefore I didn't get in until around 9:30. A couple of occasions I remember coming in and Sharon, who was my DCM, was not there. I heard that she was at the foreign minister's. It seemed a couple of things had happened during the night and she was called but she never called me. There were a couple of issues like that and although I didn't blow up at her I said in no uncertain terms that I wanted to know everything that was going on, and that I was the one to consult with the foreign minister, not her!

There was another incident, where I was called by somebody at DOD asking about a plane that was coming into the Azores and it was something that had happened over a weekend and the guy on duty instead of calling me called her. That was okay, because they report to her first, and she

reports to me as the filter. She never called me. She was doing everything behind my back, and was probably doing the right thing but there were certain things that she wanted to keep for herself. When I finally made it clear that this would not be tolerated and that I expected and demanded to be in the loop on every part of the embassy. There were issues that I didn't care to be bothered with, if I didn't have to be, but I certainly wanted to know and have the option of deciding what was important to me or not. I didn't care about some administrative details, but every week I wanted a briefing on them. She would hold a staff meeting with all the admin people and I didn't even know about that. She said I didn't have to worry about that but I decided to sit in on some of the meetings and they were so boring that I finally said to her that I wanted a meeting with her, the admin officer and myself once a week to go over what the issues were and how they were being resolved. It turned out that it worked very well. Our admin officer was a wonderful guy but a bit inefficient and unfocused, so I think that helped to focus him a little better and also kept my DCM in line with my thinking.

So, there were things like that that you just knew you had to take charge of immediately. I think it helped that I had worked at the State Department because I knew what the cable traffic was, I knew what to ask for, I knew there were going to be top secret, confidential cables. I knew there would be the Secretary's morning reading. There were things that I expected I would be reading and should have on my desk every day and I did, I always had two notebooks. But, I'm not sure if I hadn't known of top secret classified material there might have been only one notebook. We always had a good relationship but there were a couple of little thorny issues that we had to iron out, and basically I knew the mentality of the Foreign Service, which revolved around their annual efficiency reports, so I knew that that was my final weapon if she didn't behave appropriately.

Q: Did you get another DCM later on?

BAGLEY: Yes, I did. It was a filtering process that I gave my DCM responsibility to review, as I did trust her judgment on these kinds of issues. There were about 20 calls and letters from various candidates. I looked at all of them and she interviewed about ten of them and then brought it down to maybe five. Ironically, the one that I did pick I didn't know until later that he had been promised to be DCM in Lisbon when Sharon Wilkinson got the job instead. Apparently there was an issue of race and gender discrimination, which she brought and got attention in the Department and, at the last minute, they gave her the job. So, there was a lot of bad blood between them. She never told me this but he told me that later. I liked him very much. There were three candidates that I really liked and I chose him. He had served as DCM in Copenhagen before this, and had once served in Portugal with his Greek wife and they both spoke fluent Portuguese. They knew the American school as their children had attended school there, so he really cared about what we were doing to build a new American school. His name is Greg Mattson and we got along very well as he was more of a team player, more deferential to me and also very appreciative of my political sides! He was also a good manager, which was crucial.

Q: What was the NATO relationship with Portugal as you saw it - the political as well as the military?

BAGLEY: It was fascinating. They were obviously intertwined. NATO had a base called Iberlant (Iberian Atlantic) so they were part of the Atlantic Command with headquarters in Norfolk as opposed to the European Command with headquarters in Belgium. The Atlantic Command was run by General Jack Sheehan in from Norfolk and General Joulwan had the political hat and the military hat as part of the entire European Command. What was he called? SACEUR. It was SACLANT and SACEUR. It took me a while to learn the lingo. SACEUR was Supreme Allied Commander Europe and SACLANT was Supreme Allied Commander Atlantic. Portugal was under SACLANT, although they were under all of NATO as well, because their particular area was the sea, the Atlantic. There was an issue because Spain, which had come into NATO in 1986 as opposed to Portugal, which was a charter member in 1949, and had a really important role because they had the Atlantic and had all the Spaniards who were not part of the military part of NATO because they signed up in 1986 as a political member not a military member. Spain did get into the military later on. The Portuguese were always very proud that they were charter members of NATO and they ran Iberlant which was part of the Atlantic Command. The Spanish, of course, were working out of Portugal. We had perhaps 200 American members and families so that most of the American school was comprised of NATO families which made for an interesting mix with Portuguese and other Europeans.

What was happening at the time was France had pulled out of the military part NATO but was always trying to get back in with certain stipulations. The Spanish were trying to angle for Iberlant which was in Oeiras on the sea right outside of Lisbon. They wanted to either take over Iberlant or they wanted the sea corridor to be constructed so that they would have a base in Spain and they would take over some of the Canary Islands and others that were part of Spanish territory. They wanted to put a corridor through, and, of course, the Portuguese didn't want to do that. It went back and forth. They finally agreed to disagree and the Spanish ended up not being part of Iberlant officially, or SACLANT; they became part of SACEUR. So, they took the land option because they were going to get a base. So, Portugal and Iberlant were left intact, at least during my tenure as Ambassador.

Q: Did we get involved?

BAGLEY: No, we stood back and said you two work it out. General Jack Sheehan tried to get involved. He tried to convince the Spanish to move over under the SACEUR umbrella, but they wanted both. The Portuguese handled it very well. I have to say they are very good negotiators. They have a kind of innate distrust of Spaniards, and they still talk about "the Occupation," which was from 1680-1720. Forty years of Spanish dominance of Portugal over 200 years ago! Although they were occupied by the Moors for 400 years, the forty years of being occupied by Spain was what they always remember. So, they always have had an innate distrust and probably inferiority complex because Spain is three times the size of Portugal and is the only country that shares a border, the rest is the sea. There is a great feeling in Portugal, obviously, for the sea and looking out towards the sea, towards the Azores, towards America. Part of their psyche is that they really feel much closer to the West, to America, because the sea was always their empire.

Q: And there is a substantial immigrant group in the United States.

BAGLEY: Yes, we counted about 3 million, which is considerable, although they don't have the political power base their numbers would indicate.

Q: Was there any NATO politics during this period like Bosnia, etc.?

BAGLEY: We were always involved. I would say the largest part of my role was the military, particularly the Lajes Agreement on Cooperation and Defense that we officially signed in May, 1995... That had a lot of repercussions during the time I was there and will continue to have. That was probably the cornerstone of our bilateral relationship. Within that, NATO was part of that issue as well because what we both argued was, on our side – you are a NATO ally and therefore we should not be paying for the use of your base because we are allies and all in this together. Their side would argue that we paid others for bases and if this was so important, then we should be paying something for its use.

There was the issue of the Spanish. We were kind of honest brokers on that. There were always discussions on it. Whenever I talked to the foreign minister or anybody in the foreign ministry the differences between the Spanish and the Portuguese would be discussed. And France entered into it too because they wanted to bargain their way back into the NATO military sector. They felt if they joined the military relationship after having been out for so many years, they wanted a command in Naples which they would run. They got the Europeans kind of riled up about it. They brought the Italians in and also the Portuguese, who just let it go. NATO ended up not agreeing to it. We were very tough on this. That was definitely a position that I had to take everywhere. A very strong position on the fact that we had the lion share of the burden, we have been doing this from the very beginning and we need to have control of that area and there is no way that we are giving it up to the French or anyone else!

Another issue that developed just before I left surfaced at the July 1997 NATO Madrid summit which decided which countries would come into NATO. Czech Republic, Poland, Hungary. The French really wanted Romania. The Spanish and Italians wanted Slovenia. When Guterres met with the President over lunch that was one of the issues. The President asked if they were really pushing Romania. Guterres said that it was a romance country, but they were doing it because the French wanted them to do it.

So, those were the two issues that the French were exercised about. They lost on both so they didn't come into the military side.

Q: What about Bosnia?

BAGLEY: My role was to ask the Portuguese if they would contribute any forces and they did. They ended up giving a thousand soldiers to Bosnia. For Portugal it was a huge number. Because they were colonialist and it was the colonial wars that were so unpopular during the whole revolutionary period. They were always fighting in Africa. Every Portuguese of a certain age, 40 and above, had an involvement in Angola or Mozambique in the revolutionary wars in the mid-seventies. After the gain of independence, a law was passed forbidding any more soldiers to be drafted or sent into a war situation. So, it was a big deal. Luckily it was a transition period where the Social Democrats were going out of office. The Social Democrats were very supportive of

our position in Bosnia. And the Socialists tend to be maybe less that way, supported it as well. So, it never became an issue in the campaign. In fact, when the Socialists came in under Antonio Guterres, he immediately said that they were going to honor the commitment and continue to send their troops. It was a major decision for them because they were trying to change the military.

Q: I imagine also it was a point of pride. You had Moroccans, Ukrainians and others there and not to have the Portuguese would have sort of denigrated their military.

BAGLEY: Yes, I think that had something to do with it. They also had this strong allegiance to NATO. They were in the Italian corridor led by the Italians and the French. They were in a very difficult area. So, I think they felt very proud about that. It was difficult because they were not used to the weather and were not trained that well, but they considered that a badge of honor.

Q: I imagine as the American ambassador you found yourself having to be present at a lot of NATO type things.

BAGLEY: Every NATO thing, but I loved that part.

Q: I was in Italy as consul general in Naples and there were an awful lot of things that had to do with military.

BAGLEY: Oh, in that sense, yes. When the four ministers came over we had meetings with the defense ministers and that was always interesting. The Portuguese had a great chairman of the joint chiefs who was a very ebullient, very gregarious man, who I guess was a favorite among the other joint chiefs because he was always bringing everybody over to host them. He was a wonderful guy and a good friend of mine. We were always involved in that and it was very interesting.

Yes, NATO would always have maneuvers and the ships would come in and I was always invited to receptions. I visited NATO early in my tenure and met with the chief of NATO operations which is always a Portuguese. The second in command is always an American. They were always inviting me to long four hour luncheons, and whenever a VIP would come or defense minister, they would always invite me, which, of course, was a command performance. Like anything else the American ambassador is not first among equals, it is way beyond that. There is no comparison between my role representing the President of the U.S. and that of my colleagues. You have to make sure you are at every meeting or at every national day because you have to show the American flag. I was even criticized for coming in and moving around the room and leaving early, but at least I was there, and I never missed a national day, out of respect for my colleagues and their countries. I felt very strongly if you were asked by the foreign minister, the president or prime minister it was a command performance, plus it was always a great opportunity to learn more and to improve our relations.

Q: How did you find the foreign ministry? In some countries you find the foreign ministry to be a little more providence of the left then say the military and often the Marxists or something like that.

BAGLEY: It is interesting you say that. In fact, the foreign minister was a former Maoist. He was a young guy who was very bright. His name was José Durão Barroso. He had been the foreign minister two years before I arrived. He was too young to fight in the revolution but was very much into the college revolutionary scene. And then he went a little more to the right and joined the Social Democrats as opposed to the Socialists. I think some of his people were that way and I certainly would say Antonio Guterres, who was a Socialist, and who later became prime minister, brought in various people who were much more left than he. One was part of the Young Communists at one point, I learned one day. He didn't do well with Jaime Gama, who is the current foreign minister. I think they clashed. Gama at one point told me that he himself had been a revolutionary, part of the Socialist movement, once a Communist but later moved away from it. There is a real problem with the Communist party there even now. The Communists took over after the 1974 revolution and nationalized all the banks and there was a real feeling for years that they had taken control and destroyed the country and many of the old family businesses. That was during the Frank Carlucci's time as Ambassador.

Q: Kissinger was almost ready to write it off.

BAGLEY: I had visited the Communists headquarters during their election campaign in 1995 and it was all over the papers and news for several days as the lead story. They criticized me for legitimizing the Communists by visiting their Party headquarters, while I had visited the headquarters of each party, in the belief that I should visit each one. The problem was that it was in the middle of an election year. So, they accused me of trying to make a deal to get the Communists to move over to the Socialists so the Socialists would win because, I, of course, being a Democrat, must be closer to the Socialists, even though the present government was Social Democrat and I dealt very well with them. The prime minister and others were asked about this and forced to answer the questions of "Why was she cavorting with the Communists?" They all supported me publicly and said that these accusations were outrageous, that they worked well with me and there was no indication of a conspiracy.

Q: Conspiracy theories aren't only in the United States.

BAGLEY: Right. That was the only time I was criticized and it was by the press and people who were still paranoid about the Communists. I remember President Soares coming over to me and telling me in his heavily-accented Portuguese French, how proud of me he was for doing this. It was like I was making a major statement. I said, "Mr. President, I hadn't planned on making a statement, I felt I needed to do that simply because I had visited everyone else." The Communists, in fact, represented 25 percent of the parliament and were bigger than the Christian Democrats. I really felt I would have been wrong not to have visited them. The Communists made a big deal of the visit having press and cameras there. But, I will tell you even my good friends, who were obviously in the aristocracy that still exists in Portugal, those who had run the banks, owned the business and the major newspapers that had been nationalized by the Communists, were angry. I had a couple of friends who were really angry with me. It took a while but later before I left a couple of them did say that I was right and their reaction was visceral, not rational. It was an interesting experience to be vilified for something that I thought was so mundane.

Q: Did you have a problem trying to make sure that you weren't captured by the aristocracy, the elite? There is always an effort to grab ambassadors and in particular the American ambassador. Was this a problem?

BAGLEY: I didn't see it as a problem because I spent a lot of time out in the country visiting every other weekend with common Portuguese people. We would make an effort to visit one part of the country. I would take off Friday and the whole family would spend three days over the weekend, visiting the local bishop and the local mayors. We also went to see the local newspapers and always received good press. I wanted to make my presence known so that people could see the American Ambassador. We would be hosted by the local officials and we would talk about the local issues. So, I felt very close to the people to the extent that one can be without being fluent in their language. My Portuguese was not all that great so I was limited in that respect. I asked my staff to look for places that would be important to see. We went all the way up to the Minho, which is the most northern part of Portugal, an area that no ambassador had ever been. In that sense I really wanted to make sure they knew that I cared about their country and wanted to get to know their country and their issues.

Certainly there were social people that you got to know. I had a couple of very good friends. It is difficult to make really good friends, and it is even harder if the ambassador is a woman because you don't have many female friends. There was a couple that I had actually met in the States before I arrived in Portugal who were friends of friends and I was able to have a closer relationship with them. And that was important. The Espiritu Santo family is one of the most prominent Portuguese families. They were the major banking family and lost everything and had to go to Brazil and other places. Later they returned and bought everything back. That was very interesting and significant because theirs was the major banking and real estate group in the country, so there was information and insights that you could get from Ricardo Espiritu Santo as a leader of the business community who was very well respected. So, I used him as a sounding board for various local issues as well. We were also very close to Colonel Luis Silva, who owned Diario de Noticias, the major newspaper, as well as the media and entertainment industries, called "Lusomundo." We sponsored a number of movie premiers and invited all segments of Portuguese and American society - they were very popular.

In Spain you have the royalty but you don't have that in Portugal. The Portuguese are very much into the revolutionary spirit of the republic. To the extent there was an aristocracy, they generally weren't titled. If they were, their titles were from France or somewhere else. I was always on the social pages and in their magazines, but the people that I was close friends with were a very small group of people who were very well respected as top business people or a few Brazilian friends who were in that echelon but also important because they were reflecting the business interests of the country which I tried also to develop.

When you talk about different kinds of diplomacy I always felt that when you tried to compartmentalize what you do or what aspects of diplomacy there are - of course there is the commercial diplomacy which we have been building up through the years to try to bring in more American business, etc. There was political diplomacy, of course, the negotiation of the airbase agreement and the tax treaty. The military relationship - political/military. And then there is

public diplomacy, explaining U.S. policy to the Portuguese people, which I found as important as the other three. So, if you have to divide it into various aspects of diplomacy, I worked on each one in a different way, but I think I developed each one and was very conscious of doing that.

Q: Did you have dealings with our ambassador to Spain, Richard Gardner?

BAGLEY: Yes, Dick Gardner and I go back to the Carter administration. He was then ambassador to Italy. Strangely enough we visited when I happened to be going to Madrid for a wedding of Portuguese friends. We stayed with them and had dinner with them. He came over, I think, once. I really thought the European ambassadors would have more interchange. But we didn't have a professional relationship with one another in terms of meetings or conferences.

I don't know whose idea it was but I think it was Dick Gardner's and Pamela Harriman's. The State Department brought a group together in Brussels of all the European ambassadors but I hadn't arrived yet so Sharon, my DCM, went. I guess it turned into a big fighting match about money, and embassy space and security and Dick Holbrooke hated it so much that he said "I will never do this again. Never again." So, as much as I tried to get him to do it again, he refused. I thought it would be a good idea and we could talk about NATO and our common interests in EU and whatever. But, it never happened and I think it was a mistake.

There was a meeting sponsored by NATO for all the American NATO Ambassadors. I remember Marc Grossman, who was then ambassador to Turkey and now our assistant secretary, came. And several others. They invited all of the NATO ambassadors to come to Brussels for two days of briefings. It was very interesting. General George Joulwan was then SACEUR, as well as NATO chief, and he briefed us, along with his generals, on all the missions that NATO was involved with, which was fascinating and very helpful to my understanding of the overall U.S. military command.

There was one thing I did do with Dick Gardner which was just happenstance. We heard that Vice President Gore was coming to Spain. His daughter, Kristen, had gone to Harvard and was a Spanish major and wanted to do some journalism. She took a semester off school and was working at a paper in Madrid. He wanted to come over to Madrid and visit her before she left. I got a call from his office asking if I would be interested in a visit from the vice president for a few hours. I said, "Absolutely, I would love to have him."

I called everybody to see who was around. I remember calling the prime minister and the defense minister. The defense minister happened to be the vice president's equivalent with the title of "President of the Cabinet." His name was Antonio Vitorino, who is a wonderful guy and very, very close to the prime minister and a good friend of mine whom I had met when he was on an NDI delegation years ago. I called him right away asking if he would be here and free. He said, "I don't think the prime minister will be here but we will see if we can work it out, maybe he can come back earlier." I said that it was not definite but I just wanted to make sure that you would like to see him and that we could arrange something very special. We got everything worked out. I then called the vice president's office back and said everything was set. The prime minister was coming back early, we were going to do dinner, there was a lunch hosted by the defense minister, and meetings had been set up with everybody. They gave me five hours.

Then I get a call from Dick Gardner, about midnight. He said, "Elizabeth you have to help. There has just been a piece in the Madrid paper saying that this is a boondoggle and that the only reason the Vice President is coming is to see his daughter. He's not doing any meetings or anything else. We've tried to tell them that we have all these other meetings scheduled but they don't believe us. The Vice President's staff is hysterical because it is been picked up by the American press. Can you help? Can you call the Vice President and try to convince him to come and vouch for us with the American press?"

I've known Al Gore for twenty years, so at one o'clock in the morning, I called him - it was 8:00 PM Washington time. He called me back and I said, "You know, Al, I think it would be a real problem for you not to come and believe me I don't have a boondoggle set up for you. You have the prime minister flying back early to meet you. I'll go to the Portuguese press and the American press and make it very clear that you have meeting upon meeting and you will be working here. In fact, I think it would be a real problem now that we have confirmed everything and the prime minister has made a point of coming back early. It would really be a slap in the face and we could have a diplomatic incident." He said, "You're telling me that this would create an international incident?" "Well, maybe not international, but the Portuguese would not be happy. I really think we can honestly brief the press that this is a very important visit. That is not going to be a problem." He said, "All right, all right, I'll come." So, that was the only time that Dick Gardner and I worked together and fortunately, we were successful in putting the VP's visit on track.

Q: How did the Gore visit work?

BAGLEY: Oh, fabulously. Actually he ended up coming twice because we had an OECD biannual summit going on in Lisbon. The Portuguese are very good at getting summits, major international visits, etc. They are always jockeying for such events. They are great hosts and love doing it and somehow were rewarded for their efforts. The president was supposed to come because it was at the presidential level, but at the last minute he decided he couldn't come, because of an APEC summit around the same time. So, Al Gore came back to Portugal and stayed about five hours. These were lightning visits but they were great. He came, we took him to the embassy, I introduced him, he spoke and mingled with everybody. They were very excited. They hadn't had a vice presidential visit in their memory. We never got the president but we did get the first lady.

Gore had a meeting with the prime minister and the foreign minister, accompanied by me, his national security advisor, Leon Fuerth, and two notetakers. Then he met with his counterpart, the minister of defense. They all got along very well. This was the second administration, the Socialist administration of Antonio Guterres, which was closer to us in ideology and very supportive of the Clinton Administration. They talked about Angola, of course, because Portugal is a member of the troika with Russia and the United States, and at that point it was heating up once again with elections and attempts to implement the peace agreement between the government and UNITA. They talked about what Africa was like, the Maghreb issues relating to Northern Africa, Tunisia, Morocco and Algeria in particular, and the impact it would have on an immigration wave into Spain, mostly, but Portugal also. They talked about NATO, of course,

and about the EU. Gore was interested in what was going to happen with the Euro and how the EU would change both in an economic sense with the adoption of the euro and also politically, with the addition of several new members.

Gore encouraged Portugal to sign on to a special “global classroom” treaty that he had that would bring the environment into the classroom where they could learn about all these things on the Internet. Portugal had said they would sign on but for some reason they never did. So, we were able to announce that. We made a lot of progress and both sides were very pleased.

The Portuguese, as a small country of ten million people, are always grateful for whatever you can give them in terms of equality or feeling that they are valued members of the alliance. That went a long way towards cementing the relationship which was already quite strong. I think in general they always felt I was fighting for them, always pushing the envelope. We had a lot of visits to Portugal and I would arrange meetings for high ranking Portuguese officials with their counterparts in Washington. If you were the minister of defense in France you would see Secretary of Defense Bill Cohen right away. But in Portugal’s case, I had to make the phone call and really make it work. That is the problem with Washington and the White House. You have to make yourself known in a small country and push all the levers. I worked it from the beginning, with the first prime ministerial visit to the White House to the second Prime Minister’s visit three years later. I worked very hard on the 2nd one to make it just as good, if not better than the first one. Guterres was a Socialist and had great empathy with Clinton. He is very much like Clinton and very close to Tony Blair. The new Socialist, like the new Democrat. They were very similar and very simpatico, if you will.

Q: How did the Hillary Clinton visit go?

BAGLEY: Great. I had been writing to her for months; her chief of staff, Melanne Verveer, is an old friend of mine and also Catholic. I know, of course, of Hillary’s spiritual side, and her Methodist missionary work as a youth in Chicago. Portugal is a very Catholic country, second only to Ireland in its observance of Catholicism. Although they have divorce and an abortion law that is very strict, both are not considered common in Portugal even now. Anyway, I had been having an ongoing exchange of letters with Hillary through her chief of staff. I would send her an update of the American International school, what we were doing to rebuild it, and when we created our first brochure, I sent it to her, hoping that she might be interested in breaking ground for the first building.

Then I would send her some things on Fatima, a very holy site of a major religious apparition of Our Lady in 1917. The Pope has been there three times. It really is quite an amazing scene. The 13th of each month between May and October, the Blessed Mother appeared to three peasant children in this little place called Fatima, which is about two and a half hours outside of Lisbon. I would write to Hillary’s chief of staff and say, “Melanne, I know you want to go to Fatima, as most Catholics do, but I’m also sure that Hillary would find it very moving.” She called me one day and said, “Would you like us to come in a month or so?” This was in July. Hillary was going to Vienna for a summit on women called “Vital Voices” which she had begun in 1995 in Beijing, China. I was invited to that and was going to go but then, of course, decided since Hillary was coming here I had better stay here and make sure everything was right.

It is amazing what you end up doing. Hillary had an advance team a month before and then a second advance team that changed everything the first advance team had done. We spent so much time on this and our embassy staff was very frustrated but also excited. We had a control officer with them and I spent an inordinate amount of time telling the teams what I thought she should do. I encouraged them and eventually convinced them to set up the groundbreaking event there for her, which she did with a shovel that now hangs in the school. She also made a major education speech at the Gulbenkian Foundation, the largest cultural/educational institution in Portugal. Then, we had a couple of private dinners and a lunch hosted by the prime minister, who told Hillary that I was the best American Ambassador that Portugal had ever had and they wanted me to stay, which was very flattering, of course! I really pushed Fatima because I thought it was not only something that she needed to see, but because there were two or three other towns on the way that were beautiful – Obidos, one of these medieval towns which is quite stunning to see cut right into the rock on a huge cliff. I had friends where she could stay at different times. She was staying with us and then going out to Cascais which is on the water to spend a couple of days just relaxing with Chelsea and her friend, which I also arranged for her. She spent two days relaxing, three days working, and every afternoon and evening with us, so we had a wonderful time.

She stayed with us for three nights and we took her to Fatima. She still talks to us about Fatima as one of the most moving experiences of her life because we met with the bishop there and he praised her for what she had done for people around the world in the area of human rights. He said, “Everybody says we need F-16s. [At that time I was working on an F-16 deal and it wasn’t even in the papers. I don’t know what made him say this.] But, we don’t need F-16s, we need human rights and people like you talking about real issues. What you have done is so important.” Her eyes just filled up. It was really quite beautiful. I was translating for him and I could see how much she was moved by his words. Then we walked through the Basilica and down to where Our Lady of Fatima appeared to these three children. It is a tiny sanctuary, very simple. As he said, “We are simple people. We are peasants. The children were peasants. We have the Basilica but we want this to be special and very plain.” Hillary was going to light a candle. As she approached, Portuguese pilgrims were there, as always, and they started clapping. This was a private trip, so we didn’t advance it or try to build a crowd. But, there were a few Americans in the group and it became known that she was there. One of the women started singing and the others joined in singing “Ave Maria.” This is the song they always sing in processions. They sang a cappella, of course. It was so beautiful. She and Chelsea lit this candle and they prayed for her and her husband and peace in the world. She came back to the bus and she was in tears. It was really quite moving. We all felt it, a special presence there, as if we had somehow experienced the aura of the Blessed Virgin. That was an amazing trip because as I said, “You will show the Portuguese people how much you care about their faith and their culture just by this one visit.” And she did. She got more press on Fatima than she did meeting with the prime minister and any speech she gave. Fatima became a metaphor for her work and her beliefs, and the image resonated throughout Portugal. And Hillary was visibly affected by that visit, as she could feel their love and their respect for what she was trying to do, which was not always popular in her own country.

Q: Our relations with Portugal were going along very nicely by the time you left weren't they?

BAGLEY: Yes, very nicely. In fact, I would say that they could not have been better. In fact, before I left, I was awarded the distinguished service awards from the Army, Navy, Air Force, and the highest civilian honor, the Order of Prince Henry, the first time that any ambassador - even Frank Carlucci - had received it from the President of the Republic.

Q: You left in 1997. Did you see any problems that your successor would have to clean up?

BAGLEY: No. Expo hadn't happened yet and that was always going to be an issue. It started out being a bilateral issue because as usual the United States was reluctant to get into it and we don't fund these things. Everybody else has a biannual fund, a special fund for projects and the government funds them. There was actually a congressional resolution passed right after one Expo debacle stating that they would not appropriate money any more. So, we had a problem because the government wasn't saying whether they were going or not. It was on the oceans and environment and I pressed the Gore people explaining that this was the year of the oceans for the UN and since he was the Administration's chief environmentalist, we really need to do this. I said that this was very important to the Portuguese and it is important to us, we need to be there so finally they agreed to go.

I pushed for Tony Coelho to get the job as commissioner because I knew that he could raise money, is a Portuguese-American, and is dedicated to Portugal, and was a former congressman who might be able to procure some public funding as well. There were some questions about Tony, too, as he left Congress under a bit of a cloud, due to some business dealings which I think he was worried about after the Jim Wright scandal. He left immediately after that and didn't run again. I remember going to visit Harold Ickes and others at the White House and they would say as usual, "This isn't going to work. Give us another candidate." I said, "We don't have another candidate. It is Tony or nothing as far as I'm concerned. He is well known there because he used to take groups there as a congressman." I really pushed hard for him. He was the only one I could see that would make sense and get the job done and they finally agreed to appoint him. He finally ended up putting in an amendment in the NASA bill and got money for the whole exhibit, \$9 million, to build the Expo exhibit. I don't know if they knew they were building the Expo but he slipped it in. So, thanks to Tony we did have an exhibit.

So the Expo exhibition was on the horizon, looming, when I was leaving. The air base agreement was already in place. I made sure that before I left, I finalized the F-16 transfer because that was something I had been working on for over one year directly with the foreign minister and defense minister. It was delayed by the NSC because of the president's trip to Latin America, as they worried that Venezuela would find out and want the same deal. This was a very unusual transfer. Used F-16s have never been transferred to any government without being bought. We had an agreement for two hundred ninety-three million dollars of excess defense articles as part of the Lajes Base Agreement on Cooperation and Defense, but we had only given them about twenty million dollars worth of equipment. We gave them this hydrographic ship, a few bulldozers and tanks, but nothing that they really wanted. What they wanted we didn't have or it was so outdated that when they looked at it they didn't want it. The chief of the Air Force, Aleixo Korbál, really wanted F-16s. He felt that if Portugal were to be an equal partner in NATO, they needed F-16s. They bought 25 F-16s before I arrived and they wanted 25 more, but they didn't

want to buy them, so I went to the Pentagon when I was in Washington, met with Jan Lodal, a friend who was in charge of these transfers under Secretary Perry, and we decided that the Lajes Treaty allowed us to transfer F-16s as part of our excess property clause.

Then, I finally ended up dealing with Bill Cohen, the next Secretary of Defense, during the visit of Prime Minister Guterres. I cornered him outside the Oval Office and said, "Bill, we really have to do this. I have been dealing with your people for two years on this. The prime minister is going to ask about it in his meeting with the President. We've examined all the alternatives, but we're blocked by your people in the air force, who don't want to give them up without payment. We owe them two hundred and fifty million dollars of equipment that we can't give them. We've tried everything. There is nothing on our list that they want and nothing on their list that we can provide. Now we're in danger of reneging on our international commitment. This is an unusual agreement, exclusive to Portugal, so it is not establishing any dangerous precedent. He said, "You're right. I've looked at it in preparation for this meeting and I agree with you. Let's get going on this." I said, "Okay, who do I talk to?" He gave me his chief of staff and we started finalizing the details.

During that time the President in the meeting said, "We will see what we can do," and later said to Cohen, "What's wrong with this? We should do it." Cohen said, "We're going to do it. I've just told Elizabeth. We just need a letter from the Portuguese defense minister." Within a few minutes, I grabbed the foreign minister and asked if he could call Antonio Vitorino, who was back minding the shop in Lisbon, and tell him to get a letter over immediately. We had a plan of how he was going to say that this was in accordance with the U.S.-Portuguese Lajes Agreement on Cooperation and Defense, whereby we agreed to transfer \$250 million of equipment and since Portugal needed the F-16s in order to be in compliance with their NATO commitments, then the U.S. could transfer the F-16s under the Excess Property Clause. It was all the language that we had figured out at the Defense Department that was needed in order to get the ball going again.

The foreign minister needed to be briefed about this, but then became very enthusiastic, and agreed to call the Defense Minister immediately. He called and then ran in to me and said, "I called him and he is going to get the letter to you, but he wants you to see it first." So, I got the letter and wrote to my friend in Defense and said, "Is this what you need?" He said, "Yes." It was a wonderful case of reworking this whole deal in one day. Of course, it took a lot longer to get the deal done, as I kept calling every day Cohen's chief of staff and we had a lot of bumps in the road, but it finally got through. It was the first and only one of its kind and the Portuguese were ecstatic.

At one point it was sidetracked. Right after I left, it was embarrassing because I had received the highest civilian honor from the president and all these awards from the air force and the navy and was thinking this was great, I hope this thing works. The defense minister kept saying, "You know, you are going to have to keep working on this after you leave." So, I did. I remember calling Sandy Berger and saying, "You know this is outrageous. Your staff person is pulling this deal because of the President's trip to Venezuela, Ecuador, Peru and Chile." It was an alliance issue. They were worried that Chile, Venezuela and Ecuador wanted to buy F-16s and if they found out that Portugal got them they would want to get them, too.

Q: We wanted to prevent an arms build up there.

BAGLEY: That's right, but we had made a special alliance with Ecuador, I think, and were doing one with Chile during this trip and they didn't want them to find out about the Portugal decision so we had to keep the lid on it tight until after his trip. I said, "First of all I don't buy your argument because this is an entirely different case. The Defense Department has already stated that we have the air force on board. This is an exclusive agreement that has no relevance to what you are doing in Latin America. But, if you insist I want a promise that this is going to go right after the visit." I was told it would absolutely be done when they came back.

So, they came back and I, of course, had to keep working it. But after about a month they went to the Hill where they had a few little kinks to work out with staff members who couldn't figure out what we were doing or didn't understand why. You know you are dealing with various different interests. In November of 1997 we finally signed off on it and they are being delivered now.

GREGORY L. MATTSON
Deputy Chief of Mission
Lisbon (1996-1998)

Gregory L. Mattson attended Georgetown University and served in the US Navy. He entered the Foreign Service in 1971 and served in Portugal, Kenya, the Seychelles, Greece, and Denmark. He was interviewed by Raymond Ewing in 2000.

Q: Okay. Why don't we go on to your next assignment then, unless there's something else. Where was that?

MATTSON: That was back in Lisbon. Earlier on we covered the fact that that had been my first assignment in 1971 to '73. I didn't know the ambassador in Lisbon, and I didn't have to go there for an interview. I sent her a letter of interest, I had about a 10- or 15-minute telephone conversation with her, and I got that job fairly easily in contrast to Copenhagen, which had been a real struggle. I was looking forward to a second tour in Lisbon because we'd enjoyed our first assignment so much.

Q: You were there from 1996 to '98. Who was this ambassador?

MATTSON: Well, the ambassador who hired me was Elizabeth Frawley Bagley, who was a political appointee, an interesting and able person. She started a professional career in Washington working in the office of Ted Kennedy. Her educational background was at Georgetown Law. Her family was from upstate New York. Her father was a judge and had a large number of kids, all of whom were quite successful. Elizabeth Frawley Bagley was very active in Democratic circles, married Smith Bagley, who was an heir to the R. J. Reynolds Tobacco fortune, and became extremely active on the Washington social scene. They were heavy

contributors to the Democratic Party, and she was appointed by President Clinton to Lisbon. She arrived, I guess it must have been, early on in his administration, the second term.

Q: So she was near the end of her time when she chose you to be DCM?

MATTSON: Yes, she had a year left, and she knew that. We had a very good, solid year of accomplishment together. She was not at all pleased with my predecessor, the woman to whom the job was going in lieu of me in 1993, which always helps. She was an extremely intelligent, very active person. We talked, I think, before about how these political appointees especially want their personal legacies and, in fact, they want to pursue their legacies before they even get started working. But she actually achieved something which was rather remarkable, which was securing for Portugal a second squadron of F-16s, used F-16s which were to be refurbished at an aircraft repair facility in Portugal. I was very close to that whole issue, and this is one case where, if it hadn't been her pushing the bureaucracy, her contacts in DOD, her relentless pursuit of this objective, that particular development would never have occurred. Then, of course, the very attractive thing was she never particularly called attention to that, in sharp contrast with most of these political appointees.

Q: These were aircraft that came from the U.S. Air Force or from a third country?

MATTSON: They had been retired from the U.S. Air Force. I think they actually referred to them as carcasses. The fuselage and all these basic components were all sort of stockpiled in an Arizona desert somewhere and had to be restored to serviceable condition and then were flown to Portugal and then reengineered and updated.

Q: Do you want to say a little bit about the state of overall U.S.-Portuguese relations at the time you went there in 1996 compared with when you were there 25 years earlier?

MATTSON: Of course in the early '70s we had a very formal relationship with Portugal. Portugal was actually a bone of contention within the broad bureaucracy of the U.S. government between the Africanists and the Europeanists, the Europeanists wanting Portugal to be a more active, NATO member and the African crowd wanting Portugal to be regarded as a pariah state as long as it was continuing to pursue the colonial wars. And then there was the issue of the dictatorship, really an authoritarian government, which of course was displeasing in and of itself. But by the time 1996 rolled around, the relationship had opened tremendously. My second tour occurred in the aftermath of the Portuguese revolution, so-called revolution, of 1974 and the defeat of what appeared to be a genuine Communist threat in the late '70s largely through the efforts of the U.S. government in terms of assistance, economic and military, to the Socialist leader, Mario Soares. The relationship was very close. Portugal became more active internationally, participated with us in Desert Shield, sending a vessel, as the Danes did; they both sent escort vessels to participate in the blockade, showing their flags. They were very engaged in the development of their former colonies in Africa, which we supported. We worked very closely with the Portuguese government, especially regarding Angola, which was then still in the midst of civil war. There were only two irritants. The main irritant in the relationship was East Timor. The Portuguese felt very protective of the East Timorese, and there were periodic reports of atrocities perpetrated by Indonesian forces, police and military forces, in Dili and in

the areas around Dili in East Timor. Our stance was somewhat complicated because of our very important strategic ties with Jakarta, so we were not as forthcoming as the Portuguese would like in terms of criticizing the behavior of the Indonesians. That actually continued all the way up through the UN, the issues relating to the elections and for autonomy and self-government and the sending of an international peacekeeping force. I wasn't there, but there were thousands of people outside the embassy protesting in the early days of the massacres which occurred after the elections a couple of years ago. This was, of course, the one issue at the UN that the Portuguese were always pushing, East Timor. The other semi-irritant was the relations that we had on the island of Terceira in the Azores with respect to our base at Lajes, which was a very important base midway across the Atlantic. It was colocated with the Portuguese air base. There were 250 or 300 workers, Portuguese workers, at our facility. Each time a person would be discharged for theft or being absent from work would be a cause célèbre. One redundancy or one firing could cause a major issue with the Azoreans, and the Azoreans would then transmit that heat to Lisbon, and so we always had an issue which was involving our political-military officer endlessly in this sort of very small, low-level irritants relating to the base. On the operational side things went very well, but the labor relations were very, very poor. Then there were also very peculiar issues. There was a very nice golf course, for example. There are two golf courses in the Azores, and one is on Terceira very close to the air base, and the other one is on the island of San Miguel. The one on Terceira that was close to the air base had certain privileges for American personnel. They could import, for example, duty-free golf equipment. Then the Portuguese government got wind of this, and even though the turnover was very small, that then became an issue: why weren't they paying duty, and who's shopping and the golf shop, and that kind of thing. We would have meetings every six months with the Portuguese, and the Azoreans, alternately between Lisbon and Washington, to try and settle issues that were remaining. Obviously at a meeting like that you want to settle as many issues beforehand and then simply announce either a postponement for another meeting or some sort of a resolution. As chargé I participated as the principal American in a couple of those meetings, one in Lisbon and one in Washington, which went well.

Q: Why don't you talk a little bit about the structure of the United States mission in Portugal, again comparing it with the earlier period. Was the embassy much larger, about the same size? Did we have a post, a consulate, in the Azores? Porto, was it still open?

MATTSON: Well, first of all, in terms of Lisbon, when I was there the first time, the embassy was located on Avenida d'Loule, which is near the center of town, the square of Marques de Pombal. It looked like any other five-story apartment building. The entire embassy was located in that building. On the top floor, which only contained about six or seven offices, was the ambassador, the DCM, and the political section along with secretarial staff. Everything, the consulate, administration, the cafeteria, post office, was within that building. I mentioned earlier that after the Portuguese military staged a coup d'état in '74 which became known as the Portuguese revolution, there was a large influx of American aid. So, for example, the military aid group went from maybe four or five people during the period that I was there the first time to, as I understand it, as many as 40 people. A new embassy was constructed, one of the most beautiful embassies, I think, that we have in the world. One of the large Portuguese banking families, Esperitu Santo, had a large estate between downtown Lisbon and the airport. Quinta das Laranjeiras, or Estate of Orange Trees. He sold us this very large property which contained an

early 18th century manor house and an old garden, just a beautiful old building. It is now used as the Marine house, representation rooms, and the cafeteria. The Espiutu Santu family sold that property for 2,000,000 dollars, which has to be maybe only one-tenth of its current value. And we constructed a very large, very secure embassy with tremendous setback and beautiful grounds. It was a very complex facility. At one time, I believe we had in Lisbon - when I was there there might have been 40 Americans - more than 300 Americans. So the building that was built for 300 Americans plus 400 or 500 Portuguese now has at best a quarter of that population. It is one of those rare cases where we have a large, modern building where you have tremendous space for all kinds of activities. Everyone has a spacious office, and there's a day-care center for five or 10 kids which probably stretches across half a floor, and it's just a tremendous facility. Interestingly enough, the building had bulletproof windows and was built with reinforced concrete. It was built at a time when people were imagining the worst that could happen to that building in terms of actually having to withstand an assault on the building from communist mobs or whatever. We, of course, more than met all of the security requirements that were not in existence then but are in place now.

Q: Did we have other facilities in the country besides the air base?

MATTSON: When I was there the first time, we had a consulate in Porto in the north and another in Ponta Delgada in the Azores on the island of San Miguel. Porto was closed about six or eight years ago. The last consul, Robert Illing - I don't know if you know him - actually retired *in situ*. He still lives in Porto. It's a wonderful town. Porto is a major commercial and industrial center and probably would fully justify continuation of a small consular presence, but with cutbacks that post went away. Ponta Delgada, which is mainly a consular post, exists because of the large Azorean population in New England. It has remained open on somewhat shaky justification, but Representative Kennedy, Patrick Kennedy, Barney Frank, and others in the New England area who represent the large Azorean community ensure that that post, I think, will remain open indefinitely. It has only two Americans currently.

Q: You've pretty well covered the main bilateral issues that came up, East Timor and the situation at the base in Lajes as it spilled over into the local community. Do you want to talk a little bit more about sort of the economic commercial side as well as Portugal as a member of the EU? Did that occupy a lot of your time while you were there?

MATTSON: A fair amount, and I must say that I enjoyed that work. We had, I mentioned before, the important F-16 program. On the truly commercial side there were a couple of interesting projects involving major US defense contractors like Lockheed. Lockheed was involved in a worldwide effort to promote its new military cargo aircraft, the C130J, which is an upgraded version of the old C-130 Hercules. They visited Portugal to demonstrate that aircraft. Also, Lockheed was a participant along with the Dutch in an effort to sell the Portuguese three submarines. The Portuguese submarine fleet consisted of three outmoded, very small French submarines, which must have been 30 years old, and they decided to upgrade their submarine fleet by purchasing three new submarines. There was fierce competition. The Swedes, the Germans, the Dutch, and the Italians each had a medium range diesel-powered submarine. Lockheed was hooked in with the Dutch offer, so there were quite a few visits by Lockheed, which provided the electronics and fire control systems for the submarine. There wasn't a much

direct U.S. investment in Portugal as one might have expected considering the fact that it had registered such tremendous economic growth. One of the reasons for that, I think, was the fact that Portugal, after it acceded to the European Community in 1986, was the recipient of a tremendous amount of EU infrastructure funds. The country was literally transformed. A highway network which would be the envy of any country in the world was built crisscrossing the country. It is now about to be extended all the way to the south and the Algarve. Telecommunications were also developed. The Portuguese who, like the Danes, think of themselves as trans-Atlanticists, actually are not nearly quite so committed to the U.S. They're very oriented toward Brussels and toward Paris and to other European capitals. So when there were commercial opportunities, usually they went to European countries.

Q: How about London? One always thinks of Portugal and Britain as having longstanding connections.

MATTSON: Well, they certainly do. The Anglo-Portuguese alliance is reported to be the oldest continuing alliance in the world. It dates back to the 12th century. But I think what has happened in the aftermath of its accession is that Portugal, which wants to be a very good European Community member, has begun to look more to Bonn and to Paris because Britain was very often the odd man out in European Community councils. It was the one major country that wasn't going to join the EMU; it was the one that has had various reservations about a number of issues. So the Portuguese, I think are now much more interested in currying favor on the economic side with the French and the Germans.

Q: How about dialog with the Portuguese about their legacy in Africa? You mentioned that. To what extent was the embassy or was the United States, the African Bureau, continuing that regarding Angola but the other Portuguese former colonies as well?

MATTSON: Because we had our embassies in Guinea-Bissau, in Luanda and in Maputo, most of the cooperation involving the Portuguese was done in place between the Portuguese ambassador, for example, in Mozambique and the local American ambassador. The Portuguese continued to be very interested in training military officers from their former colonies and in providing limited economic and cultural assistance. There were many university students from these countries. They were very supportive even when they didn't have a great deal of money for assistance purposes. During the period that I was in Lisbon there were a couple of negative developments. There was an attempted coup d'état in Guinea-Bissau, there was fighting throughout the country. It's still very unstable; I don't think we have an ambassador in place even now. Peggy Blackford, who had actually started in the Foreign Service with me in Nairobi in the early '70s, was our last ambassador. So that went awry, and of course the problems have continued in Angola. I think the hardest working person, at least in terms of the volume of telegraphic traffic that I've ever seen in my career was our ambassador in Angola. We would receive four or five telegrams a day, all of which appeared to be drafted by him. They were voluminous accounts of his meeting with this minister or that minister, because he was very involved in trying to finally bring to an end the struggles between UNITA rebels and the MPLA government in Luanda. That is a very tragic situation, of course, which has been widely reported, but when you read about it every day, it's just absolutely horrific that such a rich, underpopulated and generally promising country could fall into such turmoil and such poverty.

Q: Were you involved in talking about Angola with the Portuguese? Not much really?

MATTSON: Not too much. There were occasional initiatives that would float up in Lisbon, or we would have a visitor, for example, as you alluded to before, from the African Bureau who would come out and we would have some meetings to get the Portuguese viewpoint on various things, but on an ongoing basis there wasn't very much.

Q: You indicated that Ambassador Bagley came to the end of her time. It must have been about 1997. What happened then?

MATTSON: Well, she left in September of 1997, and I was chargé for four or five months. That was a welcome development. I always enjoyed the responsibility as charge. I was charge in Copenhagen 44 times in three years. Incredible, but true. And then the last six or seven months of my tour we had Ambassador Gerry McGowan, now coming to the end of his tour. He was also a Clinton political appointee, a Washington lawyer who - he was a widower - had just married Susan Brophy, who was the deputy at the White House for legislative affairs. He himself was a classmate of Clinton's at Georgetown in 1968, so that couple had more than enough hooks to get that position. Plus, he was a contributor in the hundred thousand dollar range. He arrived in December or January, stayed till the end of my tour, with his new wife and six or seven kids and his Suburban which couldn't pass through any of the narrow streets of Lisbon.

Q: And your relationship went pretty well?

MATTSON: It wasn't bad, but not warm by any means. Again, I was appreciative of the responsibility and authority that I had within the embassy. He had not prepared himself at all well for his assignment. He knew that he was going to Lisbon for six or eight months, but did not read any of the voluminous briefing materials which EUR had prepared. He had a very steep learning curve. He was not acquainted, for example, with any of the officials' names or backgrounds. He was a little unclear in terms of whether this person was prime minister or president, that sort of thing, so there was a lot of tutoring that had to go on. As I mentioned, he had a large family and took his time settling in. It was the first time he had ever been overseas, he said, so he was a bit distracted in the early part of his tour. And, he was not very interested in the substance of the relationship or in working to learn it.

Q: Did he speak Portuguese, or was that really an important factor one way or the other?

MATTSON: He didn't speak Portuguese. It would have been relevant during the '70s at the time of my first tour. The younger generation of Portuguese are absolutely remarkable in terms of their acquisition of English. Unlike the Spanish, the French or Germans, for example, all of whom have a distinctive accent in English, the Portuguese language is sufficiently different that the Portuguese can actually learn American-style English or very British-style English quite easily, and they were very keen to do that. It used to be French; now English is the primary language. For example, everyone literally in the foreign ministry spoke fluent French and English. Ambassador McGowan was not particularly adept at pronouncing Portuguese, so that too was a real struggle for him.

Q: Certainly in connection with your assignment in Denmark, you had a number of important visitors. Did they find their way, some of them, to Lisbon as well or to Portugal?

MATTSON: Yes, Secretary Albright came when Ambassador Bagley was still there for an NAC ministerial, which went very well, an interesting experience. She had only been Secretary for a couple of months, I think, when she came. We also had a visit from Vice President Gore while we were there. I'm trying to think in what connection that was. Oh, that was an OSCE Summit which occurred in Lisbon. Then there were a lot of visitors in connection with the World Exposition in 1998. This four month event was hosted by the Portuguese in the summer of 1998 to commemorate the 500th anniversary of the discovery of India by Vasco da Gama. It was called "Expo 98, The Oceans, A Heritage for the Future," and had a maritime theme with a communications subtheme. The Portuguese poured about two and a half billion dollars into the site, built the largest oceanarium in Europe, some beautiful buildings and a wonderful modern stadium, all of which, of course, remained at the end of the Expo, unlike other expos where most everything is torn down. It was not a financial success, and there were a lot of charges of corruption afterwards. In fact, our own Commissioner General, the former California Congressman Tony Coelho, was investigated by the State Department's Office of the Inspector for various financial irregularities relating to our presence in Lisbon. That's another complicated story, because Congress after the exposition in Seville mandated that no public funds should be used for U.S. participation in a world exposition, and Tony Coelho was asked to come on board because they felt that as a veteran rainmaker on the Democratic Party contribution front, he could get corporate sponsorship. He tried hard but failed, and ultimately the Navy and NIH came up with some limited funds - the NIH funds were actually from the environmental side of NIH - to at least pay the eight or nine million dollars that it would cost to have our pavilion. It's good, of course, that the funds were made somehow available, because there were 120 countries there, even the Seychelles was there, and it would have been really quite obvious if we didn't have a presence. But anyway that exposition did bring a lot of Congressional delegations and Cabinet officers for various events. Secretary of Education Riley and Secretary Daley from Commerce came on different occasions. In addition to those visits, we had a fairly extended visit from Hilary Clinton...

Q: Let's just back up for a second. You were talking about Hilary Clinton's five-day visit to Portugal following a summit in Madrid.

MATTSON: It was after the NATO Summit in Madrid in June of 1997, I suppose. Mrs. Clinton went to Budapest to deliver a speech on women's issues and from there came to Lisbon. She knew Ambassador Frawley Bagley from Democratic circles. She came with her daughter, Chelsea, gave a speech at the Gulbenkian Institute, visited Fatima, and made a courtesy call on the Portuguese President, Jorge Sampaio. The rest of her time was occupied with seeing Portugal. We had occasion to have a lot of contact with her during those five days, and with her staff of course, and that was a very interesting experience for me. She gave, I think, a fairly standard speech at the Gulbenkian but delivered it very persuasively and received a very positive reaction including in the press. Otherwise, her visit, though paid for by the American taxpayers, seemed pretty much the same as many others she and her daughter made during her husband's presidency. It was short on substance but not without value. I would leave to others to do a cost-

benefit analysis. Such visits are draining on post resources largely because of the institutionalized pattern of costly, time consuming and unnecessary advance teams.

Q: Why don't you say a few words more about the Gulbenkian Institute. What does it do, and to what extent were you and the embassy involved with it?

MATTSON: Well, the Gulbenkian Institute, Foundation, and Museum are very interesting. The founder was an Armenian who, in the rush for oil in the Caucasus and Caspian area early in the 20th century, became extremely wealthy. He was casting about in the '50s and '60s for a place where he could set up a foundation and a museum, because he had been a tremendous art collector who had gathered masterpieces from all over the world. The Salazar regime made him an offer that he couldn't refuse, and so very close to the present American embassy is the Gulbenkian Museum, which is absolutely world class. You can go to the Metropolitan Museum of Art, as I did last weekend, and see wonderful art obviously, but you can also do that at the Gulbenkian. For example, they have the world's greatest collection of ancient Greek and Roman gold coins; they have Islamic art, glass vases, that sort of thing from the Middle East dating back to the 12th and 13th century which are absolutely magnificent; carpets; and Chinese art; also great paintings and great statuary. So he built this museum and established a foundation, and that of course has carried on to this day. Gulbenkian himself died many years ago. Its assets, I don't know what they are, but certainly well into the billions of dollars. The Foundation supports education and a lot of scholarly research. They also support an orchestra and a ballet company. It's really a marvelous and unique institution in Portugal. We did have some collaboration with them on visitors, for example. Elie Wiesel came to Portugal, had a program there that we co-organized. There were a number of cases like that.

Q: Does the Gulbenkian Museum/Institute/Foundation have an American connection, or do they have an office in the United States?

MATTSON: They do have an office in New York, I believe. I don't know what that office actually does; I just know that it exists. And they have offices in Paris and some other major cities. I think probably they supervise the carrying out of various grants that the Gulbenkian funds.

Q: Could you come back for just a minute to the Expo preparation period. Did Commissioner Coelho and his staff primarily take care of preparations for that, or was the embassy quite involved at least to make sure that we were represented and that we did the right thing as far as the Portuguese were concerned?

MATTSON: That was actually a very interesting aspect of my job in Portugal because, as I mentioned, the Expo opened in the spring of 1998, and for a year-plus, really from about the time that I arrived in '96 there were periodic meetings of commissioners general from around the world. Tony Coelho actually received the position as U.S. representative only, I think, in January of 1998. So the embassy and I personally took it upon ourselves to go to meetings, report back to Washington on the preparations and made recommendations. So, we were very heavily engaged. I was working very closely with an officer in the economic section, David Norland, and we were sort of double-teaming that whole proposition up through the opening of Expo including, of

course, a lot of contact with Tony Coelho and his group after he was appointed. So that was something that took a fair amount of time. It was absolutely fascinating for me because one of the reasons why Portugal wanted to host this world exposition was as sort of coming-out event for Portugal as a modern nation. They spent two and a half billion dollars on the site, they spent another two billion dollars on a large bridge, the Vasco da Gama Bridge, which is an alternative to the already existing bridge over the Tagus which dates was from the 1960s. It's one of those bridges that go on for about 15 or 20 kilometers in various forms, and it's an absolutely magnificent structure. Expo 98 was a signal to the world that Portugal had arrived back on the scene, that it had rehabilitated itself economically and politically and it was willing and able to host a major international event. I mentioned the OSCE Summit, the NAC Ministerial; all of these events, the Portuguese were very eager to host because, even though it's a small country, they did want to reassert their presence on the world stage. The world exposition was a public relations success but a financial flop. They were expecting something like 30,000,000 visitors and perhaps had 20,000,000 and of that number maybe 15,000,000 or 16,000,000 were from Portugal or Spain. It never quite got the resonance internationally that they wanted; there was a lot of press coverage, but not very much in the United States. For me personally - I was chargé throughout most of that summer - each day was exciting because there would be a national day. The Austrians brought the Vienna Philharmonic Orchestra and the Prime Minister, for example; the Swedes an excellent opera company and the King. The Emperor of Japan came for the Japanese national day, Prince Charles for the United Kingdom national day. So you had an opportunity every day to go to very interesting events and meet some very interesting people. I even saw some of the coup makers from the Seychelles that I had known from the 1970s when they came for the Seychelles national day. Our national day was a poor cousin, really, because, in contrast to the Bolshoi Ballet and the Vienna Philharmonic and the Swedish Opera Company and that sort of thing, we ended up with Secretary of Commerce Bill Daley, the Commandant of the Coast Guard, and for entertainment the blues guitarist B.B. King. That was not quite in the same league as some of the other countries. Tony Coelho thought it was great because he happened to like this particular performer, and it was his idea but it was not the same thing as the Bolshoi Ballet.

Q: You mentioned the significance of Portugal hosting the NATO ministerial meeting, the NAC, North Atlantic Council, and also the OSCE, the Organization for Security and Cooperation in Europe. We talked a little bit about Portugal as a member of the European Union. This sort of network of organizations, some of which were members of NATO, OSCE, and some of which were not, like the EU, sort of keeps a country like Portugal very busy, and to some extent, I suppose, the American embassy tends to have to focus on not just when a meeting is taking place in the capitol but on the work of the organization in general, whether it's in the Balkans or in the Caucasus or whatever. Do you want to comment on any of that in terms of the DCM's work and responsibilities?

MATTSON: Yes, again, as in the case of Denmark, we were fortunate in having in the Portuguese foreign ministry a group of very talented, very open and very competent officials who would speak authoritatively. A very good friend of mine - he died reluctantly at the airport in Athens of a heart attack - was Quintela Paixeo, who was the political director. We had all manner of discussions on Portugal's relationships with all of these organizations and their activities, and I would report that back to Washington. Portugal was becoming activist, they were

sending observers to all kinds of places, Georgia, and sending troops to Bosnia. I think they were aligned there initially with the Italians. Anyway, there were productive consultations along those lines, and again the Portuguese foreign ministry was absolutely first rate. Not necessarily to be expected. But, they were very hard working, most of the diplomats who are now in positions of authority had been recruited just after the revolution and had grown up with the new, more vibrant Portugal. Portugal is regarded, I think, as a model new member of the EU because of its spirit of cooperation, the way that they use EU funds, and I think they're a welcome member in all of these organizations. So we did have several meetings every week on various out-of-area, so to speak.

Q: And I assume it was primarily you with the political and maybe the economic section on occasion who were doing this dialog. I assume that the two ambassadors you worked for were probably not all that interested in these topics as opposed to things that were commercial or more bilateral.

MATTSON: That's true, again with the distinction that Ambassador Frawley-Bagley was much more focused and engaged than her successor. The only good thing about being a DCM for a political appointee is that you can get much more involved, often in substantive issues also, than is the case if you are in a post with a career person who may want you principally to deal with management. I think under the right circumstances a DCM for a political appointee can both be a hands-on, in-house manager and get involved much more in substance because, as you note accurately, political appointees don't have the background or the inclination very often to feel comfortable in settings where they would have to go to the foreign ministry and talk in depth about certain issues. When absolutely necessary, they tended to go in with briefing points and to stick closely to the script.

Q: Anything else we ought to say? You were there about two years in Lisbon as DCM.

MATTSON: Not really except that I've always remained very fond of Portugal. I think as a country with such a rich history during the age of exploration. Its navigators discovered much of our world. It's one of those few countries in the world, and now I am thinking of Sweden, Greece, and Portugal, as countries of 8,000,000 to 10,000,000 inhabitants which have had a tremendous influence in the world far in excess of their size or population. Whether it's in terms of the diaspora of the various countries or just the creative juices within the country, those are three countries that I always think of in terms of carrying much more weight than their size would indicate. And the Portuguese have made such great progress in the last 25 years going from really an early 20th-century country to a 21st-century country in just one generation.

Q: The Portuguese American population is primarily from the Azores?

MATTSON: Principally from the Azores. The Portuguese population in New England is principally from the Azores, and still more particularly, from the island of San Miguel. Several hundred thousand Azorean Americans are in New England. The total Portuguese-American population is estimated at something like 1,000,000. There are pockets of Portuguese immigrants from the island of Madeira - they're mainly in California - and there are some pockets of Portuguese from north Portugal who are in Newark, New Jersey, and in other places. But I guess

well over half of all of the Portugese immigrants are from the Azores. We did have a serious ongoing issue in Portugal because the Portuguese who came to the United States were largely uneducated. They tended to continue in the same fields - of course, this is a generalization - overwhelmingly they continued in the same trades and fields as their predecessors. For example, if an immigrant arrived in New Bedford and was a fisherman, maybe two or three generations later his descendants could well be fishermen or construction workers, manual workers of some kind. Also, many of those individuals never acquired American citizenship. For example, a large number of Azoreans showed up in the United States as infants. They never became American citizens, their parents never became American citizens, and one of the issues that we had were deportations, because these people in their early 20s would be involved in criminal activity in the U.S. They would go to jail, and when they came out would be deported back to wherever their parents came from, in this case mainly to the Azores. They were frowned upon as pariahs because the Azorean community was very conservative. The deportees didn't speak Portuguese, they had no roots, and in a small remote village on some island in the Azores, in some cases, they reverted to crime. It was a very sad situation. In general, the Portuguese-Americans have not made the kind of progress in the United States that many other ethnic groups made, and they have often not made as much progress as the Portuguese who stayed back in Portugal.

Q: Growing up in a coastal community in California, I can remember some people of Portuguese background whose families were either involved in fishing or I think maybe in agriculture - to confirm your point from my experience as well. Okay, anything else we ought to say about Portugal, or do you want to go on now to wherever you went next after Lisbon? That was in the summer of '98.

MATTSON: Yes, summer of '98; well, actually I left in October of 1998, came back without an assignment. I did a couple of sort of short-term things. I was State representative on the senior promotion panel for the Department of Commerce and that sort of thing. I was retired involuntarily in January of 1999. Shortly thereafter, I was asked to lead a delegation for a SOFA, a bilateral SOFA, with Greece, which I did from March of 1999 until June as a WAE, 'when actually employed.'

End of reader