

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

**SAMUEL D. EATON**

*Interviewed by: Charles Stuart Kennedy*  
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## INTERVIEW

*Q: Sam, I wonder if you could give me a little about your background. Where do you come from?*

EATON: I come from upstate New York. I come from a founding community called Plymouth, New York. I went to high school in a nearby large city of 8,000 called Norwich, New York. I left there to go to college at Drew University in New Jersey in

1940 and entered the service in '43. Had a three-year interruption of the college career. While I was in the service, I became aware of the Foreign Service.

*Q: What were you doing in the military service?*

EATON: I was in the Army Air Corps. I entered as a private and I became an instructor of radio equipment, and then I became an expert in a certain type of radar equipment. I spent all of my three years in the service in training in the United States.

But, as I said, during that period of time I became aware of the Foreign Service and decided it might be interesting, although I didn't understand much about what it did. So when I returned to finish college at Drew University, I applied for the examination, took the examination, and by the time I had taken it and was awaiting the results, I had graduated college. Went to Columbia University for six months while I, as I say, was awaiting the results. In the meantime, I received a Rotary Scholarship to go to Australia to study socialism. However, the job came through; I passed the Foreign Service exam. At that point in my life, having a real job was more important than going on with my studies, so I entered the Foreign Service in 1947.

*Q: Was there a class or something that you came into at that time?*

EATON: Yes, and I would like to tell you a bit about the class and my first assignment.

*Q: I'd like to hear about the class. How did you all see the world and America's role in it?*

EATON: Well, we were a rather large class compared to many of these classes, I guess, we were somewhat over forty. This was in September 1947, I believe. We viewed the world, of course, in the immediate post-war period. Attention was focused on Europe, on reconstruction, already on relations with the Soviet Union, on what one would do with Japan.

Our class was asked, after a week or two, to present to the director of the course, whose name was Mr. Roudebush, our preferences for a post. I thought about this, and I had some interest in Latin America, because a cousin had expressed an interest in it and I had high regard for him, and because I wanted to go to a smaller post where I would have more action, and because I needed money to pay off my college debts and I wanted to go to a low cost of living area, and also I was a farm boy and I would be more comfortable in a small post than a big one. So I presented as my preferences Bogotá, Colombia, La Paz, Bolivia, and Asunción, Paraguay.

A few days later, Mr. Roudebush called me in and he said, "Sam, I have noted your preferences and I really wonder a bit about them, because all of your colleagues, without exception, have asked for Paris, London, or Rome. You know, I think you might want to think about this a bit, because it really might reflect on your judgement and therefore

affect your career." So I thanked him for his comments and said I would think about it and then I'd come back to him in a day or two. So I did think about it, and I couldn't see that my reasons for my selections had changed. But I thought I would do something to humor the process, so I changed the order of my preferences from Bogotá, La Paz, Asunción to La Paz, Bogotá, Asunción. I took them back to him and said I had taken his comments seriously and I had changed my preferences, and I gave them to him. Well, the result was, I went to La Paz.

*Q: Talking just a little about this to get a flavor of the time, did you feel that the "system" and Roudebush, as, I assume (I've seen his name before), an experienced Foreign Service officer, represented the Eurocentric, major-capital focus of the Foreign Service in those days? I mean, this is where one went to get ahead?*

EATON: Well, there's no doubt about that focus, and I think that's still the case. Although Japan may intervene now, that's still the case.

*Q: Just one other thing, just to get a feel for the type of people who were coming into the Foreign Service at that time. You said you were a farm boy, were there other people from small towns, or was this a crew from across the cut of American educated people? Could you characterize it?*

EATON: Oh, I think certainly there were other people from small towns and middle-class families across the country. Dave Newsom was one of the members of the class, who came, I think, from the West somewhere, maybe California. But it wasn't an exclusively Ivy League class, although there were Ivy League people.

*Q: Your first post was La Paz, Bolivia. What were you doing?*

EATON: Well, I would like to say that I think my selection was a good one, and it did provide me action and greater responsibility as well as a low cost of living. It also provided me with a wife.

I started out there in charge of the consulate; they had a Foreign Service officer in charge of the consulate. There I was in my first post and I didn't know much Spanish, but I had a few very competent local employees who helped me with Spanish and also helped me with what I was doing. Then, after about six months, what would now be the DCM, then was the first secretary, left. He was also the political officer. This was a small post, and so I temporarily substituted for him until the new political officer came. I had an office next to the ambassador--the largest office I had for many years. Then, after that, for the final year and a half of my assignment in La Paz, I was in the economic section and I had the responsibility for reporting on labor and mining affairs. Mining, of course, was central to the Bolivian economy.

I'd like to recount an incident that occurred there and which sort of demonstrates what a young Foreign Service officer, in particular in a developing country, may face.

In the meantime, I had met a young Bolivian lady. And I had sought permission to marry, as one had to do at that time, and had presented my resignation, which one was expected to do when one asked permission to marry a foreigner. Eventually, after two or three months, permission was granted, and, about a year after I arrived in La Paz, we were married.

About two or three months later, the government of Bolivia decided to exile the principal mine leader, whose name was Juan Lachine. This precipitated a violent reaction by mine laborers in the principal mine at Catavi, Llallagua. So I was called into the embassy one Sunday morning by the ambassador, with the other officers of the embassy, to consult on what had happened.

What had happened was that the miners had come out of the mine at Catavi at noon on Saturday, thus ending their work week, and they had taken seven engineers, including three Americans, hostage. They were demonstrating and they had these hostages. As I later learned, they had the seven hostages lined up in the back of the sort of mine union hall. And one of the American hostages had the bad luck of having with him his Mexican wife, who had insisted on accompanying him to try to help protect him. And she apparently inflamed rather than mollified the miners. The result was they took him out in the yard in front of the mine hall, tied dynamite to his chest, and blew it up. He died, of course. Another of the Americans was threatened also by the miners. He wasn't killed, but they put a gun in his mouth and shot it off and the bullet came out his cheek.

In any event, at the point that we were meeting, on Sunday, which was the next day, in the ambassador's office...

*Q: By the way, who was the ambassador?*

EATON: Joe Flack, a career diplomat, a very fine man.

We knew that there had been violence. After this, the army had moved in. There had been fighting and some of the hostages had escaped. One of them had been killed. There were quite a lot of miners who died in the process. But the army was pretty much in control, although there was some sporadic shooting actually at the time. It was decided, in our meeting in the office, that somebody should go out from the embassy. And it was decided that the air mission plane would go out with a doctor and myself, because I was the labor and mining officer for the embassy, and that there wouldn't be any time to go back to my apartment to tell my wife, my new wife. So we got on the plane, and the embassy called my wife to tell her that I was going to be away this Sunday, I was going to Catavi.

*Q: How far away was that?*

EATON: Oh, it's not awfully far. It's probably thirty to forty-five minutes by plane, but we had to stop in Oruro, which is a city near there. As it turned out, we stopped in the

airport at Oruro and our pilot didn't know how to get to Catavi. He knew how to get to Oruro, but he didn't know how to get to Catavi, so we stopped at the airport in Oruro. There, at the airport, they said, "Well, there's a little plane just taking off. They're going to Catavi, just follow them." So we followed that plane and we arrived at Catavi. Catavi had a rather primitive airport, I remember, with an airstrip that had a two-degree gradient, downhill, I think it was. Anyway, we got there and landed.

The mine manager (who was appropriately named Mr. Derringer) met us with a pistol strapped to his side. He took us to his residence and told us about the happenings, that there was one American engineer dead, his body they had, that the other one was in the hospital with a bullet through his cheek, and that the third one, they didn't know where he was.

So the doctor and I went and saw the one who was injured. He wasn't seriously injured, but he was traumatized. I saw the corpse of the engineer who had died, and we made arrangements to return the next morning with the injured engineer and with the corpse, and we spent the night there. As I say, by then things were under control, although there had been some sporadic shooting.

The next morning, we were pleased to find that the missing engineer had appeared. In all the melee, he had gone off into the hills, but he had gotten back. So on Monday, the next day, we returned to La Paz.

But I think this demonstrates what sort of activity a young Foreign Service officer can become involved in, particularly if he goes to a small post.

*Q: What was the atmosphere of the embassy? How did we feel about the situation? Was this an American-owned mine?*

EATON: No, this was the principal mine of the principal mining company. There were three principal mining companies, but this was a Patiño mine. Patiño, of course, is world-famed and became one of the richest men of the world out of the returns from his mines in Bolivia. This sort of event was not unusual. As a matter of fact, when I wrote my report on it, I looked back in the files and found that my predecessor in the job, Spencer King, a couple of years before had been witness to something similar and written a similar report.

*Q: You left La Paz in 1950. Where were you assigned then?*

EATON: We were assigned to Rio, and that was a rather uneventful assignment. I found, though (and this may be of interest to young people who are considering the Foreign Service as a career), that a lot of foreign affairs was economics. And I didn't know how to deal with that type of issue except in a very perfunctory way. My background had been European history and I had had almost no economics. So, while I was in Rio, I asked for economic training and was granted it.

After Rio, I spent a year at Fletcher School of Law and Diplomacy, which was a happy choice, because the class was small enough so that I, who was ignorant in the field of economics, could have direct access to the professor. Their professor of economics, whose name was George Howe, was a really outstanding teacher. He brought me from nothing, in the world of economics, to a position where I could deal with macroeconomic issues with people from the Treasury and from the International Monetary Fund and the World Bank, which is what I needed.

*Q: Did you have any choice of where you might go? How did your next assignment come about?*

EATON: Well, of course, one always presented one's preference, but one didn't have a real choice. My wife's preference, though, always would have been Europe. This was the McCarthy period, and our assignment was delayed because everybody had to have a new clearance. For three or four months after Fletcher, I was unassigned, so I went home and began to redo furniture, waiting for an assignment. I remember very vividly that I finally decided I better go to Washington to see whether I could stir something up and get an assignment.

The night before we left home, some of the ladies in the area took my wife to dinner, and when they asked her where we were going, she said, "Well, I want to go to Paris, but we may end up in Bangkok, because we don't know."

So we came to Washington and I went to Personnel, and the Personnel office said, "Well, we do have an assignment. It's been delayed because of all these clearances and we didn't have enough personnel to do them. But we have an assignment--you're going to Bangkok." So off we went to Bangkok.

*Q: Well, just a little feel about the McCarthy period. As a young officer, did you feel under any particular jeopardy, or was this just a delay in the system as far as you were concerned?*

EATON: I didn't feel under any jeopardy, but I certainly was annoyed at the delay. And I also was very disturbed that a person who obviously was as off-base as he was could influence not only our...well, I think more the service itself and affect young people and older people that were trying to do their jobs as much as they could.

There was an incident in Bangkok that bothered me about this, the exaggerated emphasis on security that came out of this, the idea that everybody was so suspect, and that might make a great difference in how the world turned. Wild Bill Donovan came out as ambassador to Thailand.

*Q: He had been the head of the OSS during the war.*

EATON: Right. He was an interesting person. I didn't have all that much contact with him and no particular reason to form an opinion one way or the other, except that one day he called all the officers into a session, and then he turned it over to a young man whose job obviously was security. And this young man went on a tirade (with Donovan sitting there and letting it happen) with regard to the most minor possible infractions of security and how they could affect the world.

Well, I had never had a security problem one way or another. I may have left a document somewhere sometime in my career, but security was never a problem for me, or never an issue. But I was very upset that the ambassador should lend himself to this sort of thing by a young person who I thought had no concept of what really was vital in foreign affairs.

*Q: Well, this was the sort of spirit. I know, today, in walking through the State Department, there are signs not to go out and do a good job, but to report waste, fraud and mismanagement. Not security, but waste, fraud, and mismanagement seem to be the operative words since the Reagan administration.*

EATON: Also in Bangkok we had a visiting group of congressmen, and, of course, we entertained them. We had a modest house and modest allowance, but we invited this one congressman to lunch, and considerable effort by my wife, before we went on to see some sights. He spent a long time talking about the threat by the pinkos in the State Department and what a wonderful job McCarthy was doing. I could scarcely contain myself. I wanted to boot him out of our house. I didn't, but I certainly wasn't pleased.

*Q: Well, it's an era that's hard to reconstruct today. Would you say that your views reflected the views of many in the Foreign Service?*

EATON: I would think so. ...not everybody felt as strongly.

*Q: Not to belabor this, but did you feel that the Foreign Service was sort of giving in, that you would have to be somewhat careful about what you would report?*

EATON: No, I didn't think that. But perhaps it was because my reporting was in the economic field and therefore was not affected. Perhaps other people in the political field did. But I was disturbed that the top leadership, the secretary of state and President Eisenhower, did not take more definite stands on this. I thought that they should feel obliged to do so, but they felt greater political obligations to move slowly, I guess. But it bothered me.

*Q: I know I felt the same way about it.*

EATON: I can imagine you did.

*Q: What were your prime concerns in Bangkok as an economic officer?*



EATON: Well, I did the financial reporting, so my prime concerns were the general state of the Thai economy. And I must say I had great respect for the Siamese officials with whom I dealt. I also was liaison with something called the Economic Commission for Asia and the Far East, which gave me exposure to economic officials from all over the Far East, and three officials from outside the area--the British, the French, and the Russians--because there were four observers from the outside--the US, the British, the French, and the Russians.

One of the interesting things about this in this period was that the business of the Economic Commission for Asia and the Far East was conducted in English, not in any Asian language. As a matter of fact, no Asian language was ever spoken, to my knowledge, at the Commission. The other languages were French and Russian...curious.

*Q: With the Thai officials, did you get a feeling, in a country that had maintained its independence when all the other places around it had fallen under colonial times, that they had the expertise and skills to move in what was really still a new world, the post-war decolonization period?*

EATON: No question about it, they had very able people and they knew how to move, reflected their history of independence, and, in the economic field, they had very well-trained people.

My primary contact, who was the deputy governor of their central bank and also Under Secretary of their foreign ministry, would have been an outstanding economist anywhere. As a matter of fact, he was a graduate of the London School of Economics. He had a very interesting history. While at the London School of Economics, the war broke out and the Japanese occupied Thailand, so he remained in London and broadcast to Thailand on the free radio. Then he was trained by British Intelligence, and, sort of in a Bridge over the River Kwai type of manner, he parachuted into Thailand with poison in his pocket to take if he were apprehended by the wrong people. But he wasn't. He was able to contact the underground, and he spent the rest of the occupation with the underground, broadcasting out to Thailand. So he was a Thai hero really, but he was also an outstanding economist. As the advisor to, I guess, the head of the central bank, he replaced a British civil servant, and he later became head of the central bank. He would have been outstanding in anybody's government.

So the Thai, I had great respect for their abilities and I enjoyed working with them.

*Q: Is there anything else we should cover there, or should we go to your Washington assignment?*

EATON: No, from my point of view, the more significant assignment was Colombia, after my assignment in Washington.

*Q: Well, just a very quick thing. You were in OFD.*

EATON: Office of International Finance.

*Q: From '55 to '59. What were they doing, and what were you doing there?*

EATON: Well, my job was to follow stabilization programs worldwide, actually. Later on, the responsibility was divided, so that another one, Jim Loganstein, came in to follow economic stabilization issues in the developed countries, and I followed them in the underdeveloped world. So I became an experienced person with respect to the type of stabilization issues that, of course, have plagued the world continuously, and still plague a number of countries, particularly in Latin America, the ones that experience endemic inflation, hyperinflation.

*Q: Did you find that, when push came to shove, your economic expertise and really the clout of the economic bureau within the department didn't quite have the same pressure that political events did? Was there frustration there?*

EATON: No, not really. I found that economics became rather significant. More so as time went on. Because, so often in the period in which we were heavily engaged in assistance to developing countries, we were involved in negotiations over stabilization programs, over macroeconomic policy. So in the developing world, economics perhaps took on a greater weight in things we did than politics. That was a continuing argument among Foreign Service officers, of course, and those of us in the economic field during that period argued that political officers did a lot of beautiful reports but it didn't affect what happened there. Of course, that was a special period of time, when economic development and our involvement in the effort to help with economic development was much heavier than it is now.

*Q: After a good, solid four-year assignment in Washington, you went to Bogotá, where you served from '59 to '65. Could you explain what were you doing?*

EATON: Well, yes. Actually, how I went to Bogotá is of some interest. I was assigned, in the normal processes, as consul in Pôrto Alegre, Brazil. But the Economic Bureau personnel people objected to the assignment. They had an economic officer that they wanted assigned an economic job. So they entered the picture and succeeded in changing my assignment from consul in Pôrto Alegre to head of the economic section (we were not called consuls at that point) in Bogotá, which was fine with me. So the Economic Bureau did have some clout at that stage.

*Q: Yes, it did.*

EATON: Initially, in Bogotá, I was head of the economic section. And we had a fairly sizable technical assistance program. But then along came Kennedy. President Kennedy

came in, and the Alliance for Progress, and it was clear that we were going to do more in Colombia, and that we were going to move from technical assistance to a loan program.

A team came through, headed by Ted Moscoso, with Bill Bentser on it. It went around Latin America looking at our AID missions, and they stopped in Colombia and they interviewed a lot of us, asked us to give our comments on Colombia and how we were doing. I gave them a briefing on the Colombian economic situation, and at the end, I told them I thought they were on the wrong track if they felt that bringing in people from business to head AID missions was going to do the job. I said they'd get second-rate people from business, whose career was on a plateau or at a dead end, who didn't know anything about aid, and they'd be in trouble.

*Q: Was this one of the options that was being considered at that time?*

EATON: That's right. There was an idea of bringing in business tycoons on AID missions. Well, to my surprise, a month or two later, they suggested that I be deputy director of the AID mission. They needed somebody with a macroeconomic background. The director of the mission was experienced in technical assistance, but he didn't have that type of background. They were moving into a loan program, so they needed somebody with that type of background. And in due course, I was appointed. So for the latter part of my assignment, I had the dual function of deputy director of the AID mission and head of the economic section.

And something occurred in that period of time that I'd like to describe, because I think it relates to a lot that's happened in Latin America since then and is still going on.

We did a lot of innovative things in this early Alliance for Progress period, particularly in Bogotá, which was sort of singled out as a country where one could do things. Things that lasted and were quite good: an educational TV program; a large, low-cost housing program in an area where there had been an airport outside of Bogotá, which became called Ciudad Kennedy (Kennedy City); loans to small industry from counterpart program loans. Things that were new conceptually and I think quite effective.

But the center of our program was what was called program loans. And this was a new concept. The idea was that you would do a five-year plan, and that plan would have a lot of detail in it over peripheral programs, but the centerpiece of it would be where the economy of X developing country should go, and what macroeconomic policies would be necessary to lead it in that direction, and then you would negotiate those policies with the country on the basis of a loan that would be large enough to effect policy.

And we did that in Colombia that year. We produced a five-year plan in the mission and we negotiated with the government. I directed the production of the plan and I did most of the negotiating. The plan, I think, was fundamentally a sound one, and people, both on the Colombian side and our side, years afterward, said they were still following the direction we set out at that time.

The reason I mention this is because I found that in the AID business we did more long-term planning certainly than we did on the State Department side. We did annual policy papers and so forth, but they were really not planning papers on the State side, except for a period of time in the Latin America field. I'm sure it wasn't done to the same extent in the European field.

*Q: No, I'm sure it wasn't. Who were the ambassadors when you were there?*

EATON: Well, there were a number over the six-year period. We started out with a political appointee, Dempster McIntosh, who was, of course, completely ineffective.

*Q: Was he just inexperienced?*

EATON: Oh, he'd been ambassador in three posts, he had that experience, but he had little idea of what he was supposed to be doing or how to accomplish it, which is, of course, one of our pet peeves. He was a nice person, I liked him personally and all of that, but he was ineffective as ambassador. I went with him to see the president of Colombia once, I don't know, for some reasons, on some economic issue, Alberto Lleras, who was an extraordinary man, and the ambassador was so nervous at that meeting that he scarcely lasted through the meeting.

The subsequent ambassadors were Fulton Freeman, Tony Freeman, who, of course, was tremendously effective. Covey Oliver, another type of political appointee, he was a very able man with a legal background. But those were the three ambassadors.

*Q: With AID and the economic section, did you find that you were inhibited, or could you pretty well go ahead and do what you felt you should do within the embassy?*

EATON: Well, I was the deputy director of AID and I was in charge of the economic section, but as it worked out, AID occupied most of my time. So my deputy in the economic section really had to run the economic section, which was mainly a reporting function, although the commercial area was involved, too. The main problem there was having a person who felt confident in running the economic section without having to come back to me too much. And this was difficult at times because some of the younger officers were very bright and they worked more directly with me, because for the AID program, we needed to have financial analysis, and they did the financial analysis. So the interrelation was not all that easy, particularly for my deputy in the economic section, I think.

But in terms of the overall direction of the mission, I don't think there was a problem, because the AID issues were the big issues for the time, so the ambassador, particularly, was much involved in the AID issues. What we decided to do had to be approved by the ambassador. However, there was a great deal of independence by the missions. That is, in the case of AID, mission directors were given a lot of leeway on how they dealt with

problems and programs. We did a plan which was approved in Washington where funding came from Washington, but how we handled the negotiations and so forth was basically up to us.

I think we had a very successful period, both in setting up broad planning bases for what should be done for a period of a number of years but also in the negotiations themselves. The negotiations were sort of incremental. We would go through a negotiation one year for a loan, we'd make a little progress on economy policy, and then the next year we'd try to make more.

The two fundamental economic policy issues that we dealt with were an exchange rate and fiscal policy. We were trying to get the budget under control.

And I must say I laugh at the problems we have in the United States; they are so minor compared to the problems that a country like Colombia had to deal with to get its budget under control. These were minor problems and they'll be resolved eventually, but they should have been resolved a long time ago in our case.

The exchange rate was a very interesting issue, because the International Monetary Fund had favored fixed rates and had not yet moved to the idea that you should have flexible rates to move and to reflect the market. However, in the period of our negotiations with Colombia (and we negotiated in tandem with the International Monetary Fund, and the World Bank to a great degree; they had missions coming down, we discussed things with them, and we tried to take the same line), but one of the things that happened was that we moved off this fixation on the fixed rate. And we moved, I think for the first time, to the idea of what was called a crawling pegged rate that would move as relative rates of inflation moved, so that the country could be competitive with respect to exports. That occurred, I think, first in Colombia and later in Brazil.

In any event, the result... [TAPE ENDED] ...when it was clear that the stand we were taking in the negotiations might lead to the fall of the government and it might lead to a coup against the government.

*Q: Because your controls were getting tight?*

EATON: We were asking them to do something with respect to the exchange rate that they felt might lead to the fall of the government and that they were unwilling to do. But we were convinced if it wasn't done, that the economy of Colombia could never prosper, that the government would fall sooner or later or something would happen, and it would be equally bad in any event. So we made the conscious decision that we were going to stick with this. We were not going to provide a new program and funding unless there was this basic reform with respect to an exchange rate policy, also a fiscal policy but basically an exchange rate policy, even if the government fell over that.

Well, by that time I was back in Washington as deputy director of the Office of North Coast Affairs, which included Colombia, Venezuela, and then-British Guyana. And one day we received a message saying that a group of businessmen and political people had met with the Colombian president, and they had told him that he had to change the minister of finance and, thus, economic policy. A new minister of finance came in with the commitment to adopt the economic policy reforms that we had been advocating. So I wrote a note to Covey Oliver, as ambassador, and I said, "A coup has occurred. It's the one wanted, not the one we feared."

And it had. That had been a sea change in funding economy policy. This was 1965. They adopted the principle of a moving peg at the exchange rate. They had been in and out of austere fiscal policies, they adopted responsible fiscal policies.

And I am convinced that because of our efforts in this period of time and because of our firmness in negotiations, Colombia over the last twenty-five years has avoided the type of experience that Brazil and Argentina have had, and Peru and Bolivia and even Mexico, of periods of hyperinflation, with all of its political and social consequences, and of the accumulation of extraordinary debt. Colombia is a low-debt country because of this I am sure. So I think we made the major contribution.

And I think the Alliance for Progress, which is often denigrated as not having been effective, was very effective in Colombia. Colombia has very serious problems with the drug traffic, but that's a different issue. And Colombia, from their backsliding on economic policy from time to time, has not been perfect, but in general their economic policy line has been a very good one and their economy has done well. And I think we can say that we played a part in it.

*Q: Again, moving from sort of the megapicture to a minor picture, I'm also interested in some of the relations within the embassy, particularly because of your two hats. There was a period of time when AID employees were living on a different set of allowances and all. I never served in one of these countries at the time it happened, but there was a lot of unhappiness in that AID was living higher off the hog than the rest of the embassy. Was this happening in Columbia?*

EATON: No question about it, I lived much, much better. The AID people gave me their perks. I had a chauffeur, I had a better house, better furnishings. They provided the furnishings, which I wasn't provided. I wasn't provided two salaries, though.

*Q: How did this play within the embassy and with the ambassadors and the rest of the mission?*

EATON: Well, our accommodations weren't at a level to compete with the ambassador, and I didn't note any recriminations from anybody else in the embassy. I suppose my accommodations and perquisites were close to those of the DCM but perhaps not quite those of his.

*Q: What about staffing of AID? You'd been in and out of AID a number of times, how did you find recruitment for people for AID at this particular time?*

EATON: I was very impressed by the AID people. This was a period of high morale and the early Alliance for Progress period. Very good people came in from legal careers and other careers who felt that this was something that was important to do.

*Q: This was sort of a reflection of the Kennedy era.*

EATON: Yes, for instance, our housing man was a person who had made a fortune in housing. Not that he was a man who enjoyed conspicuous consumption, he was not, but he had made a fortune and was independently wealthy. But he wanted to do something that made a contribution, and so he joined AID. He was a great person. He did a marvelous job in the housing field for us. We had a couple of young lawyers, one of whom eventually replaced me as deputy director, who could have commanded much higher salaries in the legal profession, but they decided they wanted to do this. They went on to command much higher salaries later. We had very good people, very good people in AID. I was very impressed.

You had the feeling that you were actually doing something--and you were. Things happened, you affected events. It was a period in history when you could, in countries like this.

*Q: You then left Bogotá and went to ARA to be the deputy director of North Coast Affairs. Besides the Colombian thing, was there anything else we should touch on there?*

EATON: I don't think so. That was rather brief, because there was the idea of having a summit between President Johnson and the Latin American presidents. This was Walt Rostow's idea. There was a feeling that, after Kennedy, who had some progress, AID lost some of its bloom and there could be a renewal through a summit meeting. So after a year as deputy director of North Coasts Affairs, I became sort of the chief of staff person for preparations for the summit meeting.

That was an interesting exercise, and I went all over Latin America with Sol Linowitz, who came in at that period of time as ambassador to the OAS to make sure the summit was well organized and had a reasonable purpose and was successful. It was an interesting year.

The summit...well, times changed. The summit was successful in a limited sense. It occurred. The presidents met, which was unusual. An American president usually didn't spend that much time with Latin Americans at that time (George Bush is an exception). And that was appreciated. But nothing really came from it that affected the future very much.

*Q: With the Alliance for Progress, did you have the feeling that the impetus was going down?*

EATON: Oh, yes. Yes. Well, I always believed that it should be temporary. I did not think we should be that deeply involved in the affairs of the countries of Latin America for very long. In the case of Colombia, I thought we could be involved for four or five years, but then we should really get out.

As a matter of fact, that was part of the argument when I came back to Washington. I argued that it was time to reduce our presence in Colombia, after the success of that negotiation, and turn it more over to the Fund and the Bank. And Lincoln Gordon didn't agree with me. But eventually one of the Colombian presidents decided on his own that it was time for us to reduce our presence. We could have done it more gracefully if we had withdrawn a bit earlier, but he decided it for us, and he was right I think.

*Q: Then you moved back to Latin America. Where did you go then and what were you doing?*

EATON: I went to War College. And after War College, I had two options. I could have become director of an office in ARA or gone to Peru as AID director. And I made a career decision that many people would say was the wrong one, because I decided I'd go to Peru as AID director. It probably was the wrong one, from a career point of view. It got me away from a Foreign Service career and a little out of sight. If I'd stayed as an office director, that might have led to a different career path. But I can't complain at this point.

Anyway, I went to Lima as AID director. I had found the AID work very stimulating, very interesting. We hoped that we could do something in Peru. Our AID program was tied up over conditionality, much of which was nondevelopment-related conditionality over the solution of a nationalization of an oil company, conditionality over purchases of armament, airplanes. And I hoped to go to Peru and get our program moving again and resolve these conditionality issues. And I liked Peru, it was a place I wanted to do some things.

We went down and worked out a program. I brought it back to Washington to sell in Washington. By that time I knew something about the bureaucracy, and I think I got it agreed to, and we had gotten over the conditionality humps and were going to go ahead with a significant program in Peru, which I thought could have some effect on the future of Peru.

I was ready to go back, when on October 2, 1968, there was a coup in Peru and President Belaúnde was overthrown--for two reasons. One is that he had reached a settlement with the International Petroleum Company which was controversial. And the second was that he had not rewarded one of the military officers who thought he should be minister of defense or chief of staff with that job. He passed him over, and that fellow wasn't ready to be passed over, so he decided take over.



And so he did. He was very nationalistic and he wanted to bait the United States. His own foreign associations had been mainly with the French. He came from a part of the country where the International Petroleum Company had been operating; he felt very strongly on their role in the country and he wanted to penalize them.

So when I went back, the job of AID director was basically a defensive one.

*Q: You were up against the Hickenlooper Amendment, weren't you?*

EATON: We were up against the Hickenlooper Amendment, we had to negotiate on that. And also we got constant sniping from the Peruvian government on aspects of our program. We had to defend what was going on. So there wasn't much constructive one could do.

*Q: Just to get a little feel for this, it must have been... I mean, after all, you were there in order to aid the Peruvians. You have a government, coup or no coup, however it came in, it was a government giving you a difficult time. What was our feeling? Why didn't we say the hell with it and just pack up and leave?*

EATON: Quixotes, you know. We think we have an obligation to do something for Latin countries, I guess. We were looking for the longer term also. Of course, we could have done that, but we were looking for the longer term. We wanted to do something for Peru and...

*Q: When you say "defensive," what does it mean when we're being defensive on an AID program?*

EATON: Well, the government ginned up charges, for instance, against road contractors. And I had to spend a lot of time making sure that we responded adequately to those charges. The Hickenlooper thing, how to avoid imposition of the Hickenlooper Amendment.

*Q: We have a long interview (I didn't do it, it was done in California) with Ernest Siracusa...*

EATON: We were there together.

*Q: ...on this issue and the machinations that went on. And it included going up and seeing President Nixon to try to...*

EATON: Ernie was heavily involved in that, of course. John Irwin, who was later Under Secretary of state, was appointed to negotiate and came down and we talked with him about it.

In any event, it was frustrating. So I decided that, even though living in Lima was very comfortable and I enjoyed it, I was spinning my wheels and that it was time for me to return to a regular Foreign Service job. And so I wrote my friend in Washington and said, well, see if something can come up. So I went to Quito as DCM. Although that wasn't what I had in mind, that's what they decided.

*Q: What was the political situation in Quito at the time?*

EATON: Perhaps I should say one more thing about the experience in Lima before we go to Ecuador.

Nixon came in and he asked Rockefeller to go around Latin America and do a report. So, in the AID mission in Lima, we developed recommendations. And I developed recommendations. I had strong ideas as to what should be done, and one of them was to work hard to reduce the nondevelopment-related conditionality on AID programs. After all, the whole concept of AID programs is to provide effective development of systems, the purpose is not to achieve other objectives, and that we ought to improve the focus of them. And so we spent a lot of time on recommendations which we provided to the Rockefeller mission. Insofar as I know, they were never read, never taken into account. And the final Rockefeller report, I thought, was worthless. Worthless, absolutely worthless.

*Q: Do you have any idea why it was worthless?*

EATON: Well, I think that the people who were involved in writing it were inexperienced staff people for Rockefeller. He himself had little concept, although he had a lot to do with Latin America, of what the issues of the time were.

I got to Quito and the ambassador there said, "Have you read the Rockefeller report?"

And I said, "I have."

He said, "Isn't it great?"

And I said, "No, it's lousy."

It really was. Disillusioning. Rockefeller had an excellent reputation with respect particularly to the role he played in Latin America. He certainly, to my mind, did not live up to that reputation in this report.

*Q: In Quito, who was the ambassador there?*

EATON: Edson Sessions. I had known him in Thailand. He had been AID director in Thailand when I was there. He was a friend of Everett Dirksen.

*Q: Everett Dirksen, by the way, was the head of the Republican Party in the Senate.*

EATON: Edson Sessions was a very talented, bright engineer and a good businessman, who had made a fortune in difficult years as an engineering consultant in Chicago and then gone on to other things. He had been AID director in Thailand. He'd been ambassador in Finland. He had been deputy postmaster general. He retired after each of these jobs and got bored and then went to see his friend, Everett Dirksen, and asked for a new appointment, and he got it.

He was a very interesting person to work with and a very able man, but he was miscast as ambassador to Quito. He had no idea. He didn't speak the language, couldn't communicate with the people there. He did very well when he was in a session with somebody with an interpreter.

His view of the issues was curious. For instance, he once told me that he thought that his principal role in Ecuador should be to persuade the Ecuadorians to adopt English as their national language.

*Q: Good God!*

EATON: You know, that is an indicative in outlook. An indicative of why we are right in having a peeve over the consideration that goes into political appointing.

*Q: Well, what was your role as deputy chief of mission then?*

EATON: Well, he had had an illness and was somewhat constrained because of that. He and I had a very good relationship. And he was a good businessman--he knew how to delegate, so he let me do a lot. And he wasn't there very long after I arrived. A few months later, he left and I was chargé.

*Q: You were there about a year and a half?*

EATON: Not that long, less than a year.

*Q: In this very short period, were there any principal concerns with the Ecuadorian government?*

EATON: Not great concerns. I guess one of the primary concerns was a consular one, the problem of Ecuadorians wanting to come to the United States. Our consulate was besieged (you can appreciate this) by Ecuadorians, many of them recommended by important families, who obviously wanted to come to the United States to stay even though they said they wanted to come temporarily. And some of these families got the foreign office to support this. So the consul was under great pressure and one had to resist that.

I remember one incident which was very interesting. It was a case of two Ecuadorians who came to the States. They were separated out at Miami and questioned, because they were in transit, apparently, in Miami, and then they were going to be in transit in New York, and then they were going on to Canada. But there was something about their record that made the immigration authorities believe that they were not really in transit. So they were returned to Ecuador and they were not permitted to go on to New York.

They knew somebody, who protested to the Foreign Ministry, and the Under Secretary of foreign affairs called the ambassador and myself in protest to us that they had been mistreated and that their intentions were just to go on in transit to Canada. So the ambassador, who was very good on this type of issue, said, "Well, we'll look into it very carefully, of course." So he asked me to do that.

We asked the immigration authorities to describe to us very precisely what had occurred and to tell us exactly why they had done what they did. And after we got all of the background we could, I invited the two men to come into my office, along with a consul, and I said, "I want to go over what happened with you. And, certainly, if anything happened that's untoward, we want to do what we can to amend what has occurred."

But in the process, we drew them out, and one of them (who was less wise than the other), said, "Oh, we weren't doing anything wrong. All we wanted to do was to get on to New York, and then we were going to visit with our family and stay there, and then we were going to go to work." Well, that was the end of the story. So we duly reported back to the Foreign Ministry. There were a lot of things like this that went on.

*Q: You came back to Washington then in 1970. Why was it such a short assignment? Was a new ambassador coming in?*

EATON: Well, I was assigned to Quito in part because we did have a political ambassador who didn't know Spanish and who had been ill, and they needed somebody who was experienced. And also they decided they needed a place for me and they didn't have anything else at the moment, I guess. But when the new ambassador was assigned, he was an experienced Foreign Service officer.

*Q: Who was that?*

EATON: Findley Burns. Quito was not a challenging post. It was a nice place to live, and pleasant, but it wasn't a challenging place and it did not seem that there would be enough work for both of us. So I began to look around for other things. It turned out that they were looking for a Latin Americanist on the planning staff, so I applied for that. I applied for that, actually, fairly early on. But that was the reason; Quito wasn't going to be challenging enough.

*Q: You were on the policy planning staff from 1970 to '74. Were there any particular major issues that you were dealing with during that period?*

EATON: Well, there are two things worth mentioning. One was that we did a policy review for Latin America, which was done, of course, mainly by the Latin American Bureau. John Crimmins, who was deputy assistant secretary, was the leader for the Latin American Bureau at that. But I worked on it a great deal and I think the product was a very good one. And the part of it that I worked most on was a definition of our interest in Latin America. The definition of the concept of foreign affairs interest, in the first place, and the definition of our particular interest in Latin America. So that was an interesting exercise--not world shaking but interesting.

When the paper was taken to the National Security Council...

*Q: I was going to ask about this. I figure Henry Kissinger at that time was at his peak as national security advisor.*

EATON: Well, you know, I have high regard for Henry Kissinger in his role as national security advisor, because I think he brought a great deal of discipline into the planning and policy process. We were forced to produce perhaps the best papers in the history of the department. And we were forced to begin with an interest section. So I think his approach was excellent, and I think what we produced was very good.

It was very thick, though. I went to the session of the National Security Council and staff where it was considered, and Helms, the CIA director, came in and he said, "You know, I think I've read more than I need to know."

Anyway, all I would say about it is I think the process was a very good one. Regardless of what was done with the paper in the end, the process of producing it was a very good one.

*Q: Well, this often is an important thing, it helps focus. Just to get a little feel for the concept, were we trying to put things in a focus of East-West Communist subversion? Was this the major focus?*

EATON: No. No, no.

*Q: What were American interests?*

EATON: We were trying to have a new focus of a so-called mature partnership. A partnership with the Latin Americans in which they would take greater responsibility for their own affairs and our profile would be reduced, which I favored. Now the whole theory of this was that we had made a significant effort in the Alliance for Progress period; that for a variety of reasons, that could not be continued; and that now it was time to shift to a more equal partnership. Which was fine except that there were other matters that intervened.

There is another event that occurred in this period of time that I think would be very interesting to people interested in a Foreign Service career and in foreign affairs. And this I describe as: The Exposure of a Foreign Service Officer to Domestic Politics.

President Echeverría of Mexico came to the United States and addressed the Joint Session of Congress. During his address, he said, "You're a great country. You can go to the moon, but you can't resolve a simple problem with your neighbor, which is the salinity of the Colorado River going into Mexico, which is damaging a large agricultural area of ours."

And, of course, he was right. This had been a problem that had been plaguing our relations for decades. The history of the problem was that there had been a treaty agreement in 1943, which allocated, under agreement with Mexico, a specified minimum quantity of water from the Colorado River to Mexico. And this assured that, despite all of the new development that went on in the Upper Colorado, Mexico would always get at least a minimum amount of water, which it needed for the irrigation of its agricultural lands.

It specified the quantity but did not specify the quality of the water. And this, particularly after the Second World War, became an issue, because the Colorado River area developed and, after the Second World War, in Arizona, a new irrigation district, called the Wellton Mohawk District, was opened to provide lands for returning veterans. This resulted in greater saline drainage into the Colorado River close to the Mexican border and increased the salinity of the water to the point that Mexican agriculture was damaged.

For a number of years, Mexican presidents raised this with American presidents: they raised it with Eisenhower, they raised it with Kennedy, they raised it with Johnson. And always the solutions were debated and partial remedies that were ineffective were put into effect.

It was a very difficult issue to deal with, because the water interests in the West were very well organized. And they were organized, as you may know, under a group called the Committee of Fourteen, which was a group of seven lawyers and seven engineers, one from each of the seven Colorado River Basin states. The Committee of Fourteen dealt with Colorado River water issues for the governors of the seven states. And those people knew every issue in great detail, and all the history, and they protected that water with all of their professional expertise.

And the bureaucrats from Washington, who were somewhat transient, could never match their expertise. And so, when each president was faced with this, he turned it over to the bureaucracy. And the bureaucracy got beaten down by the Committee of Fourteen to the point where the solutions that were offered were not solutions.

So President Nixon decided he wanted to deal with this problem when Echeverría made this speech to Congress, and he promised Echeverría that he would do so.

So he called Herbert Brownell, who had been attorney general when he was vice president under Eisenhower, and who had been Eisenhower's behind-the-scenes campaign manager, and whom he actually had asked to be his campaign manager but Brownell was otherwise occupied. At that time, Brownell had said, "I can't do this, but I'll be available to help on issues as they arise if you need me." So Nixon called him and said, "I have this problem, could you help me solve it?"

And so Brownell was appointed as his person to develop a response, and I was asked to be Brownell's staff person in Washington. Brownell would come to Washington one day a week, and I would have staff papers prepared, and we had an interagency group that would meet every Thursday.

The interagency group consisted of people from the Department of Interior, the Department of the Army, the Department of Agriculture, the State Department, the National Security Council, the Bureau of the Budget and so forth.

So we went about this in a very systematic manner. I did this full time. I had three people, a couple of secretaries, a staff aide, and somebody from the Department of Interior, in the office that I worked out of. We systematically reviewed all the options. We met with the Committee of Fourteen, we met with the governors of the Colorado River Basin states, and we went to Mexico and met with the Mexicans.

We tried to be very careful to consider every option. We even considered the rainmaking option or snowmaking option and decided against it (although the snowmakers and rainmakers guaranteed they could get more water), because we decided, in the first place, we could never prove that they had gotten more water from that, and, in the second place, if we did, some person might sue us--some people didn't want more water and they could sue us. We considered improved irrigation practices, all sorts of things. And we considered the argument made by the Bureau of the Budget that there was enough water, and that all we had to do was provide more water to Mexico, diluting what they were currently getting so the salinity would drop. We met from September to December. At the end of December, we sent a report to the president with our recommendations.

The report had two options. One was the Bureau of the Budget option, the OMB option, and that was to spend water from the various dams, because they insisted that there would be enough water indefinitely, and combine that with better irrigation practices. And the other was to spend dollars to build a desalinization plant (between three and four hundred million dollars) to treat the water out of the Wellton Mohawk District and thus reach a point where you could guarantee Mexico a certain quality of water.

We recommended the desalinization project, because we were certain that we could never get a political agreement to spending water. So we sent this report to the president with our recommendation. That was December 31; he had asked us to give him a recommendation in that time.

Weeks passed, months passed, we never heard anything. Brownell was occupied with other things. And then one day I got a call from the National Security accounting staff who said that Secretary of State Rogers is going to Mexico, and he has told us that he cannot go without a response to President Echeverría on this issue. We have been looking for your paper. We had trouble finding it, but we finally found it. It had gone forward to the president, with Kissinger supporting Brownell's recommendation, but it had been waylaid by the Office of Management and Budget, who had gotten to the president's doorkeeper, Haldeman. The Office of Management and Budget had gone behind our backs to him and told him to pigeonhole it, and he had pigeonholed it, and it had never gone to the president. But we have retrieved it and we are scheduling a meeting with Roy Ash, the head of the Office of Management and Budget, in two days, to discuss this (Brownell was in Iran), and could you come? Kissinger's out of the country, so it will be Brent Scowcroft, who was the deputy, yourself, Roy Ash, and John Sawhill, who was then in the Office of Management and Budget and later became energy czar and president of a New York university, who was the expert in this area.

So the four of us met for an hour and a half to discuss this paper. Roy Ash came from California and he knew about the issues, and he and Sawhill tried very hard to convince us that there was water available and we ought to spend water rather than money. Brent Scowcroft, of course, didn't have much background. But I said, "Well, fine--if you can deliver the Committee of Fourteen and the seven governors. But nobody can. And therefore if we're going to solve the problem, we only have one option politically." In the end, Ash agreed there was no other option. So he sent the recommendation on to the president, the president approved it and then he appointed Brownell as the negotiator with the Mexicans. So Brownell and I spent the next year going back and forth to Mexico, in continuous consultation with the Committee of Fourteen, negotiating with the Mexicans on the level of salinity that we would agree to and how we would achieve it. Well, we knew how we would achieve it in the meantime until the desalinization plant was completed.

We completed those negotiations successfully, and we got an agreement the Mexicans agreed to and the seven basin states agreed to, and we went out to San Clemente to report to the president. And there was going to be a press conference which Brownell was going to have afterwards, to announce the success of the negotiations; it was all choreographed.

Brownell and Scowcroft and I were to go in to see the president to report the success of the negotiations. So we were sitting there, and the president sent word out that he wanted to see Brownell alone. So Brent Scowcroft and I sat and waited. This was at twelve o'clock and the press conference was supposed to be at twelve-thirty.

At one-fifteen, Brownell came out, and we got into the car and rushed to the hotel where the press conference was going to be. And Brownell said, "Would you believe it, I'm with the president for an hour and fifteen minutes and we spent three minutes on the negotiations with Mexico. He's very preoccupied about what he's going to do with his



vice president (Agnew), but, of course, he agrees with what we have done, and so I will announce it at the press conference."

But I go through all of this as an indication of something that Foreign Service people sometimes don't fully appreciate and don't fully experience, and that is how much the domestic political considerations impinge on what we try to do.

*Q: I know, particularly on things which move up to the higher levels. All of a sudden, there's a whole different agenda.*

EATON: That was an extraordinarily interesting experience, the bureaucratic interplay as we went along--in the Office of Management and Budget; within the Department of Interior, the staff level of the Department of Interior supported our recommendations; the secretary of the interior told us to our face that he would support us and then did not, and all sorts of things like that--very interesting, fascinating.

*Q: After leaving that, then at last you got to Europe. Your wife must have been delighted.*

EATON: I'll say she was. Well, I felt that I had spent so long on Latin American affairs that it was time to change. Jack Kubisch, who came in as assistant secretary for Latin American affairs, asked me whether I wanted a small embassy or a big DCMship, and I said, "I want a big DCMship and I want to go to Europe." But nothing turned up.

So then he began to explore in Latin America and he said, "Well, you can go to Argentina." And I said, "Well, fine, I'll go to Argentina." The ambassador who was going to Argentina apparently had agreed, but then there was a change in ambassadors, and the ambassador who finally went to Argentina had his own choice, so Argentina was out. So I was in limbo, I didn't have an assignment.

So then Kubisch proposed Brazil. I had served in Brazil and I didn't want to go to Brasilia. But at that point there was no alternative, so I accepted Brasilia. It wasn't that Brazil wouldn't have been an interesting professional assignment, but I had spent so many years on Latin America, and Brasilia was a very unexciting place, so I didn't really want to go, but I was going to go.

The packers were coming in on a Wednesday, when, late in the afternoon on Monday, I was called by Matt Davis, who was director general of the Foreign Service, and he said, "Sam, we think the new global personnel policy applies to you and that you should be assigned out-of-area, not in-area."

And I said, "Matt, that's what I've been trying to tell you, and I want to go to Europe. But the packers are coming day after tomorrow, and if there's going to be a change, you better tell me fairly quickly so I can tell them."

"Well," he said, "I know you want to go to Europe, we'll try to get you an assignment in Europe."

And I said, "What do I tell the packers?"

He said, "Well, tell them to hold off a while. But you better still take Portuguese lessons."

So we called the packers. They said they understood, they'd gone through this a lot with the Foreign Service.

So we waited, and I was interviewed for three DCMships in Europe. I don't think any of the ambassadors wanted me, because they didn't know me, I was from out of the area and so forth.

But finally Davis decided that I should go to Spain. And he overruled the ambassador, Admiral Rivero, who didn't want me. And one of my colleagues said, "Aren't you afraid of what's going to happen to your career, going to a place where the ambassador doesn't want you?" And I said, "I'll take the risk. I'd really enjoy going to Spain."

Davis really had a long battle with Rivero before he finally got him to agree, because he had selected his own person and he wanted that person.

*Q: Spain and Portugal have both had former admirals as their ambassador there, which is sort of...*

EATON: Well, so off I went to Spain, to an embassy where I wasn't wanted by the ambassador. I met him here before I went. He was a very interesting person and I admired him. He was a very able man, very intelligent, very smart.

But he made a mistake and he didn't last very long. He had been deputy chief of naval operations and he thought he knew, and he did know, security issues. We were coming up on base negotiations, and he decided he knew what the outcome of those base negotiations should be. So, well before the negotiations and before I arrived, he had told the joint chiefs of staff and anybody who would listen in Washington that it was time for us to give up one of the bases, Torrejon, and that's the way that the negotiations...

*Q: Torrejon being the major air base outside of...*

EATON: Madrid, which, fifteen years later, we are in the process of giving up. But nobody had a mind to give it up at that time. And so it was very quickly decided in Washington that he was not a man to stay around and that, moreover, he shouldn't conduct the negotiations. But I thought he was awfully good, and I thought he was right on this--eventually we were going to give up Torrejon. But from the point of view of the Washington policymakers and the bureaucracy, this wasn't the time.

*Q: Particularly because it was an Air Force base and he was an admiral.*

EATON: Exactly. But also he did not report, and, of course, reporting is the life blood of the Foreign Service. But he was used to the Navy and being in charge of his ship; he ran the ship and he didn't have to tell anybody how he did it. And he had very good access to the top people in the Spanish government and he concentrated on that. He had excellent access to Franco and to the prince, and he would see them, and then he wouldn't report. He would tell me what happened, but he said, "I'm not going to report this, because, you know, nothing is confidential, you can't really protect it. We know how to operate under them, but..." But that made people in Washington think he wasn't doing anything. Well, he was.

And one of the things he was doing (and the main thing I would like to talk about) is that he was beginning, slowly, the preparations for our future relationships with Spain. Because there were really two major issues before us at that time in Spain. One was the base negotiations, which were coming up; they came up every five years, and they were coming up. And the other was how to prepare for a relationship with Spain after Franco, who had been ill for a long time. Although people began to wonder if he wasn't going to live forever, it was obvious that someday he would go, and so it was very important to begin to prepare for the future by broadening the contacts of the embassy.

The embassy had been very insular and had been very limited in its contacts under Bob Hill, one of the previous ambassadors. But Rivero, to his credit, recognized, on his own, nobody gave him any instructions...

As a matter of fact, what I found curious in the European Bureau was that you didn't think through these things as we had customarily in Latin America. You didn't have this policy planning rigmarole which you went through, which meant that you dealt with these issues, intellectually at least, every year. Nobody ever, to my knowledge, debated this issue.

But Rivero had come to his own conclusion, and he began to have the embassy broaden its contacts, which I thought was obviously the thing that ought to be done.

Well, he was recalled after I had been there three or four months, and I was chargé for several months. During that period of time, I proceeded as he had been doing and expanded our contacts. We entered into a program of trying to identify the people who would be important in the future, and systematically seeing them. I would invite them to lunch, along with our political counselor or our economic counselor, whomever, to get to know them, get to know what they were thinking and so forth. Then one day, the head of the American division of the foreign office called me and said, "Sam, I have something important I need to talk to you about. So let's have lunch and talk about it." He said, "Invite me to lunch."

So I invited him to lunch, and he said, "It has been noted in the government that the embassy is having contacts with really some rather dangerous people, Socialists even, and people who are very much in opposition to the government and what it's trying to do. And we don't believe that's appropriate and proper."

And I had to disagree. I felt that was an appropriate role for an embassy, to have broad contacts. I said, "We're not having contacts with the Communists, and we will not have contacts with the Communists, but I believe that it is a proper function, and the function that we should have, to have contacts with all other groups in the society."

We went back and forth on this, with no conclusion. And I think he was making a pro forma complaint, so far as he was concerned, because I later learned that he was personally close to some of the people that we were seeing. So I let it drop, I didn't even report it, and we just left it there.

But then, about a couple of months later, an assistant secretary, or a deputy assistant secretary, for international security affairs in the Department of Defense came through, who had served in Spain and was close to people in Spain, and they gave him an earful on this. He said to me, "Sam, I think you shouldn't be doing this."

And I said, "Harry, I think I should be doing it, and I will continue to do it unless we're instructed otherwise."

And so he came back to Washington and he complained to the State Department, to as many people as he could. And so I got a letter from the office director, describing what had occurred and asking me to explain my position. So I took my time answering the letter, but I told him my reasoning and I said I think that Harry Berghold is entirely off base, that he's wrong and that this is the policy that we should be following, and I intend to follow it unless I'm instructed otherwise.

I never heard anything more and we continued. But I am sure that if the point had been raised officially, there would have been all sorts of heartburn over it, it would have been debated endlessly, and it would have been very difficult to get clear instructions.

*Q: Well, I mean, you're talking about a couple of things, for somebody who's looking at this. One, hearing you describe this, it seems as though this were part of the, you might say, the coziness of the relationship between our military and the...because we considered Spain a vital base at that time, that don't rock the boat, and stay, which has often proved to be such a dead end in places.*

EATON: That's part of it. But my view on that was that the people we were dealing with were temporary and they were going to change, and our long-term relationship would be much more solid if we developed a basis for it.

In any event, Wells Stabler came as ambassador. He was an outstanding professional. And he, quietly, without fuss, continued. We never really discussed it, but he continued the same policy and broadened it. He managed it himself. He and the political counselor developed contacts with Socialists, and I continued my role of helping the political counselor and the economic counselor and others meet with the young leadership that was developing.

And the result of this was that when Franco died and the prince became king, of the first three Cabinets that the king had, about two-thirds of the ministers in those cabinets had been in my house for lunch before and we knew them.

I called on the new Under Secretary of state for foreign affairs, to congratulate him on his position in the first cabinet. He came from the opposition. He had been with the Franco government, and then he had left it, in opposition to it, and he had become quite an articulate writer against it. I congratulated him on his new appointment, and he said, "I want you to know one thing. We're going to disagree on some things. We're going to have some issues on which we disagree. But I will always appreciate the contacts you maintained with us when we were in opposition."

Now that, I take, is only one indication of the value of what we did.

*Q: Well, obviously the word was out, too. I mean, what you were doing was not done in a vacuum.*

EATON: Oh, correct. Everybody knew in Spain what was going on. Not a lot could be published, but you could read between the lines. People knew what was going on, what people were doing. It was sort of like criminology.

*Q: Here is something really very interesting, starting with Admiral Rivero and your carrying it through, really a change in policy. In other words, we're going to open up and not be captive, to make sure that we keep the Franco people, but yet, probably if somebody were to look at the official documents, nothing's going to appear on them. If somebody's complaining, a letter comes to you, you write a letter back, and the only paper trail is sort of this unofficial informal or something.*

EATON: There's nothing on it.

*Q: Plus the fact that by never raising it...*

EATON: It was never debated.

*Q: You never debated, which is probably just as well.*

EATON: I think it was just as well, because I can *imagine* all the heat that would have come out of this debate, and we would have done nothing while we were waiting for the answer, and then the final answer would have tried to micromanage what we did.

*Q: You're sending in who your guest list would be. No, but I think it's very, very important for somebody who's looking at the documents to understand. This is the sort of thing I think that oral history can illuminate, because it's just not going to get in the paper trail.*

EATON: It's the sort of thing where if you're experienced enough and sure enough of yourself, you would and should handle it this way. But you can be very wrong, too.

*Q: Oh, yes, it can go the other way. I'm looking more at the system than at the actual thing. This is the type of thing where often there are undercurrents going on that just aren't going to appear in the official documentation. Were there any other major things? This, of course, is an extremely major thing that was happening in that particular time that you were there.*

EATON: Well, I think that that was the major thing. And the base negotiations were significant. And why Spain did as well as it did, contrary to the expectations of so many people. But I've written a book about that.

*Q: Could you give the name of the book and where it was published and dates and all.*

EATON: It's called *The Forces of Freedom in Spain, 1974-'79*. And it was published in 1981 by the Hoover Institute. But this is the product of the four-year experience there--the last year of Franco and the first three years of the king and democracy-- and it's an explanation of the forces at work and why the transition went as well as it did.

One was so full of this, because, after all, we had systematically met with the people who were involved. We participated in their discussions. That is, at least we listened to them talk and think out loud about how they would face issues. So at the end of the four years, I did want to write about it. And I did. And I didn't have to do the research, it had been done over the four years. So I'm very pleased with it. It was published, and it's in a certain number of libraries, but it's not...

*Q: Well, that's actually what you're trying to do.*

EATON: Actually, it's been translated into Spanish, and it's in the USIS libraries in Latin America, also, in Spanish.

*Q: Well, you came back for a tour in Latin American Affairs again. What were you doing?*

EATON: I was deputy assistant secretary for Latin American Affairs and my responsibilities were the South American countries. And since most of the focus was on Central America in that period, I had more of a free hand.

There are two things in that period of time that I think are of particular interest, that stand out in my mind. And then comes the end of my career.

One was the hostage-taking in Bogotá, Diego Asencio and the other ambassadors taken hostage by the M-19 terrorist group at the Dominican Republic Embassy.

I think the handling of that case should be studied as an example of how hostage issues should be dealt with. Every one is a bit different, I guess, but I think, generally speaking, time is on the side of the hostages, not the people who take them hostage, unless they're an irrational, violent group. And this is perhaps not appreciated. We're an impatient people and we want to do things right away, but it's difficult to do.

In this case, well, Diego, of course, was the greatest possible hostage.

*Q: Yes, you couldn't pick a better person.*

EATON: He handled himself marvelously.

*Q: He, by the way, wrote a book called Our Man Inside.*

EATON: Yes, I know. I haven't read it, but I know he did that.

In Washington, the people who had the responsibility for our day-to-day response to this were myself and Tony Quainton. Tony Quainton was director of the office of antiterrorism at that time, and I was deputy assistant secretary. Tony ran the task force that responded, and Tony and I were in contact all the time on their actions.

And the man who handled the response in Colombia was the president of Colombia, Turbay, who handled it personally. We had contact with Turbay through two methods. One was through a chargé, Frank Kreiger, who was very, very good. And the other was through the Colombian ambassador here in Washington, Virgilio Barco, who later, of course, became president of Colombia and has just left the presidency, and who was also a liberal politician whom I had known since my AID times in Colombia when he had been minister of agriculture. But I could call Barco at any time, and Barco would call Turbay if the contact through our chargé, Kreiger, was for one reason or another not appropriate or... So we had instant contact, almost, with the president of the Colombian government on this.

The Colombian government correctly took the point of view that, while they surrounded the Dominican Embassy residence with police and troops, they were not going to move in

unless they felt the hostages were in physical danger. And they told the guerrilla group that that was the policy.

And we approved that policy, we agreed with that. We took the position, of course, that we were not going to try to negotiate with those who had taken the hostages, that our basic policy was that you don't do that, that you're not going to pay them off, because that merely encourages future such incidents.

Some of the other countries were less than firm on that; they were prepared to pay off.

The Colombian government took that position also. However, they established a negotiating process. They appointed negotiators who met, in a van outside the residence, with the representative of the guerilla group, a young woman whom Diego and the Mexican ambassador became friends with and whom they would sort of counsel, actually.

In any event, all of this went like that, with established policy, and good contacts with the Colombian government, and daily reporting to the top on what was going on, to the secretary and to the president.

Everything was going fine, but time passed. And as time passed, the families got more and more upset, and the pressures grew on the top to do something. And so the president decided he should have a review of the situation, and there was a National Security Council staff meeting. Brzezinski was out of town, his deputy was out of town, so Dave Newsom, curiously, chaired them, and Tony Quainton and I wound up as the staff people.

At that meeting, a military aide in the White House presented the case for the use of a SWAT team. He described how it was done and he said, "We can do this in a few minutes, with no casualties." He said, "We know we can do it. We've studied it and we know we can do it."

Graham Crater, who was deputy secretary of defense, said, "Let's go. Let's do it. This is what we should do. We should have done it a long time ago." The Latin Americanist on the National Security staff argued for it. I don't know whether he was doing this just to be a devil's advocate or whether he really believed it. Tony Quainton was equivocal, and I think he crippled his position.

But I argued as strongly as I could against it. I said, "There's no guarantee that you won't have any casualties. The first casualty will be our ambassador. Moreover, I think our policy will work. Give it time."

And I was supported by the head of CIA, Admiral [Turner?]. He, of course, was much more effective than I was, because he was in a much higher position, and told them, "You don't know whether this will work or not, and it's a big risk."

Well, we left that meeting and drove back to the department with Dave Newsom. And I said, "Dave, I'm really uncomfortable about this. It would be an absolute disaster if the



president checks the wrong box of his night reading. I want to be assured that we'll have the right of appeal if he makes the wrong decision."

So Dave said, "Well, we're going to have a chance to look at the recommendations that go to him."

And so we did and put in what we could. Fortunately, he made the right decision and came back saying we should have a SWAT team in readiness but we should not act.

Later I told Diego about this and Diego said, "You were absolutely right. I would have been the first to go. I would have been dead."

And the Colombians handled it beautifully. There were three issues. One was release of the so-called political prisoners, the M-19 terrorist prisoners, from jail. The second was free passage of the terrorist group who had done the hostage-taking, out of the country. And the third was to give them some money.

Well, the Colombians finessed the principal issue in a very brilliant way. They invited the Inter-American Human Rights Commission to send observers to the trials of the M-19 prisoners. Prior to that, somebody from the Inter-American Human Rights Commission had had contact with the M-19 and gained their confidence. So the M-19 eventually agreed that, rather than having a release of their colleagues from prison, they would have trials observed by the Inter-American Human Rights Commission.

Then the Colombians, without our saying yea or nay, agreed to safe passage of both the hostage-takers and the hostages out of the country.

I don't know who paid the money. We did not. We did not agree to that. But somebody paid some money. I think it was the Venezuelans.

So, I don't know how long it was after it happened, but it was resolved and Diego and the rest of them came out all right.

*Q: It was at least a month, I think, wasn't it?*

EATON: It was at least a month and it probably was longer. But it could have ended in disaster, it could have ended in disaster.

*Q: This often is the case, where the military assures things that they can't assure. It's part of their training.*

EATON: Some military. Some military are very conservative, and I would guess that if this issue had been debated further within the military, this young man might have...well, I don't know--Graham Crater, after all, was the Under Secretary of defense.

*Q: You were mentioning one other thing that you were dealing with.*

EATON: Well, the other thing is one of the basic issues of the Carter administration, and that was support for democracy, which became a basic tenet of the Reagan administration later, and also the Carter administration, greater emphasis on human rights.

I'd say, with respect to human rights (although I did not always agree, I thought we were a little strident at times), that on one visit to Argentina in that period, a labor leader called on me in the embassy, and he really registered with me, because he said, "I want you to know that I have never been in the American Embassy before. And I want you to know I never would have come before. But I'm coming this time because, were it not for your policies, I would be dead." That was rather persuasive.

*Q: I have to say that, looking in some retrospect, this was a major turnaround and, while it did seem to be intrusive into things that weren't foreign policy, it probably had a great effect in the world.*

EATON: I think so. Well, I thought we overdid it. I was in agreement with the general line of the policy, but I thought we overdid it. But I must say I was impressed when I...

There were ten countries that I followed in my responsibility, and Bolivia was the smallest except for Paraguay--second smallest and second...--and yet it took up the biggest part of our time.

But I'm proud of how we handled that... We were trying to prevent a coup in Bolivia; there was a very shaky elected government.

Well, we did at one point, we did prevent one coup by cutting off assistance immediately when it was in the process of occurring and by issuing strong statements. There was a great deal of public negative reaction to it, and it collapsed, and the government was not overthrown. So we were successful.

That was in December of '79, perhaps, and I went to Bolivia after that, in January or February. And I saw Juan Lachine, whom you may remember from my first story, the labor leader who was still alive. He had been exiled the first time, and he was there and was the principal labor leader. I went to his offices, and he received me with great ceremony. He sometimes didn't receive Americans, but he received me with great ceremony, with all his people around, and we talked and he said, "Mr. Eaton, I want to ask you one question. What will be the reaction of the United States government if there is another coup attempt?"

And I said, "Exactly the same as it was before."

And that was what he wanted to hear. So he personally escorted me down the rickety stairs and out to my car. And the next day, that statement appeared in the paper, which

was fine. But it didn't work. I saw the army general who was threatening a coup, and I tried to persuade him it was the wrong thing to do, but I was unsuccessful. He conducted the coup. This was Garcia Mesa, and he governed Bolivia, unfortunately, for a year or two.

So we did not prevent the coup, but when the coup came, we reacted as we said we would: we cut off aid; we refused to have contact with the government; we refused to see their representatives here in Washington; and we did everything we could to make their life difficult. And they felt it.

They did everything they could to have contact with us and get in our good graces. And when the Reagan administration came in, they came in convinced that we should renew normal relationships with the Bolivian government.

Jeane Kirkpatrick had written an article saying that the alternative was a man by the name of Siles who would be a Communist. And she, of course, was egregiously wrong. He was a disaster as a president, but he was not a Communist, and he didn't lead the country into communism when he became president.

Alexander Haig came in as secretary of state convinced that we should change the policy. He had many other things on his mind, but he also had Bolivia on his mind, so he asked for a policy review. We had a policy review, the paper was written, and it recommended a continuation of the same policy. Then we had a meeting on this paper, and fifty people were in the meeting from every conceivable agency of the US government.

And lo and behold, the acting assistant secretary for Inter-American Affairs came into the meeting, without telling me, or his deputy immediately concerned with this, or any of his staff, that he was going to propose a new option. An option which would have led to our renewing relations with the government of Garcia Mesa. Which was a despicable government. They were involved in drug-trafficking. People were getting killed. It was terrible. They were corrupt. Everything was wrong about it. Yet, the option was: If they cooperate with us on drugs, we'll renew our relationship. Well, they would have in a minute said yes, we'll cooperate, and then they wouldn't have, of course.

So the meeting was an hour-long debate between myself and the acting assistant secretary.

*Q: Who was this?*

EATON: John Bushnell. At the end of the meeting, forty-eight out of the fifty voted for a continuation of the policy. The two who were in favor of the other policy option were Bushnell and the Narcotics Bureau.

So the paper went forward to Haig for his approval, with a telegram instructing the embassy to continue the policy, and instructions internally to continue the policy. Which

had been already routed somewhat, because the counselor, Bob McFarlane (of later fame), had, on his own, had some contacts with Bolivians that he should not have had, under the policy, but which Haig was delighted with.

Anyway, I told John Bushnell that if there was a question of Haig not agreeing to the paper and wanting to change, I wanted to have the opportunity to see him personally on it, because I felt very strongly about it. He said okay. So the paper went forward, and John arranged a meeting with McFarlane. We talked with McFarlane, and he said he understood our position and he was sure that the secretary was aware of it.

Well, for whatever reasons, Haig signed off. I was told he was very angry (I don't know personally) and he was very upset, but he signed off on the continuation of our policy. The whole bureaucracy, virtually, was united and took a stand. The bureaucracy won. It was an extraordinary case of a bureaucracy winning.

*Q: It really is. Well, what happened to you on this? I mean, to argue against your superiors, right from your immediate superiors probably...*

EATON: I think it was deeper than that. I stayed on, of course, after... [TAPE ENDED] ...which is, after all, what we all hope to have in the end, although I don't really quite believe that that is the best ultimate objective.

But a curious thing happened. I found out that there were now not many embassies I was interested in going to. But I gave the authorities a list of six that I would be interested in and said that I would like to have an ambassadorial assignment.

But there was a basic question of whether, even if I were proposed for one, Sen. Jesse Helms would agree. The rumor around the corridors was that Helms and his staff had said that they would not agree to anybody who had had a significant position in the Carter administration, with respect to Latin America, having an ambassadorial appointment. Which may have been the case. However, I didn't accept that on face value, and I did say I would like to go to one of these embassies.

So I was told by Tom Enders that my name would be put forward for one of them. It wasn't the one I most wanted, it was the one I least wanted. It would have been pleasant but unexciting. So I said, "Fine, let's see what happens."

But then I began to think about it. I was disillusioned with the leadership. I didn't have respect for Haig and his judgement on Latin America. I thought Haig must have been a fine man in other roles, but he should not be secretary of state.

I did not have respect for the views of Jeane Kirkpatrick. So finally I said to my wife, "Look, supposing we go to an embassy and Jeane Kirkpatrick comes through, and I disagree with her, and the result is we return--what's the use of going?"

And it became more and more clear what was going on in Central America. I thought the making of policy with respect to Nicaragua was the height of stupidity. I was going to have to defend that as an ambassador somewhere? I couldn't do it. I wouldn't be able to do it. I wouldn't be able to get the words out.

And I said I think the time has come to leave. So I decided to resign. So I called Tom Enders and I said, "I am going to resign and I no longer want to be considered for an ambassadorial position."

Well, he said, "Maybe it's just as well, because Haig has his own personal candidate for that particular post, who is an old friend from West Point, who has been a car dealer. So you may be our candidate, but you may not be the department's candidate."

Well, as it turned out, the car dealer had a conflict of interest, and a Foreign Service officer did ultimately go to that post, and maybe I would have gone if Helms had agreed. But anyway, I made the decision that I could not, in good conscience, represent our government in that region of the world in this period of time. So I left.

I left disillusioned. I was not disillusioned over policy matters. (I thought the policies were lousy and I couldn't defend them, and I thought, as a Foreign Service officer, I should not be involved, I should do something else in the service or quit, which I did.) But disillusioned that we were still in a system where the secretary of state or the president would decide that a buddy, who had no qualifications for the job, should go to a job rather than a Foreign Service officer, who had been told through his career that this is a serious business, these are serious appointments, and you're going to a job that's important.

I found out, at the end of the career, that almost no ambassadorship is considered important. Some are, but very few of the ambassadorships are considered important by those who make the appointments. The top of our government does not consider most of the top positions in our career to be important. They denigrate it by what they do. And I left it, deeply disillusioned, because of that.

On my last day in the State Department, I asked to see Judge Clark.

*Q: He was then the...*

EATON: Under Secretary. I went to see him to explain to him why I was leaving. And I said I had two points I wanted to make. "One, I think that we have a great deal of capital in Latin America in our own status as the leading democracy of the world, and that we should do more to promote democracy as a matter of policy." He took note of that. And, later on, the Reagan administration did do that. (I'm sure not because of my comment, but I was glad they did.)

And I said, "Second, I'm disturbed over the level and the amount of political appointees in top positions in the service."

And his response to that was, "Well, you guys haven't done so well, let's see how we'll do."

So I left on that note. Well, that's the story.

*Q: Well, I thank you very much. This is excellent.*

*End of interview*