Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project

WADE MATTHEWS

Interviewed by: Charles Stuart Kennedy
Initial interview date: September 19, 1991

TABLE OF CONTENTS

Lima, Peru - Political-Labor Officer 1973-1974
- Political parties
- Labor organizations
- Chile
- Leftists

Georgetown, Guyana - Deputy Chief of Mission 1974-1976
- Government
- Relations
- Environment
- U.S. interests
- Jonestown
- Visa fraud

Organization of American States [OAS] - U.S. Representative 1976-1977
- Cuba
- Panama
- Human rights

State Department - American Republics Bureau [ARA] - Central American Affairs 1977-1979
- Human rights
- Nicaragua
- Sandinistas
- Congressional interest
- Ortegas
- Democracy
- AID programs

State Department - Board of Examiners [BEX] 1979-1980
- Appointments
- Minorities

Guayaquil, Ecuador - Consul General 1980-1982
- Government
- Tuna boats
- U.S. interests
- Environment
- Consular affairs
- Galapagos

Santiago, Chile - Deputy Chief of Mission 1982-1985
- Economy
- Pinochet
- Democracy

CODELs
Trade

Naval War College - Professor 1985-1987

State Department - Inspection Corps 1987-1992
Organizational changes
Auditors
Post security
Ambassadors
Consular affairs
UN
Problems

INTERVIEW

[Note: This interview has not been edited by Mr. Matthews]

Q: I want to thank you on behalf of the Association for Diplomatic Studies and Training for giving us your time. I would like to start by asking you to give us some of your background.

MATTHEWS: I was born in North Carolina in 1933. I am not named after Wade Hampton, a major figure in Southern history. I was named after my maternal grandfather who never had a son - my mother was an only child. So I got his full name plus my father's name to legitimize me - Matthews. My grandfather was a country doctor by the name of Wade Hampton Bynam. He was named after his grandfather or great grandfather; I think the latter was the grandfather of the famous General Wade Hampton, who was to become the first post-Reconstruction governor of South Carolina. I am not a direct descendent of the famous Wade Hampton; the Wade Hampton which was in our line was an undistinguished Revolutionary War major.

Q: Where did you go to school, in North Carolina?

MATTHEWS: I did my undergraduate work at the University of North Carolina, Chapel Hill. I got my Bachelor's Degree in 1954 in zoology. I am probably one of the few Foreign Service Officers who lasted for a reasonable amount of time having a degree in zoology. After University, I entered the Army for a couple of years; then went to law school and joined the Foreign Service from there. My interest in foreign affairs - until my employment - was an avocation. During my undergraduate years, I was on the inter-collegiate debate squad, participated in the student legislature and was a candidate for president of the University's student body - unsuccessfully, I would note. I might just mention that our debate team was quite successful; it consisted of a fellow by the name Beverly Webb and myself. We usually took the affirmative side in most of the debates,

many of which were about free trade. The negative side was represented by two other members of our team - one of whom was Charles Kuralt - a well known TV personality.

Q: What sparked your interest in foreign affairs?

MATTHEWS: Since I was a kid, I was interested in international affairs. I remember participating in some high school debates which covered international relations issues. As I said, during our collegiate debates, we often discussed matters related to international affairs such as free trade.

Q: How did you hear about the Foreign Service and how did you get into it?

MATTHEWS: Not like many others who had focused on the Foreign Service for long times. I like to say that I joined because I had a losing hand in a poker game one night. I was at law school; instead of studying or writing up case histories, I joined a poker game in my digs. I had a losing hand; I folded and left the table to get a drink. Someone else had also left his table; he told me that someone from the Department of State was coming the next day to talk about the Foreign Service. I asked what time that meeting would take place; it was going to be at 10 am in the Student Union building. I said I might drop by to hear him out because I just happened to a free hour between my 9 am class and my 11 am class.

My interest was peeked. I always enjoyed taking exams just for the hell of it. I looked on them as a challenge. After I heard the Department's representatives, I picked up the application forms which I filled out and sent them in. Then I went to Jacksonville, FL, to take the written exam which at the time took up all morning. After that test, I thought that I probably did pass, although I really didn't care that much at the time. I did pass.

After the written, came the oral exam, which I took in May, 1957. That was about a two hour structured interview - although not nearly as structured as it is today. The decision whether a candidate had passed was made right after the end of the interview. But all that meant was that one's name was added to the list of eligibles. At that time, the oral exam was worth 25% of the total score. Although I think I barely squeaked by in the written exam - just enough to pass; probably just above the pass line. That would not have attracted any one's attention if they were reviewing the results of the written exam. But apparently, I did impress the panel during my orals and they gave me a very high score. I was therefore offered an appointment to an entering class which was supposed to start in early October. That was unusually fast, but I think that it was due to my rating of my oral exam.

Q: How would you describe your entry classmates? What kinds of people were they? What was their motivation for joining the Foreign Service? How did they see the world and the U.S. role in it?.

MATTHEWS: I should perhaps answer that question by first discussing my own motivation for joining the Foreign Service. I was completely up front about it, both on the

short biographic sketch that one had to write as part of the application for oral exams, and during the oral exam, when the issue arose briefly. When I was asked for my reasons for applying for the Foreign Service, I told the panel that I had been interested in international affairs - along with many other subjects. Since childhood, I enjoyed new experiences and challenges, e.g., new cultures. I could not have envisaged me sitting at a desk in some law firm "looking down the hall where the senior partners had their offices. If I kept my nose clean, I too could aspire to be at the end of the hall twenty years hence." This was a description given me by a lawyer who worked for a prestigious law firm. That was not what I intended to do with my life. I liked new challenges and I thought that was what the Foreign Service would offer.

I also generally agreed with the administration's position on national security matters. I thought that we were taking positions that were good for the country and probably for the world.

I agreed with the ethical and moral standpoints which were being followed. In 1957, there were significant challenges facing the U.S. and I thought that I might be able to contribute something to meeting those challenges. That is why I wanted to join the Foreign Service.

The starting salary was, I believe, $4, 750 per annum. It was raised a little bit during my first year. I thought it was adequate for the times; it was competitive. Had I completed my law school and gotten a degree, I undoubtedly would have made more. Even though I had an offer, after my first year at law school, to work on estates and trusts after obtaining my law degree. This came from personal contacts I had made in Orlando, Florida. That was an attractive offer, but I told the person who made the offer that I wanted to give the Foreign Service a try for a year or two. If I didn't like it, I would return to law school, get my degree and if the position was still open, would be glad to join his firm. He indicated that I would be welcomed. I told all of this to the oral exam panel - i.e. that I was not committed at that stage to the Foreign Service, but that if an offer was made before I would finish my law degree academic work, I would commit myself to serve for at least a couple of years. Then if I liked the Foreign Service and it liked me, I would probably remain in it.

There were about 27 of us in the entrance class that Fall. We had a wide spread of ages represented, ranging from the early twenties to the early thirties - the maximum age at the time was 31, if I remember correctly. I was twenty-four. We must have had two or three who were very close to the maximum age; if they had waited any longer, they probably would not have qualified.

All of entered as FSO-8 - the lowest grade at the time. The Department was at the time not giving credit for advanced academic work or work experience. Two or three of my classmates had Ph.D.s; I think one or two had law degrees - they were members of the Bar. The more typical class member would have had a Bachelor's Degree or a Masters-equivalent - more of the latter. These were people like myself who had a year or two of post-graduate work. I was probably representative of the average of the incoming

class.

I believe there were six or seven females in our group. There was one black; I think he was the only person whom we would define as minority. I don't believe we had any Hispanics or Asians or American Indians. I might note parenthetically that of the class, there are only three remaining in the Foreign Service. I retired about 13 months ago; only three of my classmates were still in the Service at the time, as there are today. One is an ambassador on his second ambassadorial tour; he was also a deputy assistant secretary. One other is the administrative counselor for our Mission to the UN. The third is the economic counselor in Geneva.

Q: At the time you entered the Foreign Service, how did you see the world situation and the U.S. role in it? Did you and your classmates feel that you would be missionaries?

MATTHEWS: The Cold War was very much in bloom at the time. But we did not see ourselves as going out to win the War. It is difficult to characterize a whole class; some probably did not think very much about these global problems; others had thought and written a great deal about the issues. In terms of the time, were we more or less liberal than our contemporaries? I think we covered the gambit, although I think that probably on balance we were a little more liberal than an average person of our age. There was nothing so simplistic as "We are going out to fight the Cold War." There was no missionary fervor. We did believe to be part of an effort to advance U.S. interests as we saw them. But we didn't really talk about this issue at least in these terms. I think most of us wanted challenging assignments. A number of us had hoped for assignments to specific posts for personal reasons. I myself, for example, had served in the Army in Germany; I hoped that I would be assigned to that area, despite the fact that ordinarily I like new challenges. An assignment to Germany would certainly have been new since my role would have been entirely different from that I performed in the military. I already spoke German and the Department provided me some additional training in that language, at my initiative because I wanted to improve my language competence. I don't think I took an exam in German; I probably would have ended up with a 2/3 (2 on speaking and 3 on reading) on a test - 3/3 being conversant with a language and 5/5 being bilingual.

Q: You finished your training in Spring of 1958.

MATTHEWS: That's right. We had finished the three months' basic course. That was principally an orientation course designed to impart to a wide variety of people a basic primer in the Department and the U.S. government. We were also taught the principles behind the formulation of U.S. foreign policy, including a smattering of history. But there was little attention paid to philosophy or academic subjects. We had to do a lot of work in the human relations area - testing, how to work in groups, leadership abilities, etc. We had some senior officers - old ambassadors - speak on "what worked for me." We had what we called an informal "big brother" system, which didn't really work that well. Each of us was paired with a senior Foreign Service officer, who had some reasonable success in the Foreign Service. The idea was that he would tutor us - advise us on practical matters that were not easily taught in the classroom. That didn't work too well. I

may have met a couple of times with my "big brother" over drinks or something social, but I can't remember who it was or what sage advise he gave me. It was an enjoyable part of the training, but not a major part of the training program.

Q: After the course, you served briefly as an exchange officer in the Department and then were assigned to Munich. How was the exchange officer assignment?

MATTHEWS: First, I should note that I really didn't want that job. I wanted to go to Munich right away. In fact, I had applied for a consular job in Munich. I probably would have preferred an assignment to a political job, but consular work ran a close second. I had no problem at all in doing consular work; in fact, I was quite open minded about the possibility of making that my career. I had no particular economic background and my interests were not that great in that subject. I might have taken an economic assignment if it were in a particularly interesting post where I could have some challenges even as junior officer. I probably would have tried hard to steer away from administrative work.

In Washington, I was happily assigned to the International Exchange Service. That was an office in the bureau for Public Affairs. I had one of the better junior officers' jobs. I was a special projects officer in the Special Projects Division of IES. That meant that issues which couldn't be pigeon-holed neatly into some other divisions were assigned to us as well as those which may not have appeared important enough by other division chiefs. The latter tended to land on my desk. We had no geographic focus nor much functional one. So it was a challenge and learning experience which is the reason why I joined the Foreign Service.

As an example of what I did, one case involved Joe Blachford, a tennis star who later went into politics. He and his partner wanted to play exhibition games and give clinics around the world. We didn't have resources for such a program, but Blachford was more interested in facilitative assistance to work out arrangements for his program, which was a new enterprise for him. So I helped him to the extent I could.

Another case involved a physician who came to the Department with an idea: establish a program called "Project HOPE." This program consisted of sending a medical ship to under- served areas of the world. Since it was not clear that such a project could be implemented, the Department didn't want to invest any resources in it. The sponsor said that he had an offer of assistance from the U.S. Navy, but questions remained. Could he get a surplus ship from the Navy? Could he find the resources necessary to equip it? This case came to me. I developed the initial Departmental assistance program for "Project HOPE." Today the program still continues although it has left the seas and is now implemented on land. That was a very successful program. I don't claim much credit for that success, but I was the project officer for the Department and developed the Department's involvement, which was consisted essentially of providing facilitative assistance.

Those are two illustrations of what I did in IES; I lasted there for about eighteen months.

Q: In 1959, you went to Munich, a large consulate general, where you served until 1962. What were your duties in Munich?

MATTHEWS: I think I was one the very few officers in our class who was assigned to his or her first choice of posts. Most of my colleagues tried for embassies and many were disappointed. When I first arrived I participated in the general rotation program that the C.G. had developed for junior officers. Since I was assigned by the Army to Augsburg, I had some familiarity with Munich. I spent a year in the consular section, exclusively in the Visa Section. That was a normal assignment for a junior officer regardless of background. We had a large Visa Section; we had about six or seven officers in that Section. About half were junior officers like myself on their first tour. I believe that I spent the first six months working as immigrant officer in charge of one of three teams. Each team consisted of about 5 or 6 local national employees. They processed the applications - according to an alphabetical order. We processed both German citizens as well as refugees living in camps. The program was in full swing. We had a large number of refugees applying for immigrant visas; many came from Eastern Europe.

Each application required a lot of processing. We coordinated with Immigration and Nationalization Service (INS). Each applicant had to be interviewed; it was then a much more drawn out process than today's. We asked a lot of questions about the individual's background; there were many records that had to be reviewed which often raised many more questions. One of the most difficult issues was the applicant's involvement in Nazi activities or in a communist movement. Many applicants had criminal records; a few applicants had been in and out of insane asylums. So we were quite busy and I enjoyed it for the six months I worked on immigrant visas.

Then I was offered an opportunity to head up the non-immigrant unit. There was only one American officer in that unit and I served there for about six months. Munich was a center for the Eastern Europe emigres. I had to go to Neuberg once a month; I would exchange information with knowledgeable people including interviewing refugee camp residents. Those were preliminary contacts with applicants. Most of my time in Neuberg was devoted to information collection from the German authorities - information we needed to pass on an applications from refugees in camps. I had hoped that after one year in consular work, I could move to a political job. There were two positions in the Consulate General for junior officers. One job was the second position in a two officers unit which concentrated on internal political affairs. The other was the second officer in the Eastern Europe political affairs - again a two officer unit. That section dealt with Radio Liberty, Radio Free Europe and liaisoned with groups working on Eastern Europe, including East Germany.

When I first arrived, I had an interview with Ken Scott, the Consul General, who later became our ambassador to Ghana. The Deputy Principal Officer for most of my tour was Owen Zurhellen who finished his Foreign Service career as Ambassador to Suriname where I had contact with him again when I was DCM and Chargé in Guyana. Both Scott and Zurhellen told me that after a year in the Consular section, they were prepared to let me try a political job. So I talked to Richard Johnson who was the head of the Political

Section. He told me that there was a Bavarian Party which in the last election had garnered about 20% of the vote. The consulate general did not think that this party had much of a future, but wasn't certain. In any case, the Political Section did not have enough time to pay much attention to it, but Johnson was ready to let me become the expert on that Party. He said he would help and provide guidance if necessary. He did note that I was still fully employed in the Visa Section. So all political work would have to be done in the evening and on week-ends. That is what I did; I met many Party member officials. When they would come to see the CG, I would be asked to sit in, if I had time. I went to their various rallies and conventions. I wrote some reports on this Party which reflected some skepticism about its future. In fact, the Party disappeared in the longer run. But I got a good introduction into political work - contacting, reporting, etc. Munich was unique among the CGs because it had a lot of political reporting to do.

So when I moved to the Embassy, I was well prepared for report writing. My work had been critiqued by the CG, I had learned how to make contacts; I had learned interviewing skills.

Q: What was the Munich CG's view of Germany and its future? Were we still concerned about a rise of the right again? Was there any concern about Germany splitting into separate Laender?

MATTHEWS: The prevalent view, which I shared, at the time was that Germany's policies were in accord with our own interests. When I was in the Army 1955-1956, *Ostpolotik* was well underway at the time and was blossoming while I was in Munich and thereafter.

We had some concern for the reappearance of a Nazi-like movement as well as the possibility of a fragmented Germany. But I think in general these potential problems were not high on our agenda. We wanted a viable central government which was not immobilized by powers given to the states. We of course supported federalism, which is common to Germany and the U.S. If one of the states had seceded, it most likely would have been Bavaria because that Land had a lot of unique institutions. The Christian Democrats were the largest party in Bavaria at the time, but it had to go into a coalition with the Christian Social Union (CSU) to govern Bavaria - as it still true today. Strauss at the time was the Chairman of the CSU. He was dynamic and very conservative; he would from time to time snipe that the CDU in Bonn. The Social Democrats were the opposition in those days. It was a powerful party and we believed that it might take over the government sometime in the future - as it did.

We were very concerned that the Social Democrats maintain an anti-communist attitude - an attitude more in tune with our security interests and U.S. interests in Germany. The party had a radical left group which were suggesting policies entirely inimical to our interests. Fortunately this group was a small minority. We were concerned, but ranked the possibility of a party take-over by the radicals in Bavaria pretty low on the scale. We maintained close contacts with all three major parties. In fact, I think CG Munich had better contacts with the Social Democrats than it had with the CSU.

There was some concern, although relatively minor, about Strauss' tendencies to the right. We had very good relations with him. Strauss was no one's puppet; he had his own mind, but we did not view at the time as a potential leader of a revanchist neo-Nazi group. I think we might have been a little more concerned had Strauss been Chancellor rather than Konrad Adenauer or Ludwig Earhart. We viewed Strauss as a generally constructive force. His economic polices were certainly in accord with ours. The chancellors in Bonn had similar views on economic development, so that worked well. Strauss was one the most fiercely anti-communists in politics.

As I remember, we were most concerned with was the DFU (the German Peace Movement). Included in the membership of that party were some old communists who dominated the party, some radical socialists, etc. The Communists Party was illegal in Germany at the time.

The DFU either existed when I arrived in Munich, or was founded around that time. It had been a splinter group which organized itself into a political party. We were somewhat concerned that this party might grow; it didn't, but we kept a watchful eye on it. We had contacts with that group, as we had with all political parties in Bavaria, but we left no doubt in the DFU that we didn't approve of it. It was not a group of people who were supporters of the U.S.

Q: The period we are discussing was post-Hungarian uprising. We were concerned that the emigre group, much through Radio Free Europe, was trying to incite Hungarians to take up arms again - without U.S. support. Did we watch these emigre groups to make sure they were not inciting action that might drag us into a development with which we wanted no part?

MATTHEWS: Yes and No. The U.S. government was watching these groups. But I was in the Internal Political Section and this issue was not on our agenda. I did of course talk to my colleagues in the Eastern Affairs Section who sat just down the hall from us. Kermit Midtune was in charge assisted by Kenneth Skoag. They were in the CG for about the same period that I was. They carried out the liaisons with the emigres and wrote reports on these contacts. There were other parts of the U.S. government who also had a watch brief - i.e. elements of an intelligence agency, the Embassy in Bonn, our defense establishment in Bavaria as well as probably our people in Radio Free Europe-Radio Liberty. I think it is fair to say that there were some concerns about U.S. policy before and at the time of the Hungarian uprising. A number of people thought that we had been a catalyst or at least not tried to hold back the Hungarian insurgents in 1956. I think that experience had soured most the emigre groups; they did not look to us for military support or other assistance had there been another 1956 event.

Q: From Germany you were transferred to Salvador, Brazil - an entirely different environment. You were there between 1962 and 1964. How did that assignment come about?

MATTHEWS: Once again, I was lucky; I had listed Salvador, Brazil on the annual "wish"list that we used to fill out in those days - known as the April Fools list because it was due April 1. I specifically said that I would be interested in a position at my level - that is an FSO-6 since I had received two promotions during my Munich tour - one at the time of my arrival and one around departure time.. Contrary to Dick Johnson's advice - he was my boss and probably an FSO-4 under the grade system then prevailing. I put on my list a "coastal consulate in Brazil." El Salvador was close enough. So in the first two assignments I was lucky, having gotten the exact post - Munich - on the first try and close enough on the second.

Johnson had given me good career advice, which I recognized as such at the time. He thought that I should try to get a political job in an embassy in an area of importance. I didn't follow that advice because I think I was still a bit of dilettante - some of which I never lost. I was still attracted at the time by the challenges that had attracted me to the Foreign Service in the first place. I was interested in the new, in different things, different cultures, learning a new language. I thought that entering a new area with a new language would put me at some disadvantage with my colleagues in a political section staffed by experts or near experts. I would be low on the totem pole in any case because of my grade; add to that my lack of area experience and I think that suggested to me to look in a different direction. I felt that a small consulate would give me some more supervisory experience, more an opportunity to work in all of the facets of work in the consulate. My work in Munich had been very circumscribed. I had learned visa work - I thought pretty well in light of the many differing visas problems I had faced. I thought I knew political work, especially that dealing with internal politics. In the late 1950s and early 1960s, it was possible to have such experiences in a constituent post; today you really to be assigned to an Embassy. Today consulates, with rare exceptions, are not involved in political analysis, even at a level which would engage a junior officer. Many of the consulates are of course still very active in the visa issuing process.

So I felt that a small consulate in Brazil would have given me a better knowledge of the totality of U.S. representation; furthermore, I would add knowledge of a another language. I always liked the idea of living in the tropics - I had lived in Florida and that was the closest I got to the tropics. I saw Brazil as the country of the future.

Salvador was at the time was the second largest city in North-East Brazil. It had a population of about 650,000. In our consulate district which included the states of Bahia and Segip - central North-East Brazil. The whole consular district had a population of about 6,500,000. Salvador was the original colonial capital of Brazil in pre-independence era. It was the center of African culture in Brazil. The district had a variety of climatic conditions - a tropical jungle area, a coastal area, a semi-arid area in the interior.

I was assigned to Salvador before I went to Rio for Portuguese language training - for about three months. I knew a little bit of Spanish and French, but I had to start at the beginning with Portuguese.

We don't have a consulate in Salvador anymore. We have only a consular agent there

now, as we have in many parts of the world. The smaller consulates in Brazil were closed as money saving proposition. But in the early 1960s, Salvador was the center of petroleum production. The Brazilians controlled the production very tightly; they did not give concessions to American companies. There were a lot of American companies in Bahia on contract to Petrogas, the Brazilian monopoly of the energy field. They dealt with the broad spectrum of exploration and production. That was of some interest to us.

Brazil was a federal republic. The states had considerable political influence and power. At the time, Brazil was a flourishing democracy - disorderly, unclear to observers where the country was heading. The society was not very stable. No one knew whether Brazil would take the "Cuba road" or some other direction. Cuba at the time was very much on our mind following Castro's take over in ate 1959. He was articulating the need for revolution throughout Latin America.

The early 1960s were the hay days of the Alliance for Progress which raised Latin America on the U.S. foreign policy agenda. This newly developed U.S. interests was one of the major reasons I volunteered for a coastal consulate in Brazil, instead of a similar post in India or elsewhere in the world outside of Latin America.

We had a relatively small consulate in Salvador. There were two American officer positions, and one American secretary, one American administrative specialist - both FSS positions. The Consulate supported a number of Americans working for other agencies. We had a USIS operation; there were a couple of people from the assistance agency - although we did not have a mission. Those two technicians were assigned to the University and the Geological Service. In fact, after my arrival, I became the Alliance's officer in Salvador, in addition to my other responsibilities. I did not mind because it meant when there was no other Alliance official in town, I was able to take the Alliance's jeep. I took good care of it, housing it in my garage; I did use for official purposes giving much greater flexibility in covering our consular district than I would have had otherwise. I took a number of trips into the interior, making sure that my itinerary covered inspection of some "Food for Aid" work project. I always wrote reports on those projects. At the same time, I would visit with mayors and other officials of the towns I visited. I wanted to find out what the political thinking was.

Q: The Ambassador at the time was Lincoln Gordon. It was also a period when the military took over the government - which lasted for many, many years. How was your work before the coup and after? How did we view the developments in Rio from Salvador?

MATTHEWS: We were a relatively small part of the picture of Brazil. When I arrived, the governor was Juracy Magallanes. He was an old-line politician - center-right, having held a number of governmental and political positions. Later, Magallanes became the second Foreign Minister of the military government. Before that, he had been named as Ambassador to the U.S. - appointed by the military government which took power in 1964. When I first met him, he believed in democracy, but before the coup so were most politicians. He was a firm anti-communist.

Magallanes was governor for about one half of my tour. As I suggested earlier, he was a member of a relatively conservative party, which was supported largely by business interests and the upper middle class - not so much by rural agrarian interests. He was succeeded by Antonio Lomanto, Jr., who belonged to the PTB, the party which also included Joao Goulart, the President of Brazil and Leo Brazolla.

We reported on political developments, on what the media was saying, on economic developments. The reports that were send in State channels were written by either by my boss or myself. My first boss was Dirk Keyser who was followed by Herald Midkiff. I was the vice-consul and therefore the number 2 officer. When ever the Consul was away, that put me in charge; that I enjoyed. Not many junior officers had such opportunity. I was about 30 when I was in charge.

Brazilians are quite open and hospitable, making it easy to make contacts with them. I had good language fluency; I used Portuguese almost exclusively with Brazilians. I had access as a vice-consul to whomever I wished. I went on a trip through the Bahia interior as part of a little delegation mostly from the Brazilian Navy, headed by the Admiral in charge of the Navy in the Bahia region. That was the beginning of a friendly relationship, which involved reciprocal invitations to our homes. We were friendly with journalists; had good relations with the governor and his Cabinet. We had very little contact with any representatives of the federal government - which was in the process of moving from Rio to Brasilia at the time. I don't believe I ever met Joao Goulart while in Salvador.

We reported from our prospective. I believe that our messages went directly to the Department with info copies to the Embassy. I may be wrong on that, but I believe that was the process. We had a large American community in our consular district - mostly involved in the petroleum industry. They required a certain amount of care; we didn't have to intervene very often on their behalf. Those Americans had good relations with the government and Petrogas. We did push American goods. We had an active USIS program.

An active Communist Party operated in Salvador. I met some of the leaders of the Party. One of them identified himself soon after my arrival; he invited me to Makumba and Candelblay sessions. The latter is a type of dance with musical accompaniment which evolved from a type of fighting that the slaves brought with them from Africa. It is now ritualistic and stylistic, emphasizing use of feet and elbows and hands. It could be compared in part to karaoke, but it is more of a dance now than fighting. There were matches which put a premium on movements - hand and feet. You were not supposed to actually kick the competitor. Makumba, on the other hand, stemmed from voodoo with African music putting some people into a trance.

I would discuss political issues with him. If he was trying to subvert me, it certainly was not evident. I reported this contact, but I must say that I didn't gleam any new insights into the working of the Party, but I did learn a lot about the sessions I mentioned earlier.

Q: Talk a little about the military coup. First of all, is that the proper word for what happened?

MATTHEWS: One could call that almost as one wishes. In some ways, if you believed the pronouncements of the leaders, it could almost been called a revolution. They pledged to transform Brazilian society. It turned out to be far short of a revolution. I think a better characterization would be a "military take-over." I remember that event quite well. We did have some clues which suggested something was going to happen. The day before the take-over, the head of our assistance program, Jack Kubisch, visited us in Salvador when I was the senior American at the post. He was going to sign an assistance agreement with the governor of Bahia, Antonio Lamato, Jr. There were too many rumors floating around and Kubisch cut his visit short to return to Rio. He turned over the final documents to me and authorized me to sign on behalf of the Alliance during a signing ceremony which was to be held the next day with the governor. That evening or the following morning, it became quite clear that the military take-over was in process. It was clear that Brazil was in a state of flux. Nevertheless, I went to the governor's office where the signing was to take place. I was ushered into Lamato's office where we exchanged few preliminary remarks. All of a sudden, someone came into the office and announced that the President was on the phone for the governor. Lamato rolled his eyes and when I volunteered to leave the room, he told me to stay. So I sat there while the governor talked to Goulart. There had been no signs of movement by the military in Bahia; everything was quiet. The population was monitoring events in Rio through their radios. It was very uncertain how this process would end. Would the military take-over be successful or not?

At this point, there was still doubt about the military's chances for success. As I said, Lamato was on the telephone with Goulart. I of course heard only one side of the conversation during which Lamato pledged his support for the President, but refused to issue a statement - "it as not the right time." Lamato wanted to wait a while before issuing the statement, but he reassured Goulart that he was in his corner. He assured the President that all was quiet in Bahia and guessed that it was not likely that the military would support the President.

Then the conversation turned to making a phone call. Apparently Goulart asked Lamato to call someone; the governor demurred saying that it would not be appropriate at that moment. He opined that the best thing for him to do under the circumstances was to sit tight and wait. He did add that as soon as he felt it was prudent, he assured the President that he would go public with his support.

Then Lamato turned to me and said:" Doesn't he realize that if I said anything now, I would be put out office in a second?" He was not going to say or do anything until he saw what would happen. He told me that he was not at all sanguine about Goulart being able to retain power.

Then we proceeded and had our signing ceremony for the assistance package. As a matter of fact, the take-over was extraordinarily non-violent in Bahia. The center of the take-over was Sao Paulo; the pro-Goulart military factions were based in Rio. The two

factions met at about the state borders; I heard that the deal would include telephone calls from the Sao Paulo faction to the Rio faction saying that it was moving from town to town. “We hope we don’t meet up with you. Since the Rio faction had not yet decided what it would do, it pulled its troops as the Sao Paulo faction moved northwards. So the two factions never met.

In Bahia, the military sided - as Lamato expected - with its Sao Paulo colleagues. When the military took over the state, they posted a few guards here and there. Initially, they did not expel Lamato; he remained as governor for another few months. They did arrest Doria, the governor of Sagipy, which was in our consular district. As a matter of fact, Doria was on a prison ship which anchored in Bahia harbor. He was much too left of Lamato.

The first casualty in our district was in the interior of Bahia, after three or four days of military rule. A soldier had been to a bar and had his fill of liquor. Someone made some comments about the take-over and shots were fired resulting in a death. There may have been few other deaths, but they took place after the take-over had taken place. Leo Brazolla was still unaccounted for, but he was found in Montevideo after slipping across the border from his ranch. That was the last piece of the puzzle enabling the miliary to take over power in Brazil.

There was not much negative reaction from the U.S. Government. There may well have been some individuals in the Embassy who felt that the take-over was inevitable after the military decided that the economic situation was deteriorating rapidly and sharply. There was considerable lawlessness in Brazil toward the end of Goulart’s Presidency. The government was trying to subvert the military process. That caused a rebellion of sergeants, even after Goulart informally appealed to the enlisted men to support him. I think that had we vocal about our objections to the take-over, I doubt if the Brazilian military would have paid much attention. After the beginning of the march from Sao Paulo to Rio had started, Goulart appealed to the sergeants publicly. Whatever resistance was offered was led by Brazolla, Goulart’s brother in law. Brazolla saw himself as the Brazilian version of Castro; he wanted a revolution which would cast out the upper middle class. Goulart was much more cautious and accommodating. So it was Brazolla who was viewed by the military and others as the source of Brazil’s problems; he became the target.

The situation in Brazil was somewhat akin to what happened in Chile before the Pinochet coup. There was a great deal of disorder; the economy was in serious trouble because investments had dried up in light of situation in Brazil. I remember well one headline from one of Bahia’s newspapers - a conservative paper: “ Someone should kill President Goulart” (or something similar.) This was before the take over and was one of the most noticeable headlines I have ever read. The paper went on to blame Goulart for all of Brazil’s miseries which at the time were numerous. Nothing happened to the newspaper. That was indicative of where the winds were blowing.

Q: Was there any great change in what you did after the take over? Did you find it more

difficult to make contacts?

MATTHEWS: No. Our contact on the far left - the communist acquaintance I mentioned earlier - was arrested of course. Those who were not arrested, went into hiding - some left the country, the others were mostly arrested later. But all these people were later released. Cesius Doria went out to Fernando de La Roina, the prison island. After 9-12 months, he was released and later became a very successful business man in Rio. That kind of evolution became not uncommon.

The take over in March, 1964 was not violent. But certainly the left pretty well disappeared - in prison, or out of the country or just silent. The take over stimulated a terrific genuine outpouring of hope and sympathy among Brazilians, especially from the middle class and much of the poorer class in Bahia. The largest demonstration which I saw in Brazil - matched only by Carnival - was one that supported the military. The march consisted of a variety of civic groups, neighborhood associations, Candelblay clubs, etc. This took place about a week after the take over; people marched spontaneously through the streets - some actually cried. Some carried signs supporting restoration of order, some demanded that democracy be restored, others wanted reform of the political system. I remember thinking that if the military then installed a typical Latin American military dictatorship without making fundamental changes in the system, it would lose most of its public support. The next time that there might be another revolution, it would probably be violent led by the left; the military would have lost all credibility.

So the population in general viewed the take-over as an opportunity for change; it hoped that the military was going to take advantage of its opportunity. There were of course some people - those in jail or fleeing - who would not have shared these views, but I think the vast majority of Brazilians did. I would guess that in the early days, the military had overwhelming support.

Q: In 1964, you were transferred to Lorenzo Marques.

MATTHEWS: That is right. This also was the result of the personnel system. On my preference list, I had included this post in Mozambique as political officer. But in fact, I was assigned to a visa officer's position in the Department. That did not make me very happy. I communicated my views to the Department; I did not want to pursue a career in consular work - I had decided by this time I wanted to be in the political "cone". I finally got a letter from someone in Personnel reminding that when I joined the Foreign Service, I was told about and had accepted discipline. I was told to take the consular job and to stop complaining. The final line suggested that if I didn't like the assignment, I would be welcomed to leave the Foreign Service.

By this time, I could not go to some of the opportunities that I had during law school.. But I did not discard the option of leaving. I decided to go back to Washington to see whether I could get the assignment changed; if that wasn't successful, then I was pretty much prepared to leave the FS and going back to law school to start a new career. On my

way home, my family - wife, two young children - stopped in Rio. I should have mentioned that sometime earlier I had married a high school teacher whom I had known from Washington days, but got married in Germany while I was in Munich. Before boarding the ship home, I spent a little time with the Embassy, giving my views and getting an "going-away" briefing. In Rio I happened to run into Charles Grovert - an old friend whom I had succeeded in IES. He was a political officer in Rio. I told him that I was surprised to see him there; no one had told me. He said that he himself was surprised; he had no idea that he would be assigned to Rio even as recently as a few weeks. He told me that he thought he was going to Mozambique - at the time a Portuguese colony - to be a political officer at our consulate there.

I answered by observing that that was a strange turn of events because that was just what I had put first on my "April Fools" wish list. I noted that I didn't even know whether there was a vacancy, but I was delighted to hear that there could be one. Grovert said that there would not have been one had his assignment not be changed to Rio. He told me the reason that his assignment had been canceled is because he made some remarks about Portuguese President Salazar - probably ill-advised ones - to his language instructor at FSI. She happen to be the wife of a military attache in the Portuguese Embassy. Those comments were passed from person to person until they reached the Foreign Ministry in Lisbon. In the meantime, my visa application to the Portuguese laid dormant in the Portuguese Embassy - no action week after week. When the Department inquired about the visa, it was told informally that it would never be acted upon - at least not favorably. So the Department - in its usual snit - decided to show the Portuguese that "they couldn't get away with that"; it would refuse to fill that position in Mozambique.

I don't know whether Salazar would have been greatly disturbed by this turn of events - even if he known about it. I suspect that the political officer position in Mozambique was not high on his agenda. In fact, I think the Portuguese would have preferred for us to close our establishment there. But that was the way the Department reacted.

I then confirmed from Grovert that the position still existed, but he wasn't certain how soon the Department would fill it. I said that I would check on that when I returned to Washington - which is what I did. I talked to someone in PER; I found out that then Consul General was also in Washington. So I had lunch with him and he thought that I was the greatest thing since sliced bread - I had not made any anti-Salazar remarks; in fact I had no opinion on that subject.

Eventually, I was assigned to Lorenzo Marques. Before sending me out, the Department thought that I needed a remedial course or something and assigned me to FSI for the mid-career course for two or three months.

Q: When did you actually go to Mozambique?

MATTHEWS: I arrived on January 2, 1965. I remember that quite well because in those days we traveled by ship. In fact, that was my last transfer by ship. After that, we always flew. We arrived on a day (New Year's Eve) - one of two in a year - when the harbor was

closed. So we had to stay on board another 36 hours.

My wife, our two small children - a 2 year old and a 6 months old - and I boarded the "Independence" or the "Constitution" - I don't remember which - around Thanksgiving in New York. We stopped in the Canary Islands for most of a day, as we did when we anchored at Gibraltar. We also stopped at Barcelona, Nice or Cannes before disembarking in Genoa. There we had to wait for a week before the next ship - "The Rhodesia Castle" - would leave. I had a brother, who was also in the Foreign Service, assigned to Dusseldorf, Germany. So we rented a car and drove there for most of lay-over week.

Around December 2, we boarded "The Rhodesia Castle." It was a combined passenger-freight vessel - it had about 120 passengers - comfortable, but not luxurious. What attracted us to the ship was its nursery - they were very good facilities. It sailed through the Mediterranean stopping at Port Said. We took the opportunity and spent 24 hours in Cairo - saw the pyramids and the Egyptian Museum. We then caught the ship as it was steaming out of the Suez Canal. My wife almost dropped one of the children in the water because we first had to board a lighter which had to match the speed of our ship. Once the lighter came along side, we had to jump from it to a ladder on "the Rhodesia Castle" - helped by some members of the crew. She handed the child to a seaman, along with our Egyptian purchases.

So we reboarded "The Rhodesia Castle" and then sailed along into the Indian Ocean. We stopped in Aden - where we took a cab tour. What I remember of Aden was watching a British convoy just returning from the interior; on one of the hoods I saw, strapped down, was a dead guerilla - if he had been a deer. This was the time when the British were trying to suppress a native up-rising.

We then stopped in Mombasa where the ship took on some cargo. We stayed in Mombasa for about six days watching cargo being unloaded and loaded. One of our children caught chicken pox there. So one of us had to stay behind because we could not take the child to the nursery. So we took separate overnight tours by train to Nairobi. Then the other child came down with the chicken pox, but was essentially cured by the time we got to Mozambique.

The we stopped in Dar where we stopped for a day. Dar was important to me because the leader of the only consequential guerilla organization, Frelimo, fighting in Mozambique, had his headquarters in Dar. I was advised by European Bureau to stay away from these insurgents on the grounds that I would be seen as meddling in the internal affairs of a Portuguese overseas province. The African Bureau didn't object, but was not enthusiastic. After consulting with a number of colleagues, I decided that prudence would be the best tactic at the time. There were others who had contact with Frelimo and reported on it. So I didn't make contact.

Then we sailed to Durban where we spent another day and then on to Lorenzo Marques. The whole trip took a month almost to the day from the time we boarded the ship in

Genoa.

Q: The old Foreign Service! I think that you probably arrived in much better shape than if had flown overnight to Mozambique. How long were you in Mozambique?

MATTHEWS: Absolutely right, despise the chicken pox. I stayed in Mozambique from January 2, 1965 to March 5, 1967.

Q: What was the situation in Mozambique at the time?

MATTHEWS: A insurgency had broken out in the North - roughly in September, 1964 - with Frelimo raiding from its bases in Tanzania. One of my assignments was to evaluate the situation and predict what would happen in Mozambique. It was something of a James Bond assignment. The question I had to answer whether we could expect a free and independent Mozambique in the near future or whether we should assume that the Portuguese would be able to repress the rebellion and therefore maintain Mozambique as an overseas province. That latter outcome would have depended on a heavily armed Portuguese presence - a large drain on its military resources. Some of us thought that the outcome might be something in between and it became my job to evaluate and make policy recommendations. We actually made recommendations on what U.S. policy should be. These were the "Soapy" Williams days; he was the Assistant Secretary for African Affairs. The Portuguese desk officer with whom we were in frequent contact because he was responsible of Portugal's overseas provinces was Ted Briggs, his boss was George Landau - the Iberian Country Director.

We also dealt with the African Bureau, primarily on administrative support matters. But we did, for substance report, to the European Bureau. Such an organizational confusion of course was reflected in the opposite views that we received from the two Bureaus.

Q: Lorenzo Marques was a Consulate General at the time. Is that correct? Who was in charge and how did it operate?

MATTHEWS: It was a Consulate General. We reported directly to the Department. On most messages, EUR - the Iberian division - was the action office with copies provided to AF. I mentioned that I had met the CG - Thomas K Wright - while both of us were in Washington. He had been our Ambassador in Mali. He was identified with the African Bureau.

When I arrived, much to my surprise, we were met by Al Lafanier, the deputy Principal Officer - a position that was not filled when he left, leaving some of that workload to me. He told me that Wright had left a couple of days before on transfer orders. I was later told that he was viewed as having been identified with AF. He certainly seemed to favor independence. I was told that when he showed visitors - probably including Portuguese officials - around our offices, he would talk about "when" Mozambique would be independent and would show the visitors where the Ambassador's office would be, etc. Nor surprisingly, the Portuguese reacted strongly to Wright expressing his views in this

manner. It was the same attitude reflected in their denial of Grovert's visa application. I was an unknown quantity, so I had few problems.

So the acting principal officer - former deputy - headed the CG. He was also the economic-commercial officer. CIA had a representative there - undeclared. He arrived roughly at the same time I did, creating all sorts of confusion for the Portuguese. Their intelligence was not very good and they did not know whether I was CIA or whether it was my colleague. Both of us were political officers further confusing the Portuguese; they really didn't know who was the CIA agent. So they put a tail on both of us for about two months which led to their conclusion that I was not the CIA agent.
The Principal Officer had an a American secretary. There was a communicator and a administrative officer. I handled political and consular affairs. I had a consular assistant during most of my tour. I also during about half my tour there handled economic affairs due to a series of vacancies and that sort of thing. I had, however, an economic and commercial local assistant. He had a Ph.D. from a university in Goa. He was Goan and had lived in Portugal a brief time. He had spent much of his adult life in Mozambique. He was good in what he did.

Q: Before we move to the political situation, let's first [do] the consular. Were there any particular consular problems or cases or anything of that nature that bring to mind?

MATTHEWS: None that spring to mind. Consular work there was rather routine, largely dealing with people immigrating to Mozambique and probably had their applications for visas [to the U.S.] prior to the time they came to Mozambique; and American citizenship [issues]. There was a fairly sizable Gulf oil operation there at the time. In Americans, we are talking about 60-80 with Gulf oil, plus a lot of others, and so they had passports and their problems and so on.

Q: When I think of oil workers I think of the terms for them around there, roughnecks or roustabouts or so on which sometimes describes this is pretty hard work. Did you have any problems of them ending up in jail or that sort of thing?

MATTHEWS: No problems that we really had to get involved in. The Gulf oil people did have problems, some of them getting into jail and that sort of thing, but they had a good relationship with the Portuguese authorities. The Portuguese authorities tried to make sure that nobody was killed, and so they would go and get them out an ship them home if there was any real trouble. So, we rarely got involved.

Q: Well, now on the economic side, what were there any American interests there other than the oil exploration?

MATTHEWS: It was quite limited. We were successful I think in selling a few locomotives to the Mozambique rail system. The rail system was substantial because the port of Lourenco Marques was a major South African port and Rhodesian port, Avira and Lourenco Marques which the British call Byara, the port up in the middle part. I'm using the old name of course, Laurence au March which was the name when I was there. The

transportation was the biggest thing we had an interest in other than oil. Of course, we exported a fair number of cashews. I think it was the biggest source of cashew nuts for the United States, and we exported quite a bit of frozen shrimp and lobster tails from Mozambique waters. No, our commercial interests were quite limited there. Our consular interests were handled by one assistant, and when she was away, the local secretary handled them. Consular work took up I would say at the most 20% of my time, probably less.

Q: Could you tell me what was the impression you got from the officers serving there when you arrived about whither Mozambique to begin with before you did your own thing?

MATTHEWS: I told you Reich's position earlier. He had gone by the time I got there. There was a six month interim before Reich's replacement arrived and I think he was an FSO-3 officer which would be the equivalent of an FSO-1 now under the present system. I, incidentally was an FSO-6 when I arrived, but my promotion came through shortly whenever the new list came out, I was an FSO-5, equivalent to an FSO-3 now. I was mid-grade.

Q: You are talking about a[n Army] captain in the military approximately.

MATTHEWS: Something like that. I was in my early 30s, 31-32. The CIA officer there whose name I will not mention, but the one who they thought might be me, we had a lot to do with each other. He was a very open individual, and we probably shared a few things we shouldn't have shared.

Incidentally, I would like to tell one anecdote because it because it was important at that particular point. As I said, I had a tail put on me, and he had a tail put on him. Our car arrived, a white Ford station wagon, not too long after I got there. This would have been a few weeks afterward. So, one of the first trips I took with my wife and kids up to see the hippopotamuses on the Inquatmi, I think, was the name of the river. I'm a little confused on the river name. Maybe I got it mixed up. Anyway it was about 35 miles out of town. We decided we'd go not by the interior road which was a paved road, a main north south highway, but by a little road down by the beach, a little tiny dirt road.

So, we were driving along, and I saw this little grey Volkswagen which was my tail some little distance back. Then, we had a flat tire or something. We stopped and got out and to my absolute disgust, I found that somebody had stolen the jack from the car.

Q: This happened quite a bit.

MATTHEWS: Oh, yes. The VW was stopped some distance behind. This was completely a one lane dirt road with no traffic whatsoever on it. I scratched my head a little and walked back to the car and explained in Portuguese what had happened, the car did not have a jack, did they have a jack? The two people in it, plain clothes security, white, Portuguese, looked at each other, didn't say a word to me, got out their jack and

walked up to the car. They also had their lug wrench which had also been stolen. They jacked it up and while I tried to help a little, they changed my tire for me, put it back on. Not one word, I made a few comments, but they didn't say a word to me. They let it down and walked back to their car. I waited a reasonable time for them to get back; it was a couple of hundred yards behind us. Then we went on the rest of our trip, looked at the hippopotami and came on back. They followed us all the way back.

Some time later I got to know fairly well, I think I called on him already, Antonio Vas, the local Mozambique chief of PITI, Police Internationale [etc.], the Portuguese security police. The secret police if you want to call it although it wasn't entirely secret. We used to exchange little jokes. We'd both go with our kids to the Palana Hotel pool on Sunday morning, this was four or five months later. They had a tap on our telephone which they were quite open about at the consulate. Perhaps they had taps on our home phone, we weren't sure. We would exchange jokes, and he would have somebody tell him on Friday what interesting did you get from the consulate, and he would make some joke about that to me. He would say, "I see you were talking with so and so this week. You have got to watch talking to him. We might throw you in jail with him or something like that."

I told him the story one time about this incident with the two follower cars, there were two people in the follow car. He said," Mm, what did they tell you?" "They didn't tell me anything." "They didn't say anything, they didn't open their mouths to you?" "That's right." "Good he said, because that is what they had in their report. I just wanted to make sure they weren't lying. They were under strict orders not to speak to you at all." Anyway, it was a reasonable relaxed sort of an operation, and they figured out after a couple of months who I was and my tail disappeared.

Q: What were you getting from the man who was the deputy consul general and anyone else when you first arrived about the Portuguese position in Mozambique, where it was headed at that point? We are talking about 1965.

MATTHEWS: They thought it was limited and that the insurgency would grow. They didn't know when, how long it would be before the insurgents took over. He had a list, apocalyptic I would suppose. He was not as sanguine as his predecessor Wright was about when this would take place. He thought it would be some time, but he thought they would get stronger and take over. Now, my assignment was to make the evaluation. I listened to that; I listened to a lot of other people; I listened to a man named Domingo Saluca who was the principal, he described himself as the black showpiece of Mozambique. He was quite open in talking in his office with a little man serving coffee, not a black of course. He ran a newspaper published in Sangni and Aronga, the two principal southern Mozambique languages. They had another I think, Macure language, I'm not sure. Anyway another language newspaper which he owned and published. He was a lawyer. He was really our only black opposition contact in Lourenco Marques because he was the only one around. He wasn't in jail or under very tight cover.

The agency had some others, but most of our contacts with the black opposition, the essentially Frelimo opposition, there was one other small group as I said, was from a

source out of country. I would call on Laruca, I made several calls on him. He would talk quite openly, "Yes it is inevitable that Frelimo is going to take over, but what I would like to have would be a peaceful transfer of power." I would say, "Should we be talking like this here in this office?" I would never call him on the telephone other than to set things up because I didn't want to compromise anybody. They did throw people in jail for this sort of thing. He said, "No, they would not touch me; I am their black showcase." I would say a month after that conversation, after I had been there about three or four months, Laruca was arrested and spent the rest of the time I was in Mozambique in the Cape Verde Islands where they had a prison. I never had any contact after he left there with Domingo Laruca. His wife was a white Portuguese, and I did occasionally see her before she left Mozambique and inquire about Domingo Laruca, but he was not as untouchable as he thought.

Q: Well, just to get a little flavor of the times, in later years the human rights became to the forefront, you would have been protesting this type of thing. I take it that how we dealt with a matter like this was not to protest. It was a strictly internal Portuguese business, was that it?
MATTHEWS: As I recall in Washington when charges would be made that such and such an individual had been tortured. Torture, incidentally was not, it's hard to [establish]. There were allegations that people had been tortured. They certainly did use rough interrogation, and there probably was some of it. I don't think a person like Laruca, in fact his wife never, claimed that he had been tortured as I recall. He was a lawyer for crying out loud. He had been educated in the Portuguese system; he was married to a white Portuguese woman. He was arrested for contacts with active insurgency and supporting the insurgency; and let's face it, he did have contacts with them. Our reporting indicated that obviously he had contact with them, and he was fairly open. So, I don't recall any protests. We would not have been involved in any protest in Mozambique in any event because we after all, were a consulate general, although actively reporting. We were not a position. Let me, well, I suppose it would be of interest to find out what I did because my assignment was to investigate. So, I arranged to go up. I could travel essentially wherever I wanted to. I had to let the Portuguese know.

I traveled all over Mozambique, up into the insurgency areas, because at this time the active insurgency areas, bombs in the road, ambushes of military patrols, that sort of thing was up in an area within 60-100 miles of the Tanzania border. There were some little occasionally terrorist incidents down in a part of Southern Mozambique, not in the city of Lourenco Marques, but those were very small scale stuff. So I went up there; I made several trips. I chartered a plane for one trip after six months or so after the new consul general got there, Harold Reed. Henry Clinton Reed, who came from being consul general in Angola for the previous two years. Prior to that, he had been consul general in Au Porto. He was a long time Foreign Service officer. As I recall he had been at the founding conference of the United Nations in San Francisco. He had been a consular officer for a long time; son of a missionary.

Anyway, I went up and made these trips, and I believe even before we had arrived I had made my reports and analysis, and Lachimeer had signed off on them. He said well,

you've been up. I think he even went on a couple of these trips because he was also tied to orientation. I don't remember whether I made such a trip with Al Lachimeer but I may have.

My conclusion was that the Portuguese could defend Mozambique from being taken over by Frelimo, if they had the national will to do so. But it would cost them something. Unlike Angola which was a net economic plus, Mozambique was a net economic loss. Not nearly as much of a loss as Portuguese Guinea. They would certainly defend Mozambique as long as they defended Portuguese Guinea. They were losing more people in Portuguese Guinea and Portuguese Guinea had no worth for them at all except if they gave up Portuguese Guinea, that would give great encouragement to the Mozambique rebels which was marginally important and more important to the Angola rebels.

Q: Portuguese Guinea is in the bulge of Africa.

MATTHEWS: West Africa, Guinea Bissau it is called now. Angola was the gem of the Portuguese overseas provinces. But anyway, that was the conclusion that I had and the reason, the basic rationale, had Mozambique been a mosaic of tribes, lots of little tribes, or had there been relatively little tribal identity, then the insurgency supported from bases from countries primarily in Tanzania could have probably swept down and taken the northern part of Mozambique and maybe just kept on going, but there was a big problem.

The principal insurgent fighters were Macombi, a warlike tribe, the best wood carvers in east Africa which was about half in southern Tanzania and half in Mozambique. Right south of them there was a tribe on the far west who did [get outside] support, but not entirely. But the largest tribe in Mozambique was the Macua. The Macua were traditional old tribal enemies of the Macombi. So here are the Macombi supporting the Macua and vice versa. The Macua for that reason remained essentially in the Portuguese camp. They were not generally active participants in the insurgency. They formed a large buffer, a large block to the southern spread of the insurgency. That was a large part of my analysis, and I must say in retrospect, my analysis was pretty correct.

The Portuguese did beat the insurgency at a tolerable level. They lost more people from traffic accidents while I was there for example, than they did from actual insurgent attacks. The reason being largely insurgents'. The main weapon of the insurgents were little plastic anti-personnel land mines which they would plant in the road. The Portuguese found that if you put sandbags in a jeep, and if you ran the jeep like a bat out of hell, just as fast as you could go, that the land mine would be set off by the jeep, but it would explode behind the jeep and it wouldn't really bother anybody. So, they lost hardly anybody from vehicle explosions.

They did lose some from stepping on land mines, of course. But, mostly because the culture was to speed very rapidly over those land mines, they did lose a lot of people to traffic accidents. I went on some of those jeep rides over a lot of those roads. I never had a land mine explode behind me, but they did drive just like demons.

Q: What was your impression of the Portuguese army at that time, and how were they dealing with the insurgency and attitudes?

MATTHEWS: Their principal weapon they had, which the United States got terribly interested in when I reported it, was fortified villages. This was early Vietnam time. So, after I had made my reports and made my analysis of what was going to happen, the fortified villages were generally successful. I don't think any of the fortified villages fell as I recall, once they were properly fortified with some land mines around them and some fences, and this, that and the other. They would pick off people they would find out from grabbing some people and interrogating them who were the principal Portuguese collaborators in the village, and then when those people came out to go to their fields or what have you, they would try to pick them off, so they did get some of the black Africans in the village who were the principal collaborators or what have you. The Africans would go outside of the village every day, largely unescorted to farm because after all the farming areas were outside the village.

We visited quite a few of those fortified villages and recorded how they were set up and so on. Fairly successful, the majority of the people just wanted to be left alone and do their own thing. The villages seemed to have adequate food; mostly they grew their own food. It was by and large not trucked in, but if there were some exceptionally bad - let's say the insurgents destroyed the crops - the Portuguese military would bring in food from other areas. It was very hard to gauge the opinion of a person in the village; I think it depended on his tribal affiliation. Most of them did not speak any Portuguese, and most of us at the Embassy didn't speak any tribal language.

Q: What was your impression of the Portuguese army and how it operated?

MATTHEWS: With reasonable efficiency; they were spread fairly thin. I'm trying to remember the number, 40,000 sticks in my mind, but I think that may have been more than there were there. There were certainly no more than 40,000 Portuguese troops in Mozambique, and after all we are talking of a country considerably larger than California. Most of them were obviously concentrated in the insurgent areas, but reasonably efficient. They were fairly well-supplied. Portugal was a member of NATO so they got some U.S. supplies through NATO. There was an agreement which the United States insisted on that they not use any of those supplies in Mozambique. Now we were not trained military people.

A military attaché may have come to Mozambique at one time while I was there; I don't remember. Any obvious U.S. equipment we would report on, and I recall the small amount that we say, and we would talk with the Portuguese military about is this causing a problem. Well of course, Americans supporting the bloody guerrillas and that sort of thing by not letting us use the equipment here. That all appeared to be equipment that was acquired prior to any U.S. restrictions and prior to any insurgency that had broken out. It didn't look as though they were bringing that stuff down. After all we were not supplying them with equipment, they had a small munitions industry. The sort of equipment they needed in Mozambique that we were apt to see at least was generally not the sort we

would supply.

Q: I take it there was not a feeling in Lourenco Marques of being under siege.

MATTHEWS: No, not at all.

Q: How did you get information about the rebellion? Could you talk a bit about your impression of how the CIA, the agency representative, were you getting a picture. Or was this sort of off your radar?

MATTHEWS: A mix, a real mix. We talked with a lot of people, some people who had business interests in the north, some people who were connected with the Portuguese opposition, that is the metropolitan Portuguese opposition, white Portuguese, but who didn't like the government and would like to come in and tell us anything negative about the government. I don't mean necessarily come into the office and tell us, but who we would meet and have lunch with, we would run into them at some commercial activity or some reception or wherever. We would go to shop or dealing with some lawyer on some local real estate matter, all sorts of sources on that kind of information. We would call on people when we would travel. If there was a local newspaper in the provincial area where you would go, you would always call on the local newspaper editor who may not have been a supporter of the Portuguese and people you would run into in hotels, you would see a lot of it yourself. We did travel around in a lot of these areas, and after my first couple of months there, and I'm not sure I made a trip North during my first couple of months; I may have. I did not have a tail on me, so I could wander around.

You could always run into a lot of people in the slightly urban areas, not out in the bush, who did speak Portuguese. You have to remember there were roughly 120,000 white Portuguese in Mozambique at the time, most of whom you would almost call peasant farmers, some large agricultural cooperatives up in the Limpopo valley where they tried to have sort of transformed Portuguese dirt farmers to Mozambique. This had mixed economic success, some success, but they couldn't really compete with the Africans from the standpoint of the wage scale. I think, as I recall, there were about 8-10 million which is the population of Mozambique of whom about 120,000 were white Portuguese. I would say about half of them there as farmers or businessmen or what have you, and the other half there in some government capacity.

Q: Did the agency officer have any good sources from your point of view from the insurgency?

MATTHEWS: Had some. I would say that they were no better than my sources. Don't forget, he did some cover work; he talked to some of the same sources I talked with. He was, after all, listed as a political officer, as was I. So, we talked with many of the same people. We took some trips together. Occasionally he would go off to a bar or to prowl around town, obviously to meet a contact. But he didn't have sources out in the [hinterland?], as I recall; that wasn't the sort of thing we did. The main advantage was the reporting we got both agency and State Department from outside the country which we

would see, and of course we'd share this. Then once we got a new Consul General, Harry Clinton Reed, had a good memory for what the contacts would say, and he was a real sociable person toward the contacts. Having served a couple of years at Au Porto, one of the centers of Portuguese domestic opposition, and having served in Angola, he knew the language well. He had a lot of contacts and friends of friends that he knew and were living in Mozambique, so he would get all sorts of information. He hated to write. We would get together in his office almost every morning and he would tell me so and so said this and said that and you ought to see so and so about something. More of my domestic Lourenco Marques information came from him, rather than from my own direct contacts.

Q: Did you feel any pressure both from these bifurcated bosses that you had, the Europeans and NATO elements? The main thing for Portugal is we wanted to keep the Azores base which was essential to NATO and we didn't want to rock the boat, that was the European context. Then you had the Soapy Williams coterie in the Africa Bureau which saw the winds of change and was quite positive on African independence. These two collided, and here you are down in a place which is a point of conflict and what you are sending out. I mean, nobody is going to be happy if you send the wrong thing. Did you feel any of that?

MATTHEWS: We felt the difference between the bureaus, no question about that, and I recall somebody on the political side from the Africa Bureau, maybe more than one, did come for a visit to the post. Soapy Williams never came to Mozambique; it would have been a little awkward. Anyway he never did come. Yes, we felt that the Africa Bureau was not all that happy with our reporting, with the slant of our reporting. We reported that the Portuguese could hold on as long as they wanted to provided that they had the will to hold on which is what happened. There was a revolution in Portugal and the leftist group of military took over. They invited Frelimo in and said set it up. Frelimo at the time we were there was not the radical leftist group they became after Eduardo Mondlane was assassinated. As I recall, the assassination took place while we were in Mozambique. Of course Frelimo said the Portuguese did it. I think it was an internal Frelimo dispute between a radical element and the Eduardo Magline element. Most of the time I was there Magline was... Laruca was freed from prison after the revolution came on, maybe before that, I don't recall, and later became associated with Renamo which was set up by the Rhodesian government, the Ian Smith government and was later supported by the South African government. I don't know what ever happened to Laruca but he was the only respectable figure in the Renamo hierarchy, all the others being real goons and that sort of thing. Renamo didn't even exist while I was there.

Q: What about we were in the middle of the cold war and were always looking for the Russian or Soviet bear under the bed or even the Communist Chinese. Were we looking for Communist influence and what did we find?

MATTHEWS: Way down there we weren't particularly looking for it. There was little Communist influence in Mozambique. Some of the opposition Portuguese perhaps had communist ties, but we really didn't focus on that, and I'm not sure that any had really

serious communist ties that were in Mozambique. The Portuguese P.D. would have come down and arrested anyone they thought had really serious communist ties among the white Portuguese in Mozambique. Among the Frelimo as I said was Laruca who certainly did not have communist ties. He did have Frelimo ties from the Magline stripe that element of Frelimo. Now obviously the Communist Chinese were supplying Frelimo I think gratis with all this anti-personnel plastic mines. They were armed by, well their arms support came from a variety of sources, the Chinese particularly and probably the Russians were a major element in their source of arms and funding up in Tanzania, but that was understood. After all, you take it from where you can get it. The Tanzanian government also gave them considerable support of course.

Q: You left there in 1967. Again at that time the Portuguese were in control and as you said the feeling was as long as they had the will, they could hang on.

MATTHEWS: And they did for some years after that. I don't remember when the leftist revolution took place.

Q: I think it was mid-'70s.

MATTHEWS: And the situation on the ground in Mozambique at that time was just about as it was when we left with the insurgency still going on, not much different.

Q: Where did you go then in 1967?

MATTHEWS: I went back to the Department, but let me mention just one thing before because I neglected it. It was an important element of our activity there. That was UDI, Unilateral Declaration of Independence by Rhodesia.

Q: Would you explain what UDI meant.

MATTHEWS: Certainly. UDI, Ian Smith who was the Premier or Prime Minister of Rhodesia was faced with strong British pressure to bring black Africans into the government and to evolve into a multi-racial society which would inevitably mean eventually a predominant role for black Africans. He elected, and the principal white elements of the Rhodesian population elected, to unilaterally declare independence which nobody recognized except South Africa. Rhodesia's principal entry, for entry and egress of goods has through Mozambique, was through the port of Berra and the port of Lourenco Marques. There was supposed to be an embargo which South Africa said up front they weren't going to do it, on such things to and from Rhodesia.

The Department of State was quite interested in what was still flowing through Berra and Lourenco Marques. Both the agency, the CIA, and we were sort of tasked with trying to look for that sort of thing. I remember we looked at cargo in the port and we'd go in and inspect things in the port. One thing in particular, there was a particular type of iron pellet from Polabora which was up in Rhodesia. Before UDI I had been all around the port; I went everywhere and looked at this, that, and the other. and, oh, yes, Polabora iron ore.

You could tell because the pellets were a certain type, size and grade. That is the iron ore from South Africa because it looks different. After the UDI, I went down to the port some time after and there was a bunch of this Polabora Rhodesian iron ore. "No, No, that is South African iron ore." "Well, it is Rhodesian iron ore." We did our report back to the Department. It was going to Japan. The Department of State complained to the Japanese through the embassy or in Washington. The Japanese came back, "Oh, absolutely not. This is South African iron ore; here are the origin documents." Of course the origin documents did say, South African. "Here is a report from our engineers. There is no way to tell one from the other; they look identical," and so on. We have to assume this is correct. There is absolutely no way we can tell whether this is or isn't. Of course they could, and the Japanese were lying through their teeth and the Department, well, what could you say? The State Department could perhaps arrange for some iron experts to go in and inspect it; this, that, and the other, but it never happened.

Q: Well you went back to the Department in 1967; where did you go?

MATTHEWS: That's right. I went to a job in personnel. I was a career management officer.

Q: You were a career management officer, known as a Schmoe (CMO) back in the old days. You were in personnel from when to when?

MATTHEWS: From '67-'69.

Q: Could you explain how the Foreign Service operated, not just the political officers, but all, the role of personnel at that time, and what you were doing?

MATTHEWS: By this time I had become, as I clearly had wanted to be, a political cone officer. I was managing the careers of political cone officers more or less in my grade. I think I started on FSO [classes] 6 and 5. The 7s and 8s were taken care of by the Junior Officers program. I think it was 6s and 5s and I may have managed 4s for a little while. Oh, yes, I was promoted to 4 at that time. After about two years in Mozambique I was now an FSO-4 which is sort of like an Army major.

What would I do? I did not assign officers. I interviewed them. I looked over their records. I tried to plot a logical, in consultation with the officer (largely when they came in for consultation, career sequence of assignments. Get a career plan approved, and then we had to sign off on officer assignments. If it was a field, normally we (CMOs) lost. The geographic bureaus would usually win. We would project a course and if an officer is assigned outside that projection then in theory at least we could complain, and we did complain in fact that this made no career development sense. We tried to do it logically so that if an officer was strong in one thing or another or had a strong motivation in a particular thing and some qualifications, could get the assignment. We had mixed success in that. Some officers I think we were substantial in getting them assignments that made sense and they were developed into better officers than they would if we had not been there.

Q: At one point we [I was assigned there also, as a CMO] were developing a tool, which I guess has lapsed, but [it graphically] gave an idea where to get the maximum value out of officers, and develop them. This was the pre-computer age. We were actually using punch and a knitting needle. It worked. But, one could have done a much better analysis on this to figure out what we had in a stockpile of officers and where there were gaps and weaknesses. I mean it would have been an attempt to manage manpower more than just a way to promote people and assign people each on an individual basis with no attempt to look on an overall basis as to where are they going [or needed].

MATTHEWS: Yes, there was a weakness there in that mostly it was done individually which would be very easy now that you have computers. It could have been done better even back then. The career projections five years out into the future, say that we are going to have twice as many people in political positions as we need and not as many people in consulate. That [revealed] big weakness [in future staffing].

Q: It was an early attempt to try to get a feel for that. What was your impression of the officer cadre you were seeing?

MATTHEWS: It varied tremendously of course. Some of them should have been hustled out of the Foreign Service, but not too many. Most of them were probably overqualified for the jobs they were doing. I would say this in most of the cones. They could have probably been hastened along more rapidly than our projections had been going because our projections had to be sort of realistic. I mean we couldn't have projected an officer of my grade for example to be an ambassador on his second post. Well, as a new FSO-4 you could have gotten a tiny ambassadorship but it would have been highly unlikely. You had to project it if you thought there was the potential for maybe three or four assignments. A lot of those officers could have taken an ambassador job but I would say at level. If they had the proper projection, a DCM [would have been more realistic]. We weren't developing them to their maximum. Some of the real hotshots, they developed. (Static obliteration of program) Sometimes we'd protest that some of these officers who could do the job well, didn't move along as rapidly as some of these other guys.

Q: Well you left personnel in '69. Where were you assigned?

MATTHEWS: To the Latin American studies course. I had my pick of the universities. I was the number one candidate of the ARA bureau at that time for a university training of a year at a masters program of university studies. I picked Stanford University and went to Stanford. The best program, and I knew it at the time for what I was interested in, was at the University of Texas. But I had lived in California when I was in the army earlier, actually down in Monterey. I liked the Palo Alto area and it was a good program.

Q: I had forgotten, we are both graduates of the ALS, the Army Language School.

MATTHEWS: No, I was at Fort Ord as an enlisted man, basic training for six months.

Q: I was at the Presidio. Well, then let's talk a bit about Stanford. You were at Stanford what '69-'70. This, of course was high Vietnam; the student protests, and here you were. Tell me a bit about your training there and the atmosphere, particularly as it concerns Vietnam.

MATTHEWS: I was one of, as I recall, 12 students in a masters program in Latin American studies, an interdisciplinary program. I was the oldest, in my mid-30s. I was making about the same salary as a good friend of mine who was an associate professor, in this particular case, anthropology. Obviously I was a little better off than the rest of the students. I had three kids, one of whom was in second grade, one of whom was in kindergarten. The other was pre school. My wife was not employed at the time other than looking after the kids. We rented a house on Hanover Street just off the campus, about two blocks from the campus, so I was a little better than most of my fellow students. My fellow students included Rick Muchio who as you know is engaged over at NSC in Latin American studies now or Latin American affairs. I'm not sure whether he is still there; I can't remember the names of the others now; Rick Martinez, who is head of some Mexican-American institute; and several others. One went on before the end of the year into the local insane asylum. He just cracked up and broke down. I didn't find it that stressful. In fact, I found the course work a lost easier than my undergraduate work at the University of North Carolina. Stanford is a tough place to get into, which I, of course, didn't have to. The entry was sort of guaranteed. But, once you got there, you could sort of work at your own pace and the grades you got depending on the work you devoted to it were probably easier than the work at University of North Carolina at Chapel Hill. Johnnie Johnson was the head of the program. I grew a beard while I was there; the first time I had grown a beard. I didn't do it for camouflage, for the counter-campus Vietnam. I did it because I thought it was something I would like. I had one like this. It turned out red. Yes, there were some protests and there were some counter-protests. There was a conservative movement on campus, and there were anti-Vietnam protests. There were some protests that would get involved with Latin American policy.

Most of my colleagues, the twelve, but not all of the Latin American studies people that I have run into who were interested in Latin America were highly critical of our Latin American policy. They felt that we shouldn't be supporting the radicals; we should be supporting another group than the governments. I tried to impress on them that, look, we as a government, deal with governments. We deal with governments as they are. We try to change the government by various persuasive tactics, if it gets a tough enough, situation by sanction. We are not just trying to change the government. We also have a cold war on, and we support, in effect, those who support us. If somebody is attacking us constantly, we are not that happy with it as a government. But there are all sorts of elements within our government as well.

I recall one fellow named Richard Fagin. He was a professor at the time, wrote on Cuba mainly, had a number of interviews with Fidel Castro; that sort of thing. But he was highly open and approachable. He asked me to take one of his graduate seminars one day. I recall I was talking about U.S. policy toward Latin America and giving the rationale, this that and the other. I saw one fellow dressed in fatigues and combat boots of this

group of 10 or 15 sitting around the table. He just could not contain himself. I was seated there; I think I had on very informal clothes. After all, I was a student, beard and all that. He jumped up on the table standing right in front of me, towering over me and said, "I have heard all this bullshit and crap. I can't take, etc." I said, "Calm down, why don't you. Sit down and let's talk about it." I continued on.

Later I accused Dick Fagin, "You set me up." He had left the room. I expected him to stay there. I also conducted other seminars while I was there and in all those others, the professor stayed in the room. Dick Fagin left it. Dick and I had other disagreements about Cuban policy as well. I remember at one point accusing him of prostituting his... Well, he had to do it to maintain access to Cuba to do it. "Well, in your writing, if all you are doing is maintaining your access, you are prostituting your academic credentials. He didn't quite agree with me. Well, we had a few talks like that.

Q: Did you feel there was any particular thrust to the Latin American department? You talk about the students and one professor. Of course, Stanford also had the Hoover Institute which was very conservative.

MATTHEWS: We had a Foreign Service officer assigned to the Hoover Institute for academic reasons like myself while I was out there.

Q: Did you feel any thrust toward those?

MATTHEWS: A mixed bag, more critical than supportive by and large. Our little Latin American studies institute, or whatever it was, was an interdisciplinary thing. Johnnie Johnson was the only person - he was also a professor of history - the only person who was assigned to our [group], there were a number of other professors who focused on Latin America who were affiliated with it in some way, but their prime affiliation was to their department. They were either a professor of political science, history, anthropology, or whatever. I took a mix of courses out there, including a core seminar each semester or quarter. I believe they had quarters then, I don't remember. You did take one core seminar, and the others were electives that focused on Latin America. All my courses had something to do with Latin America.

Q: You left there in the summer of 1970?

MATTHEWS: I had been told, when I consulted with Personnel before I left and when I came back, that I was a sure fire promotee to FSO-3 and would take over the political section of some Latin American country. Now, I did not have good Spanish; I had passable Spanish. I had never been trained by the State Department. I had to take a master's qualification exam. I took that in Portuguese, not Spanish. I had never been assigned to a Spanish speaking country, and I wanted assignment to a Spanish speaking country. I knew they had an eight week transition course, or maybe it was a six week course at that time from Portuguese to Spanish, and I wanted to have that.

Well, I wasn't promoted; I was still FSO-4. I said, "Well, can I get one of these jobs

posted to Central America?" The trouble was they were anticipating my promotion and said they had filled these jobs. I said,"Why? They fiddled around and said, "Well, how about State Department political officer in Trinidad and Tobago?" I said, "That is really Latin America. After a year of training at Stanford that is what I had been training for?" I hadn't even focused on the English speaking Caribbean. I did do a paper on it once upon a time in that ill-fated mid-career course I had after Brazil. I recommended that we invite the Russians in to take over Haiti, and said its is the only solution I could see. Dump it in their laps. The Department didn't quite buy off on that. It was some academic exercise anyway, let's face it.

I did talk to Wilton Bural about that, he had written a paper, but not that. He said, "That might be the only way." Anyway, it ended up where I went. By way of training. I wouldn't really call it training. It was more of orientation, talking with the AFL-CIO, because I was political-labor officer there, and handled both ends of things. Interesting things, I met George Meany and all the other AFL-CIO, but it was purely orientation, purely talking.

Q: You were in Trinidad-Tobago from when to when?

MATTHEWS: 1970. I got there several months after the mutiny which was the epochal political event of the time. Where the unsuccessful mutiny of officers (some were sincere but most were self-serving), which Eric Williams then Prime Minister and his group had successfully put down, largely because they had no or very little support. I left in '72. I was there exactly two years October '70-October '72.

Q: Could you talk first a bit about the embassy and who was the ambassador and what were American interests as defined during this '70-'72 period.

MATTHEWS: The ambassador when I arrived and during the first year I was there was Whythe Symington. He had run for congress from Maryland. He was a conservative Republican. I last saw him about 10 days ago when he stopped by our place up in Newport just for a visit of five minutes, no more. We've kept in touch. I have kept in touch with a lot of people over the years, some of the political appointees not. The main problem as I told Harry Clinton Reed later on, was that all my immediate bosses, with one exception, had died. Reed is now dead, too, of course, but Symington is still around. One year he was there, and then Anthony Marshall replaced him, also a political appointee.

It was customary that political appointees went to Trinidad and Tobago back in those days. One of the reasons was (A) it was an English language post; (B) U.S. interests were limited in those areas. When I arrived we had a missile tracking station which was still in operation. It was the northern part of an old navy base. It was run technically under the Air Force but it was a missile tracking station.

We had Texaco, a major oil producer by Caribbean standards, not by world standards; Amoco; and I think another oil company which came in, I think while I was there, and

developed offshore oil production. Reynolds Aluminum imported bauxite from Guyana and did some additional processing and trans-shipping from Trinidad and Tobago.

The population was only about a million people. Nonetheless, we had significant - it is hard to say significant - we has some exports of interest and export potential, but most of the exports as I recall were connected with the petroleum industry.

Q: During the two years you were there '70-'72 could you describe the government? Eric Williams was an interesting person and how we dealt with - his approach to us - and how the Ambassadors dealt with him; also how you went about your work.

MATTHEWS: Eric Williams was an authoritarian individual but it was a democratic society. I would not call it a dictatorship in any way, shape or form; definitely democratic. They would say what they damn well wanted to say and nobody would arrest them for saying what they wanted to say. The people who led the mutiny were in jail of course. They were tried and most were convicted. The ringleaders were convicted; the rest were expelled from the military, and some might have even been reintegrated; I'm not sure. It was an extremely small military; they didn't even have a navy, they had a coast guard. Williams was the undisputed leader. No he wasn't undisputed. There was a dispute for the leadership of the People's National Movement which was the ruling party. The principal opposition party was East Indian dominated. The PM was Black dominated. The two races were almost equal in terms of population in Trinidad and Tobago. The mulatto element was primarily black-white mix, although some black-Indian mix made up the difference. That was a fairly substantial group of people. We are talking maybe about 20% of the population and some Chinese and what have you. Unlike in Guyana where I later served, demographically the blacks and the part-blacks had a majority of the population. The PM had that. A.N.R. Roberts, who had been the Deputy Prime Minister, Eric Williams thought had encouraged the mutiny so he didn't trust his loyalty. So he fell from the party. He organized his own relatively small political group because he was from Tobago with a population of, oh, maybe 30,000 or so - a small population, therefore a small population base. It never really amounted to a great deal. He was younger and was considered more leftist than Eric Williams.
We had relations with them all. We had no big deal. I think the man's name, I can't remember his name, the head of the East Indian party. I got to know him fairly well; an old man. I attended his funeral pyre. He was Hindu and a pyre was built and he was cremated; that sort of thing. We had relations all over. We had very good relations with all the labor elements there. I submitted, well I had to submit reports. In fact the Waterfront workers, as I recall, one of the ways I impressed myself because they kept bringing it up, was that I drank them under the table at one sort of meeting we had. They invited me to some sort of meeting. They had an assistance program for the trade unions through the labor development arm of the AFL-CIO down there. We had an AFL officer who was assigned there. He was from the steelworkers union in Maryland and he was a trade unionist essentially, a black fellow.

Q: What was our feeling about Eric Williams and how did he deal with Symington and the next Ambassador?

MATTHEWS: Very ambivalent. Eric Williams had lived in the United States at one time; he knew the United States fairly well. He suffered some racial discrimination in the United States which he never forgot. He was mixed; he was not pure black. He was well-educated. He felt himself far superior to almost anybody else on the island, regardless of his race. And he didn't hide this feeling of superiority. He may have been superior. Certainly he was a good political tactician.

His relations with the embassy were not all that open. I would cover the legislature sometimes. Inevitably he would send a note over that he would want to see me about something, and I would hope that he would want to see me about some political development or this, that or the other. Inevitably it was someone who would like to have a visa to the United States; can you arrange this and so on. This is on the floor of Parliament which met regularly. But I had contacts all over, including with a number of the trade unions.
Illustrative, one of the trade union chiefs, he was also a senator had a farewell reception for me at his home. All the senior the waterfront workers union gave a little reception for me down at the union hall and several others. But, he had one at his home. Then he said, "After this we all want to come down to the hotel and see you before you leave Where are you going to be staying?" I said, "The Trinidad Hilton for the last couple of nights after we had moved out of our house." There was a Prime Ministers conference taking place actually at the Trinidad Hilton, part of it at least there, from the English speaking Caribbean. Carl had not come. I thought, well, you say a lot of things at a reception. About ten or eleven o'clock PM, the day before we were leaving the next morning to take a plane out. We had packed up and all that sort of thing, of course. Betty had already gone to bed and the kids were in their respective rooms. We had a suite. The way to get into the suite, oddly as I recall, was through the bedrooms. I don't remember the logistics, but it was that way. To get into the living part you had to go through the bedroom. Betty and the kids were in the bedroom, and I got a call, Carl Tull saying, "I'm coming down to say good-by to you. I told you I was coming and I'm on my way." I said, "Carl the family is in bed now." He said, "Well, I'm coming down anyway." I said, "Okay, fine, I'm delighted to see you. Come on down. You will have to pardon my wife, she is in bed already and may not want to get up." He said, "That is all right. I'm bringing a couple of people with me." I said, "Who?" "Michael Mannling and Forbes Brenner. Ministers of Jamaica." And down goes the phone. We got our clothes on and there was a knock on the door which was the bedroom door. Betty said she was going to feign sleep So I escorted these two Prime Ministers and Carl Tull, and they stayed a very short time. But I told Forbes Brenner later when I was assigned to Guyana and frequent Chargé and DCM, "You remember where we first met?" "No." "In the Hotel." "Oh, yes! I remember that." Anyway that is illustrative of the informality of Trinidad.

Q: How did Fyfe Symington run the embassy and what was his relationship with Eric Williams?

MATTHEWS: Stiff. Eric Williams thought he had racial prejudice whether he did or not, and he never really got over that. On the other hand Fyfe had been a strong supporter of a

spirited U.S. reaction against the mutiny, and Eric Williams as a tactician liked that.

One of the issues that came up while we were there was Chinese representation. As I recall, we still recognized Nationalist China and he made a spirited case that Trinidad should not switch representation to the PRC. They did switch representation to the PRC. He took this badly and let it be known that he took it badly. Eric Williams didn't appreciate that. He left not because the Trinidadians said they wanted him out; he left just because he, he was a fairly wealthy individual His wife was one of the heirs to the Mellon fortune. His son is currently Governor of Arizona and having a few problems out there. He was a nephew of Stuart Symington who is a senator from Missouri.

He was replaced by Tony Marshall who was from a well-connected but not nearly as wealthy family of good Republican credentials, a much younger person who ran the embassy in a looser form. Fyfe for example one of the female officer a very attractive officer who later on married a Guyanese, consular officer wore slacks to the office a couple of times. He thought this was absolutely could not be permitted, that she had to wear a dress. She took umbrage at that, and there was a little tenseness, if you will, on that. Symington's analysis of how things were doing in Trinidad was pretty much on the mark. He was not a high political profile person.

Q: Then you left there in 1972 and whither?

MATTHEWS: From there I then went back and had this finally, I was offered several posts but because I was still an FSO-4. I had not been promoted. I thought my career was going absolutely nowhere. So, I was only offered 04 type positions. The best one that I could find was one of two labor positions, political-labor officer positions because after all I had one. I tried to get a political counselor position in Latin America. I wanted a Spanish speaking post, absolutely, that was my sine qua non. I was offered political officer job at Caracas and at Lima, Peru.

I elected Lima, Peru because Rob McCormick was Ambassador to Caracas and Rob was, had a habit of taking an instant like or dislike to a person. He had a favorable impression of me at that time. But if he did take an instant dislike to you or if you did something, you were on his black list from then on. I frankly just did not want to serve in that sort of grinder, and so even though the job was more interesting at Caracas, I took the one at Lima, Peru. I went by way of six weeks conversion course to Spanish and then I went to Lima.

Q: So you were in Lima from when to when?

MATTHEWS: A year and a half, the shortest tour I ever had because I requested transfer. Not because I didn't like the job but the job was, I thought, had to be more interesting. I arrived there in January of '73 and left in June of '74.

Q: Let's talk about Peru. As usual, I'd like to talk a bit about the Embassy and the Ambassador and how that worked. Then we will talk about the situation.

MATTHEWS: Well, Lima was the first relatively large Embassy I had ever served in. My first post back in Munich, Germany back in those days was a fairly large post, but smaller than Lima. There in Lima, I was strictly labor.

My title on the Foreign Service officers list was Political-labor, where in Trinidad it had been at least half, I would say more than half, political as the sole State political officer. Although there was another agency political officer there who incidentally nobody ever picked as the agency person. He played golf with the colonialists, that sort of thing. One amusing incident, let me just go back to Trinidad because this is sort of amusing. There was a radical leftist newspaper called *The Bomb* which was published by a radical leftist Trinidadian politician of no particular importance. They had a front page exposé after I had been there about six months and it said CIA chief in the Caribbean identified. They had a quarter of the front page taken up with the bald shining head of George Thompson, our public affairs officer whose views if anything are a little left of center and still are. He was a newspaper correspondent, but the reason they picked him as the CIA chief in the Caribbean were absolutely impeccable. Just like he was the closest thing you could find to James Bond in the Caribbean, with one exception. He was devoted to his wife. He had a wife that looked older than he as a matter of fact, and one son. Really a good family man. But, he had sailed his own yacht to Trinidad-Tobago. That is the way he arrived. He traded his yacht while he was there for an airplane and he flew all around the place. He was an accomplished pilot. He was a former newspaper man and hung around the newspaper offices. He was not reticent about what he said, so he would go to the Tribune, I think it was the Tribune, the more leftist of the two papers, not radical leftist by any means. He'd say, "Christ sake look at this here. You got the layout all wrong. Do it that way," etc.

He was an Arabist who had been to the Middle East. One of the big issues of the time was Trinidad and Tobago joined OPEC. It was clear at the time that the United States preferred that Trinidad and Tobago not join OPEC. He was a ham radio operator. He was always on the ham radio. He drove the fastest most souped up car on the island charging around the highways. As I said, he shaved his head, bald head. All these things were James Bond of course, so this guy, the idiot at the paper had that and these were the screaming headlines, "CIA chief in the Caribbean identified."

George left on reassignment about nine or ten months after that. We couldn't decide who would replace George. Of course the CIA chiefs sat back and chortled about this. George went up to him and said, "You put him up to this." "Absolutely not you are obviously the chief!" He was still there, but nobody was going to finger him. Well, they looked around who is going to replace George. Well, I didn't have a yacht and I didn't do this that or the other, but I did have all these good contacts with the labor unions and the AIFLD man clearly they thought took orders from me. Well, he did to an extent but not entirely. His prime bosses were at the AFL-CIO. He was not CIA either, had no contacts. I got a much more hesitant article. Only a quarter of a page on the front page saying new CIA chief in the Caribbean is Wade Matthews and so on. So I went up and hailed the real CIA man and said, "You know, I believe you are putting him up to this."

Okay, back to Peru. My job was purely labor there. Oh, not purely labor. I did some political work. I talked with some journalists, this, that and the other, but it was 75% labor there. I was supposed to follow the labor unions. There we had political interests in where Peru went. In Peru at the time there was a Nasserist regime. Juan Velasco Alvarado was the military dictator of Peru. He fancied himself sort of as the Latin American equivalent of Nasser. Well, Nasserism is now discredited, but at the time it wasn't completely discredited. I guess that was probably the most leftist of the continental South American regimes. I'm trying to think, well while I was there of course, Allende down in Chile took over, and he was more leftist I suppose. Velasco Alvarado was considered equally leftist, so the labor union was a field of political competition. There was the CTP which was affiliated with AIFLD, the AFL-CIO affiliated international movement. There was the CGTP which was communist supported by the Soviet Union, affiliated with the world federation of trade unions. There was the favored organ of this military Nasserist government, the CTRP. My job was to report on how things were doing in labor which was considered important to the political scene there, and to aid in effect the CTP and to try to find out what was going on with and maybe even try to wean the CTRP over to a more pro U.S. or pro democratic position. And I had contacts with all three, but overwhelmingly with the CTP.

Now the Aprista party which was the populist traditional party of Peru had strong and close ties with the CTP, so as a result, I had some pretty good ties with the Aprista party as well. That was maybe my political, well broadly speaking, a fair amount of it was political. I attended all the CTP conventions; I attended the CTRP convention. I met a couple of times with CTGP people. The AFL-CIO was not happy with that at all. Nor was the Department entirely happy, but nobody stopped me, at least these preliminary sounding out meetings. Truly a getting to know you sort of thing, nothing more with CTGP. We had an AID program for support of certain CTP functions. I think it was a housing program they had. We had training programs for certain of the CTP people. I invited one of the CTRP people; I can't remember whether he ever went. Well, that was what I did. Now to who was there, Toby Belcher was the ambassador, a career ambassador, very qualified most of the time I was there. I think Dick Clark was the DCM when I arrived and Dick Barnaby, Malcolm Barnaby was the DCM toward the time I left. Ray Gonzales was the head of the political section. He was my boss, my performance report was reviewed by the DCM. Ray must have liked what I did, in fact, he did like what I did. He invited me in the labor stage of my career when he was ambassador to Ecuador if I would like to go down and serve as Consul General at Guayaquil. It is a labor story.

Q: Well now did you as you were dealing with this sort of interesting mix of trade union organizations and as a labor officer how much did you feel the AFL-CIO was calling the changes within the Department of State from your perspective?

MATTHEWS: Certainly AFL-CIO had a strong if not predominant influence on U.S. labor policy toward Latin America. The sort of thing I mentioned, the degree of my contacts with CTRP and the pro government if you will down there the labor element and

the CGPT which they had an absolute boycott. Their rationale was these are not legitimate trade unionists. These are communists, political operators and the interest of the working man is put down. They had a strong influence. I went by for a consultation with the AFL-CIO and with the AIFLD which was run by a fellow named Bill Daugherty, good strong trade union contacts. The people that I met at the point when I came back to Washington for consultation would visit Peru. I would meet with them and share with them things. I had no conflict with what they said except I did want to broaden my contacts a little, and I was able to do that to the extent I felt necessary without their strong approval. They would have clearly supported me for another more important labor office position had I been inclined to continue that route.

Q: I imagine we were looking very closely and taking the temperature all the time of this Nasserite dictatorship particularly because of the influence of the Soviet Union in this. Did you see much of the Soviets influential there or was this sort of a home grown thing?

MATTHEWS: No, they were quite influential because there was a large and active communist party element in Peru, and some elements of the government, particularly the Fisheries Minister at the time, and a Minister of National Development felt some sort of socialism, not necessarily dominated by Moscow but assisted by Moscow, was the way that Peru should go. It clearly would not be the predominant view of the government which Peru should be technically equidistant between the Soviet Union and the United States. But since this was the United States' backyard, Peru voted overwhelmingly at the time with the Soviet Union at the United Nations. Peru considered themselves a mainline element of the third world bloc, if you will. They saw this depending on who it was, some saw it as a method of staying in power. Their principle opponents were the Aprista party, the populist party and the business elements who had other parties they supported, not the radical left. They thought they could keep the radical left under control, and they did clamp down on the real radical left which later developed into the Sendero Luminosa.

They would occasionally clamp down on the communists, but not much. They had sort of a modus vivendi with the communists, and they allowed them to as long as they didn't get too powerful, develop pretty much as they wanted to. The Soviet Union had a large and active embassy who we had some contacts with incidentally. We would depend on a diplomats club, sort of right below the Chief of Mission level, and we would have lunches. I would usually try to sit beside some of the Soviets, and we would have interesting conversations sometimes.

Q: The focal point of Latin American policy was events in Chile at that time.

MATTHEWS: Yes, I would say probably so. It was certainly of more interest in Washington than what was happening in Peru. We were not far behind because, don't forget, this Nasserist tendency in the military in Latin America, leftist military regimes, there was a lot of support around the continent for that sort of thing among the military elements of the countries.

Q: Were you involved at all in nationalization? Was that a major problem while you were

there, the nationalization of American property?

MATTHEWS: Yes it was. There were a number of moves made toward southern Peru, Southern Peru Copper. I think they did nationalize one of Southern Peru Copper's operations while I was there. In the scheme of things, this is what was going to happen if the regime had continued. One of the ways they had of encouraging nationalization was through pressure from the labor unions. The labor unions in southern Peru were CGTP or CTRP dominated. Therefore the regime, and also the CGTP for their own reasons not for supporting the regime, both had a policy of encouraging nationalization, confiscation I should say. They encouraged confiscation. The CGTP wanted workers control and worker councils running it and that sort of thing. The CTRP was quite satisfied since after all, they were on the government dole, to let a government minister run it or a government appointee run it.

One thing I should mention before we get too deep in, I finally was promoted to FSO-3 a few months after I arrived at Peru. I felt, as I knew I would feel, that I really could do a little better from a career development standpoint in a DCM job. So, I started sort of angling, after a reasonable period. The Department said, "Absolutely no way are we going to pull you out even if somebody requests you in less than a year. Don't even think about it until a year after you arrive." The year I arrived was January which is not the real DCM transfer season, so we were really talking after a year and a half. I did request consideration without angling with individual Ambassadors. I requested consideration for a DCM job. I did eventually get one, but that is skipping ahead.

Q: On this confiscation thing, what line were you talking to the union people you could talk to about what would be the results of a takeover by the Peruvian government of the market?

MATTHEWS: Southern Peru Copper is a lot easier target to negotiate with, and they don't have the power to oppose you that the government would have. With an authoritarian government running the mines, the authoritarian government's interests would be to keep labor under control. Labor's interests are not going to be served by a government takeover. That would be the line I would take. Now we are talking about a valid line to take.

Q: Strictly during the time you were there, how did events in Chile play? There were accusations that when Allende came in, very strong accusations that he was overthrown by the CIA, at least the CIA was influential. In the first place did you have any feel about activity, this was the high Nixon period who didn't look happily on any leftist regime anywhere and particularly in Latin America. Did you have any feel that we were messing around in Peru at the time?

MATTHEWS: No, we weren't really messing. I had no feel at least for our being messing around to overthrow the government. We obviously wanted to know as much about what was happening and what they were doing, who was supporting stronger Russian influence, who was supporting a return to democracy if you will, that sort of thing. As I

said, I had good ties with the Aprista party while I was there. I passed no money under the table to anyone. We had an open and above board trade union program which the government tolerated. They didn't like it at all, through AIFLD. Most of what we got from Chile were newspaper reports, intelligence reports that we would read, and people passing through. Chilean labor people, Peruvian and Chilean labor people who would go down to Chile, I mean from my personal perspective, and I had contacts with them of course. The AIFLD officer would go down for some things. I believe he may have also run an AIFLD program in Chile, I don't know. That's my recollection; he certainly had something to do with it. He would bring back reports of how things were, and it was reports of a steadily deteriorating situation from a living standpoint, from a standpoint of public order and this that and the other. We got the impression that things were not going to go on too much longer that way. There was going to be one of two things. There would be a leftist takeover perhaps supported by Allende, probably supported by Allende, or there would be a revolution against him or a civil war in Chile. Very few Peruvians we talked to were emulating Chile; they were watching Chile cautiously. The military was also watching Chile cautiously. If there were a revolution or a leftist victory, it would not be supported by the Chilean military, and while they were not great friends with the Chilean military, they nonetheless were military colleagues. The Velasco regime looked askance at what was going on.

Q: Well, if I recall, Allende was bypassing the military and creating his own personal militia which I suppose would be anathema to the leaders in Peru.

MATTHEWS: Yes, they didn't like that at all, even the radical leftists. But they felt - it is hard to say - there were all sorts of currents of opinion, but so far as we could tell, the military felt that the way they were going would guarantee against this sort of thing happening to them, what might happen to the Chilean military.

Q: Were you able to talk to people in the government, the military government?
MATTHEWS: I didn't personally talk to anybody. I never met Velasco for example. I talked to the minister of labor on several occasions who was a military officer of course. I think maybe one or two others of them but they were not really substantive conversations. I met with the Minister of Labor on several occasions because after all we had these AID programs that dealt with some of the trade unions. I don't recall actually calling on any of the ministers. Don't forget, I was down in the hierarchy there at that embassy. I traveled around Peru some. There was one long trip Fred Romden and I took down to southern Peru right at the time of the Chilean military takeover. I guess this was '73, wasn't it? My memory is hazy on the date. Anyway we were in Atakeepna and we went down to Taqua. We were just going to go over the border into Chile and see Akiki, I think. Anyway, Taqua, Akiki that area, just to see what Chile was. I had never set foot in Chile, neither had Fred. As in all these trips, we called on the local newspaper editor, and the local newspaper editor of this southernmost city of Peru happened to be a very strong Allende sympathizer and felt the Castro Cuban with a more democratic face way was the way to go. Allende was the natural pathfinder for the way development should also go in Peru. He was not a great fan of the military government but he was clearly a radical socialist. So, we called on him just to exchange views and find out how things were going in

southern Peru. He was terribly concerned. He said there seems to be a military coup against Allende. He was listening to his radio and would frequently be interrupted by somebody bringing in some sort of bulletin. After all, he had Telex, that sort of thing. We told him our Ariex was all hell, this was going to, Oh, and he also told us they closed the border and no one was going to get across the border. We said oh hell there goes our weekend. We were going to spend it down in northern Chile. We were also quite interested in what was happening of course. We were uncertain, so we went up to Puma. By the time we got back to Lima it was pretty certain that at least provisionally decided although it was uncertain how things were going to develop. But we did that on our trip. We saw local political leaders, local former political leaders be they Apristers, almost anything. We did not call on local members of the communist party on our trips. It was just felt that would not be prudent and there were other ways of knowing what they think. We did call on people if they had a position like this newspaper editor who I would call a radical socialist at the time.

Q: Do you get any felling before you left about the Peruvian government looking differently toward the United States after the Chilean overthrow of Allende? Did they think of us with more hostility or maybe more caution because of the feeling we could reach out and do things. Did you notice any of that?

MATTHEWS: I don't think they really believed, I mean after all they had contacts with the Chilean military too. I don't believe they believed we had a predominant role or even all that important a role to play in the events in Chile. I think they were aware the impetus for what happened in Chile was domestic. The United States at most approved what happened, and there were elements in the United States who deplored what happened, but the U.S. government was certainly not all that happy about what happened but we were not a prime instigator of it or even a major instigator of it. It was domestic. I later served in Chile and learned a lot more about what happened in Chile at the time.

Q: Before we leave Peru, later I recall the indigenous population of Peru became quite important. Did we have much contact or feel for how the Indian population was being treated or dealt with?

MATTHEWS: The Indian population aside from the fact that they had damn well better not get involved in any ethnic activity, politically related ethnic activity, was probably treated better by the military government than they had been by the prior government. The military government encouraged cooperatives for example, provided they took their guidance from the military and supported the military. They encouraged them strongly. They supported them financially; they tried to get them going supporting the doctrines of the military revolution as they liked to call it in Peru. You have got to remember the Sendero Luminosa despite all the acclaim, was not an Indian movement. They were led by the same predominantly well, mixed Indian white ethnic origin people most of whom did not speak any either Cachura or Aimara, the two Indian languages and more from the coast, Cachura being more important, Aimara being important only in the Puno area. They tried by dint of real terrorist activity, wiping out Indian villages to get Indian support or at least Indian acquiescence or non cooperation with the government on the

part of the Indians. The Sendero Luminosa had not yet started while I was there, but this university at Aiucucco and one university outside of Lima were really hotbeds of radical leftist ideology. I visited the campuses of both universities. I visited, I can't think of the name of the town now, where Sendero Luminosa first became prominent if you will. The university professors there were highly radicalized, and the students there were highly radicalized. You saw all sorts of radical leftist slogans. The ruling class must be eliminated. Little quotations from Mao. Mao's little red book was sold in Peru. There is no restriction against it. Quotations were here and there on placards. All the outsides of the buildings were filled with graffiti everywhere you could get a spray paint or a brush, radical leftist things. All this sort of thing. Kill all of the oligarchy, the Yankees, imperialism must be stamped out, Indians of Peru unite, all that sort of thing around there. The student population were not Indian either primarily. Everybody, of curse, 80-90% of the population of Peru has a large Indian racial element, genetic element. Most of those people particularly on the coast as I say, don't speak the Indian languages. There are cruyoyos there, culturally at least.

Q: Let me get a feel. My experience with students is Korea. Every spring the Koreans get out and they demonstrate they take the line that they have to unite Korea. The police put them down, tear gas and all, and then as they graduate they go out and become good, solid members of the establishment. It is almost like an initiation rite. What was your impression particularly in Peru or maybe elsewhere of this very radical university thing? I mean what did it do to the people once they were out of the university?

MATTHEWS: Well, out of the university, most of them continued to be radicalized. They were active members of communist party cells. Some in the military, not that radicalized, but there was a radical element in the military. Many of those lived in the suburban areas. After all having a university degree didn't mean you had a ticket to anything in particular. Some of them with university degrees lawyers and so on continued to be radicalized and continued to support the communist party or even more radical elements in the community. Many who stayed on in the university system as professors particularly in the social sciences or economics tended to be at least as radical as they ever were. They continued, after all, Sendero Luminosa was founded by university professors, and they continued to be quite radical. The communist party became quite too tame. In fact the communist party was concerned about this radical development. There was the Maoist international communist philosophy and the Soviet international communist philosophy. Most of these guys were on the Maoist side. Some became businessmen and became much more conservative. I would say it was not nearly as universal as it was in Korea although I am not an expert on Korea.

Q: Then you left in 1974. Where did you go?

MATTHEWS: Well I was offered two jobs, one political counselor in Nicaragua. Following my political counseling job, it turned out I never had a political counseling job. I was as you recall the sole State Department political and labor officer in Trinidad as political counselor which it wasn't really but it had the equivalent thing. In Nicaragua, Sheldon Turner who was the very controversial conservative Ambassador to Nicaragua,

for some reason the Department never told him that they that I was not taking the job. They offered me DCM in Georgetown, Guyana, under a career Ambassador named Max Krebs who was just in the process of being assigned there. I didn't give it three thoughts, though Guyana was not the center of the world and was not considered the most plush post by any means in the world. There was a big criminal problem and a government that was often hostile to our interests, I immediately accepted. I had my name put to Max as Ambassador and Max took me as Ambassador.
Well, some time after that, Dick Vargavie, the DCM in Lima called me and said, "Wade, I thought you were going to Guyana as DCM." "Well, I am, and I have been formally assigned there." "Well, what is this cable from Sheldon Turner saying he still hasn't heard anything about the assignment of Matthews to take the place of the officer who had established a name for himself in the foreign services for opposing Sheldon Turner and his policies and later was Ambassador to Argentina after other things." "Anyway, where is Matthews?" And the department gave me a call or I called the Department, I called personnel and I said, "What is happening, I understand the assignment is official." "Oh, yes, you are but we've got to tell Sheldon Turner something and they said the Ambassador insisted on having Matthews for this important DCM job." "We have an ideal candidate for Political Counselor for you. We just have to cross a few more strings. We'll let you know shortly." When I called they said, "We haven't the foggiest idea who to send, but we'll find somebody."

Q: Sheldon Turner won renown because I don't know if it was at that time but there was a very severe earthquake and the Ambassador's residence was undamaged or relatively undamaged, and he and his wife forbade people from the Embassy from even using the bathrooms. It is one of the Foreign Service stories that gained a great deal of renown. It sounds like you probably knew and were well out of it.

MATTHEWS: That was a big part of it. It was not just the political counseling. Jim Cheek was the fellow I would have been replacing. His name wouldn't come to me at the moment.

Q: Well, then you went to Guyana, and you were there at our Embassy in Georgetown from when to when?

MATTHEWS: I was there a little over two years from June of '74 to August, I think, of '76 as DCM. I had an excellent assignment there. Max Krebs, the fellow I served under, his previous assignment had been as DCM in Argentina. He had served as DCM somewhere before. He knew Latin America very well and it turned out that this was his first and only Ambassadorial post. He had a relaxed attitude toward it. He realized that retirement was mandatory at that time at 60 years of age. His retirement came before I left and I served my last few months there as Chargé. When I arrived, he had a lot of home leave accumulated and he wanted someone he could turn the post over to with some confidence who would take it for several months while he used all this accumulated home leave. I got there in June and he had scheduled his home leave which he didn't come back from until late September. He was leaving in late June, so I had, I was introduced to everybody. I learned what I could about what should be done. I was told

about what sort of Fourth of July celebration we were supposed to have which I was supposed to host as Chargé, and he went off for home leave. He would check into the Department every now and then to make sure I hadn't run the post into the ground. I had an excellent experience with him. He, having been a DCM, he knew how to handle a DCM and how to let the DCM develop. He had no jealousy at all. Oftentimes an ambassador would be jealous of the DCM. "That's my contacts; you stay away from my contacts." He had none of that. He had no problem with my, Now when he was there on post, the prime minister was expected to call on him and deal with him, not with me. Ditto with some of the ministers although some ministers I maintained some contacts with. Anyway, I had a fine time.

Q: What was the situation in Guyana and what were the American interests there?

MATTHEWS: The American commercial interest was Reynolds Aluminum at the time. They were under strong threat of confiscation and certainly of nationalization. Our attitude and Reynolds' attitude was you want to nationalize, nationalize but with adequate compensation. If you don't there will be repercussions. No confiscation in other words. Nationalization is up to you. We didn't put any real pressure on them not to nationalize. Bauxite was not that much in short supply. Nationalization with compensation was quite OK. But there were problems. Guyana was a country of slightly under a million people. It has dropped in population now because of so much emigration since then, not because of a low birth rate. It was about 50% or 55% East Indian in population, about 35% black, and the remainder mixed races.

Birnham's government was a black dominated government. I was told by a one time confidante of Birnham, the issue of democracy for Guyana was brought up. It had a democratic form; they did have elections. The issue of democracy was brought up and where Guyana should be in the political spectrum. Birnham looked at it, a very intelligent man, he looked at it pragmatically and said, "Look, in a real democracy, this is allegedly. I cannot say this conversation took place. It is logical and I think it probably did. "Look, I can go one of three routes. I can be a real honest to God western liberal democrat. If I do that, the United States will be pleased and approve, but I won't last long at all because voting in Guyana is ethnically based. I'm black; the majority race is the East Indians. Their traditional leader, not their leader but their leader since politics had developed was a man that I and the American CIA and the British helped me maneuver out of power, Cheddi Jagan who was a Moscow line communist and will always be a Moscow line communist. That's gonna take place and once that takes place there won't be democracy anyway, and even if there were, he could stay in power. He will just have the support of the East Asians against it. The other route I could go would be to try to maneuver Cheddi Jagan off as the communist leader, but the Russians will never really trust me. Therefore I will be under their thumb in any event and the United States won't like me either. The other way is to be a radical socialist authoritarian. That way I can maneuver elections, I can stuff the ballot box, I can make sure that I stay in power. The United States won't like me, but the Russians because the United States will dislike me so strongly, they will not even push their man to take over. They will keep him alive as in case I go in a direction they don't like, and I will have credentials in the third world. I will be a respected

independent third world leader."

That is exactly what happened. Guyana had importance out of proportion to its size in the third world movement. There were Prime Ministers came and went a number of times a year. Guyana played a strong role at the United Nations as a leader of the third world even though there were less than a million people, slightly less than a million people, and had a limited GNP. So Birnham was nobody's fool in that respect; he stayed in power that way.

Q: How did we deal with him?

MATTHEWS: We had old ties with Birnham when he was a labor leader. He was a barrister, he was never a legitimate labor leader, but labor unions at the time he got involved in Guyanese politics were the way to the top. He developed some trade union credentials, but he broke them once he got in power. The non-communist element of the trade union movement was in the government's pocket or else some elements of it were independent. We had no labor attaché there. I handled what labor matters as an old labor attaché, what labor matters we did. Our relations with Birnham as I would like to have it was as if you give the fact that he is going to oppose us internationally, Guyana is going to vote against us almost overwhelmingly at the United Nations, they are going to try to establish radical third world credentials.
They are going to vote generally the way the Soviet Union wants to, but they will not develop close ties with the Soviet Union. For awhile they were toying with the idea of developing close ties with Fidel Castro and the Cubans. The largest Embassy while we were there was the Chinese Embassy. The Chinese thought here is a radical third world regime that can easily become, while Maoism was beginning to, the cultural revolution was still in power, Maoism was a little shaky at that time, but here was a way into Latin America. The Chinese didn't realize that Guyana wasn't Latin America. It was in South America but it wasn't Latin America. This was not a stepping stone to Latin America. They had a huge embassy there, larger than ours by far, larger than the British, larger than the Russians. The Cubans established a sizable embassy there. I remember ours and the Cubans and the Russians were about equal in size. Next came the British; next came some others.

When I got there, I consulted, well it was an interesting political situation, I thought there were some ties. Birnham, I had very good personal relations with Birnham but very little influence on tactics that he did. I was taken by the ambassador and introduced to the Prime Minister, the President, everybody. When I was there, Birnham would sit on the porch of his house and smoke Cuban cigars. He didn't drink Cuban rum because in the Caribbean the drink of choice is Chivas Regal. They would occasionally drink Johnnie Walker Black Label; I'm talking about the elite.

Q: Chivas Regal is a very expensive scotch, and Johnnie Walker Black is close to it.

MATTHEWS: Not Johnnie Walker Red. Only at American receptions where the waiter serves you and doesn't show you, would you deign to drink Johnnie Walker Red. So he

wouldn't find out. So we would sit around and smoke these Cuban cigars and talk Guyana and how things were going. I could joke with him better than the Ambassador I think because in Trinidad I learned to speak old talk which is sort of Creole. It is English it isn't real Creole. Of course Forbes Birnham could speak better English than I having trained in the UK as a barrister and all that. He enjoyed talking old talk and whenever he would start talking old talk with me, I knew that I could have considerable leeway. He wasn't really that annoyed with me, but he wanted to tweak me a little, so I would reply to him in old talk. Illustration: The Fourth of July reception. We had decided because we were getting increasingly annoyed with Birnham and his pronouncements against the United States and his pro Castro pronouncements and their votes and sayings at the United Nations, we would show him that maybe we had another horse to play there. As a faint little show for the first time ever, we would invite Cheddi Jagan, the leader of the opposition and longtime member of the communist party with his American wife. We'd invite both of them to our national day reception. The ambassador authorized this and so on, so we did. Cheddi called up incidentally, and talked to my secretary and said, "Look do you mind if Janet goes early and I come a little later because I have to fill in for my brother in his dentistry practice," Cheddi was a dentist, "at the noon hour and I have appointments scheduled at noon, and I can't get there until one o'clock without canceling some appointments which I would prefer not to do." My secretary consulted me because I was chargé at the time and I said, "Of course, sure, tell him to come on at one." Well, he came. I had a vice consul there to tell me who was coming, and Birnham was there, the president was there, everybody was there at the reception at the ambassador's residence, not in my residence, where it was planned to be. The guest list was approved by the ambassador. I don't want to say this was all my doings. Jagan came in an I went over. I had met him before. The ambassador said, "If we are going to invite him, we ought to call on him." Janet was there and everybody was there, and I went and started talking with Jagan. My old talk is a little rusty now but it went something like this. Birnham came over and said "What dis I see. You consult with the opposition." I said, "Sure, I consort with your opposition. Dats what we do on de post. We talk with everybody." Jagan said, "What you complain about? You and the American, you plot agin me. You kick me out as premier of de country. I be prime minister if it weren't for dese American, and now you complain because I talk wit dese American." Jagan going into old talk as well. I turned to Cheddi and said 'Om' God Cheddi. Yes, you know I say dat, but here you get me in trouble. I just arrive in the country. I probably be PNG. I don't want to be PNG yet."

Birnham then says some other conversation. He drifts off and I drift off and we have other conversations. Somebody snapped a picture of Jagan and Birnham and myself, and there was a newspaper called *Caribbean Contact* published in Jamaica, a weekly circulated all around the Caribbean. The picture was in there and it said, "It takes the Americans to do it." There was an article under the caption and it said U.S. ambassador, well it said Cheddi Jagan, Forbes Birnham, prime minister of Guyana, and Wade Matthews, U.S. ambassador. I sent this to Max Krebs and said Max tell them who you are. The whole essence of the article was, and there was a radio analysis of this, the Americans getting Jagan and Birnham together who are bitter political enemies talking serious stuff.

Well, that was the serious stuff. Anyway that was illustrative of the sort of environment we were working in. I found it a good environment, an interesting environment, even though U.S. policies were not being, really, we were defending them as well as we could, but we couldn't defend them any better.

We had an AID program there. We looked at the thing while we were there and recommended that the AID program probably be downgraded and eliminated eventually. The AID director didn't approve of that.

Q: When you were there I guess it was Reagan. Ford had happened.

MATTHEWS: This was '74 right after Watergate I guess. It was the Ford administration most of the time I was there.

Q: Kissinger was the Secretary of State. Were we comfortable of having this type of government that was sort of dumping on us in the international field but was also keeping from becoming a hotbed of communism. Do you think as far as where the Department of State was coming from that we ought to do something, or had we learned to live with this.

MATTHEWS: Guyana was a backwater in every respect, except their role in international organizations and third world organizations. They were an annoyance to us there. Otherwise they were pretty much a backwater. We wanted to keep a certain interest there particularly once the Reynolds thing was resolved. It was important to the U.S. not so much for the amount of money involved, but if Guyana were to literally confiscate, this would be the second after Cuba. It would inevitably cause a strong U.S. reaction and could push Guyana into a much more formal alliance or into the Cuban-Russian orbit despite Jagan and Birnham's differences. Reynolds Aluminum hired Arthur Goldberg a former Supreme Court Justice and former Secretary of Labor to go down and represent them. He was a lawyer of course and consultant. He made at least two trips down. He negotiated an arrangement. It was very tough negotiating. Reynolds' lawyers there, Goldberg. We kept involved; we were not sitting in on the negotiations, but Goldberg would brief us on what was going on, and some people in the government would tell us what was going on. I remember, I guess I was chargé again at one time, and I got instructions to deliver another Reynolds proposal. They were wrapping it up at this time, but there still were some issues to resolve.

I called Birnham up at his office. He got into his office at 8:00 in the morning, and I called him up and asked to speak with him directly. The secretary put me through to him. I told him I had this cable that just came in and I was supposed to present it to him. I said, "I realize your cabinet meeting starts in half an hour." He said, "Come on over, they can wait." So, I came over, and I walked down the line. I guess it was about 8:20 when I got there. The cabinet ministers were all assembled sitting in chairs in the anteroom. I walked among them saying hi and so on. I gave this to Birnham and he looked it over. He made some comments and I made some observations. He said, "What do you think about this?" I told him, "I don't think it is going to wash. I think this is really sort of a final position."

Whether it was or not I don't know but that was what I indicated. So, we talked for about half an hour, and I came out to all sorts of glares form his cabinet ministers for making them wait outside, but it was Birnham. I said, "Don't you think I ought to get out of here and let you talk to them." "No let them wait. This is the most important thing we have to decide today anyway, and I want to get this fixed." Birnham also would, the man slept about two hours a night. He should go to bed about 1:00 and get up about 3:00 and then he'd get the wireless newspaper articles and that sort of thing. He had the habit of calling people at three o'clock in the morning. On several occasions he'd call me at three, I guess because he felt comfortable with me, having first met me in a bedroom in Trinidad. He'd call me to say, "What the hell is going on Mister Chargé," or whatever, depending on his mood, how he started. I'm sorry, he did not call me Wade. It was Matthews. "Matthews, what the hell is going on here?" I said, "My god PM. What time is it?" "It is three o'clock in the morning and you call me about something some American said," and so on. I could interact with him that way. He would joke about PNGing me occasionally and I would toward the end.

Q: PNG means Persona non Grata.

MATTHEWS: But it was all joking.

Q: Was the Reynolds thing settled while you were there?

MATTHEWS: Yes it was settled on terms satisfactory to Reynolds. In fact this was as I recall the one that was accepted was the one I carried over to him. There may have been a few more little details.

Q: This is basically a buyout.

MATTHEWS: A buyout at a price that was lower than Reynolds wanted to get but at a price they finally decided they could accept. That was what we wanted. We did not want this to be a confiscation. We wanted a negotiated buyout which they had. Well there were problems in Guyana. Once an element in the ruling party put out a contract on yours truly. Supposedly we heard this through...

Q: Would you explain what a contract is.

MATTHEWS: I was to be eliminated with prejudice. The reason I was to be eliminated with prejudice was supposedly because the way we got it and as I say this was through certain sources. The reason I was to be eliminated with prejudice was because I had too good contacts with a sort of pro democratic trade union element which was opposing the government. This was a thuggish group of people who had actually eliminated an opposition figure already. They were in the governing political party but not and this was actually brought up supposedly at a meeting of their Foreign Minister with Henry Kissinger. The foreign minister said, "Oh this was an element and obviously as soon as we heard this element. We immediately clamped down on them." After the foreign Minister got back from a meeting with Kissinger he called me and asked me if I'd come

over. Fred Will was his name. I had good relations with him, good within the context. I said, "Are you sure you don't want to see the ambassador?" "No, this is something I need to see you about." I said, "Okay, I will tell him that I am coming over if you have no problem with it." I said, "I don't know what it is for sure but I have a hunch it is such and such." He said, "Yes, I think probably you should go over, but if he gets into a discussion of anything else, let me know because I am here now." So I went over to see him and he said, "Wade, one of the things the Secretary brought up, one of the early things was this item. I had no idea you people knew about it." I said,"Well, Fred," it was a Fred sort of relation then, and he did call me Wade not Matthews like Birnham did. "Fred, we know a lot of things. Well you know immediately the PM and I heard about it we said don't ever raise this sort of thing again, but you know nobody told me that." "If you ever hear of anything why don't you come to me," he said. This was sort of joking I said, "You know Fred, I thought you might be in on it." He said, "What!" "I am sort of joking, but I just didn't feel it was appropriate to come to you with this sort of thing." Of course I couldn't because of the source. It is now long enough after so I can say this in this interview.

Q: What about Jonestown while you were there and could you explain what Jonestown was? This certainly raised the attention of everybody in the world a couple of years later.

MATTHEWS: Jim Jones was sort of a radical religious leader who ended up in San Francisco, California. He was from Indiana originally or something. He had a self centered sort of church of a few hundred members. I think as it developed it was about three quarters black and one quarter white and he took in the dispossessed and the people who had mental problems and stability problems and drug problems and that sort of thing. It turned out his religion was centered around Jim Jones as the savior, almost the second coming. He had met the Deputy Prime Minister, a man who was not that influential in government named Talemy Reed. Talemy Reed felt this was... He was interested in establishing a cooperative where his group Mormon like could emigrate from the repressive United States and form a cooperative commune sort of thing, agricultural commune. Talemy Reed was interested in developing communal agricultural enterprises cooperatives and so on, so this was right down his alley. He said, "Yes, come on. We'll arrange to get you some land up at the Mathews Ridge area," which was an isolated area of Northwest Guyana that they were interested in developing partly because Venezuela claimed that territory as well and they wanted to reinforce that claim.

So he went and he developed this colony there. He had an office in Guyana staffed by two women, one of whom it turned out he had sexual relations with, this sort of thing. When we were there, Jonestown was not nearly as large as it later became. They had the colony; they had cleared some land. Jim Jones was not living in Guyana; he had visited twice. The first time he visited he called on our ambassador and I sat in on the conversation. He said what he planned to do and so on, and we wished him well and thanked him for coming by and that was all our involvement with it. The local people there in Georgetown were invited to the little American women's coffees. They were several times in my house and the Ambassador's house. My wife and the ambassador's wife invited them over because they had a coffee occasionally for the whole American women's group. It was fairly small. I went up one time to visit Jonestown. The

ambassador did as well. It wasn't called Jonestown at that time. It was called the People's Temple settlement at Mathews Ridge.

I went up largely because I have never been there. The Guyanese had adopted a requirement that diplomats, to go to the interior, had to get foreign ministry permission and they weren't giving permission to go to places like that. I found that I could walk over to the Guyana Airlines place and buy a ticket and go, and so my wife and kids and I decided we'd take a vacation there. The main reason we wanted to go was we had all sorts of reports about Cuban military presence. Guyana was a way station for the supply of Cuban troops and munitions to Angola at the time. The planes were stopping at Guyana, refueling and keeping on going. That was a standard route they took to Angola. They did have some Cuban military people there who were training the Guyanese national service and we could not find out how many from any source. The CIA gave us all sorts of differing reports; there were a couple of hundred or two or three or what have you. We simply couldn't find out, so as a part of my purpose was to look into that while I was up there because in Guyana you can do a lot overtly. So, I went contrary to the guidelines from the Foreign Ministry which we didn't like anyway, bought the ticket, went up there.

We stayed in the Guyanese government guest house up there - lack of coordination, you see. They offered us a Guyanese government driver, as they did for most people who were staying up in the Guyanese government guest house. They said, “Where would you like to go?” I said, “Let's go to a national service camp.” That is where the Cubans were supposedly training, these X number of Cubans, and there were about three or four Cubans there it turned out. They were fairly open about it. I think two of them were teaching Spanish and one of them was teaching karate and another was teaching I forget what, something to do with counter insurgency but it was real small scale stuff. Anyway we went up and we went by People's Temple. We drove into the People's Temple compound in this Guyanese government land rover, he said, "You know only two weeks ago they opened it up so a four wheel drive land rover could get in. Prior to that, you had to have a People's Temple tractor meet you and haul you in on a trailer. But, we can go in," so we went in unannounced. I was most certainly, our Ambassador had already been there, the first U.S. diplomat to go in unannounced. There were a couple of British geologists or something that came along with us, they were also staying at the government guest house. We went in and pulled up to the People's Temple building. They were sort of bamboo buildings with thatched roofs that sort of thing. The nicest quarters were by the chimpanzee that they had brought down from San Francisco, an abused chimpanzee, Mr. Muggs who had quarters at least the size of this room.

Later on somebody unfortunately gave poisoned Kool Aid to Mr. Muggs in the so-called Guyana massacre. Anyway, we drove up and I got out. I announced myself to somebody who came out of the thing. He said, "The Reverend Jones is here." I didn't know Jim Jones was there at the time. He was just down on a visit. "Fine, I met him in Georgetown." He went back in the room and I stood out. The other people were still in the land rover because I wanted permission for us to get out. Then a man with a movie camera he didn't come over toward me. He went and stationed himself about 20 feet

away. Jim Jones came out in a safari suit with a man with a tape recorder behind. He went over and, "I'm the reverend Jim Jones." I guess I was Chargé at the moment. "Yes, I'm Wade Matthews, the Deputy chief of Mission at Georgetown, and we met at the ambassador's office a year ago." "Oh, yes," he said. "What do you think of the Guyanese government's agricultural policy?" I said, "Well, because it was cooperatives against private land ownership, that sort of thing, very interesting, Reverend Jones. What do you think of the Guyanese government policy?" "Well, what do you think of," and then another sort of potentially incriminating question with the man with the tape recorder and the movie camera going. I fenced around the same way for a moment and then he relaxed. The movie camera went down. We had our Dr. Livingston, I presume, handshake. We went over and sat down. They showed us around the place and showed us what they were trying to do. My analysis at the time was this is the kind of place just as soon as they got it going well, the Guyanese government would come in and take it over and expel them from the country, and settle it with Guyanese settlers.

At the time it was about two thirds white and one third black, Americans all. A total of maybe 65 people. At the time of the massacre there were 800 and some, about three quarters black. When we left, the only complaint I had... No, I'm sorry, we got one complaint about somebody being sort of kidnaped there. We talked with the representative there in Georgetown, and the person came down as I recall and told us "Oh, no, it is my parents. They don't understand." He wanted to be there. Certainly when I visited, the people appeared to want to be there. There was an old black brick layer 90 some years old from Highpoint, North Carolina who wanted to die there, before the massacre. Anyway, the only complaint I had was from the Roman Catholic Archbishop who came by some time earlier. This was Jones' first visit there, I think, to complain that he had allowed them to use the Sacred Heart Catholic church, which was the most popular Catholic church, for an ecumenical service that turned into a faith healing service. He was absolutely scandalized by it. My reaction was, "What are you coming to me for? Did you ask our advice before you did that?" He said, "No." I said, "Had you asked our advice we'd have had to tell you that what you do is your business. We really don't know much about the people. They called on us once and we really know almost nothing about them." He was mollified. He actually bought my car when I left.

Q: Did you have any feel for, I mean was there anything from Washington regarding this or not.

MATTHEWS: Not really except that one complaint about the person being kidnaped.

Q: Wade, is there anything else we should talk about before you left Guyana?

MATTHEWS: In Guyana, no I think not, but let me just mention one thing since we were talking about Jonestown and leading up to that, let me follow on a little more. I left, I was Chargé Oh I forget the last couple of months I was there, and I hosted the big Independence Day Fourth of July celebration. We had all the Guyanese government officials there. Our relations up until the time I left were quite cordial on a personal basis. On a policy basis, they opposed us almost everywhere we turned. It was certainly

successful and I had relations with everybody. I would joke with the Jagans about the CIA, for example. Janet once told me "I know who the CIA people are in your embassy." I said, "Well who are they." She said, "Well I couldn't tell you that. Don't you think I probably know if they are there?" Anyway it was that sort of relationship. I was a member of the Rotary in Guyana. Max Krebs was a member of the Lions; we had good relations with basically everybody. It was a little stiff with some of the more radical elements of the PM. Unfortunately from a policy standpoint, the personal ties weren't always followed through when the individuals who run the country are adamantly had their own reasons. I told you Birnham's basic theoretical reason I think. Some of them had racial reasons, this that and the other, they had been discriminated against when they went to school in the United States. The big thing was trying to get out of Guyana on a visa to the United States. There were visa fraud problems. I didn't mention that. As DCM I was not only political. We had an economic officer who was pretty good representing us in economic and commercial and reporting how things are going which was downhill in Guyana. U.S. commercial interests became very small after Reynolds left. In Consular, I would say half our officers were consular officers there, and we had a terrific visa fraud problem. One officer after he had left post, we found he had been selling visas. He was allowed finally to resign to our disgust without being prosecuted because he agreed finally to resign in lieu of being prosecuted. We had him dead to rights; he had been selling visas. He left shortly after I arrived, so he wasn't selling many visas after I got there. It was partly a man who came in complaining to me that he hadn't been sold for the gold, he hadn't been paid for the gold this officer had bought before he left post. It turned out we were talking quite a few thousands of dollars of gold with the officer earning, I don't know what he was earning at the time $14-15000, certainly could not have paid, but it was more than that in the amount of gold he had bought. Anyway it unraveled, and a very alert vice Consul was sort of on to it about the same time, and we found out and the security officers came and all that. Anyway consular was a significant problem. Security was a problem, a bad security situation. The guard house was about two blocks away from the embassy, and the marine guard on his way to the Embassy was mugged twice by just walking that block and a half. We finally arranged, we did not have guard transportation, but we arranged to have the aide guard and the marine guard and the consulate guard to all come out on the street at the same time so that they could keep the marine security guard under observation at all times. They would blow their whistle and he would start up and they would blow their whistles and they would start running toward him two of them anyway with their billy clubs had anybody attacked. We got around it that way.

Q: Well then we are going to stop at this point and we'll pick it up, you left Guyana in 1976.

MATTHEWS: 1976. I started on something, one thing before we leave to finish Guyana. I left and turned the post over to John Blacking as chargé. There had been an ambassador, a political appointee who had been sent to the Senate, I think his name had been sent to the Senate. Something had come up, I think it was an income tax problem, and so it was not pursued and his name was withdrawn. Before they could identify another ambassador there was a plane, a Cuban plane on the Angola run that was blown up by Cuban exiles in

the fall of '76, right after it took off from Barbados. Birnham came out and roundly condemned the CIA as behind this reflecting Fidel Castro. Henry Kissinger, now this is partly hearsay, but it is true. Henry Kissinger was so annoyed, the hearsay part is I cannot vouch for the conversations. I had left Guyana by that time. He went to somebody in his office and said, "We will not tolerate this; pull our ambassador out." "Mr. Kissinger, we don't have an Ambassador there." "Well, who do we have there?" "We have a chargé, an FSO-3, John Blacking." "Well, pull the chargé out." They did so. The next person was Dick, I don't remember his name. Anyway he was an FSO-5. Dick McCoy, had been Guyana Desk officer, who was still an 05. He was in charge of the consular section which was FSO-4 grade position. Dick McCoy was suddenly chargé. I mean it was a more senior other agency officer's position. He had to be chargé. So, Dick McCoy remained as chargé. John Blacking sort of twiddled his thumbs back in the Department working on Guyanese and other matters until the Carter administration had been installed and at that time, the felt that Kissinger was no longer there and they sent John Blacking back. He remained chargé until the following summer at which time John Blake got assigned as ambassador. He was ambassador during the...

Q: We have interviews with Dick McCoy and John Blake and his DCM who was Carlton Sharpe who is now dead.

MATTHEWS: In any event this was the transition sort of thing. The Jonestown thing happened under John's regime.

Q: Okay. You left Guyana and where did you go?

MATTHEWS: I went back to be a position which no longer exists in the U.S. mission at the OAS called Deputy Director of the U.S. mission to the OAS, the Organization of American States in Washington.

Q: And you have that from when to when?

MATTHEWS: I was there only because I was offered a job that was more interesting to me. I was there only form the Fall, September of '76 until the beginning of May, '77 when I went over to be the director of the Office of Central American Affairs. Now Deputy Director of the OAS was not the number two job at the OAS. It was the number three job. There was the Ambassador to the OAS, there was the Deputy Chief of Mission it was called at the time to the OAS, and Deputy Director was number three.

Q: We'll pick it up the next time and talk about the OAS and then move on to other things.

***

Today is the second of October 1997, and I've got Wade Matthews up from Florida again. Wade, we are going to the OAS, '76-'77. Could you explain the role of the OAS at this particular time as perceived by a Foreign Service officer assigned to it and also who was the Ambassador.

MATTHEWS: The Organization of American States was certainly not the centerpiece of U.S. foreign policy. In fact, some people would sat it is irrelevant. It wasn't irrelevant but once again it was not the centerpiece certainly. The Ambassador to the OAS when I arrived was Bill Bayard, a former Congressman. This was toward the end of the Ford Administration. The deputy there was Bob White who I think went on to be Ambassador to Uruguay. Then, as I say, I was number three. We had a political officer, Mark Beon, very capable fellow who reported directly to me although obviously took many of his instructions from my boss and his boss. We had an economic officer who represented the economic elements of the OAS, and an administrative officer and then the administrative staff, a sort of office manager, not an office manager but administrative chief. Then we had a long time civil servant. I forget precisely what he represented us on but he had certain specialized organs of the OAS, and then one other officer, so it was an office in the ARA bureau which was basically the way we operated. Now what did we do Well, there are a number of organizations from the permanent council to the specialized organs. I would normally not be the principal representative there, but at times for example when we were between ambassadors Bayard left not too terribly long after I arrived. Maybe this was the time that the administrations changed. I think it was '77 when the Carter Administration came in. I think at that time Dale McGee came in, a former Senator from Wyoming.

Q: While you were there it has become a centerpiece of the first year of the Carter Administration, the Panama Canal which obviously had OAS repercussions. Was the Panama Canal at all an issue at this particular time?

MATTHEWS: Yes it was. I would say my principal nemesis in the OAS at those times when I was the representative at various committee meetings and one or two meetings of the permanent council where I represented us was Nelson Piki, the acerbic, at times eloquent, always loquacious representative of Panama. He had political credentials in Panama as radical anti U.S. I don't think he was a radical leftist in that sense although he was rather leftist in the sort of nationalistic Latin American vein. He was constantly as we would say now, on our case. He would constantly anything he could use to attack the United States in the debates and dealings that we had, he did, and of course, he was pushing the Panamanian position on the canal. "We need the canal back. You guys have been there long enough."

Q: I take it at this time, the tail end of the Ford Administration, there wasn't much stirring within the Ford Administration on the Panama Canal.

MATTHEWS: No. Not too long after I got there, the elections took place, of course, and everybody was waiting until basically after that for the Carter Administration to take over. We know later what happened during the Carter Administration. Most of that the negotiations were underway, the political maneuvering was underway, but most of what took place regarding the Panama Canal and negotiating the agreement took place after I had moved over to Central American Affairs.

Q: What about, again we are sticking strictly to the OAS side, Nicaragua and Somoza

because he was out by the time you got there.

MATTHEWS: Oh, no. He was very much in power. During the time I was at the OAS he had considerable military success against the Sandinistas who had started their insurgency mostly in northern Nicaragua. He had great military success, in fact they were fairly quiescent in the OAS. Nicaragua was not a big issue in the OAS or in the American body politic at that time.

Q: How about the Malvinas/Falklands issue with Britain and Argentina?

MATTHEWS: I'm trying to place this by time. I don't remember that being an issue while I was there. I believe the Malvinas/Falklands issue really brewed up, certainly the war and the Argentine invasion sometime after I left.

Q: It was '81 or something. Well, were there any issues during the time you were there of particular concern?

MATTHEWS: I'm trying to put my thoughts back to that particular period of time. Major issues that still stick with me, none in particular. The Latin American countries were still on more of a nationalistic bent then than they are at the present time. Panama was probably the leader of the let's get more control over our economy and political life element at that time than any other nation that comes to mind. Argentina was in that camp as I recall. Brazil was sort of a moderate force at that particular time. Chile of course had the military regime. Just thinking back I'm afraid I'm a little hazy on many of those things. Economics, assistance, the obligation of the developed world particularly the United States to increase its assistance to Latin America, the idea that Latin America should have a greater say in exactly how the assistance should be distributed and the conditions on it. Those were issues that came up time and again. The Cuba issue came up several times in several different ways while I was there. Cuba, of course was not a participating member in the OAS at that time. There were occasional alarms that Cuba would like to get back in; there were moves toward inviting Cuba back in, that it would come in. That was one of the favorite topics of Nelson Piti and the Panamanians. They wanted Cuba to participate because they thought Cuba would lend weight to their position on the Panama Canal. Let's see. There were one or two of the smaller Caribbean nations who came in while I was there. I think it was Grenada or one of the others. That was an issue to the extent should the small Caribbean nations come in with full voting rights which they did eventually come in as or should there be some sort of special requirements for them somewhat more limited than the others. I think Grenada was admitted. There was considerable disdain for Eric Gary.

Q: Yes he was seeing flying saucers, things of this nature, new jewel movement.

MATTHEWS: Yes. I remember when Eric Gary, I think I was the acting representative of the U.S. on the permanent council when Eric Gary came in largely because I think my two bosses were away. There was a conference somewhere and maybe the other was on vacation or something. I remember sitting in the U.S. chair at the time. I had met Gary

years before in the Caribbean when I had been assigned to Trinidad. He at the time was a labor leader and I was a labor-political officer. I had a passing acquaintance with him, not at al a good acquaintance because he was not within my area of responsibility. He was such a pariah when he came to the OAS. I believe I had lunch with him because nobody who was up there in the mission. And of course there was a more formal luncheon, after that he was sort of ignored. My recollection is after that we had lunch together.. There was nobody better to have lunch with at the time.

Q: Was there at this time in the OAS a feeling that the Caribbean was something, I mean these are so little pip-squeaks and the 21 original nations of Latin America, were they considered to be one thing and the Caribbean countries to be lesser nature? Was that there do you think?

MATTHEWS: It was there to a limited extent; however, it was applied more to the little nations like Grenada. These are second class citizens in effect was the feeling on the part of many of the Latin American nations. It wasn't applied against countries like Jamaica for example, but the smaller ones they were certainly regarded as second class citizens, and they normally only had only one representative to the OAS. Most of those nations' principal representative also wore the other had as Ambassador to the United States. I would say at the time, about half of the nations had a separate Ambassador to the United States, I mean to the OAS, and the other half had it as another hat that their Ambassador to Washington wore. Almost all of them except for the very small Caribbean nations had an officer whose principal responsibility in the Embassy was OAS matters in their Embassy to Washington. They did not all have a separate mission or separate ambassador to the OAS.

Q: Did the OAS, was there a Cuban connection to the OAS. Sometimes you can have a, it might not be represented. We've done this in plenty of cases where you have somebody that keeps track. Was there sort of a floating Cuban representative for the OAS?

MATTHEWS: Cuba, I don't believe they even had an interest section Washington at the time. I don't think they did, and of course, Cuba carried out their international activities regarding the hemisphere and the United Nations certainly exclusively to the OAS. They carried on no real activities in the OAS, In fact there was in this debate as to whether Cuba should be allowed back into the OAS that some of the Latin American nations were pushing, never a majority, but some were definitely pushing it. Well, perhaps later a majority but not right at that time. The question that was asked frequently sometimes by us was even assuming that they were allowed back in, would Cuba even come back in because they would be clearly pretty well outnumbered by those that were there. In any event Cuba and some of the other Latin American nations pushed their prime, their prime focus was the United Nations, not the OAS.

Q: What were relations with the ARA, the Latin American bureau?

MATTHEWS: OAS was treated more or less like another country directory. Organizationally, they were a little apart, but a representative of the OAS attended the

staff meetings for example, the weekly staff meetings. That's where we took our policy guidance from the ARA bureau. Occasionally, the ambassador would do an end run if he particularly didn't like it around. He did have access above the ARA bureau, but the ARA bureau was what we operated under which was logical. I personally had no problem with it. The ambassador to the OAS, and frequently both Paul Bayard and Dale McGee, would attend occasionally the ARA staff meeting. They didn't normally attend the ARA staff meeting. This is the weekly meeting of office directors. Bob White would be the normal attendee at that meeting, in other words my immediate boss. I would often, in fact I would usually attend sitting in the second row back from the table. When Bob was tied up doing something OAS or out of the country I would attend the staff meeting and represent USOAS.

Q: You left there when after the inauguration, which was January 20, 1977, the Carter crew. When did you leave OAS?

MATTHEWS: Well let me elaborate a little on that. When I first got to OAS, the Assistant Secretary for Inter-American Affairs was Harry Schlauer. When the administration changed, Terry Todman came in as Assistant Secretary for the inter American affairs, and I mentioned earlier that Dale McGee came in as Ambassador to OAS about the same time, I don't remember. Policy papers were prepared under Schlauer's regime if you will in the inter-American bureau on various subjects. The major policy paper from ARA was our policy toward Latin America, what the elements of it should, be and giving alternatives and options of course for the incoming Carter team. This paper came by us, by USOAS for clearance and input and we did our input as to the OAS and what we should do in it and the relative importance of it and so on. Anybody who wanted to had an opportunity to make an input into the overall inter-American policy. Now the draft, I think this was a later draft; I think this already had Carter administration team input. In any event it took a look at Central America. Now I was not an expert on Central America. I had been to Central America, but I had never served there; I never had any responsibility for Central America. It essentially said, and here I am oversimplifying, Central America is a throwaway region. Here I am excluding Panama. Panama was not considered part of the Central America region. The rest of it is an area in which we have almost no interest, very little interest from the traditional U.S. interest standpoint; therefore, Central America with its human rights problems particularly in Nicaragua, Guatemala, El Salvador, and to a somewhat lesser extent Honduras, would be a good place as a testing ground for the success, presumed success or failure of the Carter human rights policy. Carter in the campaign and the team were strongly committed to making this an almost central element of U.S. foreign policy. The idea was you couldn't make it the central basis of our foreign policy with countries like Brazil or Argentina or Mexico or really Panama or a number of the other countries, Venezuela because of the oil and so on. In Central America you could and therefore ignore the other elements of U.S. national interests such as defense, such as the cold war related to defense, the economy of the United States, economic advantage all that sort of thing and put human rights as number one.

I disagreed with that. I felt that human rights should have an important role to play in

Central America for the very reasons they mentioned. You could give it more emphasis in Central America than elsewhere, but the basic elements of U.S. foreign policy should be the same for any country. The defense and preservation of the institutions of the United States, the so-called traditional political elements and the economic elements should have primacy, with the human rights being a strong secondary maybe even put them equal to the economic interests and so on. This paper which I did not exactly as a rebuttal but I hoped a contribution that wasn't really reflected in the final paper, was seen by the team coming in to inter-American affairs and Terry Todman apparently saw it and it concurred with his views, so Terry asked me either directly or through John Bushnell, I forget which. I think directly. "Would I be interested in taking over as director of the Office of Central American affairs?" Marvin Weissman who was an AID officer was my predecessor. He ran the last of the joint AID-State country directories. That had been an experiment some years before and was breaking up and had really broken up for all the others but as long as Marv remained there it remained a joint office but they had decided to split them into an AID Central American Affairs and a State Central American Affairs, and so they wanted a State officer to take Marv's place. Marv incidentally went as ambassador to Costa Rica.

Q: You were there in the Central American job from '77 to when?

MATTHEWS: I was there from the middle of May '77 to I think it was December '78 or January of '79, less than two years and we can get into the circumstances of it later.

Q: Well particularly considering the heat generated when Reagan and his group took over in Latin America and if you weren't with them you were agin' them. I would have thought that having a paper out saying human rights are important but would have annoyed the team coming in because they usually are all full of fire and vinegar when they first arrive and then the reality gets in. Usually it is not appreciated when somebody points out there are other things in the world. It is surprising you got tapped for that job.

MATTHEWS: Yes, you've got to remember I had nothing to do with Central American policy prior to that time. The reason I got tapped was almost entirely Terry Todman, the new Assistant Secretary. The White House, I was a cipher to them. Bob Pastor and people like that had no idea at that time who Wade Matthews was. I had no particular record one way or the other on human rights and national interest that they could readily identify. So it was basically a cipher and Terry Todman as the new incoming Assistant Secretary for inter-American Affairs had a fairly free hand to pick his country directors, his office directors, so I don't think that had anything to do with that. Now later when the Reagan administration took over, during my tenure as director of Office of Central American Affairs I became fairly well-known as a dissident to the Carter administration's Central American policy. I tried to promote it where I could, but I frequently said I don't think this is a good idea. I don't think it will play well over the long haul; I think it will have negative implications. The reaction generally, particularly after Todman left was, "Yes, but that is the policy. You are not making policy, fella [fellow], you are to implement policy." I would go ahead and implement it to the best of my ability then, with considerable reservations. So when the Reagan administration took over.

Q: This is after you left this job. They came in '81 and you left in '79.

MATTHEWS: Yes, long after. In any event by that time I was down in South America on another job. It was not the sort of - memories are short - it was not the sort of thing... This guy was right all along or we agreed with his reasoning in retrospect; therefore, we'll pick him out and give him a plum for that. It was beyond that.

Q: Well, when you arrived in '77, what was Central American Affairs, what was on your plate as far as priorities as you saw it?

MATTHEWS: Well what the administration wanted to be on my plate was push human rights, and here I am putting it in more blunt phrases than would be in any paper, get rid of Somoza. Get a democratic regime installed in Nicaragua. In Salvador at least do away with the rather gross human rights violations. Honest elections in Guatemala. Democracy and human rights and peace and light and all those good things. Make all of Central America like Costa Rica. Costa Rica was the model. That is what they wanted. This is a very naive way of looking at it.

Q: Just as an attitude, you are an American sitting up in Washington, and we felt Central America was a place we could do something in a way internally. We are not talking about external things. We are talking about internal things, but we still felt it was our responsibility.

MATTHEWS: Yes, Central America was looked on a little differently from, not entirely differently but somewhat differently, from the other countries of Latin America. We had long involvement in Central America. Most Central American countries are very small and they hadn't developed their own institutions to the extent that South American countries and Mexico had done so. Since we had been involved in Central America, our marines ruled Nicaragua for some length of time. We had intervened after W.W.II for political reasons in Guatemala. We all know we had been involved for many years in Costa Rica, somewhat less so in Honduras and El Salvador but that was still part of the region. Unlike the other part of Latin America where you had small countries namely the Caribbean, the English speaking Caribbean had been a British preserve for a long time.

The only parallels you could draw between Central America and the rest of Latin America in the way they were regarded by the United States were Haiti and the Dominican Republic, and Haiti of course was a little out in left field as a hopeless case anyway. French, not really Latin America to the same way it was, so the Dominican Republic is about the only other place you could make comparisons to Central America in the way they were regarded by the traditional establishment up in Washington. Once again, I was to an extent a dissident over some of those things at that time even though I was in charge of Central American affairs.

Q: In the first place, I take it the Panama Canal business was pretty much taken care of in a separate office.

MATTHEWS: There was a separate country directory because of our extensive interests in Panama of Panamanian affairs. I got involved in that only to the extent that any other office director of inter-American affairs would. That was Bob Pastor's who was Zig Brzezinski's Latin American man over at the National Security Council, that was Bob's passion. That was what Bob Pastor spent I would say during the early, during the time that I was there as country director, spent half his time looking at and dealing with Panamanian affairs.

Q: Well, let's talk about Nicaragua. I take it from what you have said Somoza seemed to be really well in power when you arrived on the desk in '77.

MATTHEWS: Yes. Militarily he had pretty well defeated the Sandinistas, not completely defeated, but there was not a serious insurgency threat in Nicaragua. There had been a lot of human rights violations involved in that defeat. Sometimes after all, when you have guerrilla warfare and civil war you tend to have more violations than you do really in even invasion type war because political passions are involved. It was not considered a serious military threat at that time. Now the new administration cautious though he were I would put Warren Christopher as one of the leaders of that element. Certainly the human rights bureau of the Department of State was a leader in the idea of looking at in order to solve the human rights problems and the problems of democracy in Nicaragua, first you have got to get rid of Somoza. Then you essentially try to arrange democratic transition itself. My position from the beginning was you have got the order wrong. You try to arrange a democratic transition from the traditional Somoza rule which was with many democratic elements. There were elections in Nicaragua.

Somoza told me one time, I met with him on just two occasions. On one of those occasions he insisted and I have heard this from other sources and I think it is probably correct, that yes the last election, I forget when that was. We are talking maybe '76 before I took over the job maybe earlier, he said yes the ballots were not accurate, if they had been the opposition would have gotten considerably less votes than they did. To make it look better to the outside world, we in effect, now I'm exaggerating what he said, we cooked the ballots. We falsified some vote returns so as to give the opposition more votes than they got in a number of districts. I think he was probably correct. The Nicaraguan voters, largely rural, to a large extent uneducated, many illiterate. The voters voted basically traditionally just as their parents had done for Somoza because Somoza was recommended.

Q: What was the Carter administration concern with Somoza. You said as part of your unwritten brief was to get rid of Somoza. What was the problem with Somoza from their perspective?

MATTHEWS: Not only unwritten it was implicit in some of the policy papers that we got. It didn't say get rid of Somoza but with the human rights and the advancement of democracy should be the basis for our policy in Nicaragua. These were the instructions in various memoranda that had been approved and we got. This is impossible as long as

Somoza was in power; therefore, any implementation of our policy would involve his departure from power. Why? The regime was corrupt, there is no question of that. It had been corrupt from the beginning, traditional corruption in Nicaragua. I'm not sure there had ever been a completely honest regime there because as in many other countries, government was a place to get power so that you could dispense favors, and if you dispense favors you got something back for it. You got political support and you got financial support. In order to retain power if you are at the top, you've got to spread this around.

The stories in Nicaragua in the National Guard, there was no army technically, it was a national guard which was a sort of militarized police force. You had to buy the right it could be things like the chief of police of Managua for example which was a very lucrative position. It cost, I don't remember figures but let's throw out a figure, it cost maybe $100,000 that you had to pay to get that particular position. In order to make it pay you had to get in because the salary was who knows what $10,000 something of that nature, you had to sell subsidiary positions, so you sold maybe $300,000 worth of subsidiary positions in the police and those people in order to pay back what they had to pay to get their subsidiary positions, so you have got a thoroughly corrupt system. That undoubtedly was true, the figures we can forget but everybody had to pay to get government positions or government favors or people to sign documents and so on. Somoza was fully aware of that, but that was the way he and his father and family had stayed in power for so many years. Probably to have the opposition come in his position was and quite possibly correct, they would have simply taken over this system and continued it. Anyway that was part of the issue.

My position was that you work out with the powers that exist in Nicaragua an orderly transition to a more democratic system. As part of this you try to suppress this built in system of corruption. I was not very sanguine you were able to suppress it, but I thought you could bring in a more democratic situation. In any event, you could if you played your cards right convince Somoza that it was in his interest and our interests for such an orderly transition. In such an orderly transition his ill gotten gains would be essentially protected. Not that he could continue to accumulate them but what he had he could essentially keep, but he was going to have to give up control of Nicaragua. His party could play an element in any succeeding regime but it could no longer control the country as it had for the previous several decades.

I went down to Nicaragua for my first trim, to Nicaragua and every other Central American country except Belize. Every time I scheduled a trip to Belize I had some problem so I never actually got to Belize. I did talk with Joy Price who was the premier of Belize at the time, but up in Washington. Anyway I got to Nicaragua in May or June of '77. Somoza had a heart attack at that time. Let me see, I'm mixing two trips up. Anyway one of the trips to Nicaragua, I guess this was later. The first time I was there I sort of gave general versions of this line, of my policy and of the United States policy that clearly a transition had to be arranged; it had to take place and so on. I believe it was the second trip I made to Nicaragua which was somewhat later, Somoza was recuperating from his heart attack. This was probably early '78, maybe later in '77. I went around and

met with the foreign minister and people in the foreign ministry and a variety of people. I was there several days and was staying up at the ambassador's residence. Mauricio Solaun was our ambassador to Nicaragua, a political appointee, a university professor from Indiana. Somoza wasn't really receiving anybody because he was still recuperating and he was spending his time down on the Pacific coast where he had a house and a ranch and that sort of thing. Solaun had to go off on Friday the week I was there to a conference of ambassadors I think it was for the region. Shortly after he left a message came in that Somoza would like to see me if I could come down. Well, I touched base with the ambassador because after all it was his country. I tentatively accepted but said I had to work out some scheduled. I delayed my departure for Costa Rica.

Bottom line, I went down, the ambassador said fine, of course, go ahead. He might have gone with me but I think Somoza may have delayed it because he wanted to talk with me privately though he never specifically said so. At any rate it worked out that way. The ambassador was out of the country. He said, He did not want the DCM to come down; he wanted to meet with me." I knew it was private because he said he wanted to meet with me, just myself. The ambassador okayed it and I went. Interesting meeting.

I'm leading up to what my private message to Somoza was which was not in contradiction to U.S. policy. I may have emphasized some things a little more than if I had a formal brief to give him. I got out of the car, and he was sitting on the porch sort of overlooking the Pacific, a nice view. He came over to the car and I immediately started to address him in Spanish but we switched to English because he had a good knowledge of English at times profane English that he had picked up at West Point. Anyway I introduced myself and he said, "Come on over and let's sit on the porch."

Q: He recorded the conversations?

MATTHEWS: Right. This was my first meeting with Somoza in '77 or possibly early '78. It was at where he was recuperating from his heart attack. I knew it was a meeting just between the two of us. Yes he had a reputation for recording all conversations with American officials, this sort of conversation, not cocktail party conversations. I looked to see where the microphone inevitably was. He was sitting over at the side, and there was a lamp hanging right over me. I'm reasonably confident there was a microphone up there, so this conversation might be on tape somewhere recorded n the archives in Nicaragua. That I don't know, but I certainly wasn't recording it.

We sat down and said a word or two of pleasantry, I think he offered some coffee or something. He began I suppose partly to un-nerve me a little or maybe he just said what came into his mind. His first words were something of this nature and I don't think I'm exaggerating the phraseology, "What the hell does that son of a bitch Jimmy Carter think he is doing now?" How does an American diplomat answer that? Well, you have got to realize the basis of our foreign policy and one of the major elements of it in Nicaragua is the promotion of human rights as it is in Latin America as a whole I slightly exaggerated saying. Anyway we got into U.S. foreign policy; what do they want with Nicaragua. His position was, "Here I have been a loyal ally of the United States for many years. Were it

not for me, Nicaragua would be a communist country. You Americans are far too naive and particularly the new administration is extremely naive. They don't know who their friends are. I have got a lot of friends in the United States," and a little hint of threat, what is his name, Murphy.

On the other hand I believe he had heard that I was not an enthusiastic supporter of the exclusive attention to human rights. After all, he had his sources in Washington. We sort of began discussing this. I said, "Nobody wants to have another model particularly another country, but there are elements of what is happening in Costa Rica and the Costa Rican system and what that place has evolved to which might be applicable to Nicaragua." We got into that. He said, "Oh no, Nicaragua is much more like Honduras, the ethnic makeup of the people. They are mostly Indians; they don't know how to vote. The Costa Ricans are white," a bit of a racist tinge to it too. "Nicaragua is a different sort of people," he said. "Look at Honduras and Nicaragua. Nicaragua has a higher literacy rate than Honduras. Nicaragua has a better per capita GNP and so on. Nicaragua is much better than Honduras in all these ways and also a more reliable ally of the United States. It is because of myself and my family and the stable government that we have in Nicaragua."

The conversation was a good one. I emphasized the fact that one thing he had to remember regardless of the benefits even if he were correct in everything he said, he and his family had been in power for decades in Nicaragua, almost as long as the United States in our recent history has been involved since our latest intervention when his father basically came to power though he didn't actually take over the Presidency at that time. Therefore that is an impediment in the U.S. body politic and the way Latin Americans looked at Nicaragua which was really just impossible to overcome. This is my conversation with Somoza. Rather than focus on what you have done for Nicaragua and for U.S.-Nicaraguan relations which admittedly the alliance and support has been mutually very beneficial. I tried to put it in as good a light as possible. "No we have got to look at the future, and how can what you do and what we do best protect the interests of the U.S. and of Nicaragua and your own personal interests. This is just impossible for this to endure. It is an anachronism in many cases in Latin America. So, what you should look at is an orderly transition which protects your interests and protects our interests. It would involve, of course, you no longer being president of Nicaragua after what ever time this took place."

Because he started out so friendly saying what the hell does that son-of a-bitch Jimmy Carter think he is doing now. I felt I could be a little frank being a relatively new director of Central American affairs. We did have a frank conversation. He admitted this was something he should look at. He felt it wouldn't necessarily involve his departure but anything could be considered. Anything could be talked about.

I made reports on my conversation and my trip when I got back to Washington. My bottom line was if we play this man right, we might be able to do it. He might give up his position as President. He might give up the actual power of running the country but he has got to have his interests protected. There is no reason the United States should seek

retribution for the endemic corruption that has been going on in Nicaragua for many years. That we should play with Somoza to make the transition and if we played our cards right holding a stick in the background of course in case he reneged on his commitments and so on, this could work out to a transition to a more democratic society with fewer human rights violations and furthermore one that would prevent, this was cold war time, the communist element which was probably the predominant element among the Sandinistas at the time and certainly the pro Cuban element, the Sandinistas were universally pro Cuban, from gaining power. The Sandinistas would have to have a role to play. Certainly the more moderate elements would have a democratic role to play in Nicaragua, but it shouldn't be a predominant role. It was highly dubious that they would win as a group. It was a grouping after all and likely to split apart once Somoza the principal element was no longer there, the principal opposition. This would be very conducive to U.S. interests. I told Somoza also that despite his comparison of Nicaragua to Honduras just in my relatively brief stay there I saw a lot of comparisons in the way the people acted, their freewheeling attitude, their less subservient attitude than you saw in Honduras. I really saw despite the ethnic makeup, more comparisons to Costa Rica than I did to Honduras.

Q: You mentioned promoting this with a stick in the background. What was the stick?

MATTHEWS: Essentially that the United States could return, well the stick to an extent would be AID. AID to the Somoza government after the earthquake, there was a lot of AID after the earthquake, but of course, it was dropping considerably, that if you had a democratic transition, the foreign assistance probably would flow more rapidly. That was the carrot. The stick was what the United States had already embarked on doing. Embargo of military supplies to Nicaragua. Lack of discouraging Venezuela and Panama and certain elements in Costa Rica from supporting the Sandinistas. That had been a change that was already well underway that the authorities in Panama and we didn't think at the time some authorities in Costa Rica who were doing it for the money were funneling arms and supplying arms to the Sandinistas, but they certainly had already started. By the time I talked to Somoza you could see that the Sandinistas were getting rejuvenated. Previously a beaten sort of lackluster attitude which was changed. They were gaining renewed morale at least. That was the stick.

Q: When you came back to Washington how was this received?

MATTHEWS: Depended by whom. I think Todman liked it. Christopher as usual was almost inscrutable, but he was probably more influenced by Patt Derian and Mark Schneider and the human rights group then by us. He was already, I think somewhat distrustful of Todman and his let's-work-out-a-mutually-agreeable, basically the same position I had on Nicaragua he applied to Latin America as a whole. The other position was the traditional, what the young group that came in from the universities, also to parts of the administration which was "you can't work with these bastards. They are hopelessly corrupt and undemocratic. You have got to get rid of them and get new people," much more to the left economically and politically but people who could essentially be weaned to be democratic. This of course the idea that you could work something out with Somoza

to the Human Rights Bureau was like dealing now with Radovan Karadzic.

Q: Who is the right-wing dictator in Bosnia, a thorn under our saddle at this particular point.

MATTHEWS: Yes, in terms of human rights violations, but anyway I'm taking an example from the present and applying it to the past. They didn't see any chance of success. Somoza would hoodwink us again and stay on in power. There was no way we could really apply this policy. Bob Pastor was very concerned with Panama and didn't look at it that closely. Zbig Brzezinski had a lot of other items on his plate, so the basic policy continued despite any recommendation I made and despite really what Todman might have supported. Try to strangle Somoza and one way you try to strangle Somoza was by indirectly at least encouraging the Sandinistas. Indirectly by not having any objection to what the Venezuelans and Panamanians were doing and many of the things coming in were Cuban origin arms.

Q: Considering what happened later, here we had a policy that was kind of funded by those who want to do something. I mean the Sandinistas were guerrillas. We had already gone through this particular scenario in Cuba and left us with a very long lasting problem. How were we dealing with this because if we had this policy of almost non-interference, strangling Somoza, and not trying to do anything to the Sandinistas, we must have been talking with the Sandinistas, predicting what would this mean, and all. Or were we doing that?

MATTHEWS: Yes, one of the things that I pointed out time and again in various papers that dealt with the problem. Like I said from the beginning, you don't want to strangle Somoza, bring the Sandinistas in and then say we are going to work out democracy with you guys, because it is not going to work. The opposition, the Human Rights bureau which was the major focus of the opposition, the policy planning staff was Richard Feinstein who was there at the time as sort of the Latin American man on Tony Lake's staff. Their position was, look these guys, we can work with them. There are democratic elements in them and there were, no question, democratic elements among the Sandinistas. There was also a strong sort of carbon copy of Fidel Castro among them, that sort of communist element. Also there was a more contemplative communist element. Basically they didn't trust real democracy either because they felt that real democracy would be bought by the oligarchs and they wanted a thorough going revolutionary society.

Among the Sandinistas there was also a considerable element of opportunists. Many of them just wanted power, and once they got power, they would use power as they jolly well pleased. I didn't like that. I didn't think that was the policy we should be following. I felt it ignored all the other elements of U.S. policy. I did see a strong likelihood that you could have a less secure second Cuba in Nicaragua. Less secure because Nicaragua had borders with other countries. I saw unending problems if we continued with this policy, but I was unsuccessful in getting U.S. policy changed, and so was Terry Todman.

Q: Did you sense a gathering of the left, and I'm not talking about the communist left, but the left and the liberal elements including Hollywood and newspaper columnists and all those who were one, dumping on Somoza and two, building up the Sandinistas? Was this an apparent movement in the United States?

MATTHEWS: Not to the extent it had been in Cuba when Castro was up in the mountains. I think the newspaper people remembered Herbert Matthews (no relation, incidentally).

Q: Who had been taken in by Castro; a New York Times correspondent?

MATTHEWS: I think he was. When you speak of the news media you are speaking of a very diverse group. Jerry O'Leary who was a Washington Star, I think it was back at the time, Latin American correspondent, I thought had very balanced views. There were several other newspaper reporters and columnists who I thought had balanced views. Don't forget the Nicaraguans, Murphy, Charlie Wilson over on the hill, some other people essentially shared my views and sometimes I would talk with some of them too. Not Murphy so much.

Q: Murphy was a Congressman who had been a room mate of Somoza's at West Point.

MATTHEWS: Room mate or class mate, I don't recall which. Yes he had known Somoza for many years and a close confidante and supporter of his. He would call Somoza on the phone and they would talk privately. He was one of Somoza's best channels I would say. Murphy was beginning to have some other problems at the time. I think there was some ethics or financial problems, something of that nature. Charlie Wilson was a little different, Charlie Wilson from East Texas, young. Incidentally Charlie Wilson had probably the nicest looking female staff over there. It was always a joy to go over to his office which I had to with some frequency because he would ask questions about Nicaragua and want a report on this, that and the other. Not only Nicaragua but other parts of Central America. He was not fixated on Nicaragua to the extent that Murphy was.

Another Congressman I dealt with frequently was Ed Koch. He was from the other side. later mayor of New York. Now I think he is a television or radio columnist or something up there. He was one of the other people who was strongly interested in what happened there, and he was very anti Somoza and I think opportunistically subscribed to the human rights bureau's position on this. I would say opportunistically because his most vocal supporters on this issue felt that way. "Got to get rid of Somoza then we will let things evolve otherwise," and he reflected that view. He was very sharp a very talented individual as was Wilson as a matter of fact. Where was I? I got off track.

Q: We were talking about in the United States the elements that were both supporting Somoza and the Sandinista movement because this tapped in to some of these elements which became very important as time goes on.

MATTHEWS: I remember from my days as a student of Latin American affairs at Stanford, the university community at least most of it was viscerally anti Somoza, those who were concerned with Latin American affairs. So were many newspapers. Chamorro whom I met with when I was down there was the publisher of *La Prensa* and later was assassinated, had been president of the inter-American press association at one time. He was viscerally anti Somoza. You have got to remember, people oversimplify things. Chamorro was not a disciple of peace and light either. The Chamorro family and the Somoza family had been bitter political opponents on personal grounds and also on the grounds of where they were from going back to the early part of the century. No matter what Chamorro did, Somoza would oppose and no matter what Somoza did, Chamorro would oppose. It went back to their parents and before that. It had something to do with politics but not much. Some of the opposition was just not understood by Americans. Anyway, Chamorro had a lot of influence among the press of course as you would expect, *La Prensa* the biggest press organ in Nicaragua. The mere fact that Somoza allowed it to exist, to continue under Chamorro was itself an attestation that he wanted to protect some of his credentials of freedom and that sort of thing.

Yes, the press in the U.S. was, I would say, certainly anti-Somoza but by no means pro-Sandinista though some elements were. In Washington the Post I thought took a pretty balanced view of things. The Star, now the Times, well, O'Leary took a very balanced view. He was their principal Latin American columnist. Editorially they were a little to the right of where I would have been and certainly far to the right of the Carter administration. The letter writers were overwhelmingly anti- Somoza. I and the other elements were certainly not pro Somoza. We all agreed, except for Murphy and maybe Wilson, that Somoza had to go; it was just the circumstances of his going and whether you worked it out with him for an orderly transition. And if he didn't go, did you push him out regardless of the consequences or not. I would have said on that second line, though I never communicated this to him, no if it came, if he wanted a confrontation, if he tricked us and he stayed on, you did not push him out regardless of the consequences; you looked at the consequences first which were probably going to be bad for the United States.

Another element that I brought up although I probably shouldn't have brought it up with 20-20 hindsight as infrequently as I did, was if this thing does fall apart, pushing Somoza does fall apart, the Sandinistas come in with their pro Cuban regime and they violate human rights as well, there is going to be blood on the floor. People are going to look a who lost China sort of thing. Although who lost Nicaragua is not as important as who lost China, it is going to be a problem. I did bring that up.

Q: Were you getting either through intelligence or indirect communication things, was there any sort of communication with the Sandinistas or intelligence about them?

MATTHEWS: Direct U.S. government to Sandinista communication, official communication, probably no. People at the Embassy down there, people in Washington, the Sandinistas did visit Washington. They would talk with people; none of them ever talked with me directly. Yes, they did, I take that back. The priest, he came up a little

later on, what is his name. He is a member of the Sandinista council. Anyway he came up and talked with me in my office one time, telling me that the Sandinistas were essentially democratic. He was a Roman Catholic priest, that they were Christian, most of them. We have all elements, but it is essentially a moderate element. When I brought up other questions I had, he fluffed over them. The United States government was complicit with Somoza. He completely ignored anything that happened in the Carter administration and he badly exaggerated prior U.S. policy. My conclusion was that if he is the public face of the Sandinistas, then they are a pretty hopeless group. He was badly misinformed, highly prejudiced, viscerally anti-U.S., and rather viscerally pro Castro despite Castro's position at that time vis a vis the Roman Catholic Church. I wasn't impressed.

We got a lot of other indirect contacts with the Sandinistas. An individual would talk with one of the Sandinista leaders and then report and I or other people would talk about U.S. policy. Basically with the Sandinistas, our message was if you guys indicate that you could work something out with Somoza, not for a Sandinista takeover but something protecting his interests that would be salable. That would be a message that I would deliver to these various areas. At some times I thought it might be receptive, but I think the Sandinistas, one reason they didn't was because they realized they were on the winning track. That if they weakened, then they could have the whole thing. The United States government in my opinion prejudiced though it may be, in my opinion had the United States government adopted the policy that I recommended, that the Sandinistas would have felt that this was their only real option, and they would have adopted it and they would have come in feeling that it is better to share power than to lose the whole thing by insisting on having the whole thing. They had a reasonable chance of subverting or buying off the more democratic elements of the regime, they should have bought it.

Q: Did you get any readouts say from the CIA or the INR about the Ortega brothers, what their role would be and all?

MATTHEWS: They were major elements of the Sandinista directorate of course, I think Tomas Borke was the intellectual behind the Sandinistas. He was the thinker. He was the individual who was sort of the ideologist, if you will. Borke I had a much more favorable opinion of. I never met him. I had a more favorable opinion of him than I did of the Ortega brothers. The Ortega brothers I felt were radical leftists, opportunistic converts, if you will. Communism was something they latched on to for opportunistic reasons. They were interested in power. They had the usual viscerally anti-U.S. attitudes, but they wanted power because of the various perks and what they could do with it. Borke I thought was an intellectual. I felt he wanted to do really what he felt was best for the country. He was a much more orthodox communist I thought though not completely orthodox. I'm not sure that any of these were completely orthodox communists, in other words like Cheddi Jagan did for so many years in Guyana, salute every twist and turn of the Soviet line. He really believed it; this was a religion, but that he would follow, try to maintain some ideological purity of the Sandinista revolution more so than the Ortega brothers. They were opportunistic. I wouldn't have trusted them any farther than I could have thrown anything were I Castro, were I the Russians, or were I us. I could see them evolving as another Somoza, if you will, with leftist overtones.

Q: How did this play out during the time? You left when in '79?

MATTHEWS: Early '79, I think around January of '79. Let me lead up to why I left. It was essentially over Nicaragua. Todman left, he was given a golden parachute as Ambassador to Spain, partly because he and Christopher had problems. Anyway he left and Pete Bakey took over. Now Pete Bakey had been Ambassador to Venezuela. Pete Bakey is a very skilled Foreign Service officer, a more disciplined Foreign Service officer that I would say I was and probably more so than Terry Todman. Pete Bakey did not push his personal agenda. I did to an extent push my personal agenda; so did a lot of other people. The human rights people were pushing a personal agenda. Pete Bakey was brought in because he was skilled, he knew the area, and he would follow U.S. policy. I suppose a good Foreign Service officer should. He worked much better with Christopher than Terry Todman had. He tried to moderate policy to a certain extent.

Essentially he saw that I had been unsuccessful and Todman had been unsuccessful in selling the administration on the line that we handle Nicaragua and to a certain extent El Salvador and Guatemala the cooperative way rather than a confrontational way. Work with the powers that were there to get them to modify their conduct rather than replace them with other powers. Anyway, we had been unsuccessful so he felt let's do it retaining elements of your policy, but let's do it in a way that is salable to the political forces in the administration. The decision was made to send down a, by this time the Sandinistas because the U.S. had not discouraged Carlos Andres Peres and not discouraged the Panamanians from funneling Cuban arms up to the Sandinistas and not discouraged Johnny Echeverria, the minister of something or other in Costa Rica from taking payments probably from the Venezuelans and probably the Cubans as well in through Costa Rica. The president had not discouraged him. In any event the Sandinistas had gotten fresh arms, fresh financial support. The U.S. arms embargo was hurting the Nicaraguans significantly. They weren't really able to get many arms from anywhere else. The Sandinistas were really making progress militarily. They had revived their revolution, and they were in a better position than they had ever been.

Along the latter part of '78 I think around October or so, the Department decided they along with the Dominican Republic and I think Venezuela with OAS approval were going to send a triumvirate down to mediate and try to arrange this democratic transition or some sort of transition. And Bill Bobler who at that time was the head of INR and who later took over as ARA Assistant Secretary. Bill Bobler was to head the team. I'm sorry he was to be the American representative on the triumvirate. Dick Barnaby went down with him as his deputy. I thought that was a fine choice; I had no problem with it. Jim Cheek who had been political counselor back when we were talking about Brazil had established credentials as an anti-Somoza was interested in going down. Jim came by to talk with me. I explained to Jim what I felt the team should focus on, namely the same policy I had been advocating for a length of time. Now the pressure is really on. Now you are going to have to arrange this democratic transition or some sort of transition. Otherwise you are going to lose the country. Therefore, the stick had been applied. Now let's go over the same ideas we were presenting earlier. You can keep a modicum of

power. One little element in a number, most of your ill gotten gains, certainly all those you have gotten out of the country. If you have an orderly society, you are going to be able to keep many of those you have in the country. We will support this, but it will involve your giving up power. It probably will involve your leaving the country for a period of time at least. We might be able to work in some guarantees against prosecution, but you can't keep running like you have done. In my office at least, he seemed to say, yes, that is a good idea. I think we can do that. I think it is workable and so on. So, I supported with Pete, maybe Cheek would have gone anyway, the idea of Cheek's being included in the team, and the team went.

When they got down there in October or something, they did exactly as I recommended they not do. They refused to see Somoza at first. They dealt only with the opposition. Somoza sat over and stewed while they tried to work out a combined opposition tactic which they would then endorse and they would present it to Somoza on a plate. This is it; take it or leave it, and if you leave it, you are doomed. You are out of there. This is not the way you play, I felt and I said this on a number of occasions to no effect, this is not the way you handle a person who had been dictator, president of the country and his family had been before him for this length of time. He calls himself an aggrieved and wronged U.S. ally. He had gone out on a limb or he said, time and again supporting the United States down the line and here is the way we are treating him. You don't do it. You play to the vanity of an individual like that. You say this is best for you and us. Not take it or leave it. You are a bastard, but you play to the vanity. The opposition would have certainly gone along with this sort of thing, the democratic opposition. The Sandinistas maybe so, maybe not. If they said not, then you clamp down on Peres and Johnny Echeverria in Costa Rica and the Panamanians and you sort of cut off their arms supply. They didn't play it that way at all

Only after they had laboriously tried to work out a common position among the opposition did they then go to Somoza and lay it on a plate in a manner that he almost to protect his machoism, his image and his self-image primarily, he almost had to refuse. Sure he was corrupt, but he had a certain self image and a certain pride that he was going to go down in flames if you pushed him to the wall. That essentially is what happened and that is the time where I said, "I give up. There is nothing more I can do on Latin America."

The policy failed. Somoza turned down the suggestion of the three countries which had been put to him in this form. The policy was made that, okay, Somoza has got to go, we will insure that he is pushed out. That is where I said I cannot support any such policy. I have been lobbying against that and so on. It was about the same time that I got the word that was relayed to me as the opinion of Christopher which was endorsed by Pete Bakey, "Well you have been against the policy for a long time. Wade, you have lost the battle. If you can't support it, then of course, you should go. You probably should have gone some months before." I said, "Under the circumstances I clearly should have gone some months before."

So, they brought in Brewster Hemingway to be the country director, a fellow who was

going to follow the policy as a good Foreign Service officer should, as I clearly was not willing to do. So whether I resigned or whether I was pushed out, technically I think I was pushed out. I started looking around for other good places to jump. There weren't any good places to jump because I had already been accepted for the senior seminar the following fall at the end of my tour. I badly wanted the Senior Seminar where I wanted to be able to think and look around and maybe write something. So during this month of December I was calling over to the Inspection Corps. "Hey can you guys use me for six months?" They said, "No not for that length of time. We'd be glad to take you for a tour," whoever the inspector general was at the time. I went and got a TDY to the board of examiners, and left at that time. It doesn't give me that much pleasure to say I told you so, but I had told them so and we saw what happened to Nicaragua and we saw what happened to the U.S. policy in Central America. We saw the Sandinistas and the Contras and the tremendous loss of life and the political problems it caused. I really sincerely think had the policy that I recommended and that Terry Todman recommended had been followed, that would have been averted.

Q: Let's talk a bit now about some of the other countries. First of all, as you looked at your countries, Honduras, Guatemala, Costa Rica, Nicaragua and El Salvador and Belize, where did Nicaragua rate human rightswise compared particularly to Guatemala and Honduras?

MATTHEWS: The worst violations of individual human rights, that is torture and arbitrary arrest and killing and that sort of thing, were almost certainly in El Salvador. I would place Guatemala as number two in that individual sort of basic human rights category. Nicaragua is number three. Honduras is number four. Of course Costa Rica is the best or Belize. If we are talking about the degree of democracy, they were all I would say approximately equal. In Nicaragua you had this institutional stability in that the Somozas were just automatically re-elected. I recall what Somoza said about how he really had to cook the elections to make the opposition look reasonable. The opposition was incredibly inept in Nicaragua. They had a tough row to hoe of course. They would fracture. They would break up. Many elements of the opposition themselves were corrupt. They didn't appeal to the peasants. They tended to be more conservative at least from their official pronouncements than did Somoza's party. I guess I would have to rank Nicaragua was certainly in line with the others.

There was some corruption in elections throughout most of those countries. Costa Rica was pretty honest and Belize was. The count was probably cooked more in Guatemala I would say than in the other countries. Maybe Honduras was perhaps the more democratic of those aside from Belize and Costa Rica. The next level down would have been El Salvador and Nicaragua, and probably the least democratic was Guatemala. Guatemala had elections. I was there for one election. It was just at the count where problems took place. There was a certain degree of pressure on. And of course, a military officer was consistently elected, not a civilian. But, within that, that was the nomination process if you will, proving that there were elections.

Q: Well, what were the issues you had to deal with in your area other than Nicaragua?

MATTHEWS: In El Salvador you had some serious human rights problems. I mentioned it earlier; it was probably the worst kind of human rights. You had killings by both sides. You had disguised killings by both sides. Pro government forces or police forces would disguise themselves as guerrillas and go in and massacre some people. Guerrillas would disguise themselves as government forces and they would go in and massacre some people, set off bombs, this, that and the other. It was extraordinarily difficult for anybody to find out who had done some of the worst killings. There was torture really on the part of both sides. Certainly there was more publicity and more frequent on the government side. We had some real serious human rights violations of all sorts in El Salvador. El Salvador's democracy was probably more fixed than the others. The elections were probably fixed as much as in Guatemala. Then you had a growing insurgency in El Salvador. Honduras was much more peaceful. There was considerable corruption, but you had pretty democratic elections and you didn't have many human rights violations. The police were kind of brutal at times, but they are in most countries down there.

In Guatemala you had an insurgency that was reasonably controlled, but you had some really brutal methods that the military used in suppressing the insurgency and in dealing with dissidents. You also had another problem that had nothing to do with human rights while I was there that blew up, and that was the Belize-Guatemala territorial dispute. The British re-enforces their garrisons in Belize. The Belizeans were quite fearful of Guatemalan intervention. Refugees were coming over flooding Belize from El Salvador primarily, not from Guatemala. A lot of Salvadoran refugees went to Belize. There were internal problems. A lot of them established their own areas or communities which were Spanish speaking and different from the population of Belize, and Belize was concerned with them.

Belize was not independent at the time. It was a self governing colony of the UK, a commonwealth, something like that. I mentioned that I never got to Belize, but I did. George Price the Premier of Belize called on Cy Vance who was Secretary of State at the time. I was the note taker at that meeting as often times a country director is, of course, or sometimes the desk officer, but I elected myself as note taker. It would either be me or the desk officer because I was interested in talking with Price. It turned out that Vance was distracted by some crisis and Price and I sat around and talked for a couple of hours waiting for Vance to come back.

I found Vance incidentally, barely knew. Price wanted U.S. support vis-a-vis possible Guatemalan territorial claims. They had some territorial claims which could go back to all of Belize or part of Belize. The United States supported Belize on all these territorial claims which gave another little problem vis a vis Guatemala. I found Price incidentally to be well informed, moderate. He was an ideal premier for a country which was having a very large and increasing Spanish speaking minority because he was fluent in Spanish and English, and his views basically I had no problem with. The British were giving him protection. They had a Harrier squadron stationed there and some other things which the Guatemalans protested was a violation of everything from the Monroe Doctrine to what have you. It was not a very time consuming issue. It was another reason the human rights

elements supported as a rational for an embargo of any military supplies to Guatemala. Actually that embargo was relaxed for replacement supplies. One of the problems and one of the nits that just annoyed Somoza and that I lobbied against because I didn't want to annoy Somoza, I wanted Somoza cooperating on Nicaragua, was the infamous issue of the sling swivels.

Q: Could you explain what a sling swivel is.

MATTHEWS: As you know, rifles and submachine guns have a canvas sling which troops use to place it over their shoulder as they are hiking along. Nicaragua back in the Ford administration or even earlier before the embargo had purchased some weapons from the United States, all duly authorized, before my time on the desk. It seems that the swivels, the little thing that attaches the sling to the weapon were coated wrong so they rusted, and they started breaking and that sort of thing. The company said sure we'll replace them. It is our fault. They are a 25 cent item or maybe a dollar item with the military supplies, that sort of thing. The munitions control bureau routinely approved this and signed off for the ARA bureau. I don't even think I boosted it to Todman. Todman certainly supported me on it. The human rights bureau objected. They said this was a violation of the embargo. Our position was, "Look this is stupid. Here is something that was sold clearly a defective part, a sling so they can use the things with broken sling swivels. If they made wire in Nicaragua the could go out and a soldier could cut a piece of wire and replace the damn things so you could repair them locally if necessary. All it is, is an irritant to Somoza if you turn down these sling swivels."

The Human Rights Bureau was adamant. It went up to Christopher. Christopher was inclined to approve. Patt Derian said she would resign and denounce the thing if the embargo were relaxed for sling swivels. Christopher drew back. He didn't want to have an issue over sling swivels, something this minor, and besides it would be a political problem for him if Patt carried through with her threat. The thing then was gotten a hold of by a couple of newspapers. Charlie Wilson brought it up on the floor of the House. It was a cause celebre, and I thought a stupid issue. If you want to have a confrontation over something like an embargo you don't do it over something like sling swivels. All it was it irritated Somoza. This came up as I recall during my conversation with Somoza as one of the illustrations of the idiocy of the Carter administration. I can't recall exactly what he was referring to with the "What is this son of a bitch Jimmy Carter think he is doing now?" The indignity that had been heaped on him in his estimation. El Salvador was a real problem. We had an embargo against things there.

We sent while I was there a new Ambassador, a very capable person who I thought had all the right ideas, Frank Define. He had been my colleague. I briefed Frank. There were serious security problems in El Salvador. I went down and was well received but I have to say I couldn't come up with a good solution. I said all the right things to. I had a brief. I carried out my brief. I didn't elaborate on my brief. The brief was good; I had a part to do with drafting it. I didn't have the same basic sorts of problems with our policy in El Salvador as I did in Nicaragua. There our policy was to get the government to agree that it was in the interests of the oligarchy of El Salvador which controlled it along with the

military who were not from the oligarchy. The military were from lower level people, lower middle class basically in El Salvador. That was one of the problems. They tended to have some rather brutal attitudes about how you deal with dissidents and dissident groups in El Salvador. El Salvador didn't have the ethnic problem that Guatemala did, whereby you have identified Indian communities in Guatemala. Half the population or more are identifiably Indian. By that I mean Indian with oftentimes a distinctive dress oftentimes a distinctive language, not entirely but oftentimes, that stand out from the rest of the population. In El Salvador everybody is sort of mixed, so you didn't have that problem, but you did have the problem of the insurgency.

Q: We were doing things with El Salvador but we had this fixation on Nicaragua in a way. Was it because there was a person we could lean on like Somoza who was the name, as opposed to El Salvador where you have got a bunch of brutal army officers? Did you have a feeling this got personalized?

MATTHEWS: Yes. Also El Salvador had an excellent Ambassador to the United States, Saul Cameron I think was his name. He was from one of the old traditional oligarchy families. I think his son is President of El Salvador now. I haven't followed it that closely. Anyway a member of the family is president of El Salvador now, a civilian of course. He was a wealthy individual, but he operated far more skillfully than Sevillas de Casa did, the Ambassador from Nicaragua. He got the ambassadorship to the United States as a wedding present back in the '30s. He was the dean of the diplomatic corps. He just was not a skilled operator and he got off on long winded speeches. He wasn't focused on what people wanted to focus on, plus his ties with the Somoza family. He married, I believe his wife was a sister of Tatio Somoza of the Tatio line. The original Tatio was Tatio's father and Tatino became Tatio after the death of his father. The younger Tatino, was a rather badly regarded Nicaraguan army national guard colonel or something. So, yes, we had problems in El Salvador. In Honduras our problems were more traditional. It was a more traditional regime, didn't have major human rights problems.

We had an active AID program focused on agriculture. Corruption was a problem. The major problems with Honduras was what caused before I got there, the Salvador-Honduras war. The border was not carefully defined. There were Salvadorans that were crossing the Honduran border, settling in Honduras. They were being expelled from Honduras. This had caused an upsurge before I got there called the Salvador-Honduras war. This was before I got on the desk. The relations were still a little tense. Partly because of these relations, the Hondurans were allowing supplies to go across to the Liberation Front which was the principal guerrilla organization I think in El Salvador. We were not anxious for the FLMN to succeed.

Basically I had no problem with U.S. policy toward El Salvador. These were bad guys. They were very brutal individuals related to communist groups. I had no problem with U.S. policy toward El Salvador. Human rights certainly were a major element of it. Probably they should have been along with the idea that the FLMN were not going to be the saviors of anybody. They didn't have the same sort of good press that the Sandinistas had.

In Guatemala, our major focus was treat the Indians a little better. Don't commit too many human rights violations, get rid of some of the corruption. Have more democratic elections next time. Try to get the military to move out of politics a little. Don't do anything to Belize. Arms embargoes which we almost always had for all these countries except for Honduras and Cost Rica of course, certainly impeded our influence with the military. I would have liked to have seen some relaxation of it particularly with those countries that had an active and growing insurgency like El Salvador.

In Nicaragua I didn't really push for doing away with the arms embargo because I knew it was a completely losing cause. There was no way we could do it until Somoza bought our things. I did believe we shouldn't have these little pinpricks like the sling swivels, but the arms embargo was also a useful stick we could hold, that we could relax it if he did what we wanted him to, an orderly transition. In Central America I would say about half my time was devoted to Nicaragua and half my time was devoted to everybody else.

Let me just mention briefly about the staffing of the office. As I said, when I came on the staffing drastically changed because the AID people separated from State. I had a Deputy Director who essentially handled what I wasn't handling. Sometimes we'd have crises and he or I would be on the task force. Then I had a desk officer for Guatemala and Belize, another desk officer for Nicaragua. We badly needed a single desk officer for Nicaragua. We had another for El Salvador, we had some changeovers. Part of the time, at first it was one desk officer for El Salvador and Honduras. Then we split it off and had one for El Salvador and one for Honduras. Then we had a desk officer for Costa Rica. The Costa Rica desk officer when we had a vacancy, the Guatemala-Belize desk officer would take over Costa Rica as well. So that was the staff. There were about six or seven of us dealing with Central America.

Q: You know something that might be interesting, you have talked about all the problems of Central America, here you are you know, United Fruit, commercial interests, these are the banana republics par excellence where the United States is wading in to exploit and all and you didn't mention this. Could you explain this?

MATTHEWS: Because of the Carter administration's fixation on human rights, we really got involved very little with the economic things at the policy level. Occasionally there was some labor problem or in the case of involving some government corruption, but we rarely got involved. These banana plantations had been there under U.S. ownership. There were some in Guatemala, some ranch land in Guatemala owned by some individuals. Also in Nicaragua there were some. The principal banana plantations were in Honduras and Costa Rica. I don't remember any U.S. owned banana plantations in Nicaragua. There may have been, but essentially these were aside from disruptions that insurgents would make, and they weren't really making them on my watch, they ran along on their own. They had their own relations with the governments. They didn't cause us any real problems.

Q: Well, then should we move on to the next phase.

MATTHEWS: Yes, I think I have pretty well gone over Central America. Oh let me mention the one thing I started on. We had a couple of task forces dealing with something to do with Central America while I was there. The Sandinistas took over the national assembly at one point in '78, it could have been '77. The national Assembly in Nicaragua was meeting, and a Sandinista group took them practically all hostage. We had a task force at that time. I was most impressed on one of my trips to Nicaragua with Tony Gillespie. Tony was the Administrative Counselor in Managua. When I was in there asking about one thing or another in the front office, Tony would stick his head in the front office, I was told perhaps oftener than he should have. I found Tony to be admirably informed about everything that was going on in Nicaragua. He had some good, balanced opinions.

Tony came back to a job in Washington in the administrative field that he wasn't terribly interested in, and we formed a task force. I suggested that Tony be called over to be a shift chief of the Task force. I think Sally Shelton Colby was in charge of the task force because she was the Deputy Assistant Secretary. The last I heard, she was with AID as one of the Deputy Directors of AID. Sally, I believe was in charge of it as normally you put a desk in charge of one of those things. I think Dick Graham who was one of my Deputy Directors I had in charge of one of the shifts and I asked Tony to be in charge of the other one with Sally's concurrence. He said, "Yes." I think that may have been where Tony got exposure to the then people in the ARA front office because he went to the ARA front office I believe while I was still there, maybe after I left as a coordinator and later as a desk himself and went out to Colombia and then to Chile.

Q: He was sort of involved not very heavily in the Grenada. I had a long interview with Tony.

MATTHEWS: I will say parenthetically about Tony, I wrote a performance report about him, a memorandum, not a report, regarding his serving on the task force as a shift chief, in other words in charge of the task force during one of the round the clock shifts. He did a very good job on that. I said in my little memorandum based on my experience with Tony in Nicaragua when I had run into him on my two or three trips down there and also on the task force, my intention was if I were ever so fortunate as to be named Ambassador in any country in an area of Tony's and my language competence, that the first person I would call on if I had a DCM choice would be Tony Gillespie. I did not get to be Ambassador and Tony Gillespie did, so this was not a realistic option. I really felt very strongly about Tony.

Q: You were with the BEX [Board of Examiners]. Was this about 1980? How long were you with the BEX?

MATTHEWS: I was with the BEX, well I took a little leave. I had some coming before I went to BEX. It was about six months temporary duty.

Q: In the first part of 1980.

MATTHEWS: No, '79, from around January or possibly after my leave, February of '79 until August of '79.

Q: What were you doing with the BEX?
MATTHEWS: I was a regular examiner of Foreign Service officer candidates. I went out to give the oral exam. I gave a number of exams in Washington. I led a team to Los Angeles for three weeks, a team of three examiners, and we gave exams to people from the southwestern United States. I participated on the team. I don't think I was the team leader because we tried to divide it up. One person would do it one time and another person another because we were all equivalent in responsibility and rank, to Seattle. I think that was two weeks. I believe the rest of my time was in Washington. I believe I may have gone and made a couple of speeches to colleges and universities about the Foreign Service at the time. They were here in the east.

Oh while I was on the Central America wicket I made several talks on Central America up in New Jersey and here and there. I attended a conference in New Orleans basically focused on Honduras, and did various things of that nature that were part of my duties. Back to Central America, I guess I was deemed incorrigible at one point, no, I wasn't deemed incorrigible, I was deemed corrigible on this human rights issue, because the United States executive branch was asked to send one participant, the legislative branch was asked to send another to an international conference on the state individual rights and the powers and obligations of the state. Basically on human rights. Which was held at the American center at the old bishop's residence at Salzburg, Austria, a three week program. Sally Shelton nominated me because she felt I needed some education along those lines. Sally and I disagreed on some things, but we cooperated. We got along well. I think I got furious with her, and I think on more than one occasion she got furious at me, but we got along. I went to that, and I found that a fascinating experience. I was sort of teamed up with the Americas chief of the Polish foreign ministry at the time to do some projects on it. We had the Foreign Minister from Austria come down and visit us, Paul Froid. He was one of our faculty from this particular program from Harvard. It was a very good program. It didn't change my attitude on anything because I felt that to begin with and to the end of it that human rights is definitely an element that we should have in our foreign policy, but it should not be the dominant element.
Let me go back to one other thing. This is kind of interesting, and I'll say something I could have never said while I was in the Foreign Service. I heard through my sources, and I had pretty good contacts here and there. I was not officially informed by State Department at all, that Shelton was going to be nominated to be Ambassador to El Salvador. That was back when we had our problems, when we had a lot of problems with El Salvador, of course. I felt that given her background, I had never met the lady. Given her background, given her age, this that and the other, that this would be an absolute horrible choice for El Salvador. I felt I had a responsibility out of school to torpedo this. I leaked the information to Jerry O'Leary of the Washington Star at the time. This was before we could get any publicity on this at this level. Jerry wrote an article saying this was a horrible choice for this, that and some other reasons. Some people came up with the same thing, and the Carter administration never went ahead with the nomination.

Lloyd Benson of Texas was her guru of course. He had known her family for a long time.

Q: She'd been a staff assistant to him, and she had taught at, she spoke Spanish, and she had taught in Mexico, so she wasn't on the political side without some credentials. She was quite young, 32 and going to El Salvador at this time, you really needed somebody that was around for a long time. It was not a place for somebody to learn to be an Ambassador.

MATTHEWS: No, not at all. Now Sally was fluent in Spanish because she had been married to a Mexican diplomat at one point, and she certainly knew Latin America.

Q: She was a very competent person. It just wasn't her time for that sort of thing.

MATTHEWS: Absolutely. Anyway, for my reward, Sally was made my boss. I have always been an upright person. I don't like to keep secrets. Of course, I had to many times in the Foreign Service, but when Sally came on board, I believe the first time I met her, I said, "Sally, I don't know whether you know but you should, I want you to know, I was probably instrumental in you not getting the nomination to Ambassador to El Salvador." She said, "I knew that, Wade and she said I'm glad you told me. I wondered if you would tell me." I said, "Yes, and I'll tell you why," and I did tell her why. Having gotten off that way, we had a good relationship. There were only one or two occasions where I got highly annoyed with her. I remember the case; I don't remember the details. There was a munitions case as to whether we should supply something. I don't remember what it was. Hard to say what it was. It was certainly not definitely includable under the embargo to Guatemala. I had approved it. Munitions control had approved it. Everybody approved it, but I kept getting queries from Guatemala what has happened to this case? I tried to trace it. I was involved in other things and apparently didn't trace it very successfully. Finally when I was able to trace it down, the Guatemalan government and Ambassador kept asking about it. I kept saying I think it is going along well. I kept asking about it. I did tell them I think, that it had been approved by the ARA bureau. I found that Sally had gone in and turned it down on behalf of the ARA bureau and in fact had basically over ruled me without telling me. It was always very vague about why she hadn't told me, and I got absolutely furious about that. I went in and complained to the Assistant Secretary, Terry Todman, because Sally left shortly thereafter. Terry also seemed to believe that certainly she should have told me. I think he disagreed with turning it down. In any event, it was killed and we couldn't get it resurrected because the human rights bureau got involved and so on. It was another irritant between us and the Guatemala bureau. That was one of the only times I got annoyed with Sally. I'm sure she was annoyed with me on other occasions.

We are still friends. I talked with her after Bill Colby's death. We've had lunches on several occasions after I left there. Another instance. She was later nominated Ambassador to Barbados. It was proven that she could serve. We would talk. She was up at New York at the United Nations, one of Andrew Young's deputies after she left the ARA bureau. I remember Sally calling me one time maybe about that or maybe it was about something else too. As I recall the conversation which may be a little vague after

all these years. She said, "Wade, have you heard anything about me?" I said, "Yes, your pending nomination to be Ambassador to Barbados." She said, "Yes, that is it in fact. I know it is not public, and I just wondered." I said, "Yes, I have, Sally." She said, "What do you think?" I said, "Not to worry. I think you will be an excellent Ambassador to Barbados. I think even at the time when I was opposed to your going to El Salvador, you would have been an excellent Ambassador to Barbados." Barbados doesn't have this sexist attitude toward women in that sort of place. I think the problems are not the sort of thing, we have them. I said, "I would be quite willing to publicly support but that would probably be the kiss of death to your nomination if I were to do so at this time." We were joking, of course, but I was very pleased with that.

Q: With the BEX just in general what was your impression of the system for selecting, the pressures on you, and the candidates you were seeing?

MATTHEWS: The pressures were on the candidates, of course. They had a very slim chance of passing. We were not supposed to pass many of them. If we did pass many of them, we didn't have a technical quota. When I went to Los Angeles, for example, I was told, I say told, you know we talked about this sort of thing. I was told informally that hey you'd better not bring back more than three people. We interviewed six a day I think, at least four a day, two every morning and at least two in the afternoon. I think it may have been three every morning and afternoon. I'm pretty sure it was. Six a day times three weeks. The last day or so we didn't interview, but we had almost that many. We were told if you bring back more than three successful candidates, you are screwing us up. You've got to use this as a real screening device. Apparently they were not. Back when I came in, they used the written exam as the basic screening device. I think only 30% or 15% passed the written. Apparently a much larger number were passing the written at that time, and the oral was the real screen. I think we only brought back three successful. The problems weren't in winnowing out the bottom 70%. The problems were in deciding among the top 30%, and there it was sort of arbitrary. We knew that some of the successful ones were not going to pass the in basket test and that series of things they had just started in Washington. They inevitably would.

Q: Did you feel pressure to give special credit to being a woman or minorities, blacks and Hispanics?

MATTHEWS: No real pressure. It was clear that the Department wanted to recruit more not so much women at that time because women were coming in at a fairly good rate, but minorities, Hispanics, blacks, Asians, American Indians, any group from a minority. We didn't have that many minority candidates that had gotten past the written. We had very few. We heard what they were saying, and there were two candidates more or less equal, we certainly I think would have given the nod to the minority candidate. My recollections are very vague here and I don't know if we are talking about Seattle or Los Angeles. I remember one very qualified black candidate we had who was certainly among that top 30% we are talking about, and we did give the nod to him. I for the life of me can't recall any others that I thought were competitive. As I say, since that top 30%, it was largely subjective. Let's say the top 20%, largely subjective. We could have almost flipped a coin

as to some of them, certainly the top 10%, which ones of those were going to be the three, so we would have undoubtedly given the nod to a black, and I think we probably did.

Q: I realize I am dipping back into a short period and all. Was there any part of the oral exam that seemed to separate the sheep from the goats or not?

MATTHEWS: I didn't feel that. I also supervised and judged some of the in basket and full day exams again for those that passed the oral at FSI. No, I really believe an oral exam if you have guidelines as to what you want, you get the idea what sort of people are successful. Particularly at that time, and now too, a person would be coming in as a potential administrative officer or potential political officer or what have you, we had a diverse team where each one of us came from a different background. My background was sort of the political background. We had a person who came from a consular background and a person who came from administration. We really didn't have anybody from an economic background on one of my trips; we may have on the second. Those people were given more weight in our deliberations on our team as to whether they would pass. We didn't do it like when I came in. We made a decision immediately after the interview. You ranked them and you voted without consultation, and then you consulted on your final vote. You took all sorts of notes because you really only took a final vote at the end of the process of the ones you would recommend and what order you would put them. I thought we could tell pretty well. After all, we had a lot of background on the people that they filled out these forms.

I remember some people I wondered why on earth they wanted to get into foreign service. We had the head of a journalism department of a university in Washington or Oregon who came at the age of 35 or 36. The age limits had been relaxed of course by that time. Allegedly and he stuck to it, that he really wanted to be a Foreign Service officer. He gave reasons. He thought he really needed to move on and he wanted to come in as a junior Foreign Service officer. We would bring them in now at a couple of grades below the bottom with a background like that. He had a Ph.D. in journalism or something like that. He didn't pass it. He was simply not competitive at the very top level. He would have certainly made the top 30%. He didn't pass it. We had another case of the son of a very distinguished U.S. Ambassador. I know he was still on active duty at that time at several posts. We had his fiancee who applied, a woman. We were not really giving preference to women first thing. Half of our acceptable candidates were women, but they were successful in their own right. We didn't have to give them a boost up. The son of the Ambassador did well. He was also in our top 30%. We ended up passing his fiancee and flunking him. Just because she was really outstanding. He did well. What happened to them, I have no idea.

Q: In August of '79 you went to the senior seminar, and you were there from '79 to '80. What was your impression of the senior seminar?

MATTHEWS: Educational, a lot of fun. Almost certainly more useful to some of the other people than it was to me in that I had been in 49 of the 50 United States already. Some of the people had not been off the East coast except for maybe San Francisco or Los Angeles. I had associated with or had friends or relatives really basically all over the

United States. The institutions I was pretty familiar with having gone to law school down in Florida and up to Tallahassee and had become pretty thoroughly familiar with the Florida institutions as well as a student politician with the state institutions in North Carolina, the municipal governments and that sort of thing.

I found the most useful part of it to me was the other agency orientations, visits, briefs including to the military installations and talking with people in the military. You got a lot out of your classmates because we travel and just in Washington you talk a lot with them. I thought it was a very worthwhile project even for me and as I say more so for probably some of the others. I did a paper that I enjoyed doing and I was able to vent some of my spleen in it probably. The paper of course was an academic exercise so it had no policy implications. It was on human rights and the national interest. You have to have a good colon for an academic paper, colon, our policy in Central America and the Philippines. I elected that topic because obviously I was thoroughly familiar with our human rights policy in Central America. I thought it was a failure. It was not working. I thought it was much better when you realized at the beginning, and I played off this, Central America was a throw away area except for human rights idea of the incoming Carter administration which I opposed. I thought the Philippines was a good counterfoil, a good way to look at an area where we clearly had some other interests, strong military interests at the time. With our Asian interests, Central America was sort of our base there. Our military interests were very strong. The immigration interests, the Philippine element of the U.S. population was stronger at that time than the Central American element of the U.S. population. Our commercial interests, our investments in the Philippines were much more significant than our investments in Central America, so it was obvious we had other interests. You couldn't say human rights is going to be our lead interest in the Philippines. My bottom line was because of that lack of fixation on human rights our other interests and our human rights interests were much better served by U.S. policy in the Philippines. By the way, we carried out policy in Central America. the U.S. government did. I thought I made logical arguments in the paper. The paper was looked at and distributed and nobody had time to read it who was in the policy making and besides well with 20-20 hindsight you can probably see that and others would say absolutely not. We should have pushed human rights stronger in the Philippines. Our military interests aren't really that important. We eventually gave up our military interests there. Of course we hadn't at that time, the bases.

Q: In 1980, whither?

MATTHEWS: I was up for assignment. I had hopes that I would get an Ambassadorial post. I was not lobbying for a DCM post. I should have realized that as long as the Carter administration was there, there was no way I was going to get an Ambassadorial post. I made a few desultory attempts for it. It got nowhere. I was not desperate though; I had my lines out. I am pretty sure I could have gotten a DCM job. I didn't want to go back to Washington to stay in Washington. I wanted to go overseas.

I got a telephone call from Ray Gonzales who was Ambassador to Ecuador, who had been my boss in Peru saying, "Wade, we have got consul general at Guayaquil coming

open. Would you be interested in putting your name on the line for it. If so, I would certainly support you for it." I said, "That is interesting, Ray. I have never had my own post." It was the largest city in Ecuador. It operated to a certain extent independent from the embassy insofar as a major consulate general does. It was the center of the political life in Ecuador where the then president of Ecuador, Rodos, came from. It was the headquarters of the navy of Ecuador. For some purely personal having nothing to do with work reasons; I've always been a zoologist at heart. I think I mentioned I have a bachelors in it, and the Galapagos islands were in my consulate. I could get out there on official business if nothing else while I was there. After thinking about it for a day or so, I called Ray back and said, "Yes I'd be delighted to go to Guayaquil." I put in my application and the assignment went through and I got there I suppose it was July. It was right before the national day. They wanted me to host the national day reception. I don't remember. It was around the national day reception in 1980.

Q: You were there from '80 to?

MATTHEWS: '80-'82. Two years almost to the day. Maybe a few days more or less.

Q: Guayaquil and Ecuador in 1980, what was the situation there from your perspective?

MATTHEWS: A thoroughly democratic regime. The person who would have been elected president of Ecuador was essentially kept out by the military. The man was Assad Bucharan who was of Lebanese origin. The military claimed perhaps truly that he had not been born in Ecuador. He had been born in Lebanon. His parents had brought him there as a young child. Assad Bucharan produced various documents showing that he had been born in Ecuador, and his parents had immigrated before he was born. There were other documents indicating the reverse. It was unclear. Forged documents are easy to come by on either side. Obviously one side or the other forged the documents, probably both of them. Maybe there were no documents about whether he had been born in Ecuador or outside. This happened before I got there. Assad Bucharan said, "Well, if they won't let me be president of Ecuador, I will be effective president of Ecuador through one of my deputies." He picked the deputy that he thought was most reliable because he was married to Assad's daughter.

Assad Bucharan was the President, the CFT I think was the name of the party. I can't recall what the initials stand for now. Anyway he said if the military won't let me be president of Ecuador, I believe he had actually been elected president at one time and they kept him from taking office, but now it was unfashionable for the military to move in and depose a president who has been elected, so they said no he was born outside of Ecuador so he can't be. So, he put up a man named Rodos who had started out as his gopher, his deputy who had fallen in love with or arranged or what have you to marry Assad's daughter. So here his son in law Rodos was nominated by the CFT party that Assad controlled pretty tightly as the nominee of the principal populist party of Ecuador. and Rodos was elected. In the election campaign in fact one of the mottoes this was even on some of the posters I think was Rodos to the presidency Bucharan in power. Everybody knew that Rodos would follow Assad's orders. After the election Assad said I

want so and so to be Minister of Foreign Affairs and so an so to be Minister of Interior. Rodos said, "Wait a minute I'm President of Ecuador; you aren't. I will decide who will be Minister of Foreign Affairs and this that and the other." There was a firm and serious break between the two. Rodos I don't know whether he was expelled from the party or resigned from the party, but the party was still controlled by Assad Bucharan, but Rodos was the president. Rodos of course forged a coalition with others up in Quito. The Vice president had a different party. Assad Bucharan was in strong opposition to Rodos when I arrived. This was the scene, the setting.

Democracy, strong influence by the military, chronic problems with Peru which had been along ever since before W.W.II when Peru took land that Ecuador claimed. There was an unstable border. There had been incidents with Peru over the past years. The U.S. was one of the guaranteeing powers of the border, the U.S. and the other guarantor powers I think Brazil, Argentina and maybe Chile, all the ABC powers and the United States. If it was four power or just three power I don't remember. We guaranteed it and our interest was in keeping the border area quiet, demarcating the border to the extent we could. I was involved in that, demarcating the border, back in the OAS. That was one of the issues and I got involved in that. It still wasn't solved and there had been at least two minor border wars. There was one while I was there. Okay, that was another issue.

Tuna boat seizures were a big issue while I was there between us and the Ecuadorians. We and Ecuador interpreted the 200 mile limits, the limits for tuna very differently. The United States was moving to the position whereby a 200 mile economic zone may be glued to it by that time, I don't remember, I think we had, which was okay. That was Ecuador's position for a long time. Pacific Tuna were a highly migratory species. Pacific tuna did not fall under the 200 mile economic zone; they were an exception. Ecuador said a 200 mile zone is a 200 mile zone. Why don't you have the Atlantic tuna which have the same migratory patterns though in a different area as the Pacific tuna excluded from the 200 mile zone. You and the United States because Atlantic tuna would be fished by factory ships, if you treated them as you did the Pacific tuna, but your sport fisherman want Atlantic tuna to survive in the 200 mile economic zone, therefore you exclude them as not a highly migratory fish. But, in the Pacific area, you say they are a highly migratory fish. The Ecuadorian argument was completely correct on the personal situation. I got involved in the with the National Marine Fisheries Institute and others from the way they migrated and the way they acted, if one is highly migratory, the other is highly migratory. It was purely the self interest of the United States that was keeping it this way. That was not what I could tell the Ecuadorians, and I didn't. On this one I was a good boy. I didn't go and say, I said well there are differences and so on. Anyway this was a problem.

They seized some of our tuna vessels. This happened occasionally while I was there, and I got involved in one case that maybe I'll mention as an illustration out in the Galapagos of how things went. The U.S. tuna interests, some of the canning companies there were, one of them at least was American owned.

We had U.S. banana plantations. Ecuador is the worlds number one banana exporter. Not

producer, Brazil produces far more. Some of those plantations were owned by U.S. corporate or individual owners. Ecuador was a relatively minor exporter of petroleum, but still an exporter. U.S. companies were involved in the exploration for and production of and pipeline of petroleum from Ecuador. That was another interest. And we had the military cooperation too. It was a democratic regime, and we had fairly close cooperation with the Ecuadorian military and the Bolivian military. Part of the reason was we wanted to maintain good relations with both so if another border war flared up, we would then have some influence on both sides.

Q: Let's talk about your relations with the embassy. How did this work out? Did the ambassador remain Gonzales? How did he operate and how did he use you?

MATTHEWS: Ray was the Ambassador the entire time I was there up until toward the end when he left and turned it over to John Ewell who was DCM at the time. Technically I was under the DCM. In fact, I operated pretty well under the ambassador. The DCM wrote my performance report, I don't remember. The ambassador had a strong influence on my performance report.

Q: Isn't it usually the DCM writes it and the ambassador reviews it. That way it is kept in country.

MATTHEWS: I had no problem. I had two Deputy Chiefs of Mission while I was there. I had no problem with either one. They basically let me run my show as I wanted to, under the guidance of the ambassador of course. The ambassador and I had no problems whatsoever. I would go up when I went to Quito, I would usually stay at the ambassador's residence unless he was out of town or doing something else in which case obviously, I was at the DCM's residence. I would go up about once a month for two reasons. One I needed to participate in an occasional staff meeting and confer about various issues which I couldn't confer on over the telephone. Two, to make sure I knew where things were going and how things were going there and so they could get my input on things in Quito. A secondary reason my oldest daughter when I went to Ecuador was going to college in the United States and in my second year in Ecuador she was doing her sophomore year abroad at the University of Salamanca in Spain. I guess she did come down for our Galapagos trip over the Christmas holidays, a private trip to Galapagos, the first time I went there. My other two kids were up at Quito. My middle daughter was doing her final two years in high school in Quito. It was an American language school actually at Guayaquil, actually bilingual but that's all right. They both spoke Spanish too, but we wanted them in an American system school

The best American system school in Ecuador was the Alliance Academy run by the missionary alliance up in Quito, so we enrolled both of them in that school. It was an interesting experience for them. Both of them were agnostics at the time they began. The son was still an agnostic at the time he left, but they lived in the Assembly of God house. I said, "Hey, this is going to be a great experience for you because you probably have had that element of your education neglected, and you are going to get a heavy dose of fundamentalist Protestant religion while you are there." Believe me they did. I think

almost the entire day was taken up by church, Sunday school, prayer meetings, vespers, prayer before every meal, Bible discussions. They learned their Bible while they were up there. So anyway that's why I went to Quito.

Q: Picking up some of the issues. In the first place, what was your impression of the government you were dealing with in Guayaquil both the competence, how they felt about America and some of the issues you had to deal with?

MATTHEWS: The government was friendly and cooperative. Ecuador unlike Brazil was not a federal republic. Ecuador has a central government. The governors were appointed by the national government. In the local government the only independent power there was the mayor of Guayaquil. There was also an attendant who was appointed. Quito pretty much controlled him, but Guayaquil's importance was the majority, the largest party in the country was based in Guayaquil, and Guayaquil was a larger city than Quito.

Guayaquil was also the commercial center of the country. Most of the commerce, most of the industry was in the Guayaquil area not the Quito area. There were distinctive elements of the population. Even the language was differently accented. It was Spanish in both places. There were some Quechua speakers up in the mountains but unlike Peru where I would say a majority of the mountain Indians spoke Quechua as their principal language. Quechua was the principal language of a minority but a substantial minority of the Indians up in the mountains. I would say 40% something of that nature. The rest would speak Spanish. Mostly in the cities you heard far more Spanish than Quechua. On the coast you hardly ever heard Quechua. There was some rivalry in the old feeling. The populations were almost equal between my consulate district and the consulate district of Quito, about half the population of the country in each one. The coastal Ecuadorians called those from around Quito whether they were Indian or not derogatorily as Indus. The mountain Indians around Quito called the coastal Indians, the coastal population, "monos," monkeys. You had the monkeys and the Indians and both terms were about equally appropriate at the time. There was a rivalry.

The army tended to be dominated by the Quitanios, the mountain Ecuadorians; the navy tended to be dominated by the coastal Ecuadorians. There was rivalry there and there was rivalry commercially among the banks and every other way. Shortly after I arrived, I went around and made my calls and contacted everybody. In fact the arrival was illustrative about some of the meetings. I arrived one weekend day, and it turned out it was on the day of the annual navy day, and the naval attaché a very highly qualified completely bilingual fellow of Cuban origin was there and had come down for the navy day. He invited me to go with him to the big navy celebration. I got there after the formal ceremonies, but they had a big party that evening at the naval club down there. All the navy brass was there including the admiral who was the head of the navy. I went with him, and it turned out to be an all night affair. I think I had just got off the plane. It literally went on all night long. We were celebrating at the naval place, not getting too inebriated, more pressing the flesh and meeting all those people, and he knew all the people so he introduced me to everybody. We ended up having breakfast at the commander of the navy's house. I remember his wife insisted, "No, you are not going to

the table to get the breakfast. We women always do that." Before she got her husband's plate or anybody else's, she filled a plate full of eggs and ham and whatever and brought it back to me. I thought it was a nice gesture by the head of the Ecuadorian navy. Anyway, that is how I got started.

The first week or so I made my calls. Assad Bucharan who I called on said he really needed to get together with me and talk with me privately about Rodos. I invited him and the then president of the chamber of deputies who is basically one of his deputies. He may have took Rodos' place as principal assistant. We spent the whole lunch at my house just the three of us. I had my servants serve the lunch. My wife hadn't arrived yet. She was getting my oldest daughter established in college and arranging some things back in Washington, so I was there by myself. Assad spent the whole time trying to convince me with support when possible from the president of the chamber that Rodos was a crypto communist. He was really a communist, that he had pulled the wool over Assad's eyes all these years, and the United States should strongly oppose Rodos and get him out of the Presidency of Ecuador as soon as possible. Of course it was all nonsense, all hogwash. Rodos was I would say sort of a middle of the roader. He supported us on some things and opposed us on other things. Clearly opposed us on the tuna policy which is quite understandable. He was a little more nationalistic than we would have desired, but not much so. We certainly got good relations with Rodos, and Rodos with former political counselor of Ecuador whose name is escaping me now, a Foreign Service officer. When Rodos came to Washington during the campaign, he stayed at this guy's house. Good relations, nothing sub rosa, nothing illicit at all, but they were just good personal friends. This fellow I had talked with as part of my briefings in Washington, and he gave me a lot of very favorable information about Rodos and he was an excellent choice for President of Ecuador and so on. I told Assad, "He is the president of Ecuador. We want to work with the president of Ecuador. I hear what you are saying, but you have still got to convince me that he is a crypto communist before I start agreeing." The relations were good. The governor of Guyas province, his wife worked at the Embassy as a secretary.

Guayaquil was in some respects a dangerous place to be in some respects for crime, not for any real well yes later for terrorism but not because of terrorism per se most of the time. A lot of people carried guns. I set the weapons policy so later on I tended to carry one around myself because I didn't want my bodyguards to be with me all the time. They had a home life and I didn't feel there was any great danger. The governor, Guido, had standing instructions. People were supposed to be relieved of their weapons at the desk before they called on him, but I said, "Guido is always not to be relieved of his weapon when he comes by to talk with me." Guido would come up to talk with me. He carried a little shaving kit, a little tiny case. He would take the shaving kit out and put it down on the coffee table in front of us whenever we talked. We had good relations.

Q: What about the tuna war went on between really the west coast shipping interests who had tremendous political clout in the United States and Ecuador. It has finally been resolved. I'm not sure how, but at the time I take it this was at the height of the tuna war or was it? It was going on. Can you talk about cases during your '80-'82 period what we did and your feeling about the pressures that came from political clout the group had in

California and Seattle?

MATTHEWS: Tuna, while it didn't take a great deal of my time, it did sometimes develop into a crisis where for a period of some days would take a lot of my time. We had developed a sort of accommodation with the Ecuadorian navy which was essential for keeping any sort of tuna thing down. We tried to develop an accommodation with I can't remember the name of the organization now. The U.S. tuna fleet was based in San Diego, and the U.S. tuna fleet was predominately a long range tuna fleet. They did their fishing in the Southeast Pacific. They didn't do usually a great deal of fishing in Ecuadorian waters except transient fishing. They would go to the south Pacific where they would catch tuna and set on dolphin. They would spot the dolphin from a helicopter that was based on the tuna boat. The tuna boat would then go and surround the whole school of tuna and dolphin where they would just kill the dolphin. The dolphin would be suffocated. By the time I got there, dolphin preservation measures had been put into place and they had to have boards on the nets and they had to put some people in the water and they would travel with little motor boats inside the nets and hurry the dolphin which tended to stay higher than tuna out of the nets and then bring the boards off and haul in the nets and get this huge amount of tuna. It was an expensive sort of operation but they caught one hell of a lot of tuna. Most of the Ecuadorian fleet on the other hand was shore based. The boats tended to be smaller. They generally set on dolphin but not entirely. Sometimes they would just set on tuna and try to pick them us in their fish finders. Sometimes they would set on dolphin. Much of their catch was bought by an American owned cannery in Ecuador and exported to the United States and other places. There were several Ecuadorian canneries plus of course a certain frozen fresh tuna market as well. Some was flown to Japan. Tuna was a big thing in Ecuador from the national pride and economic reasons as well. We had sort of worked out an accommodation with the Ecuadorian navy. They would not vigorously look for U.S. tuna boats. The U.S. tuna fleet would also generally not deliberately go to Ecuadorian waters, but hey they are going through Ecuadorian waters anyway to get from the Panamanian area and other areas to the South Pacific You are not going to prevent them from dipping their nets in the water and fishing for tuna sending the helicopter up and if they spot some. They didn't stay there for a lengthy period of time. It was sort of an accommodation, more accommodating on the Ecuadorian side than on the U.S. tuna association side. Occasionally there would be an incident. Occasionally a U.S. tuna boat would be caught.

One incident that is probably illustrative of what happened though it is a unique incident because of where it took place. A U.S. tuna boat was coming back from fishing southwest of Ecuadorian waters in the Galapagos. The Ecuadorian navy which normally couldn't patrol these seas around the Galapagos just happened to have its flagship and its second largest ship that were going to the Galapagos from the mainland in Ecuador. They just happened to be steaming along and they saw this tuna boat. They thought they saw the tuna boat with its nets in the water at first and then the nets came up or maybe they didn't. That was uncertain. It was well within Ecuadorian water. It really if it had been prudent should have gone another way. It was just traveling. Maybe it had been fishing; maybe it hadn't. It was traveling like this at one point and here come the two Ecuadorian boats.

Q: They already menace is on the radio, they can't see.

MATTHEWS: The tuna boat was going northeast. The Ecuadorian flagship and the other vessel were going northwest. The Ecuadorian nave people saw it and said there is nothing out there is there. In other words they were going to ignore it because it was clearly not fishing at least at this point. The tuna boat, idiots that they were, got on the radio, they were basically Portuguese fisherman. They spoke Spanish or not Spanish to communicate, and said, "Should we heave to?" What could the Ecuadorian navy people say? "Of course, yes, heave to." So they heave to. The Ecuadorian navy people went and inspected them. They found some very fresh tuna which almost certainly came from Ecuadorian waters. They said, "Follow us into the nearest port," which was San Cristobal in the Galapagos Islands. They followed them into the nearest port. They communicated with the navy headquarters. Navy headquarters got through to the Ministry of Natural Resources. Marcello Andramo who was the director of fisheries said, "I am hopping the next plane to the Galapagos Islands. We are going to have a trial and fine these bastards," because he was gung ho. He was not for any, I knew Marcello fairly well.

Marcello Andramo was Director of Fisheries. He had gotten his job as director of fisheries because he had been Rodos' chauffeur. He knew where all the bodies were buried, mistresses were hidden, this, that and the other. He was Director of Fisheries. He didn't know a damn thing about fisheries. He suddenly started buying shrimp lands and establishing shrimp farms that sort of thing. I got a call from the Embassy saying, "You have got a problem in your consular district. You had better get out and see what is going on." I made a reservation on a commercial flight. At first they said, "We are trying to fix this up. Your message to Marcello Andramo who hasn't called the office is that Paul Touralura who is the Director of natural resources and a sensible person and who was under orders from the President. Call Touralura before you do anything." I hopped the plane, flew out to the Galapagos. I think you get off on Balzar Island. I had to take a bus and then a ferry over. Oh the Ecuadorian navy was going to cooperate with me in getting me to San Cristobal where the trial was supposed to be scheduled for the next day or maybe two days later. So, I got to Balzar, took a bus, hopped a ferry, took another bus down to Santa Cruz which is the principal city on the main island if you will although not the most populous island. San Cristobal was still 150 miles away. I went by the navy installation expecting they would have a boat for me; they said they would. I found the lieutenant in charge of it taking a swim. I think they had two enlisted men and one officer there. He said, "I never heard anything about any navy boat that is supposed to give you any sort of assistance." Nobody in the navy knew anything about it out there. The flagship and the other boat were still there. So, we got on the radio and he and I were both talking with them there to the head of the Ecuadorian navy flagship. They were at a dinner with the governor. Andramo wasn't around either. They didn't know where he was. He was dead drink somewhere on San Christabel. Nobody knew anything. Somewhere a voice cropped in and said look if the Ecuadorian navy will let us in this slightly accented Spanish, obviously a native Portuguese and English speaker, for me of course the speaker was the captain of the tuna boat. Because the trial was supposed to start the day after and there was no way I could get commercially to the island on time. "We'd be glad to send our helicopter out and pick up the Consul General if the Ecuadorian navy will let us. We

will leave a hostage behind if they want to, to guarantee we are not going to flee." The helicopter couldn't reach the island; they would have to go halfway to let the helicopter get on. The flagship of the Ecuadorian navy steamed out with the tuna boat in custody, and steamed halfway over. Early the following morning a helicopter took off from the tuna boat to the island where I was. This is the fifth helicopter that had landed on the island in the previous seven years, so there was a big to do. I was a little uncertain where they were going to land, but the Ecuadorian navy man said there weren't too many wires around the football field so that was the best place for them to land. At the crack of dawn I was up there. The helicopter I heard coming in. The crowd was all on the field. The Ecuadorian navy man and I were doing our best to shoo them to the sidelines to give them enough room to land. The helicopter landed. I ran out and said hurry. The people started coming out and whom up into the blue went the helicopter. Then we went out to try to find the boat. It was a little difficult to find the boat. We were in a tiny little helicopter, bubble on the front. I'll tell you the boat was the smallest I have ever seen. We were trying to get altitude and it was a little bit foggy, and we couldn't find them and I was wondering if we were ever going to make it. My Foreign Service career would end right there. We finally found it, this tiny little speck down below and landed on it, a platform less than the size of this room, about this big. The captain welcomed me aboard. He said, "I'm going to give you my quarters and bunk in with the crew." He had a spacious cabin at least the size of this room.

Q: We are in a room about 25' by 15'.

MATTHEWS: He had a big king sized bed, color television and videotapes, half pornographic movies, which I resisted watching because I had to study up on my briefs as we steamed back into port. We got there in time for the hearing. I did my best to get in touch with Andramo who was still not available. He was drunk or had a hangover. We got to Andramo before the hearing began. I said, "Look, we've got to talk." I said, "Touralour who was his boss wants you to call her before the hearing begins." I said, "There has been considerable government interest in this and I know they have instructions for you." His instructions were not to make an issue of this. If you do find them guilty, do a nominal fine or perhaps find them innocent, this, that and the other. Well, the hearing was held. He refused to call home. The tuna people can patch you through San Diego and you can talk on a telephone because they have that capacity. I'm positive the navy can do it for you too with one of their ship, and they could. So he found them guilty and he fined them two million dollars. So, my mission was a failure. I took a commercial transport back. I forget how I got to, anyway they flew an attaché plane down. On the appeal, this fine was reduced to something like $750. Everything ended well, but in the meantime, the tuna boat was escorted back under custody to Ecuador. The cargo was taken off which was worth $100,000 or so, a substantial amount of money. That was the real fine. The crisis was averted with this minor fine which the tuna association after they knew the circumstances, that they hove to voluntarily and asked if they should heave to, that this was pretty idiotic. It turned out the captain told me that this was an inadvertent query that went out from an unauthorized source.

Q: There was a modus vivendi on this. Did you get involved at all in the banana business

or did that take care of itself?

MATTHEWS: It pretty well took care of itself. We were very involved in the drug business, that is the interdiction business. One illustration of how bad it was going from Peru to Ecuador, you see coca was not really grown in Ecuador. Ecuador was a transit country between Peru and Bolivia where it was grown, there was a little bit grown but it was negligible, and Colombia. The Colombian Mafia was deeply involved in this. Talking about bananas, there was one banana plantation that I visited that is illustrative of the problems. The American said, "Oh here is our airport." He joked and said "I could really make some money off of this if I wanted to." I said, "How's that?" He said, "We use it only sporadically when we have a flight. Normally nobody is there. It is just a strip. A person called on me and said look, are you going to be using your airstrip tomorrow night or whatever." "No, why?" He said, "We'd like to rent the airstrip from you for the night. There is a plane coming in about dusk. It will be gone by dawn. There is $10,000 in it for you if you will let us rent it for the night." He said, "No, I'm sorry." He obviously knew what they wanted it for. "You might have to make sure that some other people aren't there and give them a little money. We'll give you $10,000 plus $10,000 more for expenses." He turned it down, but that is illustrative of the problem. We had three DEA agents assigned to my consulate at Guayaquil. They operated very closely with the Ecuadorian counter narcotics service. As always when you have such a situation, some people are corruptible, and with the source of money we are talking about it was very difficult for them not to be. Our people were not. I'm absolutely convinced they were straight shooters. Some of the people they dealt with were straight shooters; some weren't. They would generally participate in busts. They were always instructed to stay on the outskirts. The bureau was not to get involved in the actual stopping and searching and interdiction of drugs. They were authorized to carry weapons essentially routinely. Everybody in Ecuador carried a weapon practically. We never had any real problems with that.

We also had another agency represented. We had a USIA officer assigned. We had a department of commerce officer assigned because it was the commercial center of the place. We had a large consular operation which was subject to all sorts of fraud pressures for visas. I don't remember how many officers we had. It seems we had about five officers in our consular section, and my deputy was the head of our consular section. While I was there the commercial officer and I set up an American chamber of, help set it up. We didn't set it up; there was a local businessman who was a fine person setting it up, and we cooperated in setting up an American Chamber of Commerce in Guayaquil which was very successful and got underway quite well.

The consular operations were a frequien; well, I got involved only peripherally. The first year I was there I had an excellent consular officer. All I had to say was right on, do more of it. The second year I had an excellent consular officer when he was sober. Unfortunately he would go on an occasional binge and get to be withdrawn. I forget his name, but when he was sober, he was excellent. We had an American citizenship officer who was a black woman who was very good at what she did. We had eight or so American prisoners there, most of them on drug charges, two of whom strongly preferred

to serve out their term in Ecuador rather than go back to the United States. Understandable because they had bought the concession for the restaurant and snack bar at the prison. A woman and her current husband and her former husband, they were all in there on drug charges, middle aged people. They were doing very well because of the money they were making on the restaurant. The relatives of the prisoners, the prostitutes, the wives and so on, could come in and have little hours of intimacy in the prison. The woman and her current husband who had the contract for the prison had a room with a key that they could lock right there in the prison. They had a color television set and a color VCR, all the accouterments of home, living better than they ever lived in the United States. They didn't have their liberty. They had a staff that ran the restaurant. Any prisoner with money could go through and get served. They also had a bar if you wanted. If you had money coming in from the outside, you could eat fairly well and live fairly well. So, they didn't complain. The way they kept order in the place, two things were outlawed. Homosexual conduct in the prison (After all, they did allow women to come in and moments of intimacy) and violence were completely outlawed. If you engaged in either of those two activities, you were thrown in the hole with the other homosexuals and violent people, and people did not like to be thrown in the hole. It was sort of a dungeon. You were thrown in there with a pair of pants and you came out usually with sore body openings. That was not a pleasant experience, so people tried to stay out of the hole. As a result, there was very little violence in the prison.

Q: Was there any problem at this point with the cold war still going on, particularly Cuba and all? Were you keeping your eye out for communist influence other than the president of the state?
MATTHEWS: Yes and no. The Embassy was looking at that more than I was. There wasn't much in Ecuador. There were some local communists that ran around, but it wasn't a big problem in Ecuador. The U.S. government wasn't very concerned about it.

Q: Did you find yourself still sort of holding on the advent of Ronald Reagan as President. It was a kind of shock to a lot of people who had seen him in the movies and all and his reputation of being an extreme right-winger and all. Did you have a problem explaining Ronald Reagan during the time you were in Guayaquil?

MATTHEWS: Not particularly. I did explain him if you will in meetings with a number of people. At the time I was dean of the consular corps also which meant I explained him to a lot of honorary consuls who were prominent businessmen, this, that and the other. I had no problem doing that. A lot of them were delighted that Ronald Reagan had been elected. The people in Guayaquil particularly those who were concerned with politics were basically on the right, and they felt that Carter was a nincompoop and he didn't know what was going on and so forth and they were 100% in favor of Ronald Reagan.

Amusing story. I was down in the jungles of Eastern Ecuador on election day when Ronald Reagan was elected. I flew back that afternoon first from the jungle to Quito and then from Quito down to Guayaquil. While I was in the jungle, I had been to a little Indian settlement. As a diplomat I decided I would do as they did, and they passed around their big brass bowl of Chicha. Chicha, incidentally, depending on where you are, is a

different drink. It is a fermented grape drink in the Andes. Down in the jungle it is a fermented cassava drink. The cassava is taken by the Indians and beaten. Before it has the poison beaten out of it, the women sit around and chew it and then they spit it out into the pot. The liquid from this is fermented by the saliva and so on. I have a cast iron stomach. I'm never sick. They passed the bowl around and even my guide feigned drinking. Some other people did. A couple of people took a drink and of course the Indians were drinking. I never tasted it, so I took a nice drink. By the time we got back to Ecuador with the traditional election eve thing at the binational center with all the televisions and the people who were nominated and the president of the chamber of Deputies... Not the same one, a different President of the Chamber. It was over so early nobody came. All the big wigs knew how it was. We had a big election celebration and had very few people. The only people to come that the press people could find to interview of note were the president of the chamber who was from Guayaquil and myself. So anyway, I was put on first. The President of the Chamber and I were there. He was watching me. Pancho, the President and I were pretty good friends. He was also the CFP for the party. He was sort of sitting there making faces at me as I was being interviewed, answering questions like what does Ronald Reagan's election mean this, that and the other. I thought I was doing a fairly decent job of explaining it. He was shaking his head saying you're crazy just to throw me off stride, deliberately. I was looking forward to being able to do the same thing for him when he started being interviewed by the television station. Then suddenly my stomach started going round and round, and I had an uncontrollable urge to go to the bathroom. I stopped the television interview. Right as soon as I finished I got up and quickly ran and everything happened. I got back just as Pancho's interview was finishing. Pancho approached me and I was saying god if only I could have been there to get him back like he got me, not loudly but gestures. "Wade, I never knew you wee that much of a fan of Jimmy Carter. You looked like you lost your best friend when Ronald Reagan was elected. When you were up there being interviewed by the television, you really looked bad."

Q: Did you get involved in the Galapagos Islands other than visiting it? Is this a tourist area? I would imagine cruise ships would come in. Did this cause problems or anything?

MATTHEWS: The Ecuadorians would not allow cruise ships to come in. They had three ships that were passenger ships, relatively small, the Santa Cruz, the Bucanero and I forget the name of the third, that had a license to take tourists to the Galapagos. Otherwise it was just local folks that had a maximum capacity of 25 people. Each one had to be accompanied by a licensed naturalist, usually Ecuadorian, to go with them to make sure that they cleaned up their trash and that they didn't bother the animals too much. The naturalists were pretty good. They knew their stuff. I went out on the Bucanero, a private trip, which was one of the three ships, the middle sized one. Owned incidentally 50% of them by an American who lived in Ecuador and who later became a character actor in Hollywood for old sea captains. He played the part beautifully. We were concerned, particularly myself, concerned about wildlife and natural preservation of the environment and so on. I cooperated with a number of U.S. operations, gave them whatever facultative assistance and contacts I could. I actively supported the Charles Darwin Foundation based in the U.S. and on the Galapagos Islands. There is a research

center there. I tried to lobby to the extent I could with the government of Ecuador for the protection of wildlife. The problem was local fishermen and population increase on the Galapagos. That was where the problem came from. It has been a mixed story since then. Basically the unique wildlife has been preserved, but there are pollution problems and population problems and other problems. The Galapagos didn't take up much of my time.

Q: Is there anything else we should cover before we end this particular...

MATTHEWS: Let me mention a couple of things. We had a binational center there. We had a limited amount of what you might call terrorism while we were there. That was a problem. I was dean of the consulate corps one year while I was there. Most of my second year. Deanship, that is an interesting and maybe unique institution. Not completely unique, but usually a consular corps is at large posts excludes the honorary consuls. In Guayaquil at one point it had there were seven or eight missions represented by career diplomats in Guayaquil. There were about 32 or 33 honorary consuls in Guayaquil. They decided several years before I got there that they would combine the two consular corps, and it was working pretty well. The problem with combining the consular corps is that you can no longer have seniority. They decided that each year it would alternate. One year it would be a career, the next an honorary. It would be done by election with everybody voting for the person whether the person was career or honorary. What it meant was the honorary consuls had the majority say in who the dean would be even when it was the career consul's turn. I wasn't sure that all the correct consuls agreed with this, but so what. So a delegation came to me after I had been there a few months and said would I be willing to take it even though I had only been there six months the next year. I, of course, said, "Let me think about it," and I went to my secretary, who was the best secretary I have ever had in the Foreign Service overseas. Patricia Gaskell was her name. She had been brought up in Ecuador, born an American citizen. She was completely bilingual and could take dictation in either language and transcribe in either language and what have you. She was a humdinger of a secretary. She said quite like I expected her to, "Let me talk with the current consular corps secretary." They had a full time secretary hired by the honorary consul who was the owner of the principal department store who had inherited the consulship from her husband. Her husband had originally gotten it because one time he had helped a Haitian student who was from a good family but had gotten into trouble in Ecuador. So she was a lifetime honorary consul of Haiti. She talked with this other secretary and came back and said, "Yes, I think I can do consular corps work. It was about half an hour a day." It was not full time, and she said she'd be happy to do that. "Fine I'll accept." The year I got into that, talking about terrorism, because the Haitian consul, I believe after I was there, her residence had been attacked by a group of bandits really, who had shot her guard. She had an indoor guard and an outdoor guard. They had shot her guard and were storming her house. The indoor guard had locked the entrances, storming the house with submachine guns. She lived in a good area of town; there were neighbors all around. It was not an estate here and an estate there. It was a street with the houses fronting the street. She had an old mansion in the old style. The various neighbors threw open their windows and started firing at the guerrillas. The terrorists just jumped in their car and ran away. They were obviously trying to kidnap her or something and hold her for ransom. So that happened. I

had three policemen who were assigned to me as full time plain clothes bodyguards. I had a partially armored car which later became a fully armored car toward the end of my tour there. I had a partially armored follow car. My driver was a hired chauffeur. I had one policeman sit in there. I think he was armed with an Uzi in the front seat of my car.

Q: Uzi is a small machine gun.

MATTHEWS: Then behind me the driver of my follow car was just armed with a pistol who was a police sergeant. All plain clothes. We supplied them with plain clothes once a year and gave them lunch money. That was basically all we had to do for them. They were happy to serve because they had their military or police salary as well. Beside him in the follow car was another policeman with a sawed off shotgun. That was my security and they did a very good job. I felt unlike my predecessor and I agree with my predecessor, I was always a risk taker. I felt that nothing much was going to happen so to set the arms policy I issued myself a .45, some sort of pistol that I would carry in a plastic bag with me. At the end of the day unless I was going to some preannounced function, I would dismiss them, and I would drive myself. Just like most other officers, they carry a pistol in some form. So, there was a little bit of terrorism. After I left, a man named Nahim Zahias was elected to the dean of the consular corps. He was a wealthy banker, one of the wealthiest people in Ecuador. He was the head of a bank and was on the board of another bank, of Lebanese origin. He contributed to all of the political parties. He was not a politician. He wanted to make sure that whoever was elected, he would have some influence. He lived in a building that he owned downtown. The top two floors were his suite. He was unmarried. He lived with his mother and sister up there. A month or so after I left the country, the same type of bandits attacked his building. They shot the guard downstairs; they were coming up the elevator. He ran down the stairs, and the elevator had of course a locked entrance, but he was not sure that would hold. He ran downstairs, raced to the airport, arranged for a charter, and took the next plane to Miami. After a month or so he came back. Then he was in judiciously driving to a reception with only one armed bodyguard in the car, and some Colombian guerrillas intercepted his car. This was in Guayaquil. They shot his guard. They may have killed his guard; I'm not sure, with him in his car. They took him hostage. A mutual acquaintance who lived down the street from him named Leon Cordero was President of Ecuador at the time. Leon was a real tough nut. I enjoyed talking with Leon although we didn't always agree on things. I would frequently fly to Quito with him on some of our trips. We would run into each other frequently up there. Anyway he was President at this time. They located where the eleven kidnappers were holding Nahim. He said he was not going to give in to guerrillas. He liked the U.S. policy of not paying ransom and that sort of thing. He told the police to go in and if possible save Nahim but make sure that the guerrillas surrendered or that none of them got out of there alive. Nine of them were killed. Unfortunately Nahim was also killed. He was as I say my successor to dean of the consular corps so it was a little bit of a problem. Also about once a week, the students would come by on their way from the university to downtown to demonstrate at the mayor's office or the governor's office. They were always armed with rocks and about once a month they were armed with Molotov cocktails. No matter what they had, just for good times sake they would throw a few rocks at our consulate which was right on the street. If they had Molotov cocktails,

they would throw a few of them. We would always have the visa line break off and tell them to go away. One time the visa line refused to break off; they didn't want to give up their place in the line. We would close the gates to the consulate and three or four people still standing out there and the Molotov cocktail burned a few. We had security screens on our windows on the first floor and the following floor. Heavy steel stuff line that. The bottles of the Molotov cocktails would boom just blow off and the rocks would stop. I asked for authority to screen the third floor. They said that was not needed because the rocks and so on would not reach as high as the third floor. We had inspectors there when they came by. Unfortunately this was not one of the times they were throwing Molotov cocktails; they were just throwing rocks. They broke three windows of the DEA office on the third floor. The inspectors went in and supported our request for screens on the windows. So we got that. So we did have some security problems. In fact when I first got there, backing up, When I was assigned there Ray said they were authorizing assigning Marine security guards because of the security problem. I said, "Please Ray, can you wait until I get there and can evaluate the security problem." I know from Guyana and other places that Marine security guards generally bring you more problems for a small post like that. I got there. I found we had a 14 guard contract force guarding the consulate general. They were not armed. We had Marine guards up at Quito of course. I said, "Look we've got to arm these people, and if we can't arm them, then I want to fire them because they aren't any good to us unarmed. I don't think we are going to need Marines if they are armed." There was some controversy, but Ray as usual was very supportive and he said, "Okay, if you want to do it, fine." So we got the chief local of the security people to come down. We had a DEA agent who had been a DEA weapons instructor before he came there, so he knew weapons backwards and forwards. I got permission from the head of the Army there in Guayaquil to volunteer that they could use his firing range anytime they weren't using it. I had them go out there, and they took training. They got their weapons, never any problem and morale went up about 200%. They didn't shoot each other in the foot or shoot visitors as people were afraid they would. We certainly did not need Marine security guards after that. They gave us good protection. They never tried to shoot the students. They were under instruction when the students came down, we will close, batten down the hatches and let them do their thing. I never felt there was any problem. Occasionally we were on the radio, and occasionally when I was going in from my residence the students would be blockading the street. One of my colleagues in the consular corps had one of them thrust a pistol to his head and get out of the car and give us some money, otherwise we are going to shoot you. He did. They always avoided it and used back alleys and everything to get there. I never had any problem. I never felt threatened for a non previously announced formal thing I had to keep my guards. As I would say, I would drive myself. I would take along a little weapon and if I feel it was necessary, I would use it.

Q: You left Guayaquil in 1982. Where did you go?

MATTHEWS: Chile and that is an interesting story.

Q: You said there are a couple of more things you wanted to say about Ecuador before we move on.

MATTHEWS: Yes, these are illustrative of certainly the unusual aspects of a consul general at Guayaquil at the time I was there, and also illustrative of the odd things that occur on your tour of duty.

While I was there in Ecuador, President Rodos, the person I mentioned earlier was killed along with his wife in a plane crash. The state funeral they determined would be held at Guayaquil. It is traditional also in Ecuador if a person from Guayaquil dies while in office, I think that only happened once or twice, the state funeral was held there. I researched the records and found that two people made a funeral oration from the tomb when there was a state funeral in Guayaquil. The President of the Chamber of Deputies, this is when a President dies, and oddly enough the dean of the consular corps. I happened to be dean of the consular corps at the time. There were a variety, several heads of state came to the funeral. We did not send anyone from outside the country and our Ambassador, Ray Gonzales came down to represent the United States.

The Ecuadorian man in the street felt that was the case with a number of Latin American countries, some chief of state would come to the funeral. so as Ray and I drove down the street, he in a place of honor of course, and me in a subsidiary position in the back seat of I believe it was my limousine. The flag was flying from the stations of course; there were people lining the streets, hundreds and probably thousands of people saying as the sight of the car with the flag flying, "Reagan, Reagan." I suppose they would be disappointed if they could see in the car. Obviously neither one of us looked like Reagan. We attended the funeral and then Ray went on to my home along with a couple of other people and my wife while I retired to the cemetery. The cemetery in Guayaquil is one of the few tourist attractions. The city at the time was maybe about one and a quarter million people maybe pushing one and a half million, the largest city in Ecuador. The cemetery has skyscraper tombs. The ground is near the water level there. The tombs by and large were not in the ground, but in buildings of like about eight stories but not stories like we have because you are obviously talking about casket stories, the equivalent of about a four or five story building. On one of the upper stories was where Rodos was going to be buried along with his wife, the daughter of Assad Bucharan. The president of the Chamber, the same one that introduced me at the election eve party that I mentioned was there and he and I were both prepared to make our talks. I prepared an appropriate funeral oration, reasonably brief. I didn't want to exceed eight minutes or so in collaboration with my very well qualified secretary and had the deputy Dean of the consular corps, a very wealthy banker look it over. We all agreed that it was a fine funeral oration. The cortege finally reached the cemetery and the man who later became President of Ecuador quite recently Abdelar Bucharan. He was the brother of Mrs. Rodos. He was weeping and shouting and throwing himself on the casket which continued up the narrow steps to the top floor of the tomb. There Abdelar Bucharan then mayor of Guayaquil and later President of Ecuador until just recently when he was voted out of office by the Chamber of Deputies and I think now is in exile for malfeasance. He made a real spectacle of himself allegedly attempting to throw himself off the fifth floor and commit suicide, shouting, other people started doing the same thing up there. I looked down toward the ground and the Director of Fisheries, the man I had the problem with out in the Galapagos Islands Marcello Dombrado a former chauffeur was perched up in one of the trees down below the

building. He was making motions to Pancho the head of the Chamber of Deputies saying in effect, come down. His motions clearly, you couldn't hear anything over the din of the crowd.

I would guess there were half a million people around the cemetery and an audience of several million people on television. The television cameras had already been pre set some on top of the tomb, some away from the tomb filming everything. He was motioning to come down. When we gave him the high sign he was motioning that the tomb was clearly going to fall down and we'd all be killed in the rubble of this five or eight story tomb. Finally Abdelar was making such a huge ruckus that Pancho and I conferred with the head of the television team there, there was just no possible way we could have anything here and save what modicum of decorum that remained which was very little. Just simply end the coverage and say this is all. I have addressed a television audience on several things but never an audience of several million people. So, that was a frustrating experience. The second little anecdote that I thought it might be interesting to relate. Given an illustration of this the relatively free wheeling of Ecuador and particularly Guayaquil because they were almost two separate countries as far as the mores went.

An overwhelmingly Catholic country, the Archbishop of Guayaquil who is now a member of the College of Cardinals at his previous post at Quincha had a tradition of an ecumenical thanksgiving service. This did not correspond to our thanksgiving. It was a different day of the year. His tradition was to have the head of the mainline Protestant churches, in this case it was a Methodist. The head of the Evangelical churches, the Assembly of God or something like that, the head of the Jewish community, a Muslim, and of course another Catholic priest and himself and one non cleric address an assemblage which filled the cathedral and filled the square outside the cathedral as it traditionally did on this one day of the year. The non cleric happened to be the Dean of the Consular Corps and once again I happened to be in that position. Traditionally the non cleric did a prayer. I had known the Archbishop for some time. He came to my farewell reception; we were fairly good friends. He knew that I was not a particularly religious person. I'm not sure he knew any of the details of my religious beliefs, but I told him, "Look, I really don't think I am the proper person to do this despite my hemming and saying I really missed making the other talk." I said, "You know, or maybe you don't now, I am agnostic. I don't think it would be appropriate for me. On the other hand, the Deputy Dean is a good practicing Catholic and I am sure he would be happy to do it." He said, "We can work something in for you. What do you think you could do?" "A prayer would certainly be inappropriate. I would be more than happy to do a biblical reading provided you allowed me to check the text and I won't be saying anything that would be against my principles." He said, "I think I can develop something of that nature." He was a very astute man and the text was a text that I had no problem with. I stood up before the assembled multitude and the flock outside. It was also on television but not as big an audience as for the funeral arrangements and went ahead with my little reading and the service went quite well.

Q: Well, let's move off now you are talking about going to Chile, from when to when?

MATTHEWS: I was in Chile from June of 1982 to August of 1985, a little over three years.

Q: What were you doing in Chile?

MATTHEWS: I was Deputy Chief of Mission. For the first couple of months I was there I was chargé d'affaires because we were between Ambassadors and I turned the post over to another chargé d'affaires when I left.

Q: Who?

MATTHEWS: That is an interesting story in itself. I received a list of vacancies at my appropriate grade. At the time I had been promoted sometime when I was on the Central American desk job, a fairly rapid promotion after a very slow promotion from 0-4 to 0-3. It was from 0-3 to 0-2 which is councillor of embassy rank at the present time. I think the position became that rank about a year or so later when they made the switch. Among the post that were opening that summer in which I thought I would have some interest was Deputy Chief of Mission in Santiago, Chile. At that time, I had no idea. I knew the current ambassador, George Landau who at that time was leaving, and at that time, I didn't know who was going to take his place. I don't think the decision had been made at that time who was taking his place. I put that on my list of a very small number, about three posts that I was interested in. Shortly after I mailed that in, I got a call from Charles Graver, Chuck Graver who I had replaced many years before many years ago in my first assignment in the National Education Exchange Service. He said, "I know the consul general at Guayaquil is open. Tell me about it; I am considering applying for it." I told him about it and said, "Chuck, oddly enough I am considering applying for Deputy Chief of Mission in Santiago, tell me about it." And he did. He still did not know at the time who was going to replace George Landau. Shortly thereafter I heard that James Steeburg, a political appointee who had served as Ambassador to Nicaragua up until just about the time I took over the Central America desk. He left really a week or two after I took it over in '77, was going to be Ambassador. I had met him and talked with him, of course, when he returned to the United States. I had just to keep each other informed, he was the Republican national committee man concerned with foreign affairs in the Carter administration when the Republicans of course, were in the opposition. We found it useful to keep each other somewhat informed about what was going on in our respective areas of expertise and he was quite interested in Nicaragua having just completed two years as Ambassador there. I found out he was going; I did nothing further at that time. I got a call from him a week or two after I found that out. He said, "Wade, would you be interested in going to Chile as my Deputy Chief of Mission?" I said, "Well, Jim, oddly enough, that is one of the three posts I put on my reference sheet. Bottom line, I suggest if you are interested in having me, tactically it would be a bad idea to say so at this time. Yes I'd like to go. I'd be interested in going, but tactically why don't you wait until you find out if I am among the choices that they give you because logically I should be, but there are a lot of people applying for this. If I am, you can say "gee" you're elected. I'll accept this character, Matthews. You guys owe me one instead of asking for me and they

say, okay, you owe us one." He said, "Good tactic," and I understand he did that.

Anyway, I went to Chile as Deputy Chief of Mission. Chuck Graver came to replace me as consul general at Guayaquil. We changed jobs where we didn't have anything to do with direct negotiations for changing jobs. It was through the system.

Q: OK, let's talk about the situation in 1982 in Chile.

MATTHEWS: In 1982 in Chile, we had the Allende years terminating with his overthrow n 1973, about nine years prior to that time following which with the military government there were some serious human rights violations and almost a civil war in Chile, but it was put down by the military in Chile, in some cases rather brutally. Not a massive number of people killed. As well as we could determine, in the immediate military takeover and shortly thereafter and over the years there were very few, a total of about 700 people lost their lives in Chile. Mostly through elimination by the military or through guerrilla attacks and warfare. In some cases it was provoked by the individuals; in other cases they were simply eliminated because they were simply too dangerous or the interrogation was more harsh than it should have been and they lost their lives in that way. Not a huge number, but nonetheless there had been some problems. After that there were a couple of years of sort of bumbling around. Pinochet, though he had not been known as a non-statist, seemed to have a rather statist viewpoint took the advice of the so called Chicago boys, people who had been trained under the University of Chicago in free market ideas and improvement, that sort of thing. They came to him with an idea, this is how you should reconstruct Chile.

Their idea was a rip roaring success but there was one major problem. They pegged their exchange rate too closely to the dollar. Things got outrageously expensive in Chile. Exports plummeted because of this artificially high exchange rate and the economy went into a recession. There were a lot of vacant stores. The unemployment had risen by the time I got there to at least 15% up to 20%. It probably got as high as 25%. We are not talking about a subsistence economy where 25% is ho hum. This is Chile, which is accustomed to a rather high rate of employment, low unemployment, so there was a significant crisis in the government when I got there. The questions were, had the free market experiment failed; were the policies not going to be successful, or was this aberration largely caused by an artificially high exchange rate. It turned out the latter was the case. The economy remained in sort of a crisis state the first year I was there. They stuck to their guns about the free market principles. They freed the exchange rate or allowed it to float essentially. The peso was devalued substantially and the economy by the time I left was improving rather nicely, and the public dissatisfaction which was really threatening to the government at one time with demonstrations against it and bombs being set off on the subways and elsewhere seemed to be ameliorating. That is what we ran into when we got there.

Q: How did Ambassador Steenburg run his Embassy?

MATTHEWS: Steenburg got there several months before I did which was under the

circumstances probably good because he was the sort of a person who clearly wanted to be in control. He would talk about policy as he had in our lunches some time before, but he wanted to be the one who made any suggestion of policy direction or policy change out of the Embassy in Santiago. He was oftentimes a conservative Republican; on policy he wasn't. He was a middle of the road Republican; he was a George Bush Republican, a middle of the road Republican as the Republican quadrant existed at that time. He had strong ideas on policy; happily and I suppose he knew this when he invited me as DCM, his ideas on policy did not differ substantially from mine. His basic idea for policy toward Chile was basically very similar to my policy and the policy we had suggested in Central America at the time. You don't try to push the people who are in charge out. You try to make the people in power think as you do and think it is their best interests to make the same changes as you do. He was fairly free market. He was against state control, but so was the government of Chile. He was for a return to democracy as soon as prudent. He felt we could do this, and I felt we could do this as well through cooperating and gently nudging the government rather than confronting the government.

On the other hand there were rewards for moving in that direction and there were sanctions for clearly not moving in that direction. Both our tasks would have been fairly easy at this point. After all, we had a Republican administration in Washington. Steenburg had very good contacts with Bill Casey at the CIA. He had some other good relations with others in the Republican administration. The main problem was Nicaragua. Nicaragua we all know, I don't want to get into that, what was happening with the Reagan administration and the contras in Nicaragua. Eliott Abrams was the Assistant Secretary for inter American Affairs. Eliott and other people in the administration in Washington at the time felt that you have got to give the Democrats and you have got to give the left and the intellectual circles and so on, you have got to give them a bone that you throw to them if you are going to keep them from attacking the more vulnerable news of the contras and what they were doing in Central America.

Now, in contrast to the view of the Carter administration when it came in, Central America was the dog wagging the Latin American tail and not the reverse. In order to stave off criticism from the left on our rather pro right policy, if you will, in Nicaragua, Chile was not that important to us and therefore you could dump on Chile a little even when logically you shouldn't have. If there was some reason to dump on Chile, you could do so to protect your flank in Central America. That was our major problem. Eliott Abrams felt at times we weren't cooperative. We were recommending against an anti-Chilean statement or vote or something of that nature. We felt that Chile was moving, though slowly in the right direction, and if you upset the apple cart, if you did as we did in Central America and backed Pinochet up too far, he might say to hell with this, we can get it anywhere.

Q: What were the Embassy's relations with Pinochet, personally and then with the government?

MATTHEWS: My relations with Pinochet were really nonexistent. Oh, I had been to some ceremonies with him. I had exchanged a couple of words with him on a couple of

occasions. That was roughly the extent of it you know. I sat ten seats removed from him at a couple of ceremonies as well. Pinochet did not attend National Day receptions. He was not a terribly sociable individual other than intimate friends and relatives of his. He was a very stuffy rather starched shirt. Essentially honest. Oh there was a little hanky panky going on probably, but not much. He was basically honest and made his decisions on what he thought was basically good for the country. A very different person from Somoza in Nicaragua some years ago.

My boss would accompany visiting dignitaries to call on Pinochet with the exception of Dick [Gen. Vernon?] Walters. Dick Walters was the only American who had a more or less first name relationship with Pinochet. He came down a couple of times. When he needed somebody to go in and talk frankly to Pinochet and joke with him and tell a few off color stories. Dick Walters had known Pinochet way back when he was a colonel or captain or god knows something in the military, long ago. He was the kind of person who spoke fluent Spanish of course, along with five or six other languages. Dick Walters always insisted on making those calls on his own, not with me, I wouldn't have gone anyway of course. He always made these on his own and he was about the only person who could get away with it without wasting a trip. The Ambassador should be in on the conversations even if the Ambassador is one of the note takers, he should be there. So Dick was the exception. Otherwise, Pinochet was accessible only to persons of adequate rank and background. Every businessman, every human rights crusader, every Congressman who came down, we had a lot of Congressmen come down, did not get in to see Pinochet.

Q: Other than keeping Chile from becoming the token punching bag for the left wing in the political United States, and protecting it from getting too involved, what were your main concerns?

MATTHEWS: Oh, we were pushing the U.S. policy to encourage an orderly transition to civilian government incorporating at least all non-communist areas of the body politic. Some communist areas, lets face it, were affiliated with some of the existing political parties. The communist party per se was not a threat. Its activities, at least while I was in Chile were not a threat. They are still not. Chile, unlike some other Latin American countries had really been inoculated against radical communist revolution by the Allende experience, including partisans of the Allende cause. People who were 100% with him said well, we made some mistakes. We moved too rapidly. We probably shouldn't have even moved in that direction. We should have moved much more slowly. We think that state control of the means of production is a good idea, but it would have to be a lot more gradually and with much more consensus. Allende was trying to do it much too quickly. These are all accepted. They literally outlawed people who were throwing the bombs around. There weren't too many then. That was the political scene. Now what do you do?

We encouraged the government through every extent we could, through all our programs to continue moving toward democracy. There were some moves toward democracy but they were rehearsing it while we were there. The opposition was tolerated. There were three opposition weeklies published. Two most of the time I was there, no opposition

daily newspapers. They would attack Pinochet roundly, they would attack the government roundly. They were not terribly influential; the circulation was not too large, but their editors were not picked up and thrown in jail, and they were allowed to publish. The daily press was sort of pro Pinochet but also pushing the same line we were. We had good relations with them; they were pushing for the same sort of things we were.

Many of the cabinet members were also pushing for the same sort of things we were. Some of the cabinet members, some of the military were dubious that Chile could make any sort of a rapid transition. They were talking about 15 years to transit to democracy maybe. Of course, we felt that we could go much more rapidly than that, and in fact it did so. We had very good contact with and private lunches with the leading opposition people including the two men, the first immediate post Pinochet president and the current President of Chile. They would attend our receptions and were invited to our parties. I sat in on one very informal session of a Christian Democratic basic sort of a policy section. The Christian Democrats operated legally if informally. They were not really recognized as a party. Political parties were not formally recognized. They operated every way shape and form like a political party except they couldn't expand themselves because there were no elections. They couldn't have a legal status as a political party at the time. They were referred to as the Christian Democratic party and Gabriello Valdez was the chairman of the Christian Democratic Party.

Patricio Allende, who was the first President of Chile after Pinochet, was the lawyer for the Christian Democratic Party. If I had to make my choice as to who I would like to see as President of Chile as soon as Pinochet allowed this to happen or if something happened to Pinochet, I would have picked Patricio Allende as my favorite. I didn't think he could be president, He was not enough a rabble rouser, he was not quite far enough to the left. His relations were relatively good with the military. Therefore I thought the Christian Democrats would not support him. Also he was a little bit older than some of his equivalents in the directorate of the Christian Democratic party. We all believed that the Christian Democrats depending on what sort of trunk, what direction things took after Pinochet, were one of the two most likely successor parties to represent them. One direction would be if a more pro military government, a group that had cooperated with the military they would have good political potential free market types. We thought that was at least a 50% chance.

Basically to summarize, our tack was twofold as far as our major purpose in Chile, one, encouraging the government to move toward democracy, and two, encourage the democratic opposition to collaborate sufficiently with the government in this transition so the military government would not feel they were going to be kicked out on their posteriors with charges brought against them, therefore they would hang on for dear life to the bitter end. To be honest, I think we were successful in both those endeavors.

Q: Were there any other embassies in Chile at that time who were playing somewhat the same role or had the same prestige or clout?

MATTHEWS: Same prestige or clout, absolutely not. Same role, yes, the British played a

very similar role. A number of the ambassadors informally and without the concurrence of their governments played a similar role in their contacts, some of the European powers basically. Most of the Latin American powers were playing the same sort of role. The Brazilian Ambassador...

Let me explain something. I got to know, though Freburgh was very different from my first ambassador, Max Krebs in Guyana, he was quite jealous of his prerogatives. He did not want a DCM going and doing the sort of things he thought Ambassadors should do, which essentially meant contact except when I was Chargé on a number of occasions. Contact with the Foreign Minister. Contact with most of the other ministers. Contacts with members of the Junta although I did have lots of contacts with at least three members of the Junta. It was a four man Junta, so at least three but not with Pinochet. That is it. Pinochet was a little aside. Very circumscribed contacts with certain individuals that he felt to be his contacts. Now this was good and bad. It was good in that you didn't spin your wheels and confuse the people as to who were the contacts. It was clear that the ambassador was the contact, and he represented the U.S. government. I was the channel only when the ambassador was out of the country or when the Ambassador so instructed me. That was no problem, nothing wrong with that at all. It was bad in that, it was frustrating to me in come cases because I had to constantly say now am I going too far or not far enough, and I could have just been a cycle and managed the Embassy.

We had a very qualified administrator who was taking over managing the general works of the Embassy, and the ambassador particularly wanted to coordinate the activities of the Agency [CIA] and the defense attaches and the commercial attaches. We had two deputy commercial attaches. He didn't care much about the Department of Agriculture and the DEA people, this, that, and the other. He said, "You handle those guys," but the others he particularly wanted to. So I had to make sure that I didn't overstep my bounds in dealing with those people.

Traditionally the American ambassador had been a member of a very informal organization that embraced a lot of people of different political persuasions. Though not radical, it tended to be on the conservative side, it had some opposition members of the Christian Democrats in the club called the Club de Fieros or Club of Fires. They would meet Friday for lunch, and the lunch would be a long drawn out affair with a cake and this, that or the other around a huge round table. There were usually about 25 people in attendance. We would debate anything that struck us. Anybody could bring up a theme, it was very informal. The discussion would be hot and heavy, argumentative and so on, always in Spanish of course. It contained people, for example, I think the number two in the Air Force at the time of the military takeover, a couple of former senators from the Allende regime, a former Congressman, a couple of business people but politically attuned, and about five or six Ambassadors. I was the only non ambassador foreigner who was there. I was invited to join because Jim Stenburg felt this would be a little beneath his dignity. The American Ambassador should not be as approachable and participate in that sort of thing to the extent that I and the other Ambassadors were willing to do. That he should hold off a little because after all he was a special Ambassador, the most influential Ambassador around. So, he didn't want to be a member.

Since he didn't want to, they turned to me and said, "Would you like to be a member?" I didn't always do for things of that nature, but since he clearly had turned them down. He had no objections to my being a member. I would tell him little tidbits I would get. Anyway that was a good channel of communication to a lot of these people, because these people, there was one of the most influential newspaper columnists for example in Chile, tended the opposition there. The British ambassador was a member, the Argentine ambassador, the Peruvian ambassador, those are the countries you need to be around. The Brazilian ambassador, other Europeans, the Spanish ambassador. That was about it I guess, and myself. There were people from a variety of political persuasions. One of the directors of the Christian Democrat party, Pacheco was his name, one of the most influential persons behind the scenes I would say in the Christian Democratic party at the time. There was a socialist, but you know, a moderate socialist. We discussed a lot of things and I found that a very useful entry into a lot of other things, freewheeling discussions. I tried to attend whenever I could.

Q: Well, from '82 to '85 did you see any discernible change in the Pinochet government, in its direction of what it was going to do?

MATTHEWS: Yes, Pinochet's attitude, the economic crisis and the ensuing political developments, the rise in bombings, that sort of thing, his natural inclination which he indulged in you understand was batten down the hatches and not make any movement toward democratization because that would be interpreted as a sign of weakness. So it was difficult for movement to take place, but there were other countervening forces on him and as the economy got better we began to see some movement in that direction in the latter part of the time I was there, the last let's say year I was there as the economy was improving. It was clearly underway, and we felt it could be helped along by encouraging more progress in the direction that was being taken and saying fine progress; let's keep it up and if anything increase it. There were elements in the U.S. government as I say that would harp on other items to the exclusion of that. As it turned out, he did continue, and Pinochet didn't need to be pushed that much harder. He felt that his long term survival and his legacy that he wanted to leave Chile was in that direction.

Now Pinochet is not going to be remembered as the George Washington of Chile by any means. Bernardo O'Higgins has that role already. Pinochet is looked at by many as the person who interrupted Chilean democracy and the person responsible ultimately for those roughly 700 or so deaths which are badly exaggerated. People talk about thousands of deaths. We checked into it as well as we possibly could and as I say, the number of deaths in the aftermath of the revolution and the course of the revolution was in the hundreds not the thousands. It doesn't excuse them all; I am certain there were many violations, but you have got to put it in the proper context. Could Chile's transformation have occurred with out the sort of military takeover? I don't think so. I really don't believe it could at the time it did. Chile was the leader of Latin America in this sort of thing.

Illustration, I was in Belarus for the department on business looking over the management of Embassies in 1992. While I was there I had occasion to have a brief conversation through an interpreter with the president of Belarus, not the current

president, but the president back then. The conversation was on some moves toward privatizing social security and things like that. I said, "You ought to look at what the Chileans have done, not only on that but on a number of other things. They have anticipated the sort of thing you are thinking about doing some time ago. You really ought to send a delegation to Chile." He said, "We did. Chile is an interesting model that we are considering. Our delegation has been there," and I think he said a Chilean delegation has been to Belarus for that very sort of thing. He said, "It is quite interesting and we are considering that sort of thing." That is way over in Belarus.

Now in Latin America, other countries kept looking at what Chile was doing. They looked at the privatization. They looked at once the economy got back on the road, it happened in the last year I was there, much more so as the effect of it took place several years later, this became increasingly obvious all around Latin America, and I think Chile was a major motivation for what happened all around Latin America in ensuing years. Chile led the way. It led the way because the Chicago boys were given by Pinochet sort of free reign. They did more or less what they wanted to in the economic area and the area of government services, that sort of thing. It worked. Could it have happened if Allende had let's say if democracy had survived an Allende term which I think is very dubious and had the Christian Democrats returned, whatever party returned. I don't believe so because there was a lot of blood on the floor. I'm speaking figuratively here. Not literally. I'm not talking about those 700 people roughly who died in the revolution and its aftermath. I'm talking about people who lost their life savings, people who lost their secondary job for which they were being paid by somebody else who did their job because they had the union contract to do it. So the person doing the job actually got half the salary and the other half went to a person who just stayed home and collected it and maybe had another job on the side, all sorts of abuses like that. Could that have happened under a democratic government? Probably not. The people wouldn't sit still for it. Sometimes, though I am not an advocate of military coups and military takeovers, I am not at all sure in Chile, it would have worked without one.

Q: Did you have a problem with Americans visiting Chile who were supporters of Allende from or still smarting under what was considered Nixon's overthrow of Chile who wanted to come, either Congressmen or public figures and all who sort of wanted to raise holy hell and that?

MATTHEWS: Oh, minor problems. It was not a big problem. We had a number of Congressmen who came down, CODELs. I shepherded some around; other people shepherded some around. Control officers were assigned, too. Some were very helpful to us. Some were counterproductive. The type that I had very little respect for were those who came who said sort of mealy mouthed right things while they were there, didn't really do their homework, didn't check into things thoroughly, said basically unobjectionable things while they were there, went back home and blasted Chile in the process. They wouldn't attack us, well they would attack the U.S. government for not being forceful enough at pushing Pinochet out, and why can't we get rid of this guy and why can't we have nirvana tomorrow.

Some were extremely helpful. Bill Richardson was one who was extremely helpful. I went down and either I was his control officer or I was Chargé at the time, I don't remember which. Richardson spoke Spanish fluently. He came down there. We read his briefing paper thoroughly.

Q: This is now the present ambassador to the United Nations.

MATTHEWS: That's right. He was very helpful. The Congressman from Massachusetts who just resigned for health reasons. He was very liberal, very helpful to us. Tribble from Virginia, very helpful. He listened to us. He came and talked with us first. This is what we are trying to do. We believe you can be of great assistance to us if you will do A, B, and C. We did emphasize it with the government and the opposition along the lines I was mentioning earlier, and they helped us.

By and large, contrary to what I understand is oftentimes the case and contrary to my experience, most of the CODELS we had either were helpful or a watch. A few were quite negative and caused us problems. They were not insurmountable problems or big problems.

Other people, sure human rights delegations were a dime a dozen in Chile. Some would call on us; some wouldn't. Some we would run into in places where they didn't call on us, some wouldn't. Some wanted to talk with us, some didn't. They were if I had to put it on balance slightly unfavoring, not entirely. Some though they disagreed with policy and felt, they almost always take the short term view, unfortunately, the human rights types, and we tend to stand in the way. The world is black and white to put it into standard terms. I am not implying any racism here. Unless you put it in the white column, you get your signals mixed up. You don't discourage practices you should discourage in time. The other side is going to do a much better job. I don't want to put it in black and white terms. Some human rights groups that came down, delegations or individuals were somewhat helpful, others weren't. No more than 50 on a zero to 100 scale.

Q: How about the media coverage from the United States during your period/

MATTHEWS: Media tended to focus on the sensational. Sometimes they would give a good background article on knowing what was happening, but it depended largely on the credentials of the correspondent. If you got a johnny come lately, a person who didn't really know much about Latin America, he would come in and do the superficiality. It was largely who got to him first with the most persuasion who got the articles. Or he had his preconceptions. It was mixed. We got some good media coverage, astute media coverage. Some people we talked to knew the story so well they didn't need to talk to us. They knew what we represented and wanted to form their own opinions, and sometimes they came out with some very good articles. Sometimes they didn't.

Q: Did you have consular problems with young kids and not so young kids coming down to change the world.

MATTHEWS: Not particularly. Chile was a place where people who wanted to change the world didn't stand out. A Chilean looks pretty much like an American by and large. There are different faces, some are lighter; some are darker. Blacks, Negroes, are few and far between in Chile. In fact there aren't any native to Chile unless they are first generation or second generation, very few, so they would stand out, but we had hardly any of them. None that I can recall at the moment except for a few vacationing Peace Corps volunteers. I think we did get Peace Corps volunteers in, the latter part of the time I was there. Otherwise a Chilean looks pretty much like an American so an American doesn't stand out. There may have been some problems.

There weren't any that I remember who got in bed with the Guerrillas or made contact. The guerrillas laid pretty low while I was there. Interestingly enough there was dialog of a sort in Chile during the Pinochet regime between radical elements and not. There was a scandal on the latter part of the time I was there regarding some opposition radicals who probably had been planting some bombs almost certainly and who were found with their throats slit. It turned out that a Carbanero group which is the national police group was apparently responsible for this. We are talking about three or four people. I recall one conversation that I found fascinating at a reception between a woman who had been a minister or deputy minister under Allende. Her son was one of these people with their throats slit. She upbraided the then head of the Carbaneros, who later had to resign about the fact that the Carbaneros had apparently killed these people. He kept saying, no, they hadn't and "the matter is under investigation and so on." It was a rather civil conversation, and this was an open political discussion. She had no repercussion on her. She obviously sympathized completely with her son. We are talking here about covert violent activity that had taken place.

Q: What about trade with the United States? What was the Embassy role? Any particular problems? I'm thinking of course when I interviewed Tony Gillespie, and he arrived just as there was a grape episode. How about during the time you were there? Let's talk about trade for a moment.

MATTHEWS: Yes, the grape episode I will comment on later. It didn't take place while I was there. Trade was very mutually beneficial when I was there. We had large exports of mining equipment. Chile had large exports of both copper, other minerals and fruit and salmon, Henry's salmon something cured down in the southern part of the country. Chile was developing its export industry very well. Mostly U.S. winter fruit. As far as percentage increase, it wasn't nearly as important as copper to the United States. Mutually beneficial trade was growing, growing rather rapidly. Investment was substantial. Investment in the mining field primarily, but it was beginning in the vineyards and that sort of thing as well. We had an agricultural attaché. Part of the time he had a deputy. We had a commercial attaché and deputy commercial attaché. They were pushing U.S. exports to Chile. The Chileans were pushing exports to the United States.

The only problem in the trade area that I recall happened long after I was there aside from the grape incident which did not take place while I was there. There was publicity which the opposition press ran with photos an so on that the government was sending a Boeing

747 around once a month to load up on cluster bombs that were being produced by Cardling Industries. Carlos Cardling was a wealthy mining engineer who began to make his fortune in mining explosives and then he branched out into armaments and equipment of various sorts including vehicles and then real estate development. He was shipping cluster bombs to Iraq. We reported that, after all we were not experts on Iraqi-Iranian affairs This was during the Iraq-Iran war. The Department looked at it and said, "Ho-hum." It turned out without our knowing it that zirconium was being exported from the United States for putting in these cluster bombs with these export papers saying this zirconium was going for mining explosives. Anybody who knew zirconium, I have never heard of zirconium while I was in Chile, I never saw these reports. Had I seen them, I wouldn't know what to make of them. Anyway the Embassy was reporting that Iraqi planes were coming once a month and loading up on cluster bombs made by Cardling Industries. The only negative vibe we got back from the Department was there was a rumor which we picked up about the same time as the Department picked it up and we reported it, that Cardling was going to start playing both ends against the middle. He was going to start to export cluster bombs to Iran. We were instructed to go over and tell Carlos in no uncertain terms that we would not look on that favorably if in fact that were to take place or was taking place. I believe one of the military attaches went over to deliver that message. Carlos said, "What do you think I am, a complete idiot?" He said," A. I would be getting myself on somebody's assassination list if I were to do so rather quickly, B. I am perfectly aware that you Americans would not take kindly to that." After all the Iranians were really pressing the Iraqis at the time. It looked like Iran might take over Iraq. He had no intention of selling cluster bombs to the Iranians. Some years later after Saddam Hussein had attacked in the Middle East, this became a cause célèbre and with typical short term viewpoint, a federal prosecutor in Miami brought charges against Carlos and Teledyne industries for illegally using U.S. zirconium in these cluster bombs. I think Carlos was convicted in absentia and fined a couple of million dollars which meant most of his U.S. assets but didn't touch most of his Chilean assets. Teledyne agreed to pay a fine of a couple of million dollars, and some guy named Johnson who was sitting out in jail who was the salesman who is sitting out in jail in Phoenix, Arizona, the last I heard. There was a CBS 48 Hours program last July on this issue in which I had about a two minute snippet out of a two hour interview that I allowed them to have. I simply said we had reported this export to Iraq of cluster bombs and had never got any comeback from the government on that from a negative viewpoint, but I knew nothing about zirconium and I didn't think the Embassy did at the time. So that is the sort of things on commercial Otherwise things went beautifully.

Q: Any other major developments while you were there?

MATTHEWS: In our reporting, we had a very qualified, during most of the time I was there, political counselor and a very astute economic counselor. Peter Whitney was the economic counselor. My major problems were controlling relations between the ambassador and them and keeping them on an even keel. He at times would I thought try to inject himself a little too much into the operations of the various sections. He at times could be a difficult person. At times I had problems with him. There were a couple of times I seriously thought about asking to be relieved. By and large, I got along well with

him. I think I cooperated with him as well as any person could have. In Nicaragua some years earlier, he had gone through his first two DCMs and more or less got along with his third one, but he was not easy for a DCM to deal with. I thought we had a respect for each other's opinions. I clearly regarded him as the boss, but I would tell him when I thought he was out of line. Sometimes he liked it, and sometimes he didn't like it, and told me in effect to mind my own business which was his prerogative. But he did tell me when I got there, he said, "Look, Wade, I'm going to run this Embassy. I am going to make the policy. You are welcome to tell me what you think, but once I say this is the way it is going to be, I expect you to abide by it." He said, "However as you know, I am not career of course. Your first responsibility is to keep me out of jail. If you think I am doing something that is going to get me in jail, I want you to tell me so, tell me quickly, and I want you to tell me what you think I ought to do about it." He said, "Don't hold back." So, I didn't. He never did anything that would get him in jail, but...

Q: Would that some other of our political leaders follow that advice.

MATTHEWS: He died unfortunately a couple of years after. I was a pall bearer at his funeral. I think he was playing a vigorous tennis game down in Jamaica. This was about the time I came back from the War College in '87. He died of a heart attack. I think he was in his late 50s at the time, a couple of years older than I am. Let's go back 15 years ago, I'm 64 now so yes about 50, and he would have been in his early 50s.

Q: Then you left Chile in '85. Did you feel satisfied yourself that Chile was probably going to move towards a democratic government.

MATTHEWS: Absolutely. I felt there was still a possibility that things could be screwed up by U.S. actions, but I thought if things continued on their present trend, a democratic government would be installed with some sort of tight military oversight for a few years probably about the time that it in fact did come in just a few years later. I was quite pleased at how things went. I thought furthermore, Chile could teach the United States its private social security system, the way I was mentioning at lunch with you, Chile encourages competition among government entities, how they did driver's licenses. As long as they allowed the local municipality to keep the revenue from it, you could get a driver's license or license plates anywhere else. Local municipalities competed to get more people to get driver's licenses or plates from them and they offered beautiful service. I thought they had a lot of things they could teach the United States. The economic counselor felt the same way. He reported in detail, a prolific writer and he had a couple of good staff economists, Chileans on his staff and he had two deputies who could also write well and he wrote rather hard; they didn't always agree with him.. So all these things got reported back to Washington and completely ignored. Chile could not teach the United States anything whatsoever was the attitude in Washington, and stop bothering to tell us that.

Q: Where did you go in '85?

MATTHEWS: In '85 I was angling for an ambassadorial job. I felt by that time I was

certainly ready for it. I was a minister counselor. I was promoted shortly after I arrived in Chile probably on the basis of the Guayaquil reports and perhaps partly on the basis of the Central America reports. The personnel system actually was ready to propose me for first one, then another. Small Ambassadorial posts. A couple of them were in Africa, but I didn't have the credentials for the Africa Bureau that they liked, but they were apparently willing to sit still for a couple. Two of them went to political appointees. The White House had not removed the hold on them They thought that by floating this name by them it might encourage the White House to remove the hold. The third one went to a USIA officer. So at the last minute, these were consecutive that I was being floated for, first one then another, then a third one. By the time the third one came around, I was just about ready as the fellow who was to replace me as chargé was arriving. This was in August I think already. I came back to Washington without an assignment. I went by to see, I quite didn't relish walking the halls of Washington. I could have had an office director position like I had some years before, but I didn't want it. I, in fact, was offered one. I said, "What else do you have outside Washington?" Marshall Brennet who was a former ambassador to Iceland had just decided to retire, there is more to the story than that, decided to retire rather than take the State Department advisor and professor of strategy and policy at the Naval War College at Newport, Rhode Island. "The post is available, would you like for us to float your name for it?" I said, "What else," and they told me and I said, "Do it." He did and the president of the War College accepted me for that, and I went up to join the class and try to catch up with them for the first semester. Catch up with the students, not with the professors. I was supposed to be teaching the students. I guess I got there in mid September of '85.

Q: You were there from when to when?

MATTHEWS: Almost two years, two academic years. I left there in August of '87 after my two years at the War College which I found enjoyable. My main interest in doing that aside from not being in Washington, I always toyed with the idea of going and getting some sort of job, teaching, research, what have you at a university. I wanted to try it out, and this was one foot in the door. It was similar, not quite the same thing as a university. I did have a couple of elective classes that I developed, both on Latin America which seemed to be well received. I got a good, in fact, I oversubscribed both of them. The number of students I wanted was 25 and I think I had 30 and 32, so I got a few more than I wanted to have. I did a not terribly good job of teaching the core seminar in strategy and policy. Let's face it, historians knew their material backwards and forwards. My first semester I was not quite keeping up with the students. The second semester I did a little better, but I was closer to a student level than I was to a professorial level so had there not been the fact that we had team teaching on those core seminars, I was almost completely lost. I admitted when I left that it was a bad idea for the average Foreign Service officer to go to have his other part of his had being professor of strategy and policy. He should instead be a professor of what they call national security decision making, inter government coordination and cooperation, that sort of thing, which I knew something about. I didn't know a hell of a lot about the Peloponnesian War, the Franco-Prussian War what have you, but I did know something about how government agencies dealt with each other. After one or two people after me who didn't want to give up the prestige of

strategy and policy, they could contribute something there, they did in fact switch over so the principal State Department representative to the War College in recent years has been the national security decision making or the new permutation renamed for the same thing, one of the three curricula they have there.

Q: I have talked to people who have been at various War Colleges in the Foreign Service. They often rank the navy fairly far down as to international political sophistication as opposed to the army or even the air force. How did you view this with respect to your students?

MATTHEWS: Looking at my students at the War College, they gave out prizes for a variety of things to various and sundry students. The army students got prizes out of proportion to the number of students that they had there. I don't know the percentages anymore, but just to pull a figure out of the air, let's say maybe 15% of the students were army. They would receive 40% of the prizes every year. That meant that they had some pretty good students they sent up there. The navy I think there is a reason for that

Academically the Naval War College first got accreditation to give masters degrees by the War College, before the Air War College or the Army War College. So, the academic program there was a good academic program, considerably better than the other two colleges on academic pursuits, at least by the American Association of Colleges and Universities evaluation panels. As far as the quality of the students, I think the Army certainly was for the average student was ahead. The navy will say there is a very good reason for that. We operate these ships and we have the same sort of demands on out time and our personnel, just about as many in peacetime as we do in wartime. Therefore, we can't afford to pull out as many of our good people for a year of training at the War College like the army can or the air force does. Particularly the army because after all, the army is geared up to fight wars. If they are not fighting wars, they are training. The navy is geared up for operating their ships. If they are not operating their ships, they are training. There is no lull, so I think that was the reason. I had some highly qualified students up there. I was by and large impressed with the quality of the students and their dedication to their work. There were obviously exceptions, but not too many. Yes the army was better. The air force I wouldn't say so necessarily. I think the reason was probably similar to the navy. The air force has planes to fly. Maybe it is not as tightly operated.

Q: Yes, these people don't have the time. An army basically is kind of sitting around, I mean training is the name of the game. Well, you left there in '87. Why don't we pick this up the next time in '87. Where did you go?

MATTHEWS: I went to the inspection corps as a senior inspector. I had still made one last stab at trying to get an ambassadorial job, but none floated up. I suppose by that time I was beginning to get to the point when I was shrugging my shoulders. I was particularly interested, I think I mentioned one time before the Central American thing, I tried to get an interim assignment, a six month or so assignment in inspections. They said, "We'd be glad to have you, but not for six months, make it a tour. It would be of value to us."

This time I asked for a job in the inspection corps rather than any of the other more traditional places for two reasons. One, I had a variety in my experience and background so it meant that I had something to offer. Two, it was a good sort of terminal assignment I did look on it although I was maybe going to make one last stab at trying to get an Ambassadorial post. By that time that was kind of a long shot. I thought this would be an interesting way to give them something back without getting overly immersed in the problems or affairs of a particular country, so it would be interesting. I said, "Dave, I'll tell you. I would like to be a senior inspector, but I would like not to be assigned to inspect any Latin American posts whatsoever during my time on inspection. I'd certainly be there for two years, possibly another year or so. I'll go anywhere in the world. I do not want to go to the pleasure domes. I'll go to Laos or Africa or what have you, but not Latin America." Two reasons. I have been in every Latin American country except for the Bahamas. Therefore there was nothing new to see. I knew the Latin American policy, and I also knew a lot of people in the ARA Bureau and in Latin America. I preferred to inspect people that I didn't know so that I didn't come on board with preconceptions. I did come on board with preconceptions. I knew a lot of the people in other areas too, but not as many as I knew in Latin America. Incidentally, speaking of people, the political counselor whose name I had a momentary blank was Michael Durkee in Chile.

Q: Wade, we've already gone into how and why you got into the inspection corps. In the first place you did inspection from when to when?

MATTHEWS: September 1987 actually up to some little time after I retired. I retired in August of 1990 and inspection finished in November of 1992.

Q: All right, let's talk about this. There is no point in playing games with retired or not retired. We'll take the whole thing. You wanted to keep out of Latin America and I assume you did. In the first place could you describe during this '87-'92 period how the inspections were set up because this was relatively new under the new Inspector General under the Foreign Service Act of 1988. The Inspector General was separate from the Foreign Service.

MATTHEWS: Sherman Font was the first non-Foreign Service officer who was Inspector General. When I called and talked about this job when I basically arranged it with the then IG, he was basically the last Foreign Service officer, Bill Harrop. Sherman Font came in sometime after I had worked this out and the time I arrived. I think Sherman came in July or August of '87, sometime like that. I arrived as I said in September of '87. We had Sherman the non-Foreign Service officer was the Inspector General. The Deputy Inspector General was a Foreign Service officer.. Then under him, there was an Assistant Inspector General who was in charge of inspections and another one in charge of audits. A little later they established one in charge of the office of security operations or investigations, things of that nature. Then there was sort of a special office which also had an assistant IG, so there wee three or four assistant IGs. The Assistant IG in charge of inspections was a career Foreign Service officer. Most of the time I was there it was Clint Lauderdale, but when I first arrived, I can't think of who it was.

Q: I have interviewed Clint. Could you talk about how the system worked, sort of the generic how an inspection worked at that time and then we'll talk about specific ones.

MATTHEWS: The integration of the inspection corps with the new broadened office of the IG worked surprisingly smoothly. Not to say there weren't conflicts, that there weren't disagreements. Some of the people would gnash their teeth and say one hand the professional inspectors if you will who basically had an auditing background would say how in the world do these people do this sort of thing. They are not thorough, they don't follow a good audit trail. On the other hand the Foreign Service officers who all were experienced by definition by the time they came there would shake their head and say these bloody people don't know a damn thing about the Foreign Service. How do they expect to evaluate post performance and bureau performance that sort of thing if in some cases they have never even been overseas. There were obviously attempts to remedy both of these criticisms. The only group that had an appreciable number of Foreign Service officers was the inspection corps, the office of inspections under the IG. When I started out, I would say that between two-thirds and three-quarters, probably closer to three-quarters were Foreign Service officers and one-quarter civil service personnel most of who had come over with Sherman Font from the Department of Commerce.

Q: The inspection service was set up and that both sides the professional auditors were sort of dubious about people who didn't understand the audit trail and the Foreign Service were distrustful of people who had never been overseas. But was it beginning to meld by then?

MATTHEWS: I'm not sure it was melding at that time. It did certainly meld, usually satisfactorily over the course of the nest three years or so that I was involved in this process, actually close to four years if you include my post retirement. The team leader of almost all of the teams was a senior career Foreign Service officer. I think we had five team leaders, it could have been six. The official team leader was always a former Ambassador. He had that title to his name. The deputy team leader to begin with was also a senior Foreign Service officer almost all of whom had not served as Ambassador. I was assigned most of the time as a deputy team leader. The other people, the consular inspector was always a career consular officer of course. The inspection civil service people, the auditors came in those who were assigned to the inspection division. There was a whole separate audit division that quickly grew until it was larger in terms of personnel than our inspection division. That was entirely civil service auditors. Those who were in inspections handled some of the administrative matters now. In other words budget and fiscal. That was a logical place to put an auditor. We generally had a General Services Administration person. Sometimes the auditors came from that division. Now during the time that I was there, several of the deputy team leaders, civil service personnel became deputy team leaders, and that was the idea behind what Sherman Font wanted to do. As they gained more experience with the Foreign Service, he wanted the groups to be pretty thoroughly integrated. He wanted some of the team leaders to be civil service people, not former Ambassadors and he wanted some of the deputies to be the same. So the integration proceeded apace. That was the way the teams were set up on

paper. Now in practice several inspections that I did, I was the team leader on them. In one case illness on the part of the ex-Ambassador team leader. In another case unexpected death during the time they were out one year of a team leader who had been leader of my team. In maybe two other cases, it was just that we were going to relatively small posts and the expectation was that I could lead the team and handle it pretty well. It was a smaller team. I'd say we had about six go along. In any event I did that part of the time as team leader and I would say the majority of the time, two-thirds of the time as deputy. That was the way they were set up. Now what did I personally do? The team leader looks at obviously in effect he runs the team when they are overseas. He decides how they are going to do the interviews, he does the basic interviewing and so on. He always looks at how the Ambassador handles coordination of the activities of the various agencies. He looks at what the Ambassador himself does and what the Deputy Chief of Mission does. He looks at special problems that might come up, sometimes with the assistance of a specialist on the team who sometimes is more familiar than he is about those special problems. So, that is essentially the way it was set up. Maybe I'll just mention quickly the countries. My first inspection was a post in Germany. I personally stayed at Bonn the entire time while the team leader went around and took the team to the various consulates and also spent the beginning of the inspection in Bonn and the end of the inspection in Bonn. Then, let me see, I think after that came emergency management in the U.S. government not only looking at the operations center of the Department of State at the Federal Emergency Management operations center. We looked at the CIA and several other government agencies, the various military agencies, how they did it, how the White House did it, how the Department of Commerce did it, how other people did the same thing. We made some recommendations. We were for all the services. We were focusing on State Department, but we made recommendations on the others as well. Then I believe I went to West Africa. Then I did a central Africa inspection. In '88 I think that was the year I went to England and inspected a post in England. Then I did an inspection of the medical division of the Department of State. Then went to the Far East, Southeast Asia, hit Thailand, Laos, Burma. I am getting a little out of order. Did the Soviet Union, then Eastern Europe I think. Back to Africa to some of the West African posts. Then I retired. Then I revived the, since I was sort of had a unique background for that having done a variety of things in the Foreign Service myself and everything in the State Department, I spent about six months revising the inspectors manuals. We got a whole new at that point very up to date manual out at that time. Then as a reward for that work I went along as Deputy Team Leader to five posts in Spain and the agency I mentioned yesterday got the Canary Islands. Then after it is still going on in 1992 we had to come back with the WAE I think it was office of special operations. Things that didn't fit right in to everything, and I was the only ex-Foreign Service officer on a couple of projects doing a management survey of a number of posts in ex-Soviet Union. We had been asked by the Bureau of European Affairs to do that. It wasn't technically an inspection, but we made a number of recommendations, none of which had to be complied with in the regular process. They were intended to help the post set up their operations in new buildings and the sorts of things they were getting into, acquiring a new residence, hiring new staff, looking at problems that were coming up, making suggestions on how they could resolve those problems. Just by the luck of the draw, I went to all the ex-Christian republics, while another team went and did the Muslim

republics of the Soviet Union. And we had to of course go by Helsinki and Moscow in preparation for that. These were, what resulted was a list of, not a very extensive list of management suggestions. We did not evaluate anything. There were no performance reports done on anybody, that sort of thing. The bureau could then take those and do what they wish with them. They actually implemented the great majority of them that we recommended insofar as funds permitted and insofar as they could. They rather liked it so well that several years later they asked that we come back and do it again. I was contacted once again by OIG to see if I would be interested in going again and doing a rehash of that. It turned out that OIG didn't have the funds to bring in anybody from the outside at that time. A few people did go and do an abbreviated version of such a survey. That was my final thing, The thing before that once again I was asked to come back to WAA in '92 to conduct a study of the hiring of Americans to professional positions in the United Nations and several of the United Nations agencies, the Food and Agricultural Agency at Rome, the UNIDO, the industrial development organization, the International Atomic Energy Agency, and several other agencies including the International agency for refugees, and the International labor organization at Geneva. I looked at the secretariat up in New York and looked at the operations of the Pan American Health Organization in Washington.

Q: I wonder if you could comment on a couple of sort of broad topics. One is you mentioned how the audit section became much bigger than anything else. I recall coming in at the State Department after being overseas and seeing big signs "Report waste, fraud and mismanagement" all good but I kept thinking that here is an organization where we get shot at and get killed and the most inspiring think you find on the walls of the Department of State is "Report waste, fraud and mismanagement." Part of that is as a practical thing, we don't really have much to waste or defraud with, or maybe we mismanage, but compared to almost any other government agency we don't have a lot to audit. I mean we don't disburse large funds and all that. It seems like it was an organization set up, I mean if you are Inspector General, you have got to audit a lot of stuff, and they placed heavy emphasis on that where we probably needed more work on getting people to do their job better. Did this strike you?

MATTHEWS: Yes and no. Certainly we couldn't have as much waste, fraud, or mismanagement as organizations like the Department of State, HEW, the big budget people who handle big bucks. What we handle is pretty hard compared to that. On the other hand waste, fraud, and mismanagement, if you take abroad definition of mismanagement. Mismanagement which is not illegal but should be improved is the bread and butter of inspection corps throughout the government. It was what Sherman Font came over as his focus. It is something that the inspection corps per se had always as well as the director general's office been responsible for looking at and eliminate and try to improve in the Department of State. It is possible that this may have been overemphasized. We were all alert all others in all elements of the inspection of the office of IG to those very things. If a report came in, normally it would go to the IG or the Deputy IG or one of his designees, and they would decide what office, that is what division of the Inspector General's office would be most appropriate to handle it. If it involved stealing from the U.S. government, misappropriation of funds, that sort of thing,

normally it went to a division that I forgot to mention, that was the investigations division. They were gumshoes. Most of them had a police background. Most of them had some sort of legal training. They were very careful to not cause anything they did an unsuccessful prosecution, the persons rights being violated in the course of the investigation, that sort of thing. They handled that sort of thing, that was basically fraud, the office of investigations. If the others got too deeply into a situation where fraud was involved, they were instructed to kick it over to these other guys. Mismanagement was more what the rest of us looked at. Audits, they say in the office of IG that the inspectors look an inch deep and a mile wide. They look at everything that goes on at a post, but they don't go very deep down. The auditors do the reverse; they look an inch wide and a mile deep. They would thoroughly check out some aspect of post or bureau or department performance. Investigations, I already said what those guys do. Security oversight really only got started about a year or so later. The reason is it was a turf battle between CIA and the Department of State as to who would handle security inspections and security improvements, that sort of thing. The final resolution of it was it was to be handled excluding certain CIA operations, these were only a very few CIA operations, it was all handled by a joint office of security investigations placed in the Department of State and which would operate essentially under the authority of the State Department, but it had some personnel from the other agencies. It was supposed to avoid both of them having to do security inspections of posts. Than only got started about a year or so after I got there. These groups went out separately. Occasionally we would have somebody from audits detailed to inspections and on rare occasions vice versa to sort of gain a little experience in the other operations. The security oversight always had on their teams a former Foreign Service officer, every one of them I think when they went out and did their security inspections. Now we did security inspections too; we looked at this mile wide thing. So, we also inspected security, but not to the same extent that these guys did. They didn't go to every post; they only went to the posts where there was a real security problem.

Q: I'm not quite sure why CIA would have a legitimate concern about security. They could say there is a threat, but as far as going to a post and figuring out how to deal with it, it doesn't bring any particular expertise. I mean it lets you know if a bomber might be coming, but as far as protecting against the bomber, that should be sort of an overt activity.

MATTHEWS: Their input into the office of security oversight was not in the sort of physical security we are talking about. It was largely communications security. It was potential penetration into agency or Embassy operations. It was cover. It was sort of things that were unique to their...

Q: I see, so when you are talking about security...

MATTHEWS: Yes, it is very broad. They did not have a majority of people on these teams. Are the bars adequate on this window or do you need more Marine security guards or do you need Marine security guards, that, the CIA man would not get involved with.

Q: Since you brought it up. Something that you had mentioned in Guayaquil and I think many of us in the Foreign Service see but we say among ourselves but don't say publicly, the dubious nature of the protection that the Marine guards give. Most of us have seen other countries where they have usually married retired military men. You get maturity, you don't have young 20 year old guys who are going to go out and get drunk. In many ways the Marines look nice but we are better off with a retired police sergeant or somebody like that. Is that a thing you addressed at all in this.

MATTHEWS: We addressed the issue certainly of do you need Marine security guards at a given post. Some posts that didn't have them, some posts that did have them. We certainly disagreed with the Department's conclusion on several occasions, several marginal cases. I recall one case where we recommended that serious consideration be given to bringing in Marine security guards. In several of the other cases we reiterated that where there were no Marine security guards that they did not need them. In at least one case that I recall vaguely we said we saw no real reason for the marine security guards that were there, that they could be pulled out because there were some problems that they caused. In principle I think it is a wasteful procedure at many posts. The total cost to the United States of training these people, sending them for one or two tours as Marine security guards and then sending them back to other duties really costs much more than getting a professional security guard force of former police people. They would almost have to have impeccable backgrounds as far as beating their wives or husbands or stealing or being scorned by others. That would be a more efficient way to go I think financially speaking. There are other places where a sort of uniformed military force has dissuasive impact on potential terrorists coming in and that sort of thing. It is hard to make a generalized statement. If I would have to make a generalized statement, I believe the way that France and the Brits and some other countries do it is a better way.

Q: Retreating just once more to the audit side. I remember when the new Foreign Service act came in, and I really didn't have much to do with it personally because I was retired when the full impact hit, but there was sort of corridor talk about you have to be very careful with these inspectors, particularly the auditors because they re out to get you. I'm not trying to say you shouldn't be doing this because they are out after scalps, and that if you are dealing with them you really had better have your own lawyer and all this. What was your impression of that?

MATTHEWS: Certainly some scalps. They relatively rarely started an audit of something unless they had a decent idea that there were some problems there, and they were specifically looking for the problems. I think occasionally, in fact I know that the IG and some of the Assistant IG's would say hey you guys have to go out and be helpful. Otherwise people are going to hold things back. If you find a minor problem say this is the way to correct it. We are not going to send you to jail because of it, but this is kind of a sloppy way to do things. On the other hand there is a natural human tendency particularly among people who haven't been in those positions before, and that is one of the negatives of bringing in outside inspectors, people who haven't been in it say aha, these asses don't know what they are doing. A good auditor would have had this done already, and we are going to show why these non audit trained people really just don't

have a clue to the way it should be set up. Also the auditors spent a tremendous amount of time on things, as I said a mile deep and an inch wide, things that we as inspectors would have spent a fraction of the time. I think in most cases we would have come up with a decent evaluation and some recommendations with a lot less manpower involved than the auditors did. We set schedules and we knew we had to do our inspection and get out of there by X day. We sometimes had to as they say colloquially bust a gut trying to do that, while the auditors say well this may take us three weeks, four weeks, sometimes it would drag on for six weeks. They have to have three more people come in to help them. Okay, that's the way audits are. They follow the trail wherever it leads taking as much time as they need. There is a need for that. I did not think the allocation of personnel was as it should be. I thought there were plenty of people in OIG at one point the only part of State Department that seemed to be mushrooming fully was the Office of Inspector General. As I recall we had in the office 200-250, I don't remember the exact number of personnel. Forty to fifty of them including the secretaries in the office in Washington were in the Office of Inspections. I thought that was too many. I thought the personnel should have been more useful elsewhere in some cases. I don't mean cut it to the bone. Instead of let's say, I'm pulling a figure out of the air, 230 or so. Instead of that, you could have gotten the same work I thought equally efficiently or with more efficiency with maybe 100.

Q: During that time, you were there five years, what was your impression about what the inspections were turning up in the way of waste, fraud and mismanagement?

MATTHEWS: Inspections probably didn't turn up a huge amount of it. We turned up some, yes. We made numbers of recommendations. There was one officer who was transferred out early as a result of our recommendations because of some, in this case it was exchange rate problems. The fact that you were supposed to follow the official exchange rate, after all your allowances were based on the prices of the official exchange rate. Instead he setting the example he and the Embassy were purchasing funds on the so-called black market which was illegal and doing it without even covering his tracks very well. Things like that. We did find a couple of commissaries where people were stealing money from a couple of commissaries, not Americans. We found another case where there was a great deal of hanky-panky going on in the motor pool. Gasoline was being used at about twice the rate that similar vehicles did per gallon elsewhere. It was obviously being sold outside. Some private vehicles were being worked on, on government time by the mechanics, a number of things of that nature. In one case U.S. government vehicles were being used as I recall as taxis during part of the day by U.S. government drivers. The actual people doing these things were mostly local nationals, and local nationals where you could expect these things to go on, where public morality is not the highest. In some cases an American was involved in property troubles, not in every case of this nature. Other ideas of impropriety, the Ambassador would allocate by putting pressure on his advent officer a great deal more money than should have been spent on the official residence and furnishings for the official residence. Not illegal in these cases but certainly what we would call mismanagement. In many other cases the most common form of mismanagement was bad staffing, bad use of personnel. A lot of that we came across. That is not a criminal offense in any way shape or form. That is the

traditional sort of thing that inspectors look at. We made, and I being a policy oriented person insisted on in many reports and usually my team leader would back me up if there was a team leader, and if I led the team it was my responsibility of making policy recommendations. In none of the posts I inspected was I a deep expert on. In some of them I spoke the language; in some I didn't, but where a policy just seemed to be pretty clearly wrong or wasteful or something of that nature, where there was an AID program in a place where there was no earthly need for the United States to have an AID program. The AID program was just spinning its wheels and spending money and not getting anywhere, I would recommend things like abolishing the AID program. In one case we recommended increasing it somewhat because it was trying to do far more than it had the personnel to do, but that was the only case I remember of that nature. Usually AID was better staffed than we were when they were in a country. Most countries we didn't have them. USIA was somewhat similar to ours. We didn't look into that much detail if you had a USIA operation, but we would make recommendations on the gamut of U.S. government operations. We would have numerous recommendations. In the team that I was on I remember having a greater number of recommendations for the time we were there than I think than any other team. We were not always known favorably because of that. I mean my god if you come back, I don't remember the number we had. I remember I went over with one other person to inspect an Embassy on Cape Verde, and I think we came back with 30 recommendations, something of that nature. How in the world could you come up with 30 recommendations? All you need is three for a little post like that. There were at least 30 things we thought were useful to change. In some cases the recommendation is not directed at the post. In many cases they were directed at the Department of State or somebody else. You need to give the post support in X, Y, or Z. The post needs this you need to or some element of the Department needs to supply them with such and such. That element of the Department has to respond to the post. Of course we did on elements of the Department, on bureaus or offices in the Department. Obviously we could find more recommendations for them.

Q: Would you find any both in general and maybe comment specifically problems between political Ambassadors and career Ambassadors. I'm really thinking there are politically appointed Ambassadors who have been doing this for a lot and they are the equivalent to a career Ambassador. I'm talking about really maybe the person who was a professor and who may be a good contributor going out to a post for the first time. Did you find a problem with that?

MATTHEWS: Probably not as much as I encountered in my Foreign Service career before I came on inspections. I think the political Ambassadors were aware that a lot of people were going to be looking over their shoulders. In some cases they got there ready to use their previous style as a land developer or whatever they had been before they became a heavy hitter with the party and said by god we are going to run it with half the personnel twice as efficiently, and they got there and said where is the secretary to handle this, where is the person to handle that, and they weren't there. Then they said, "My god, I guess I can't cut these personnel anyway because I'll be cutting my own throat," and then they would start pumping for some more personnel, particularly up in their office. There were some problems we ran into. One the politically appointed Ambassador's wife didn't

speak the language. It was a non-English speaking post. In one case in particular he was trying his best, learning hard, and I think he had some useful knowledge of the language. In some cases they really tried to learn the history, background, culture; in some cases they didn't. We didn't inspect actually that many political Ambassadors, my team didn't. We inspected overwhelmingly career Ambassadors. We had several political Ambassadors we did look at. I was fairly well impressed with most of those we looked at. One to the court of St. James in England we looked at had a deft touch with people. He was going to be one of the staff. He would wander down, generally he didn't have representational type of business luncheons. He would try to lunch most of the time with people there, even had lunch at his desk. He would go down to the cafeteria and look around and whoever was sitting by himself or two or three people, and he would sit down and mind if I join you. They would sit and talk about how things were going along. This was probably one of our most important posts, London. Essentially he had a good DCM. He was relying on his DCM for a lot of advice. This particular Ambassador had been around U.S. government for some time. Yes, he served as an Ambassador before, down in Central America. So he was real. He was not a typical Ambassador, and obviously English was the language. In my opinion he was doing a considerably better job than his predecessor who was also political. London, you don't give to a career.

Q: Another thing too is that he graduated from probably the premier college in the United States, Williams.

MATTHEWS: We graduated, I think he was a year behind me, but other than that.

Q: Well Williams gave a good sense of interpersonal relations. I will say that. What about as inspectors, it used to be that inspectors were a very important part of the personnel procedure for promotions and assignments particularly at smaller posts. Often he might not be the greatest supervisory officer and so the inspectors could come along and see if there was a problem personally or a problem with the post, and for promotion panels, having served on one, you look rather hard at the inspector's report. But this was beginning to change wasn't it?

MATTHEWS: It was. We were only writing inspector's reports on the ambassador and I believe the DCM. I'm not sure about the DCM. I know we did it on the ambassadors and the principal officers. We were not writing them on other people unless we in looking over recent inspection reports for people who had been there long enough to have one, we found a conclusion with which we strongly disagreed. In those cases we had the right to write an inspector's report, in effect setting the record straight as we saw it. We didn't try to evaluate every aspect of the person's performance. We tried to set the record straight. That was really rather rare, but we did it a few times. I did it a couple of times, maybe more, but not often. While I was happy we didn't have to do that chore, as a Foreign Service officer and as a person who I hope was dedicated to improving the performance of the State Department, I reported that this had been done away with. I found when I was in personnel that we gave more weight as the selection boards did to those reports than to those reports that were written on the people, and I think there has been an inflation in grading people in the regular report. It is obvious that the supervisor and the

person working for him generally established a suitable working relationship. He wants to continue to get good work out of that person. He has to live with that person every day. The person can appeal the report, and it is a lot of trouble to fight an appeal, all sorts of bias caused you to say bad things about me or caused you to say that I don't walk on water, that I just swim like an Olympic swimmer. That is not good enough. I'm supposed to walk on water. You are placing me at a disadvantage with my peers. So, too many reports are kind of meaningless. You have got to put it under a bigger magnifying glass than you did in your and my day for personnel reports than you did back then. Inspector reports in the old days and even now, you don't really care about what they think about you once you leave post. Most of the people you don't know that intimately before you get there. You may have served with some of them, but most of them you didn't. You are inclined as an inspector, like inspectors always did, to call it as you see it. You are looking at a situation at a particular time, you are not looking at a big slice of time like your annual reports do. I thought they were very valuable and I deplore that the inspectors are no longer writing them. If you are not required to write, let's face it you are not going to write it unless you see some real injustice for or against the individual.

Q: Did you see any particular problems with or were you alert to any particular problems concerned with the visa function? Here is one place where there is tremendous pressure on the local staff particularly in some posts where visas are highly desirable. Applicants are willing to do just anything.

MATTHEWS: Yes. We always had a consular inspector or someone, for the smaller posts it may not have been a consular specialist with us, but for the larger posts we certainly did. Of course, the visa function was what generally occupied the majority of the time of the inspection of that particular officer. Citizenship functions weren't generally that time consuming. Generally they were handled correctly and the passports were controlled, but most of the time was spent looking at visas and there was always something in his mind that he tried to check and make sure that all the procedures were being followed and shortcuts weren't being taken and we didn't rely too much on a local that could be suborned for his lies and that an officer did really look at each visa applicant. He may not have interviewed each one; he sort of should have. Yes, I personally didn't spend that much time on it. When I was either team leader or deputy team leader and had to review the work of the person who was doing the consular inspection, of course. But, if I had confidence in him, I would ask a few questions and hopefully he would handle it pretty well. We didn't have trouble to be honest, with as many problems of visa fraud as I would have thought. At posts where I had served, we had a couple of instances of visa fraud. One person was drummed out of the Foreign Service and prosecuted for selling visas where I served. Happily, he left shortly after I got there. This came out only after he had left. But, based on experiences of my own at posts where I had run into it, I had really thought we'd come up with more. It might mean that our consular officers weren't looking carefully enough perhaps. You never know. If you don't find it, did you not find it because you didn't look hard enough or because it wasn't there.

Q: I would have thought on the consular side that you would have found a particular

problem when you were inspecting the various posts in Africa, small countries, usually a junior officer on their first tour. The problem being only that it is an officer on his first tour, and often there wasn't much consular backup where a superior officer, a DCM never touched a visa in his life, that type of thing, they were on their own. Was this a problem?

MATTHEWS: We did. We did find more certainly on visa where per officer there were more problems at small posts than we did at the larger posts. If you have a conscientious officer, one advantage or reason we didn't find more. If you have a conscientious officer and he hadn't done visa work before, he relied rather heavily on the manual. If you go to him and if you go by what the manual says, it tells you how to do the thing and what you should look at and this, that and the other. So, those who were conscientious did a pretty good job. Also, at those posts, they generally spent a lot more time with visa applicants than other posts did. As a result, there you did have the officer actually looking at and oftentimes interviewing every visa applicant, while at the big posts they sloughed it off. It became so routine, if you were at London or somewhere like that, or if you were at a post where there was a heavier volume, particularly at some of the posts where you could have the visa requirement waived, you tend not to look as carefully at each person. Therefore it is easier for a ringer to slip through. So, yes, we certainly did have more recommendations certainly per capita, per person at small posts. As I recall you did have a regional consular officer who went around to those small posts and tried to resolve the problems.

Q: What about, you were hitting the Soviet Union and Europe about the time the whole place was falling apart and became reconstructed, the key here being around December, '89. Were you getting after some of that, and what was your impression of the situation?

MATTHEWS: Things were opening up and the Embassies were amazed. In Moscow, I handled the political section and the coordination with other agencies doing political work, the defense attaches and shop. I won't go into, and a couple of others. Much of my work was on the political section, and there the people were just in seventh heaven. They were just trying to pries little tidbits of information they could build on and they would try to confirm somewhere else out of context. They were then having contacts on their office telephones and, "Look there are some things I would really like to talk to you about. Can you meet somewhere for lunch next week or day after tomorrow?" In some cases they would say can I come by the Embassy. Well, that was very difficult because usually the Russian authorities, the police weren't letting people in. But they would always try to hold the person down on it. He'd say, "I want to tell you about something; why don't we get together for lunch." Of course the phone were tapped; the walls were tapped; the directional things were heading toward the windows, and you had to stifle some while you were there with the drapes closed because from the big tower right over there, the things were directed right at you. It was happening, and they were in seventh heaven. They were getting what they thought was useful information. Nobody there in '88 thought that it would open up as quickly as it did. Certainly we were not in a position to second guess them. The biggest problem that I found on the policy standpoint in the Soviet Union was our refugee policy. It was politically driven. If you were Jewish or Armenian,

because those were the two most politically potent people in the United States, all you had to do if you were Jewish or Armenian to get refugee status, was you had to be Jewish or Armenian. You didn't have to be under any pressure, under any persecution or any sort of thing. If you weren't Jewish or Armenian, you really had to present quite a visa case for political persecution. The major policy problem I found was really based on U.S. political pressures there at the Embassy was the refugee policy. If you were Jewish or Armenian at that time in the summer of '88, all you had to be was Jewish or Armenian to get automatic consideration. Technically it wasn't automatic, but de facto it was to be a refugee. You just came in and filled out all your papers. You did the proper thing and you were a refugee if you wanted to go to the United States, even though you might not have been under any sort of persecution, even though no one was going to dump on you because of that, it was a political thing from within the United States. We found that the people in the consular section in the Ambassador's office agreed to it, but they said Hey, this is politically untouchable. We just can't do it. That is the way the thing worked, and it was a rampant injustice there. We did make recommendations against it which the bureau looked and said hey what are you asking us to do? That's policy. Our recommendations as I recall were that the Department should inform Congress and so on, but what could you do? All you could do was put it down on paper. So that somebody if they wanted to, and we always made that sort of a recommendation unclassified. Whenever we wanted someone to pick something out of our report, we did our best to make that element unclassified, so anyone could pick it out and run with it if they wanted to.

Q: Did that discrimination cause any problem particularly with younger officers who tend to see things in black and white and they see injustice. The more experienced officers were beaten over the head so much that they just sort of shrug their shoulders and say that's the way it is. Was there a problem?

MATTHEWS: I think it was to a certain extent a problem among the consular officers and some of the political officers. We saw this as absolute nonsense, just pure political payoff in the United States that is causing this. On the other hand, they were busy doing their jobs and after all they were people about 25 years old and they had been around awhile and were aware that is just the politics in the United States. We probably cannot change the way the U.S. government operates and the way political payoffs are made. About all you could do is the sort of thing we did. You made it unclassified, and you told other people back in the States when you got there in the hope that maybe somebody would pick it up and use it to back up their position later.

Q: You mentioned that you were looking at the UN hiring practice. Could you talk about that and your impression of how it worked? I mean what were the parameters that you were looking at and what you found?

MATTHEWS: The situation was in almost all the UN organs there were a number of professionals who were Americans who were on the roll anyway was significantly less than our contribution to that particular organ or to the Secretariat of the United Nations. The question was what can we do to bring that up so the number of American professionals working there was more in accord with out percentage of contribution to

the UN. Now, employees of the United Nations, particularly professional level employees, are not supposed to represent any government. They are supposed to hire basically the most qualified people, and once you are hired, your loyalty in things to do with your work is to your institution, not the government of which you are a citizen. The United Nations should not do anything that is treasonous to their government, but you should not do any special favors for your government. It is an international civil service. That having been said, there were in some cases sort of informal quotas. They didn't really favor either the United States or Japan. They favored Japan even less than they did the United States. Some of the European countries seemed to benefit the most from it. You had many people far in excess of contribution from places like Belgium, Austria, some of the smaller European countries, Scandinavian countries. Occasionally you would get a large number because of nepotism or cliqueism from a particular African country. I recall, I believe it was the ILO, although I may be wrong on my agency, of the top six officials, two of them were Benninine or Togolese, one or the other. Then if you went down to the next levee, you found a disproportionate number from that same country. The first one who got on there would try to bring these others on too. There were reasons why the number of Americans was relatively small. We did feel in most of those agencies, they could be brought up substantially. We needed to put some pressure on some of them to bring it up substantially. I did recommend, I guess it was one of my specific recommendations at spending a week at UNIDO, the United Nations Organization for Industrial Development, where we had only something like four or five percent of the professional level people, and we contributed significantly more than that to the organization. I did not see any need for the United States to stay a member of that organization. We had some problems getting the sort of information we needed. It was a delicate thing. We were asking for a personnel file in some cases and personnel information in all cases. Sometimes they felt hey we don't give out that information. Certainly with the individual personnel files, we could understand why that would be a little touchy. We did get personnel files from most organizations that we were interested in. Why was this person hired. In some cases we knew that let's say there were five finalists for a particular position. Three of them were U.S. citizens, and a U.S. citizen was not hired. What were the differences between the person that was hired and the U.S. citizen? In most cases there was some difference whereby the U.S. citizen maybe didn't have as many languages as the other person did. After all, the Europeans in particular and in some cases the Middle Easterners are more fluent in more languages. In some cases it was a degree question, but not usually. In other cases we felt it was just sort of bias. We did recommend that the United States withdraw from UNIDO, and that in fact did take place a couple of years later. I'm not saying that it is because of my recommendation that we did. I think that may have been added to the pile of reasons that we did withdraw.

Q: Looking at all these inspections, were there any particular countries or incidents that you had to deal with that particularly stand out or that you would like to mention?

MATTHEWS: Well, I mentioned the problem of exchange rates, and we had to rap the knuckles of an Ambassador, I'd rather not get into details in this conversation as to which one, but we did have to rap the knuckles of an Ambassador and an Embassy about that. That was a real problem, and we asked that policy be revisited. In this particular case, it

was a country with which we did not have good relations. In this particular case the country had a grossly official exchange rate that was grossly out of any real consideration. The black market there was rampant, and there was a way to purchase currency legally out of country, and bring it in through the diplomatic pouch into the country as a number of other Embassies did. A number of other Embassies were doing that without we thought any significant negative repercussions. The government may have objected to that when it became known that it was being brought in through the diplomatic pouch, but so what in this case. We were not anxious to please that particular government in any event. We thought there were several other countries where this could be done, and if it became enough of a problem, we would simply tell the government then change your bloody official exchange rate because it was costing the U.S. taxpayer one heck of a lot more money than otherwise. Well, we made some of those. They were weasely after we came because you have to rap them because that is what the policy is and you have to abide by the policy. We made recommendations for changing the policy, but we had to say it in the Department office of whatever should consider such and such and we gave the rationale. It would have required a major change. I mentioned the refugee thing in the ex-Soviet Union. In many cases we uncovered a lot of security problems. There were a lot of cases where we made recommendations. We found a lot of horrendous security violations at this Embassy that nobody had looked at. Physical security, personal security. We found some cases where we thought the personal security was exaggerated. People were still getting home to office transportation on security grounds where there was no security threat whatsoever. Clearly the home to office transportation, the embassy driven car was purely for the convenience of the person. In those cases we recommended that it be cut out if the Ambassador did not certify that. In other cases you know that the Ambassador can certify that the local transportation is not adequate and that is the reason you have it. In some cases transportation was more adequate than it is in the Washington, DC area. The Ambassador still said it was not adequate. We blew the whistle on that. I mentioned policy. I think the other day toward Yugoslavia I concluded and the team finally bought it, and I think it stayed in the final version, that our policy ever since W.W.II had been to hold the country together. All around Eastern Europe, undemocratic regimes were falling. Yugoslavia was one of the relatively few that were not being changed, and that we felt the policy should be shifted from holding it together to encouraging democracy. Even though that inevitably meant and we knew it and put it in our report, the country would break up. With the Soviet Union having been changed by that time or in the process of changing, I'm talking about '89 now, that there was no particular security reason or cold war reason that we had for Yugoslavia to stay together. If the people wanted to separate, let them separate. The policy eventually did change, although it did not change as a result of our report, though our report may have had something to do with it. As I recall, the European Bureau's response was in effect we hear what you are saying but policy like that is something that the regional bureau makes the decision on, our superiors in the Department of State and the President of the United States, not something that inspectors should be able to look at. Other things, we questioned in a few cases whether an Embassy needed to continue. In some of the West African countries we felt that having either a resident representative, sort of one officer on the scene buttressed by specialists from sort of a regional Embassy would be a lot more effective way to handle things. In a couple of instances we questioned, well, we

certainly questioned in a case like Mauritania whether we needed an AID mission of any sort there. In some of the other African countries we felt that it should be cut back or cut out. We had more people than needed for our interests and in some countries we thought we had fewer than we needed for our interests by one or two. In other countries we found other agencies grossly out of proportion to the Department of State for out interests including the CIA in one or two places.

Q: Did you find in that, my impression is that if you have a lot of people from other agencies including things like Treasury or Civil Aviation, they tend to end up in the nicer posts in the area rather than the more difficult, challenging posts.

MATTHEWS: Except for AID and CIA of course. Sure, but that is logical because, let's face it, you don't have those people unless you have little security threat. If there is much of a security threat, you don't want to burden the post with people of that nature which could be established regionally almost anywhere. The more out of the way disagreeable posts were usually the smaller posts. Usually less important posts too.

Q: Turning away from the time you were inspector, is there anything else you think we should cover on inspection?

MATTHEWS: I mentioned there was an evolution in the inspection corps away from the number of Foreign Service officers toward a professional inspection corps. I found that was dangerous in two ways. One, Foreign Service is so distinct from civil service and other government operations domestically, that you need someone with long and varied experience, particularly as a team leader but also for certain other aspects of what Foreign Service people do. I felt that the majority of the inspection corps particularly should remain Foreign Service on into the indefinite future. I could see an exception to that for some people that are approaching retirement age or even some that aren't approaching retirement age, there are a certain number of Foreign Service officers who for family reasons, health reasons, other reasons, not really health because health doesn't apply in this case, but family or other reasons, don't want to stay in Foreign Service. They beg for and want domestic assignments and get domestic assignments. There is no reason that a person of that nature who is no longer interested in a career in the Foreign Service shouldn't transfer over to the inspection corps, become civil service, and continue on. He would have all those advantages that a Foreign Service officer had. The one advantage he wouldn't have; he wouldn't be considered a peer after a certain number of years by the people he's inspecting. That is also important and that I think you are losing in the inspection corps today. The people there say, "Good lord, they make this recommendation; they don't now what they are talking about. They don't really know what we are doing." Well, in some cases, if the civil service inspectors inspected enough posts, he has sort of performed it, but he can't quite put himself into those shoes. He can't quite I remember this broad problem and what a difficult time we had solving it. It was in my second or third year as chief of a consular section did that sort of thing come out. It came out in the following way. I can sort of understand that. The other person would say, "Why didn't you get on to this the second day you were on the job?" So there are those two dangers, and I think they may have gone too far in establishing the so called

inspection corps. One of the reasons the inspectors in the civil service say we have got to go easy on this post and so on because they may run into that Ambassador again, and he may be vital to their assignment or that officer again. They may have known him at a previous post. They may have worked for him though it may have been five or ten years ago. He worked for him and he knows some indiscretions that officer might have committed theoretically at some post; therefore, it is not as good as if it were a completely disinterested outside observer who is trained in audit and trained in this, that and the other. So, I would say those two things generally, primarily speaking. I'm not personally acquainted with the current inspector. Font considered all those angles and found not always on the side of the civil service inspector. Sometimes he would come down on the side of the Foreign Service, that is the Foreign Service point of view. He tried his best. He was a hard worker, and he tried his best to be unbiased, and he was courageous and gutsy. That is the most important thing for any inspector to have and to be, an Inspector General particularly. You have got to be courageous and gutsy, and if you over rule your inspectors, over rule them because they made a mistake, or they were unduly demanding, or they were simply wrong. They didn't consider everything. Don't ever over rule them because hey that could be impolitic, the pressures should be on the other side. The inspector has to be gutsy enough to stand up to the political pressures. They may never get anywhere like with our refugee thing because of political pressures. You know when you are writing they are too strong, but an Inspector General should let stuff like that stay in his report, and in this case our Inspector General did.

Q: Well, normally this would be the end. Wade, you did go and act as a monitor for an election in Bosnia? Could you explain the background of this and what you observed? This is still in the realm of foreign affairs and foreign experience.

MATTHEWS: Well, I just returned a couple of weeks ago from Bosnia. I was there actually as what they call an election supervisor rather than monitor per se. There were some monitors, about 40-50 I think from various OSCE countries. Organization of Security and Cooperation in Europe was the organization that paid my per diem while I was in the country to the sum of $95 a day out of which I had to pay all of my expenses. I think they also paid our in country transportation expenses while the Department of State paid our air transportation until we got to Zagreb, Croatia. We processed in, in a couple of hours and got some ID cards and were put on a bus and took off to, in my case, Tuzla, which is the third largest city in Bosnia, and a predominantly Muslim city. Our purpose while we were there was to supervise each and every precinct in the country. There were 300+ Americans, I don't remember, about 360-370, and there were about 22-2300 people from the various OSCE countries. Probably our American contingent was as large as those from any other country. There were a lot of French and Brits and Germans there. I think people from Turkestan were there and Kazakstan some of the ex-Soviet Union countries. Organization of Security and Cooperation in Europe, the members of it are every European country including Turkey, including San Marino, including Monaco, what have you with the exception of Andorra. The sheepherders of Andorra didn't decide to join. This came out of the old Helsinki conference and the members also included the United States and Canada and all the republics that have come out of the Soviet Union including Russia. They are all members of it. Basically it is sort of the whole northern

part of the Northern Hemisphere and dipping down reasonably far south in a few cases. That was the organization. The reason we were there was to lend legitimacy to the municipal elections in Bosnia-Herzegovina. There were two parts of it. The federation which is Croat and Muslim and the one which by definition is Serb. The election was held in all the parties. There were numerous parties, parties, coalitions what have you on the ballot. On my ballot there were 15 different parties or coalitions. There were very complex electoral procedures, extremely complex. Partly because it was a complex situation. You didn't just go to your precinct and vote; you had the right to go to where you once had lived but were driven out of by fear or ethnic cleansing to things of that nature and vote in that precinct. You were trucked there or bussed there by busses paid for by the OSCE, in some cases accompanied by stabilization force military personnel. And you could go to a so called absentee voting station and vote maybe 200 miles away or even out of the country even in Croatia or Yugoslavia in the place where you once lived. Then all these ballots had to be counted, safeguarded, had to be double counted to make sure there was no suspicion of fraud. One copy of all the ballots had to be trucked in to Sarajevo, fed into computers, and the process is still not over. I was just by the Bosnia desk today, the Bosnia task force, and they have relatively few of the results from the OSCE because they are still counting, comparing. If this multiple copies of the list has any meaning, they have to be then compared. If the central counting authority in Sarajevo got one set of figures and if the count at the precinct at the evening of the second day of balloting showed something else, and there is a discrepancy, what. What was the discrepancy? How did it come about? Who is pulling the hanky-panky on whom? Was there some mechanical error that should be corrected and so on. So it was a very complex process. We heard that this is supposed to be the most expensive election on a vote per cast basis in history. I am not talking about the electoral campaign; I am talking about the electoral process itself. I suspect they are right. If I were an inspector I would recommend a lot of things. One, you could compress the time considerably. We had to have some training before the election. We had to have some time to debrief afterwards, but we were there a shade over two weeks. You could do the whole thing in a shade over one week and have you in and out of there at considerably less expense, less cost. On Bosnia-Herzegovina I would say the security problems are probably exaggerated. As long as you have some stabilization force there, I don't think you are going to have a major event there, I don't think warfare is going to break out, and I don't think we need the roughly 400,000 that are there now. But you do need some, and I would say you are going to have to have some for some time, much longer than President Clinton would like with the intention of pulling people out next summer. If you pulled everybody out next summer after having an overly large security force there now and you pull out so that you have nobody there except a few police, I think that would be very hazardous. I don't think necessarily from the Serbs. I think the biggest danger now is from the Muslims who are strengthening their military operation. I think if everybody got away, they would try and attack the Serb positions. I think they could defeat the Serbs with no great problem, but what happens with most of your Serbs who are sitting right across a river or right across a border in some cases not all that well marked. I know a river in what is now Yugoslavia, the old Yugoslav army, would they sit by and let the Muslims drive all the Serbs out of Bosnia? I don't think so. I don't think the Croat forces would sit by if the Muslim forces started in on the Croats as well. If you get those two forces involved, the Muslim forces

may have improved a lot, but it hasn't improved enough to face those two enemies. So, you have the whole Yugoslavia blowing up or a goodly part of it at least blowing up again. That is the dilemma.

Q: Did you have any personal experiences while you were watching the voting?

MATTHEWS: No, my election committee, who I paid incidentally. I had to pay them at the end of the counting, everybody including the chairman. Not a princely amount, 150 marks for two days of very hard work by the chairman and 100 marks for each of the six members of the election committee, all of whom had a job. One would stand at the door and sort of control the line which never got too long and check each individual to make sure that he didn't have the iridescent ink on his finger which showed under a black light. Then the voter would go and present his identification and have his identification checked. There were 12 different kinds of identification that were valid. Then you had to go over and sign the register and have his name checked against the name in the register. If his name wasn't in the register, there was another procedure, another form to fill out. He cast what was called a tentative ballot which would be evaluated later. Then he went over and got instructions on how to mark the ballot, was handed the ballot. Somebody sprayed the little iridescent ink on his finger. Then he went over an put it in the ballot box, Oh I'm sorry, then he went over and marked the ballot in a secret sort of cardboard booth that was set up where nobody could see him. Then he went over and folded it and put it in the ballot box, and then walked out. That was the procedure. We had anywhere depending on the time of day from three to ten political party observers who were sitting over at another table watching this whole procedure and also watched the counting of many of them. We had television people coming in, radio people, news people coming in to record this great event, and it was interesting. I had an interpreter since I don't speak Serbo-Croatian. Most of the monitors did not speak Serbo-Croatian, and where ever they were from, whether they were Germans, French, what have you, they had to have English as their language. Any who did not speak Serbo-Croatian were assigned an interpreter, and most did not speak. The only exceptions were the Kazakhs or the Tajiks one or the other. They apparently couldn't find enough in their contingent of nine there, and I talked with the director of this northern part of Bosnia-Herzegovina, the OSCE elections force there. He said finally he found something to do with his reserve force. His reserves were the Kazakhs and the Tajiks and they were going to send them up to some polling stations where they had some real problems without interpreters because they spoke Russian, of course, and the Serbs could understand enough Russian so they could communicate. So that was basically it. It was an interesting experience. I was just asked today if I would like to go back for the elections in November. I told this officer no, not in November for two reasons, I'm too tied up and, even if this climate and conditions were fine, I could not. It gets cold in Bosnia.

Q: Oh, yes. The wind comes down the plain and starts hitting those mountains. Okay, Wade, we'll stop at this point. I thank you very much.

MATTHEWS: I enjoyed it.

End of interview