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

FRANCIS M. KINNELLY

Interviewed by: Charles Stuart Kennedy
Initial interview date: June 4, 1997

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INTERVIEW

Q: Today is the fourth of June 1997. This is an interview with Francis M. Kinnelly. This is being done on behalf of The Association for Diplomatic Studies and Training. I'm Charles Stuart Kennedy. To begin with, can you tell me when and where you were born and a bit about your family?

KINNELLY: Sure. I was born in Brooklyn, New York, in October 1935. My father was working at the time as a clerk for a stockbroker in New York. As for his parents, my grandfather was of Irish stock. My grandmother immigrated in her early 20s from Finland. When I got to know her in later years, she had forgotten most of her Finnish, was a good Irish Catholic in life and in her acquaintances. My mother came from older American stock. On her mother's side, part Irish or English, I think. Her father was Francis Marion Aday and according to family lore traced his roots back to Francis Marion, the Swampfox. I'm named after him, too: Francis Marion Kinnelly. I finally went down to the Carolinas a couple of years ago and and found that, after the Revolutionary War, the Swampfox was much more famous than I expected, and that all sorts of people named their first-born after him. So, I'm not really sure now of the provenance of my name. My grandfather trained as an engineer and served on the Great White Fleet. My brother has a collection of photos from Cavite and Shanghai and the Suez Canal, really very fascinating.

Q: Oh, yes, this is when Teddy Roosevelt at the turn of the century sent the American Navy, called The Great White Fleet, around the world.

KINNELLY: Yes. So, the stockbrokerage where my father was working went under. He moved north to Cape Cod where some of the Finnish parts of my family were. Two other sisters had come over with my grandmother. One of them had married a Finn and they had a farm out near Centerville on Cape Cod. My father went there and picked cranberries for a couple of years. Then we moved to the Boston area, first Winchester and then Wakefield. He worked as an accountant for Lever Brothers and then in the war in the Boston Naval Yard. After the war, he wanted to set up in business for himself. I remember trips around northern New England, looking for some sort of enterprise to buy.

He bought a place that was basically an old restaurant and a set of cabins in a town called Raymond on Sebago Lake. There I moved when I was nine years old.

Q: So, did you more or less grow up in the Sebago area?

KINNELLY: Yes. My father then, being an entrepreneur, set up a small grocery store. Raymond had a population of about 600 at the time. The school was divided into two buildings. In our building for the upper classes there were four grades with one teacher, a coal stove in the center and quite cold around the perimeter of the room. That's where I started reading a great deal, I guess, rather than be bored with waiting for the classes to be done. The town had no high school, but at that time was willing to pay the tuition for any secondary school in the state. Fortunately, the Women's Christian Temperance Union was still strong. Most towns were dry, but Raymond was wet, and people came from miles around to buy beer from my father. I think it was on those profits of beer that I was able to get away to Fryeburg Academy in Fryeburg, Maine, 35 miles away in the foothills of the White Mountains. Fryeburg was a very good, old school going back to the 18th century.

Q: What was your experience at the school, particularly regarding what happened later on, science and the world?

KINNELLY: I had been in a small village for a few years. My parents, of course, had come from New York and New Jersey, but still, this was not the case for other people in the town. So, I was a bit isolated. It was good at Fryeburg Academy to find fellow students from Boston, New York, and to interact with them. It helped open my eyes to a wider world out there.

Q: Was the Fryeburg academy a denominational academy?

KINNELLY: No, I guess all of these academies and colleges in the northeast started as denominational, but many like Fryeburg gradually broke away from such ties while remaining private. The Academy served both the local community and the surrounding towns, but also had boarding facilities and students coming from many areas, including Boston and as far south as the Carolinas. I met for the first time black students, children of a professor from South Carolina who wanted his children to get away from all of that world of prejudice. For a while, I went with a Jewish girl from Queens Village, who introduced me both to Bach cantatas and to the problems that Jews were encountering at that time in terms of discrimination. I think that influenced me. The teachers were really quite good. The principal, whose name was LaCasce, had been there as headmaster for over 20 years. I just saw his son, who retired recently as head of the Physics Department at Bowdoin College, where I went after Fryeburg. It was my chemistry teacher, whose name was Larraby, who recommended I go to Bowdoin. Fryeburg Academy had in fact been set up as a preparatory school for Bowdoin. At Fryeburg, I did well. I was top in my class in marks, but I was always trying to compete better in sports. I kept being upset with myself, because I wasn't very good in football. I couldn't kick it straight or anything. I

finally got a letter my senior year. I worked harder for that than for the scholastic medals I received.

Q: What years were you at Bowdoin?

KINNELLY: 1953 to '57.

Q: 1953 to '57. Did you major in anything there?

KINNELLY: Yes, European history. But I started with the idea of becoming a physicist. I took physics and calculus. I did all right. But it was hard work and I realized that some of my fellow classmates were doing well with less work and more enthusiasm. I had liked history. I'm not sure now why I turned to European rather than American history, as most did. But anyway, I did turn to European. The teacher who inspired me most was Ernst Helmreich, whom I just saw when I went back for a reunion at Bowdoin last week. He was the head of the department. He's 94, but still kicking. His special interests were Central Europe: Poland, Lithuania, also the Balkans. I remember a course on the Balkan wars in 1912/'13, and the IMRO (Internal Macedonian Revolutionary Organization). Well, that world just fascinated me. Helmreich had studied in Germany, and introduced me to German history and culture. I also started upon my study of the language. I took some economics, and I liked that as well. One of my teachers was Jim Storer, who supervised my honors paper on German economic penetration into the Balkans in the 1930s. I find it fascinating that after all these years I am now coming around almost full circle, with my recent work for the Historian's Office in preparing the Nazi Gold report. Storer I later met again in OES. He had left Bowdoin to go into the economics of fisheries issues and became the director of an office dealing with marine issues, when I was working there. So, it can be a small world.

Q: Oh, yes. Well, you graduated in '57. What happened to you?

KINNELLY: I came down here to SAIS (School of Advanced International Studies). I became interested, early on, in the Foreign Service. I took the Foreign Service Exam during my senior year at Bowdoin when I was 20 years old. The interviewers allowed as how maybe I needed a few more years. They gave me not a failure, but a pass, so that I could take the oral again without taking the written. At SAIS, I again concentrated on European issues. When I attended it in '57/'58 it was really still quite small, quite informal. It was up on Florida Avenue, just off Connecticut. I took a seminar from Paul Nitze on alliance policy and collective security. I studied international law under the dean, Dean Thayer, as well as international economics. SAIS also has a center in Bologna, and I went there for my second year.

Q: This was your first time overseas?

KINNELLY: Yes.

Q: While you were at SAIS, what was your concentration?

KINNELLY: Well, it was basically a first-year graduate-level survey of international affairs. The focus comes more in the second year, when I went to Bologna. I also continued with German at SAIS. Most of the students at that time were interested in working for the government and mainly the Foreign Service.

Q: You'd taken the Foreign Service Exam while you were at Bowdoin. It still wasn't that well known. What attracted you towards the Foreign Service at that particular point?

KINNELLY: I had, at the age of 20, a lot of zeal for helping the world solve its many problems. I was interested in the UN as well. I remember a rather skeptical Foreign Service interviewer in my orals asked me why I was interested in the UN of all places. I didn't know anybody who had been in the Foreign Service. I began to take a strong interest in current events at Bowdoin. I participated actively in the Political Forum, a student organization which invited speakers on current affairs to the campus, and eventually became the organization's president. I remember inviting Ed Muskie when he was first running for governor in Maine. I was starting to read "The Times" and "The Economist". So, I think all those things were pushing me towards a career in international relations.

Q: What was your impression at Bologna, at the SAIS extension there? What was your impression of Italy and studies there?

KINNELLY: Europe was new for me and a very exciting place. There were so many impressions. I had been reading a bit before leaving about Italy. I was interested in the political changes taking place, the whole effort after the war to ensure that the Christian Democrats continued in power and the effort to defeat the communists. Also, the Rome Treaty had been signed just two years before, in 1957, and the new European institutions were just being set up. We visited Luxembourg and Brussels. It was very interesting to see at first hand what was taking place in Western Europe, and Italy's place in all this.

Q: Particularly the election of 1948, a lot of money passed hands and it wasn't all Soviet.

KINNELLY: Well, Bologna was the stronghold of the communists.

Q: The "red belt," wasn't it?

KINNELLY: Yes, in the Emilia-Romagna area. So, I was interested in seeing what that looked like and here I had all these bad images of communism. Bologna prided itself on having a great local government. It was actually a coalition of communists and socialists, but the communists were in the lead in running the city and they were trying to do a really good job of that. Basically they succeeded.

I remember a waiter at the little restaurant where we frequently went for pasta. He declared himself to be a true communist and we had a grand time debating with him. Then after he had done fairly well with his tips, he bought himself a little restaurant, so we were then going to dine at the restaurant of this communist entrepreneur. We had fun with that.

Italy was still quite a poor country. Most people had Vespas and most of the cars were cinquecentos, the very small Fiats. Very few people had televisions in their homes. They went around to the local bar to watch the sports, a football game or whatever. The Bologna Center itself was affiliated very closely with the old university. Now it has a modern building and classrooms, but at that time it just had a set of offices and a lounge. So, we used the classrooms and the library of the university. It was a nice feeling to be there in that grand, ancient university and to see that school's role in the community.

I had just married a girl from Portland. We had met a couple of years before. She had graduated in '57 from St. Francis Xavier in Nova Scotia. So, we went over to Bologna just after our wedding - quite a honeymoon trip - and set up a household there in a place with a little courtyard in front. We later found out it must have been the stable of the house that sat beside it. It was really very pleasant.

Bologna at that time had a number of teachers who did this on a part-time basis or had a sabbatical leave. I took Italian history from one of these people. Also, there were a couple professors from Paris who came down on alternate weekends on the train and who were very good in French and also German history. We had a large contingent of Italian students and also one of Austrian and German students, and then a handful of others - French, Belgian - so that the classes were not dominated by any one group and there were many strong and varying perspectives that came out in the discussions. So, it was a good chance, too, for me to really meet Europeans.

Q: To absorb some of the outlooks and perspectives from various parts of Europe.

KINNELLY: Yes. And these people later did very well in their careers, especially the Italians and the Austrians. Many of them went into their diplomatic services.

Q: Well, in '59, you finished SAIS. What did you do?

KINNELLY: I came back and started looking for a job. My wife found a job as a teacher in Boothbay Harbor, Maine. I was doing some volunteer work in the local library, trying to organize it, when the Army gave me a chance for employment. I was drafted. I went to Fort Devens in Massachusetts, where I worked in the library. I was then sent to Korea, where I was assigned to the headquarters of the First Cavalry Division. Not such a bad experience because I had my master's degree and the University of Maryland hired me to teach international relations and U.S.diplomatic history. So, I did that nights while working as a clerk during the day.

Q: You were in Korea from when to when?

KINNELLY: Well, from early 1960 for about 15 months into '61.

Q: What was your impression of the situation in Korea '60 to '61?

KINNELLY: It was a very poor and still war-torn country and a country where so many activities were dominated by the U.S. presence, particularly the U.S. forces. I remember a photo I took of the Korean capital, the Blue House, from about a kilometer away, down the main avenue. There was just one vehicle, an Army 2x4, in that whole stretch of avenue between me and the Blue House.

Q: The Blue House being the president's palace at that time.

KINNELLY: Yes.

Q: I guess it was still Syngman Rhee, wasn't it?

KINNELLY: Yes.

Q: What was the feeling in the military? I mean, I realize you were not exactly at the highest level of the military there. But anyway, what was the general feeling about the possibility of a North Korean attack?

KINNELLY: Well, my perspective was that of a PFC, but I had chances to talk with others. My students included my captain and my colonel, who needed their degrees to continue service. I don't think there was much concern about a North Korean attack at that point. I remember taking my students in diplomatic history up to Panmunjom and people being a little nervous there. While I saw a good sense of readiness and a lot of work on practice, on maneuvers, this was just an aspect of preparedness, I think. I did have other more direct experiences with Korea. I volunteered to teach English at a high school, conducting sessions in conversational English. I remember the eagerness of the students and how appreciative the school was. My impression was of a good relationship with the military. There were a lot of civil action activities going on.

Q: You got out of the Army in '62 and then what happened?

KINNELLY: While in Korea, I applied again for the Foreign Service and went down to our embassy in Seoul and took the written exam. Then when I came back, I was assigned again to Fort Devens. I got back down to Washington for the orals and this time passed them.

Q: This would be about '62?

KINNELLY: Yes, in early '62.

Q: Can you give me any impression you had of questions or the thrust of the orals when you took it? This would be your third time.

KINNELLY: I remember the examiners (I think it was at the start of the first oral) offering me a drink. "Would you like some Scotch?" I don't think that happens anymore.

Q: No.

KINNELLY: I recall the examiners at one point had ascertained that my studies and expertise were in Europe. Having ascertained that, they spent the next half hour or so asking me about the decolonization in Africa, just what was going on and what I thought about this, not touching on Europe at all.

Q: This was the height of the liberation or decolonization of Africa, right around this time. This is high Kennedy period and interest in that area.

KINNELLY: Yes. In what must have been the same exam, I was asked to nominate my choice for a diplomatic hall of fame. I thought I would be smart. I chose Cavour, since I had studied Italian history. I found that the examiners knew quite a lot about Cavour and Italian unification, more than I had thought they would. Anyway, what with Cavour and some understanding of what was going on in Africa, I guess I got through that exam.

Q: So, then what happened?

KINNELLY: Fortunately, the State Department hired me within a month after I left the Army. I remember that on the first day of our A100 course, we all received a check of $25 in advance pay, which helped us a great deal.

Q: I'd like to talk a bit about the A100 course, which is the basic course. This would have been still in '62.

KINNELLY: Yes. Chet Beaman, I remember, was one of the directors of the program. He always wore his Phi Beta Kappa key on his tie. He was a very earnest person. In the class there were such a varied bunch of people, (I suppose this is always true.), coming together, trying to see what they were going to do with their careers. We had a lot of lunches together, even a lot of dinners, and got to know each other really quite well. I remember going to Philadelphia to visit Commerce's field office and to New York where we were lodged in the Seamen’s House down on the Battery. As it turned out, this experience proved very useful, for I did spend a lot of time with American seamen and their problems when I got to Rotterdam. We went out to Greenbelt to see what the USDA (Department of Agriculture) was doing in terms of research. Ambassador Bohlen invited the whole class with our wives to his home one lovely spring weekend day. We had a lot of speakers, but I don't know if I have any particular remembrance, except for taking lots of notes on the organization and management of the State Department.

Q: Did you take your consular course at that time?

KINNELLY: Yes, but it was very short - just a couple of weeks. Later on when I went to The Hague, I took a correspondence course of a year or more in citizenship law.

Q: Did you have any feel for your group of young officers coming in? What were their background? Were they minorities, women? Something about how they saw the Foreign Service.

KINNELLY: We had one female black officer coming in, probably one of the very first. Among our class, she really stood out. Everyone, I noticed, was paying attention to her and to what she would do with her career. Unfortunately, it lasted for only one tour in Latin America. We had a fairly sizeable number of lawyers. Most of the class came either from the East Coast or the West Coast. To my pleasant surprise, one of my classmates also came from Maine, and we became good friends. His name is Fred Tingley. There were, I think, four women out of a group of 30 or 32. So, I think, for that time, we had a quite high percentage. They did well in the course and, I think, in their later careers. However, many of the people dropped out of the Foreign Service after only one or two tours. Those who stayed in, though, lasted for 30 years or more, for the most part.

Q: Do you think sort of the Kennedy spirit of activism and the government was something to do in order to do good and all, was that prevalent, do you think, with your group?

KINNELLY: Yes. You bring back one nice recollection. The Foreign Service Association sponsored a luncheon at the Sheraton out on Connecticut Avenue and Kennedy came and spoke to us. He gave a variant of his lecture about "If it's getting too hot for you in the kitchen, you ought to think about getting out." There was a great deal of zeal. At least I was certainly carried away by this. I was part of a new team, a new Administration that would get out and cure the world of its problems. Later, when I went to Manila, Soapy Williams came out as ambassador. There was still some of this zeal in the air, even though things were not going so well in Africa by that point. But the people in the government that Kennedy brought in, we were all looking up to them, believing “Ah, this is a new team, and now we can really get a lot done."

Q: Yes. So, I guess, in late-ish '62, you got out, graduated? When did you get out?

KINNELLY: After the A100 and consular courses, I studied German for four months and then was assigned to The Hague, arriving there in November. The assignment process in the A100 course was interesting. We all gathered toward the end of the course. The atmosphere in the room could not have been more highly charged. Beaman had the list of assignments. He was assisted by a colleague who was helping present the course. Assignments such as The Hague, Vienna, Caracas were read out. Then one man was assigned to Kigali. Chet was going on to the next assignment, but my classmate raised his hand and asked "Sorry, where is Kigali?" Chet conferred with his colleague and said, "I'm

sorry. We don't know, but I'm sure you'll like it there." So, that was the Foreign Service headed out to the new Africa.

Q: You served in The Hague from when to when?

KINNELLY: From November '62 to November '64. It actually turned out to be The Hague and Rotterdam. Three of us had been studying German in order to pass our language requirements. But the Department did not have any jobs in Germany for any of us. One went to South Africa, another to Vienna, and I went to The Hague. I remember being told, "Well, Dutch is quite close to German." I soon found out about all sorts of false cognates that could get me in trouble. Blankenship was the ambassador and Fisher Howe the DCM, I remember.

Q: Blankenship, was he a political appointee?

KINNELLY: Yes. From around Carlisle in Pennsylvania, a real gentleman in his demeanor, and I think he was respected by the Dutch. It was a good period for people coming in to the Foreign Service. I had a two year tour as a rotational officer, starting in the Commercial Section. The commercial attaché was away on home leave for a good period of this time. Another young officer, John Hiemann, and I had responsibility for the section. It was really an exciting time. The Commerce Department was starting new programs, including trade missions and the first exhibits in international fairs run in Europe. Utrecht was a major center for European trade fairs. We organized the Commerce program there and worked with a number of U.S. companies. We didn't have much in the way of guidelines from Commerce. We just went out and did it. We had a lot of independence and we liked the chance to exercise it. Commerce was, I guess, pleased with us and asked me to come and work there after my tour in The Hague, which I later did. Bernie Crowl was the commercial attaché, a good officer. I think he retired after that tour.

Then I was asked to go down to Rotterdam for experience in consular work. The Hague had no consular section. So, I went to Rotterdam, originally for six months. Rotterdam was only 20-odd miles away. I took a train down there each morning. I started with the U.S. citizen services work. The consulate was short on staffing, so they asked if I would stay on. So for the next 18 months, the remainder of my tour, I worked in Rotterdam. At that time, I decided to take the citizenship correspondence course. I found that the FSNs (Foreign Service nationals) were sort of running the shop and explaining to the junior FSOs who were coming through just what they should do and what they should sign off on. Although the staff was very competent, I thought I'd rather decide myself what I was about. One unique aspect of that work was that Rotterdam was such a major port that a number of young Americans, often college students, had come to Europe and after a summer in Europe, came there to look for work-aways, that is, jobs on a merchant boat to take them back to the States. We tried to find jobs for these people on foreign flag ships. The U.S. flags were out because of union restrictions. We succeeded with a fair number of these young men, but not with all. After they ran out of money, we tried to find and

contact their parents to help them. Sometimes the police would take them into custody. American seamen also ended up in jail. I got to know the police quite well and spent quite a bit of time over in the Rotterdam jail checking on these people while they were waiting. We had some money from the American business community to help them. In some cases we were able to keep them in simple lodgings while they waited for a work-away passage. I guess in those days we had enough time to do that.

Q: I guess Rotterdam was spared pretty much the problems of sex and what passed for drugs in those days. That was Amsterdam, wasn't it, pretty much or did you get some of that, too?

KINNELLY: No, I don't think even in Amsterdam - that came later. I was dealing quite a lot with the consulate in Amsterdam. I don't remember having that kind of impression at the time. Rotterdam had really revived. In the recent news, we've seen the 50th anniversary of the Marshall Plan and the festivities in Rotterdam - it really was helped by U.S. aid after being so badly destroyed by the Nazis. Rotterdam took pride in being the largest port in Europe and in being the Dutch city where so much industrial and commercial effort was being made, as opposed to what they saw as the more laid-back people up in The Hague or in Amsterdam or wherever. The consulate had a good relationship with Rotterdamers. We were treated very well by the Dutch.

Q: Did you get any feel for Dutch politics? I mean, for example, did you get any reverberations from what probably had happened in Indonesia at that time? I mean, it was a little earlier on.

KINNELLY: Well, in The Hague, there was quite a strong Indonesian atmosphere. Many of the old colonial civil servants who had come back from the Indies lived there. There were many Indonesian restaurants and foods in the market. There was a bit of an exotic air in The Hague because of that. But I don't recall any political debates or feeling of lost empire or whatever. It was more a sense of nostalgia. This, of course, was in the early '60s and so quite a bit after the Dutch had pulled out of Indonesia.

Q: You left in '64. Whither?

KINNELLY: I went to the Department of Commerce. I mentioned that they had asked for me. I think I was one of the few people who had not had a great deal of experience as a commercial officer to go to Commerce. As a junior officer, I found it kind of fun.

Q: You were there from '64 until '66.

KINNELLY: Yes, for two years.

Q: Tell me, just to get a feel for the atmosphere of the time, the Department of Commerce has never been looked upon with great favor, I'd say, by the Foreign Service. It's not so much the work, but it's often been, from what I gather, the Department of Commerce

itself, the feeling that the administration there is and probably still is a place where political appointees are put into a parking orbit or something like that. In other words, it's not the top line of the Department. At least that's the feeling. Did you get any of that before you went there and while you were there?

KINNELLY: I was young, of course, and hadn't picked up these prejudices, that I think are not very well based, on the part of the Foreign Service toward Commerce. My experience with Commerce programs in The Hague was very positive. So, I was pleased that they had asked for me and pleased to go there. I found there people with a good deal of knowledge and seriousness of purpose. I had two different jobs. The first year, I worked on the Middle East. I was desk officer for the United Arab Republic and Iran. My boss was Kerns Preston, an old Near East hand. I think he was born there of missionary parents, a really good expert and a very serious person. My next job was in the trade policy area. We were dealing mainly with GATT (General Agreement on Tariffs and Trade) issues. I remember dealing a lot with the trade policy people in State, including a man who has become a close friend over the years, Jerry Monroe, and trying to win issues for Commerce. The Commerce people in trade policy - Forrest Abbuhl and Allen Garland - had a good deal of expertise in trade policy issues and, I think, did a very good job. Commerce had a larger role in those days, before USTR (Office of the U.S. Trade Representative) was set up. There of course were some odd corners of the Commerce Department. At that time, there was a large bureau dealing with regional development in the US, as well as programs that turned later into the Appalachia Program and such. I suspect that there was a lot of political input in those areas. But that was not where I was working.

Q: Going back to the time you were the desk officer for Iran and Egypt, what was the status of trade with those two areas at that time?

KINNELLY: Quite good. This was a time when the U.S. was expanding, still in the post war period, its trade links in the Middle East. We were looking at, with Iran in particular, a rapid growth in trade, quite apart from the oil sector. There was considerable U.S. interest in direct investments as well. With Egypt, the opportunities were more limited. However, it was with Egypt that I had my first contact with nuclear issues; in this case, PNEs (peaceful nuclear explosions). There was a large depression in western Egypt about a hundred miles south of the Mediterranean.

Q: This was very important during World War II because you couldn't flank from there. I mean, the battle of El Alamein and all that were dependent on having that sort of impassible depression.

KINNELLY: Yes, this was just south of El Alamein. There was this idea of developing the whole area, the Qattara Depression, by bringing water from the Mediterranean down there through a canal. Of course, the water would be salt, but a new body of water down there in the Qattara would change the climate very much. The trouble was that there is a major range of hills between the Qattara and the Mediterranean. So, the idea was to use a

PNE or a set of them to carve out this trench. So, we were looking at this. The proposals and cost estimates were being developed. At that time, people were not much concerned with the radioactivity fallout. This was still fairly early in the days of our experience with nuclear work, and we were conducting atmospheric explosions for the weapons program. It didn't seem a problem if the radioactivity was confined to Egypt, but then it was realized that the radioactivity might spread to neighboring countries and the question arose of who then would be liable? People were starting to look a little more carefully at the risks involved. If you blow up those hills and let a bunch of dust get up in the high upper atmosphere, who knows what the consequences would be? So, the Qattara canal proposal became one of the turning points towards a more cautious regard for nuclear technology.

Q: I'd like to ask one more question on this Middle East business. I was the economic/consular/information officer, whatever else you might think of, in Dhahran from '59 to '60 in Saudi Arabia. I had a lot of correspondence with Commerce. One of our major problems was that American business just wasn't interested in the area. We just couldn't get companies to send out people, although we had trade opportunities and had to start small. I was wondering whether you found that this was a problem to the larger countries, both Iran and Egypt, of getting American companies to bid and to develop trade with those countries.

KINNELLY: Yes, it was. There were some companies that had already been there for some time, when I got into this work. But trying to attract more companies was a real problem. We were working with the Commerce field offices in New York and other large cities to organize trade missions and we were trying so hard to persuade people to join these missions. My recollection is that there was a growing level of activity, but it was not an easy sell. We had far more luck with Iran than with Egypt.

Q: Well, I was talking to somebody not too long ago who said that - I think this is what we're talking about, about 1988 or '89 - his great coup was persuading Secretary Ronald Brown, Secretary of Commerce, to actually make a trip out to Saudi Arabia and the Persian Gulf area. This was the first time a Secretary of Commerce had ever gone out there. So, it was not high on anybody's agenda.

KINNELLY: We did have trade missions. I don't recall who led them. It wasn't even an Assistant Secretary. Trowbridge was the young and very dynamic Assistant Secretary for International Commerce. He later went on to head the National Association of Manufacturers. He was well connected. I think his connections and activity helped engage a number of companies. So, it was something that we were working away at and I think with some success.

Q: When you were in the trade policy area, what were some of the things you were pushing and where did conflicts arise with the Department of State?

KINNELLY: Textiles were important. Commerce was trying to be more protective. I remember the fact of policy conflicts with State rather than the substance. We were implementing the first GATT rounds, like Annecy, and engaged in the Kennedy Round. We were pushing hard in Commerce to eliminate NTBs (non-tariff barriers), and I think that the people in State were reluctant to push things as hard as we wanted. We were all interested in having the GATT work effectively, but still maintain sort of a dominant role in the GATT for U.S. policy, and trying to do the two at the same time was difficult.

Q: Normally, the conflict would often be the State Department wants better relations with the country and if Commerce is pushing, say in textiles, to lower quotas, State would probably want larger quotas. It's just in the nature of each other's business. Textiles were terribly important in those days because this was where places like Japan and other places were beginning - this was where they were making their efforts, sort of a progression. This was probably shoes, too, maybe.

KINNELLY: I later went to the Philippines as assistant commercial attaché and textiles were certainly important at that point.

Q: In '66, you were out of Commerce. Whither?

KINNELLY: To the Foreign Service Institute and Reinstein U., the six-month economic and commercial studies program that had just started.

Q: This was Jacques Reinstein who was giving the six-month course.

KINNELLY: He set it up, but wasn't teaching. A challenging program. I remember getting into completely new academic areas: matrices and stochastic analysis, lots of fairly theoretical stuff. We learned a good deal about monetary policy from a professor who came down from Johns Hopkins in Baltimore, as well as classical economic analysis, which stood me in good stead later on in my career. This was all to prepare to go to India, for I had an assignment to go to Delhi as the third man in the Commercial Section. I was still interested in doing commercial work, and was labeled as a commercial officer. However, the more I inquired about this job in New Delhi, the less interesting it seemed. Then finally the job was done away with, about six weeks, I think, before we were supposed to leave. So, a mad rush to find something else. I ended up going to Manila as assistant commercial attaché.

Q: You were in Manila from - was it still '66 or was it '67?

KINNELLY: It was '67.

Q: '67 until...

KINNELLY: Until summer of 1970.

Q: From your perspective, when you got to the Philippines in 1967, what was the political situation in the Philippines, America's role there?

KINNELLY: Marcos was in power. This was before he declared martial law. People were pleased that there was a more stable political environment, but there was still a good deal of anarchy. People were worried about communist insurgency, for there was even some of this fairly close, between Manila and Clarke Field. Filipinos carried arms under their long barong shirts. One time, I was sitting down to lunch with a Philippine businessman when his small 32 revolver clunked onto the floor. We were warned that if there was a car accident, not to argue with a Filipino because he'd probably be better armed than we were. There were signs when you boarded a plane: "Please check your arms with the stewardess," that sort of thing. We perceived some sense of corruption, but it wasn't the endemic type that came later. There was a growing movement of Philippine nationalism. To some degree, it was against the US, certainly against the Chinese. The Japanese had not yet come into the country following the war. So, we didn't have a feeling of being picked out because we were Americans, but more the sense of a strong revival of Philippine identity. One of my major responsibilities was to assist the U.S. companies there in being able to carry on their business in good fashion. They had been given special rights in the post-war agreements, the Laurel-Langley Agreements, that set up an independent Philippines. The Philippine government wanted to do away with these rights - rights, for example, to own land for commercial purposes. Other foreigners did not have these rights. There were a lot of small U.S. companies that had been there since the ’30s or earlier, single proprietorships or small companies, plantations owned by Americans. We were trying in the Embassy to seek modifications of Philippine regulations or slow the movement of Philippine lawmaking that would restrict American firms, but I was also trying to help the American companies on an individual basis.

We had a small trade promotion operation going in the embassy which I never saw before or since. We had a large room devoted to a trade exhibits area. U.S. companies interested in getting into the Philippine market were encouraged by Department of Commerce field offices in the States to send us samples of their products. We would send out information on the exhibits, invite Philippine distributors to come and see these products. We had baseball bats, games, gardening tools, all sorts of wares the Commerce Department had encouraged U.S. companies to send over. It took a lot of our time. One of my successes was in doing away with this small exhibit program and in getting our efforts on to more serious activities in terms of trade promotion.

It was a very interesting world. You never knew quite what the Philippine government would do next. There were always surprises. They weren't always bad surprises. Our working relations with Philippine officials were very close. I remember very warm connections with Filipinos in general. In fact, the friendships I made with Filipinos have lasted better than those made in other countries where I've stayed.

Q: So, what was the attitude of the embassy and then of your section? Was there any divergence towards the - to bring American rights into line with all other foreigners'

rights? Part of sovereignty is not to give special concessions to a nationality, but that nationality hates to let go. Did you find yourself in some conflict?

KINNELLY: No, there was no divergency that I recall within the embassy on this point. The embassy's goal was the straightforward one of maintaining special rights for Americans there.

Q: There was no sort of philosophical idea that, gee, these people are independent, we've got to make a clear playing field for everybody?

KINNELLY: No, I suppose we realized that this was coming down the path. Just before I got there, the Philippine government had decided to do away with these special rights for American companies. We were trying to delay, modify this decision as much as we could. Soapy Williams came as ambassador soon after I arrived. I remember, we had great big staff meetings of all the embassy officers once a week. They were rather stiff affairs. We all wore suits despite that tropic climate. Soapy came in the first day with a barong tagalog, the loose Philippine shirt, accompanied by the DCM who had just taken off his jacket in honor of the occasion. We liked him from the start. Even with Ambassador Williams, who had been so engaged in building American relations with post-colonial Africa, I don't remember any real concern for helping the Philippines move in this direction, asserting their complete independence from the US.

Q: Were you watching or even involved in sort of the relations with the Marcoses? One hears about these rather fancy parties and sometimes, you might say, overly close collaboration between the Americans who were involved in American affairs and the Marcos court.

KINNELLY: Not in terms of the parties. I was far too low in the embassy ranks to be directly involved. But, yes, we had one officer whose job basically was to deal with the Marcos family, Imelda especially, in terms of public relations and, I suspect, in terms of service, to be sure that we remained on good terms with them. He was really quite circumspect, reserved about just what he was doing. But we did know his mandate.

Q: Did you feel any, not just the Marcos thing, but you're dealing with basically promoting American trade in the Philippines. Were you seeing reflections of a corruption problem of American industry or business trying to get involved and payoffs? How did we deal with that?

KINNELLY: Perhaps it's naivete on my part, but I don't really remember real cases of corruption involving U.S. companies. I remember tales about the levels of corruption dealing with Chinese firms or Filipino firms and their jockeying for influence in the government. There are even today great landed families, Philippine families, with their own regional power bases and money. There was a great deal of jockeying for power amongst these families.

One other interesting aspect of my tour was that there we were dealing with the Philippines and all of its problems, whereas not too far away, the U.S. was engaged in a great conflict in Vietnam. This conflict seemed very distant, except that a lot of families of FSOs and AID people were lodged in Manila. The officers would come back from the war to spend a week or so with their families. I met some of these officers from time to time. But we were never really engaged ourselves in Vietnam issues. We were surprised and aghast to see in the news what was happening in America at that time.

Q: What about commercial issues between the United States and the Philippines? I mean, what sort of things were you all engaged in?

KINNELLY: Well, the first thing was the protection of American investments. Then there was trade promotion and efforts to eliminate trade barriers. Again, textiles reared up. One of the problems was the definition of remnants. The Philippines was a market for U.S. remnants from textile production and what was allowed in trade under the textile agreements and what was not allowed was an issue. I had a drawer full of sample remnants in my file cabinet. We also had a number of trade missions coming in. Here again we faced the problem of trying to get these missions to include traders, businesses that we thought would really succeed in opening up contacts in the Philippines. We would often find people coming on these missions who really did not know much about what they wanted to do or not having the wherewithal to pursue a good trade relationship.

Q: How well do you think you all were equipped when a delegation would arrive to put them in the picture and steer them to the right place? What sort of apparatus did you have for doing that?

KINNELLY: We had a very good staff of Foreign Service nationals, and the officers built up an extensive set of contacts. It was easy to meet people in the Philippine business community. But we had real problems with the Philippine infrastructure. It was episodic, but often we would have great difficulties in making telephone calls, even within Manila. We would have a trade mission planning to arrive in a week or two and I could simply not contact Philippine firms to set up appointments. I got in a car and went around. The mails were very slow. Trying to use the telephone was so frustrating. So much of it today is with e-mail and all. It was really primitive then. We had good relations with Commerce field offices and the Commerce Department itself. U.S. businessmen would come into them with a problem or a question and we would deal with the businessmen through them. That type of communication went very well. But American businessmen would be so aghast when they got over to Manila and found out they couldn't contact people five miles away.

Q: Was the United States pretty much the major trading partner at that time with the Philippines?

KINNELLY: Yes, we certainly had a dominant role in that period. We were beginning to worry about Japanese inroads, but they were really quite small. The main problem, it

seemed, was Philippine protectionists wanting to develop their own industries. They had about 20 or so car assembly plants going, all very inefficient, rather than importing cars and trucks, that sort of thing. There was a lot of Chinese influence, but these were Chinese who had come over the past 120 years or so. There wasn't really much trade with Taiwan or other Asian countries at that time.

Q: So, 1970, where?

KINNELLY: I felt the need for more training in order to do economic rather than commercial work, applied for university training in economics, and came back and went to MIT for a school year.

Q: So, you've got to get back to New England?

KINNELLY: Yes, that certainly factored in to my choice of MIT.

Q: From '70 to '71, MIT. This, of course, was at the height of Vietnam protests and all that. Was that translating itself at all at MIT?

KINNELLY: Yes, the war was much more a factor at MIT than it ever was in Manila. There was a long hall in the main building under the great dome. Demonstrations and displays and placards were to be seen very often in and around this great hall. In the Economics Department, we were about a half mile away, and did not see this. MIT was not the best choice for me, as it turned out, but I didn't realize this when applying from Manila. I knew it had a fine reputation in economics. It turned out to be a very small department heavily influenced by mathematicians. Several of the courses were taught by people with a mathematics rather than economics background. The faculty was interested in winning the theoretical battles against the Chicago school and in training people to be good theorists, with the goal of winning Nobels in economics, just as some of the faculty had done. So, there were few opportunities for the more practical training that an FSO required. But I did have a course from Charles Kindleberger, who had been in the State Department during and after the war and who did a great job of relating his experience to theory. I also had courses from Jagdish Bhagwati on trade policy and economic development theory. These stood me in good stead later on.

Q: So, in '71, you're out of MIT. Whither then?

KINNELLY: It was interesting. I had several feelers from the Economic Bureau and I thought I should go there. But then a job came open for an economist in RPE, the Office of Regional Political and Economic Affairs and OECD Affairs in the European Bureau. So, I took that.

Q: So, you were in RPE of the European Bureau. You were there from '71 until when?

KINNELLY: '74.

Q: What was your concentration?

KINNELLY: Mainly OECD economic policy matters and international monetary issues relating to the European Community. In the OECD, there were two main areas. One was the general economic policy coordination among OECD member countries. (This was, of course, before the G7 had been organized.) I worked very closely with the U.S. mission to the OECD in Paris in trying to influence and react to the meetings and the activities of the OECD secretariat. One interesting area concerned the series of annual economic reviews that the OECD secretariat did on member countries, including the US. I think these had more weight at that time than they do today in providing policy advice to our major partner countries, such as the British, the French and we were particularly interested in what they were advising the U.S. to do or not to do.

Q: What was the attitude within the European Bureau towards OECD, which later came to be the European Community, didn't it?

KINNELLY: No, the OECD is a grouping of developed countries, with the secretariat in Paris.

Q: Excuse me. OECD is not the European Community.

KINNELLY: No. The OECD stems from the Marshall Plan days. In the ’70s when I was working on it, it was a consultative body of advanced countries, including Japan, Australia, but mainly European and the U.S. and Canada. The consultations included international monetary policies (Working Party Three), economic policy coordination (Economic Policy Committee), dealing with interest rates, government stances towards level of economic activity, how much growth one should push for without letting it get out of hand and having interest rates get up too high. All of this my training at MIT stood me in very good stead for. I went each year with the head of the Council of Economic Advisors, Herbert Stein, to Paris to discuss the outlook for the U.S. economy and defend the U.S. economic policy objectives.

Q: Well, during this '71 to '74 period, what was your impression of coordination between the U.S. Treasury Department, the Federal Reserve, and the State Department in OECD matters?

KINNELLY: It was quite close and, I think, really effective. We in RPE did meet frequently with our counterparts both in formal meetings, but also on an informal basis. Lots of business, lots of telephone calls. I think we had earned some respect from them, as shown by the independence we had in setting forth U.S. positions and drafting cables. So, there were conflicts, but I don't think any long-standing one in which one department took a hard stance that the others opposed. We had confidence that we were all on the same wavelength.

With the European Union, it was a bit different. There was the old issue of seeing the Union (at that time, the European Community) trying to strengthen itself by protecting itself from outsiders, which raised the question of whether we should support this effort to become a stronger Community, although one that discriminated against the US, or should we fight this discrimination, and end up seeing the Community being weaker, both economically and politically? But my work was just at the corner of that issue. The big issue that came along when I was there was the oil crisis of '73.

Q: Oh, yes. Could you explain what that was and what your activities and others around you were at that time?

KINNELLY: If I can. Yom Kippur war. The Egyptians and Syrians decided to have another go at Israel. The Egyptians had talked beforehand with the Saudis in particular, probably with other Gulf Coast states about support in the event they did go to war. They succeeded really in making it a surprise attack. The Israeli forces withstood the attack pretty well, but very quickly were running out of war material. So, the U.S. came to Israel's aid. Before the war broke out, the oil suppliers were already getting into a stronger position. U.S. domestic production had peaked a couple of years before and the U.S. was no longer able to supply other countries, let alone itself, fully in case of any cut-off of supplies. The Middle East oil producers were realizing this and were asserting greater strength in negotiating with the big sisters, the oil companies, and were ratcheting up prices as well as their share of the profits. So, this was going on. In fact, the OPEC countries were meeting in Vienna when the war broke out. So, we had this pressure for higher prices, which had been going on already for a year or two. People were already talking about an oil crisis before the war. Then suddenly the war, followed by an Arab embargo against the U.S. because we were supplying Israel with war material. Then all sorts of panic broke out here. The shortfalls in supply were made all the worse because we still had a lot of regulations on the U.S. market to protect domestic producers, governing supply and where that supply could go. Because of these regulations, U.S. companies had a hard time moving oil around the U.S. market. We had these long gas lines and all.

The OECD was a key forum in the multilateral response to the crisis. The OECD Economics Division, which was really very good at that time, looked at the impact of the much higher oil prices on member countries' economic growth prospects, and also on balance of payments and inflation, and did some excellent analysis about the impact of the crisis on the Western world in terms of lower growth, higher inflation, what would turn out to be called "stagflation." Our office supported a key meeting, the Washington Energy Conference, which Secretary Kissinger chaired, and which involved the finance ministers and in some cases foreign ministers from the Western countries in trying to reach agreement on a coordinated response to the crisis. There were great debates with the French, who did not want to be coordinated. They had special connections with the Arab producers and they wanted to protect these connections. But the conference did reach agreement on programs to align policies more carefully and also to study what was happening more fully. A new agency, the IEA (International Energy Agency) was set up

at that point to coordinate Western energy policies. It never really succeeded in doing this function, but it became an important consultative and analytical body. It is still functioning as an OECD-affiliated agency.

Q: Back in the Middle East, we had this break with Egypt and the Saudis and Kissinger became involved. He saw that he had to become involved in bilateral diplomacy first to bring a cease-fire and then to try to work out a basis for Middle Eastern peace. Did you get a feel for that?

KINNELLY: I think it was really the start of Middle Eastern diplomacy involving Secretaries of State, a process that continues to the present day.

Q: During this oil crisis from your perspective, how would you rate the cooperation? Obviously, the French were playing their traditional odd man out role. But I would have thought this would have been a tremendous test of "are we all in this together and sort of begging your neighbor and let's everybody try to get what they can out of it?" What was our attitude and what was your impression of how other countries responded?

KINNELLY: Countries reacted differently. The Saudi embargo also went against Holland and one or two other of the smaller European countries, but not France. So, the participants in this game came in with different sets of interests. We were interested in taking a hard line against the oil producers. We thought that if we really took a strong united front, they would have to yield for they would see that it was not in their interest to fight us. We had a bunch of conflicting policy interests. We also wanted to be sure that Iran remained a strong bulwark against communist encroachment in the Middle East, and Iraq as well. So, we obviously couldn't push that game too far.

My main activity was in dealing with the OECD staff concerning their analysis of what the impact would be on the western world. Working with the Treasury and Federal Reserve, we then fed this into what the impact would be on the U.S. The Council of Economic Advisors was closely involved as well. So, it was a heady time. Here the sudden shock had come to our economy and our economic prospects. What did this all mean? It was a great time for economists to run their analyses, to run their models and such.

Q: It was a little later, was it, where the great concern for all the money flowing from everywhere into the Arab world? That was a different time, wasn't it?

KINNELLY: No, that came very closely thereafter. The money was really flowing out to them. We were seeing this taking place from the perspective of the OECD economies and trying to gauge the impact, but for the developing world this really was a very bad shock. I think we lost the game there. The Saudis of all people took the lead in speaking for the Third World and in responding to their calls for help. The Saudis said, "We can help you, yes. We've achieved a new relationship as a supplier of oil, but you can do the same as a supplier of coffee or teak or whatever. We can help you get a better deal from the West in

terms of commodity trade if you are all aligned. We can help you in that." That's really, I think, the start of the north-south discussions, the special session of the UN General Assembly, and the New International Economic Order. That whole story, I think, came out of the energy crisis and its impact on developing countries. But instead of seeing the developing countries turn their wrath on the oil producers who were taking in all the money, they turned their wrath on us. It certainly was quite a victory for the oil producers.

Q: Next time, we'll pick it up in 1974. Where did you go in '74?

KINNELLY: I went to Germany as an economic officer.

Q: We'll pick it up in Bonn in 1974.

Q: Today is June 6th, D-Day, 1997. Going to Bonn in 1974. You were in Bonn from when to when?

KINNELLY: From the summer of '74 to the summer of '77.

Q: What was your impression of the state of Germany in 1974?

KINNELLY: The last time I saw Germany was in '58 when I was a student at Bologna. I was impressed by how much had changed. The scenes of war-time damage and the efforts at rebuilding had all passed. The economy was alive and well. It was a booming, strong place. Germany was, economically anyway, asserting itself very well and feeling quite assured of itself - less so, I guess, on the political side.

Q: Who was the ambassador at the time when you arrived there?

KINNELLY: Marty Hillenbrand, a very fine, thoughtful man.

Q: What was your impressions of how he ran the organization or at least maybe you were dealing with the DCM? How was the embassy managed?

KINNELLY: I had the feeling that there was a good understanding of what was vital in U.S.-German relations, very good substantive comments being made in embassy reporting, close contacts with the German establishment. I think that the embassy itself was well-run. It was always a bit of a surprise how big an operation it had to be, how much had to be involved in terms of administration. We had the regional communications people there and all sorts of other regional offices. There were just so many people. I would expect that it was a bit difficult for the DCM and for the administrative people to keep a hand on all of this. I was engaged only in the key purpose of the Embassy, that of U.S.-German bilateral relations, and I think that was managed very well.

Q: What would you call the key areas?

KINNELLY: Looking at it from my perspective as an economics officer, Germany's growing economic strength in Europe and its growing role within the European Union and, in that context, what this meant for bilateral trade, investment, overall economic relations with Germany. It was a time when Germany, on the economic side anyway, was starting to consult more closely with the French, not always successfully, but when there was an accord with France, the two countries could push their position within Europe quite effectively, just as they are doing today with the euro and monetary unification.

Q: In '74, there was not yet really a European Union. What was it?

KINNELLY: It was the European Community. The European bodies that were formed in the early post-war years, the coal and steel community and the atomic energy, were still active. At that time, a more far-ranging move toward European unification was taking place. The European Commission in Brussels was being given more powers. The European Community as such was based on the 1957 Treaty of Rome.

Q: What was your job? You were in the Economic Section.

KINNELLY: Bilateral trade policy and Germany's role in GATT, U.S.-European Community issues as far as Germany was concerned, German development assistance. Germany was just joining the InterAmerican Development Bank. I remember dealing with Germany on that, and working on German aid programs. Monetary issues as well. We had a Treasury attaché and much of this was done by the Treasury people, but I did some.

Q: Speaking of bilateral trade issues, Germany doesn't seem to raise its head up much in that particular regard, as opposed to Japan or France, with whom we always seem to be at loggerheads. During this '74 to '77 period, were there any particular issues of concern or tension on trade issues?

KINNELLY: It was not so much bilateral issues as discussions on dealing with larger institutions: how strong a role should GATT have, how far one should go in the direction of trade liberalization, how fast should the European Community dismantle its external tariff barriers, as we wanted, versus the European interest in maintaining their external tariff barriers as they did away with internal barriers. These kinds of issues. I also remember nitty-gritty stuff, such as dealing on standards for screws. Most German officials were pleased to have an opportunity to practice their English, and it was quite easy to deal in English. When I later went back in the ’90s, I found that officials, especially in the Foreign Office, thought that a diplomat being in their country should darn well speak their language. There was a real change there. But getting back to screws: there were many differences between the German and U.S. standards. It was my task to try to resolve differences in the pitch of the screw, the length of the distance between the

ridges and such, all in German because my counterpart only spoke German. I had quite a time with that one.

Q: Within the Economic Section during this period you were there, was there any contemplation, discussion internally about the German social program and the cost to it and all that, sort of wondering whither that program over some generations?

KINNELLY: To some degree. I had just come from a job in Washington dealing with the OECD. Included in that job was a look at manpower and social programs for all the OECD countries. The U.S. under the Nixon administration had done a lot of innovative work in terms of looking at social indicators. I think these issues came out later in Germany, issues such as the cost to the economy of the large programs to protect workers in terms of health and social security. We were at the embassy always a bit intrigued by the amount of free time, vacation time, that German workers had, starting with about four and a half weeks of leave when a worker started, and then every several years, a week at a spa somewhere for a cure.

Q: Bad Homburg or one of the Bads.

KINNELLY: Yes. We wondered how productive the German economy could be in order to pay for these costs. It was still a time when the economies in Western Europe as well as the U.S. were recovering from the energy shock that started in '73. The Germans in their traditional way were worrying about inflation and keeping interest rates high while trying to suppress demand. So, the economy wasn't really growing very much. But we still had a sense of its competitive strength.

Q: You mention the Germans were beginning to start essentially a foreign aid program at that time. Were we trying to have any influence on directing them towards certain things so that maybe we would complement each other or was it just a matter of sort of watching them do it and cheering them on?

KINNELLY: I think it was welcoming their growing involvement in the world and encouraging them, as a wealthy country, to be doing more. For example, we were supporting their participation in the InterAmerican Development Bank. There was a growing level of consultation with the Germans as to aid programs in particular countries, especially when problems arose. I don't recall any effort to say to the Germans, "We'll take care of this country, this part of the world. Why don't you take care of that?" We did encourage them to get into Latin America.

Q: Were there any other developments during this time that you can think of? Was anybody in your office taking a look at the economy of Eastern Germany? Were you getting anything from that?

KINNELLY: No. I think the Berlin office at that time was doing this. Much later, it came out in the course of my second tour there right after German unification, how we had an

appreciation back in the ’70s of East Germany being the real industrial powerhouse of the communist world. There was a lot of German technology, after all, coming out and being utilized behind the Iron Curtain. There was an impression that it was a very harsh world over there, but that the East Germans were still quite well-advanced for the communist world. That, as it turned out, was not a very accurate impression.

Q: I was wondering about the feeling within the embassy. Was there any feeling about World War III was ready to start? Did you have the feeling that the Soviets at that time, really something might trigger them to take off and do something?

KINNELLY: There was a little bit of an edginess in that respect. I had talked with the German military and knew where the Faulty Gap was, and the potential for a heavy Soviet armed thrust. I sometimes had the feeling that all hell might break loose. So, whenever anything anywhere in the world triggered any sort of alarms, we were sensitive to that.

I remember participating in an informal association of German military officers and German economic and professional leaders. The group held conferences at a resort not far from Bonn. This was an effort to involve the German military in the civil world of Germany, the thought being that in earlier times, the military had led its own existence apart from the rest and that was unhealthy. So, as the German military began to grow, here was an effort of "Let's not go through that again."

Q: You left there in 1977. Where did you go?

KINNELLY: I took a job in OES, the Science Bureau in the State Department, a new job, dealing with technology matters. OES wanted to have an economist in that slot.

Q: You were in OES from '77 until when?

KINNELLY: From '77 until '80. Before taking this job, I had lots of long discussions, I remember, with the DAS and the office director, about the importance of technology issues such as U.S. competitiveness and of all that could be done in this area. When I actually got into the bureau, I found that really not too much thought had been given to what this new position should involve. However, within a little while I saw an opportunity to focus on science and technology for development, an issue that was gaining considerable interest as a means to deal more constructively with the Third World.

Q: Could you explain, OES stood for what? What was the role, how you saw the bureau when you arrived in 1977?

KINNELLY: Sure. This was Oceans and International Environmental and Scientific Affairs. The bureau had been set up a few years previously by an act of Congress. People on the Hill were rather skeptical of the State Department's interest in

these areas and not at all confident that the State Department would devote sufficient attention to them. So, after a long study by the Congressional Research Service and a number of hearings, they passed a special title to the State Department authorization, requiring State to set up this bureau, and to provide an annual report to Congress on science and technology in international relations. So, that had already happened. Patsy Mink, a politician from Hawaii who later entered Congress, was Assistant Secretary. She was a very dedicated and energetic person, but a person without bureaucratic experience or experience in dealing with the foreign affairs communities, and also lacking experience in science and technology. As a consequence, this new bureau was not very effective in its relationship with the rest of the Department or with other agencies in framing criteria for programs, or implementing programs designed to advance U.S. interests in the areas of the bureau's responsibilities. This changed dramatically when Ambassador Tom Pickering came in as Assistant Secretary. Of course, he knew the rest of the establishment very well and was highly effective in initiating programs and getting things done.

Q: Today, Tom Pickering, as of June 6th, was just sworn in as the Deputy Under Secretary for Political Affairs. So, he was a constant in the administration's common goal. Were you there when he came on board?

KINNELLY: Yes. He was appointed Assistant Secretary just a few months after I had started at OES.

Q: Did you sense a change?

KINNELLY: Immediately, yes. As I said, I was working on science and technology in cooperation with developing countries, an area that the bureau had not dealt with before. The bite words were "small is beautiful", based on Schumacher's new book. USAID was very much engaged in appropriate technology, getting away from the big cement plants and other heavy industry programs that hadn't worked very well in the development scheme.

Early on, I did a paper on appropriate technology. I went off to Kathmandu to the first Colombo Plan meeting there to give this paper and to take part in our delegation to that conference. But as I became engaged in these development issues and discussed them with people in and outside the government, I had a sense that, though appropriate technology had a role in development assistance, there was a lot more that needed to be addressed. I was convinced that one had to look at more advanced areas of technology for opportunities to assist developing countries to leapfrog over what the industrialized countries had gone through step by step. There were a couple of new developments in which I was engaged. One was the start of preparations for a major UN conference on science and technology for development. Ambassador Jean Wilkowski was appointed as special ambassador for the talks leading up to this conference. Pickering took a strong interest from the start in these negotiations. I was the point man for the Bureau in dealing with Ambassador Wilkowski's office.

Q: Where was she attached?

KINNELLY: I think she reported directly to the Secretary or an Under Secretary. So, she was pretty much independent.

Q: One of these roving ambassadors.

KINNELLY: A special ambassador for this conference. The conference was a big deal, with the negotiations leading up to it running for over two years. The north-south dialogue had started. We were trying hard to find a new approach that would have some resonance in the developing world.

Q: Could you explain what the north-south dialogue is?

KINNELLY: Yes. This was a growing belief on the part of the developing countries that they were getting short shrift as far as their share of global wealth, that they weren't being paid enough for their commodity exports, that they had little voice in the UN or other international agencies. So, they were pushing very much for a different world order.

Q: Also, wasn't technological transfer part of this? You shouldn't be sitting on all the patents to medicines and everything else. These should be somehow distributed to us with no payment.

KINNELLY: Yes. One of my responsibilities was to go to UNCTAD transfer of technology meetings in Geneva where the LDCs were pressing for low-cost access to biomedical technology and for reducing the patent protection of pharmaceuticals produced by the multinational corporations. Also on the agenda was the brain drain, the charge that we were enticing the best students from developing countries with our Fulbright grants or other means to come to the U.S. and then keep them here to work. There was quite an ideological bit to this whole thing.

Q: What was our response?

KINNELLY: This UN conference, UNCSTD, (and a very activist and positive role in the preparations by the U.S.) was part of our response. A lot of people were engaged. The National Academy of Sciences did a compendium of U.S. areas of technology that could be of assistance, together with a listing of institutions in the U.S., what they were doing, what their areas of research were. The National Science Foundation and other U.S. government bodies did reports and papers on what could be done. We were zealous in efforts to engage officials in the capitals of the major LDCs and in encouraging the regional UN organizations to engage their members in preparations for the conference. We wanted to get developing countries to send people from their capitals to the preparatory meetings, rather than relying on their old diplomatic hands in Geneva and New York. So, we were really going out to sell this.

Q: From your point of view in the Department of State, how capable did you find the Foreign Service overseas? Not foreign service in the strict sense, but the American diplomatic apparatus to deal with scientific and technological matters?

KINNELLY: In a handful of larger posts, there were science and technology attachés or counselors. These people were really quite good. Many were scientists who had come from DOE labs or technical agencies. A few were career diplomats, who had been doing this work for some time. In the smaller posts, you didn't have people with this kind of training and experience. But I always found on my travels that there was good support as well as curiosity about the issues. Typically, one did not need that much background in the science itself, but more an interest in what was going on and some understanding of the interaction of technology and development.

Q: Was your job and the Bureau's job more to protect American positions on being one of the nations which was producing a lot of science and technology and to sort of keep it to us, or was it trying to help other countries? Where were you all coming from?

KINNELLY: I think we wanted to protect pharmaceuticals. We wanted to not see the terms of trade for technology products go against us so much. We did not want to see restrictions put up by developing countries to protect their infant industries. But that aside, we were very much interested in helping these countries build their own competence in science and technology. We were trying to assist them in establishing links between their institutions and research labs or other bodies in the US. Our other response, besides this activist interest in UNCSTD, was to set up a new U.S. institution or foundation. At first, it was called the "Institute for Science and Technology Cooperation" and later was renamed as a foundation. This initiative stemmed from the belief that we had to offer the industrializing countries more than the appropriate technology that USAID was pushing at the time. We were looking at programs that the Canadians and Swedes had already developed as models. They had small but very flexible institutes that were separate from their development assistance programs, that dealt with more advanced areas of science cooperation with developing countries. Tom Pickering took a real interest in this proposed agency and worked hard to promote it both in the administration and on the Hill. I worked closely with him in supporting these efforts. We got quite a ways, in framing the structure and the programs for this institution. We received a lot of support on the Hill, but finally lost it in the Senate.

Q: What was the opposition and where was there opposition coming from in the Senate?

KINNELLY: A lot of the opposition centered on the idea of setting up another bureaucracy. Why not let USAID do all of this? Why not have the agency already dealing with development assistance take this on? That’s in fact how it came out after this institute idea went under. USAID set up a bureau of science and technology. I think that was the main area of opposition rather than to the concept of providing assistance in more technically-advanced fields. At that time, too, the north-south issue got hotter. There was a growing feeling that we weren't getting very far with the developing world. Following

the big UNCSTD conference, we offered only a modest level of support, $25 million. Other countries offered even more modest funds for specific programs. And then in the end, Congress refused to authorize this funding. This was happening at about the same time that the foundation proposal went under.

Q: Did you find that in the bureaucratic war, AID didn't want to see this foundation?

KINNELLY: Oh, yes. I think any bureaucracy would like to protect its turf and AID certainly saw a raid on its turf taking place.

Q: What was the philosophy? Was it that AID really wasn't a very good deliverer of this as far as you and others were concerned?

KINNELLY: It was more a feeling that AID was stuck in a line of programs that were restricted in their effectiveness and that AID was dealing only with the least developed countries. We had perceived an opportunity for using small amounts of funds to build cooperative links with the more advanced LDCs. (end of tape)-

This new foundation was designed to be a lot lighter and more flexible than AID. It would not have offices abroad. It was designed to assist the more advanced LDCs in making contacts with U.S. universities, labs, whatever, but not to run programs. So, it involved a different approach.

There were other types of institutes which were also engaged in the dissemination and introduction of advanced technology, such as the international agricultural research labs that had been set up under World Bank auspices. The Rice Research Lab in the Philippines, for example, had developed new rice strains and was introducing the technology for growing and storing these new forms as part of the Green Revolution. We saw a role for the foundation in spreading the Green Revolution in those countries that already had much of the required infrastructure on the ground, and that did not need development assistance programs. We were trying to find just ways to disseminate the technology.

Q: After this effort sort of came down because of the summit, was there much cooperation between OES and AID as far as how they were going to set up their thing or did each one go off, one in a huff with the other and a smirk?

KINNELLY: This was '77 and I left. But partly as a result of the failure to set up this foundation, and partly as a consequence of the stillbirth of the UNCSTD conference, OES involvement in this area started dropping rather quickly. The person who succeeded me lasted for several years and then the position was eliminated.

Q: When you went to the UN conference in Vienna, where were some of the major players coming from? I'm thinking of France or maybe Germany, but also the other side: India, the Soviet Union, Brazil, Japan.

KINNELLY: There was a real interest by the Germans and by the Canadians. We, of course, had gone to Canada to look at how they had set up a small institute to provide more advanced technology. I remember dealing closely with the Canadians in the conference and in the conference preparations. There were a lot of consultations at the OECD. I went to several sessions there to talk about coordination of a developed country response to and offers to developing countries. I think in those sessions, there really weren't any areas of real controversy. There were questions about how much the countries could do. In those days, we all felt some limits to what we could do, but there was also a feeling that if the UNCSTD conference were successful, this would indeed help in moving the north-south controversy out of the controversial areas and into something that was more substantive. The problems were with India in particular, and Brazil, Indonesia, countries that were serving a leadership role in the north-south dialogue and were suspicious of what the West was doing here. These countries also wanted to go on protecting their own developing industrial base. They worried that we were finding another way to assert influence on them.

I think this was the time, too, when we were developing our LANDSAT capabilities. This would be remote sensing by satellite. This was a new technology. There was a real concern by developing countries that we wanted to spy on them, that we were going to use these satellites to find out where their mineral ores were and their other natural resources. They wanted to stop this or at least control it.

Q: How could you respond to this? In a way, the LANDSAT technology really was to look at the use of land and oil. I suppose, as it developed, we weren't sure but oil might come out. In a way, they had a point.

KINNELLY: They did. Well, the response was about the best we could do. The response was that this is a civil program run by NASA and all of the imagery will be made public. Well, the developing country says, "You tell us this, but you've got an official body that's going to make it public. How do we know that you are indeed? Then the imagery has to be processed. You've got all the money and technological wherewithal to process it, but we the developing country can't do anything with this stuff. Your companies will seize this and run with it and you'll leave us further behind."

Q: There is no real answer to that, is there?

KINNELLY: No. Trust is an answer, but we didn't have trust at that time. So, dialogue helped. Development assistance programs involving training and help in developing competence in processing and using LANDSAT imagery began to ease their concerns over time.

Q: I would have thought that, in a way, you would have felt that you were having to run hard to stay in place. I mean, technology (for example, satellite technology) and agricultural developments, things were moving and continue to move at quite a rapid

pace. For somebody who is in the Department of State just to sort of keep up with this would be a problem.

KINNELLY: I was fascinated by it. It was a real intellectual challenge to try to understand what was going on with the Green Revolution and its possible impact on development, to look at pharmaceuticals and the brain drain and to try to write position papers on the brain drain. The range of issues was just so broad. Also, these issues brought in new people and institutions I hadn't dealt with before, academics interested in technology policy or development policy. For the academic world, too, this was still a new and exciting area. So, there were lots of conferences, lots of informal discussions, lots of papers being written. I was trying to make some head or tail of all of this and to be of as much help as I could to Ambassador Pickering and others.

Q: Did you find much response to what you were doing from the rest of the State Department?

KINNELLY: It wasn't bad at that time. There were regional offices in the bureaus that took an interest. Some of the larger desks did, too. Again, I think it was Pickering who really helped in this regard in getting his counterparts, Assistant Secretaries, to have their staffs be responsive. I don't think it was something that most of the political and economic officers would normally take an interest in.

Q: You left there when, in 1980?

KINNELLY: Yes.

Q: After a good effort which, in a way, although it didn't end up where you all wanted it, there at least was a bureau dealing with it. There had been a development in that time, wasn't there?

KINNELLY: Yes, and AID did indeed set up a science and technology bureau and did, at least for some years thereafter, take an active role in pushing the concepts we had developed as an integral part of its own programs of development assistance. The international financial institutions, too, took a role. I remember meeting quite often with the science advisor to the World Bank and talking about the Bank's growing interest in this area and what the U.S. could do with them. So, I think something was left after all of this, although not as much as we had hoped.

Q: Where did you go in 1980?

KINNELLY: Back to school.

Q: Good heavens! You economists got a pretty good deal.

KINNELLY: I can say I needed all the help I could get. OES asked if I would like to stay in the science and technology field and go out as a science officer. But they had no slots abroad for me in '80 and instead offered to send me to university for training in science and technology. Although I had been working in this area for three years, I thought it would be useful to have more substantive depth. Most of the science counselors were scientists who had come from the government labs, with just a few career FSOs doing this. Again, I was given a choice of where I wanted to go. I decided to go to the Woodrow Wilson School of Public Affairs at Princeton. It had no science policy program, but it was interested in building such a program. The School had a program of mid-career training for government executives which looked attractive, and they offered to help me in taking courses elsewhere in the university and in building a flexible program of studies.

Q: So, you took it from '80 to '81, I suppose.

KINNELLY: Yes.

Q: What did you come away from Princeton with as far as sort of your look at the academic side of this whole science and technology development in one part of the world and lack of development in another part of the world and all that? What was your impression?

KINNELLY: I guess I got away from that world of science and technology for development and I was looking more to a future as a science counselor in developed countries where almost all of them were stationed. My ongoing assignment would be to Madrid. So, I had Spain and again Europe in mind. I showed up in strange places in Princeton, in an introductory course in nuclear technology in the engineering school, much to the surprise of the teacher. This course stood me in very good stead in each of my subsequent assignments. I took a course in health policy and health issues, which later on as we started worrying about AIDS and its impact on security and on development, was also useful. But it was the interaction of technology and economic development that was the main thrust of my studies there. I'll talk later about Spain, but when I went on to Madrid, my job required some knowledge of a wide range of scientific disciplines. In this respect, the year at Princeton was very helpful.

Q: From this time in the academic world, what were the concerns or desires of, you might say, the technological and scientific world regarding America's role abroad? Did they see us still as sort of the center or did we get contributions from other countries and we put it into sort of practical use? Or were things changing?

KINNELLY: I saw there more of a sense of interaction with the rest of the world. Let's look and see what other countries are doing. There was an acknowledgment that very bright things were being done elsewhere. There was a lot of active cooperation with academic communities elsewhere, more so than in Washington, where things were far more centered on the U.S. leadership role in the world, even in the sphere of science and technology.

The other noteworthy thing going on at Princeton was that a very strong anti-nuclear proliferation movement was centered there, based on the feeling that the U.S. should really be doing more to stop the spread of nuclear weapons and should itself stop relying on nuclear weapons. This movement was also urging that the U.S. should start looking at its peaceful uses of nuclear technology, especially nuclear power, not so much from a safety perspective (that came after Chernobyl, much later), but from a non-proliferation perspective.

Q: Did you get any feel for the internationalization of science? One thinks of American science labs as being filled with people, these Fulbrighters, that other people are complaining about, were coming to the United States and being put to very serious and productive work and often not going home. Did you get a feel for that?

KINNELLY: Yes, certainly at Princeton more so than at MIT. A lot of very bright foreign students there. I think there was a feeling that it should be up to the individual to determine where he wants to pursue his career and where he wants to live, and a feeling that it will be a better world if the best people can gravitate to the best places. I suppose there was also a competitive drive behind all of this. We needed the best people at Princeton. If we can attract them, fine, and then we'll keep them here, too. We'll do better for that reason.

Q: Then you left Princeton in '81 and went to Madrid?

KINNELLY: Yes.

Q: You were in Spain from when to when?

KINNELLY: Let's see, from December '81 to the summer of '85 - three and a half years.

Q: What was your position in our embassy in Madrid and what was your role?

KINNELLY: I was the science and technology attaché in the Economic Section. I was also the deputy economic counselor. My main role was interesting and unique. We had a large science and technology cooperation program with Spain, which we funded as part of the bases agreement. Spain was the only country receiving this type of economic support assistance from the U.S. that had requested that part of the assistance be in the form of science and technology cooperation. So, the program started at several million dollars annually. It was at $4 million when I arrived and ratcheted up to $7 million, which in terms of science and technology cooperation was a very heady sum. We had a joint secretariat in Madrid which managed the program in terms of giving out the grant assistance and monitoring the cooperative programs. The State Department and the Spanish Foreign Ministry were the lead institutions. The Spanish assigned very good diplomats, Fidel Lopez Alvarez and later Antonio Oyarzabal, to the task of working with me in overseeing the program. Oyarzabal is now the Spanish ambassador in Washington.

With the additional funding, I wanted to expand the program to cover a wider range of areas. It had concentrated in agriculture, energy, and marine science, and we were able to get remote sensing and especially biomedical research programs with NIH going while I was there.

Several years before I arrived, complaints had been made by people at NSF, the National Science Foundation, that the program was not being managed well. As a result of those controversies, NSF had pulled out. They felt that the science wasn't good enough and there wasn't adequate review of the projects that were being approved. So, one of our most important achievements was in improving the project selection and review process to the point where we were able to get NSF back into the program. So, with money to spend, you're always in a nice position. I visited a number of the Spanish universities and research institutes, telling them about the program and trying to encourage more competition.

Q: When I think about it, I don't think in today's terms. I'm sure this will change. But in the past 50 years or so, at least, I don't think of Spain as being one of the places where there would seem to be much in the way of rather interesting scientific development. I mean, one would think Germany and France, maybe even India, Japan, other places. Was this a fairly one-sided thing. I mean, were we trying to help the Spanish thing, up their science capacity, or was there an exchange? What were we doing?

KINNELLY: The initiative was on the Spanish part. I guess there was a feeling of getting left behind because of the civil war in Spain and then World War II. I had arrived just several years after Franco's death, and there was a feeling that they really had to get themselves into a more competitive position and that science and technology was important to that aspect. Here they were getting economic support assistance from the U.S. under the bases agreement, so why not ask the U.S. to open a window on its science and technology community? The program was designed to bring Spanish and American investigators together. Proposals for joint research were put forth by American investigators, too. For some of the Americans, this was another opportunity for grant assistance. There was never enough from NSF or elsewhere. So, there was a bit of that. But the best researchers on the U.S. side were attracted to the program by the opportunity to do research that could not be done in the U.S. itself. One of our larger projects involved a team of marine scientists headed by Ken Tenore from Georgia Tech, who subsequently came up to direct the Chesapeake Bay Laboratories in Solomons Island. They were interested in doing research on the Spanish *rias*, the long inlets on the Galician coast. There were very strong upwellings of water on the Atlantic shelf outside the *rias* that brought in water very rich in nutrients. As a result, there is a tremendous production of mussels and other fisheries inside these *rias*. The *rias* are a unique area to study. A whole series of academic papers were produced. At the same time, Spain had very little in the way of academic programs in marine biology. The Spanish fisheries institutes would hire somebody with a bachelor's level degree in biology and then train him. Well, under this program, we brought young Spanish scientists to the U.S. to work on their doctorates.

After five or six years, these young scientists formed the basis for much more effective and higher level Spanish research capability in marine science.

There were other areas, such as solar technology. We helped Spain build a solar tower, which would reflect the sun's rays onto a large set of panels of solar receivers. We have this technology in California, too, but southern Spain, in Almeria, was a very good place to do this research. In this case, the American researchers were interested in developing and testing new technology. At the same time the Spanish gained a lot of technology themselves, as well as training and experience in using it.

Q: This '81 to '85 period was really sort of the beginning of the explosion of the personal computer and the ability to do a lot of things that before had been limited to a few major labs. Were you able to tap in? Were the Spanish able to tap into this change in the ability to look at things?

KINNELLY: I guess it was a bit too early for that. However, some Spaniards were starting to move. They were making links with laboratories in other parts of the world, with northern Europe and with the US, moving back and forth. But in my travels, I found that many universities and many of the labs were very insular still and rather protective. It was rather difficult to get them to move out of their shells, even when there were so many opportunities to work with American scientists.

It was a very interesting time for Spain. The country was just moving out of the long Franco period, wondering where to go. There were debates, very serious ones, on whether Spain should join the European Community and suffer the competition from Germany and France and all, or whether it should instead try to build up ties with the old colonial world in Latin America, look to the North African littoral, this sort of thing. Spain finally ended up choosing Europe. Spain was also being pressed by the U.S. to join NATO, and was unsure for a long time whether to do so. So, a lot of changes were taking place in Spain's role in the world as well as in Spain itself. When I got there, there were still signs of the Falange around and there were posters in the metro about the new liberal constitution that had just been promulgated, with big crosses over these posters, "We don't need a constitution," a lot of that going on. But then within only several years, the whole new democracy was being more broadly accepted.

Q: How did you find the Spanish bureaucracy at that point, both academic bureaucracy and governmental bureaucracy in your dealings with them?

KINNELLY: On the whole quite effective, quite serious, the Foreign Ministry especially, where there were very well-trained people, really dedicated and open as well. Elsewhere, , a bit of a mixed bag. There were a few institutions that had been built up under the Franco period and, instead of being cut out, were just left to wither in backwaters where people were not doing very much. The science labs that I dealt with, in Madrid especially, and the nuclear establishment, they were really very good.

I should speak a little about the nuclear. It was a very interesting time. Spain had, rather surprisingly for one's image of Franco Spain, already made a sizable commitment to nuclear energy. There were eight or so major power reactors already built and in operation, with five or six more under construction. There was a major research facility with a large research reactor in Madrid doing technology of some sensitivity and some concern for the US. This all started turning around soon after I arrived. The completion of one set of major power reactors in Bilbao was being attacked by the ETA separatists there, and the whole project was brought to a halt.

Q: These were the Basques.

KINNELLY: The Basques, yes. Directors of the project were being attacked and assassinated, there were fires, threats. Finally, this pressure forced the utilities to put a hold on completing these reactors. There was also a growing concern about nuclear energy, and the realization that the Spanish utilities had been too ambitious in their building plans. The government then forced the halt of construction of three or four reactors. This question of where Spain would be going with its nuclear programs was at issue. The major U.S. nuclear engineering companies, Westinghouse, GE, were involved. At the same time, Spain had not joined the Nuclear Nonproliferation Treaty as most of the Western European countries without nuclear weapons had done. We were pushing Spain to do so. They refused. We had a time with that issue.

Q: Why were they refusing?

KINNELLY: This I can talk about now. General Electric and Westinghouse were both working with Spanish counterparts in building a modern plant to produce nuclear fuel for the power reactors, typical low-enriched uranium fuels for light-water reactors. Nothing wrong with all of that. But then we learned that the Spanish military had other interests in mind concerning this fuel fabrication plant. They were worried about protecting the Canary Islands. They had lost Spanish Sahara not too many years before. They were looking at the concept of having several nuclear powered submarines which could go out there and sit for extended periods around the Canaries. They needed fuel for the submarines and they thought this plant would be a very good place to do it. They were not listening to their civil nuclear people, who knew full well that this plant could not be used to build fuel for nuclear submarines. It's a far different fuel and requires much more protection, too, because it's more highly enriched. It would be much more radioactive, much more dangerous to deal with than the fuel for power reactors. When we finally found this out, we were able to explain to the Spanish military that if they joined the Nuclear Non-proliferation Treaty, the treaty permitted countries to develop nuclear technology for defensive non-weapons purposes,. They would be free to build a nuclear powered submarine, but they would have to do this on their own, without outside help. Under the treaty, they couldn’t put nuclear missiles on these subs, but they had no plans to do that in any case. We also had experts explain to them that the technology involved at this fuel fabrication plant just wouldn't work. So, finally, they decided to join the

Nonproliferation Treaty. And they eventually gave up on the idea of building nuclear subs.

Q: You left there in '85, is that right?

KINNELLY: Yes.

Q: Who was the ambassador most of this time?

KINNELLY: Todman, a very fine man, who was liked and admired both by the Embassy staff and by the Spaniards. I had mentioned that Spain was changing so much. While I was there, Spain decided to join NATO and the European Union. There was a lot going on. I think Todman wanted to be sure that the bilateral science and technology program ran all right and would not give rise to a problem for him. He was not interested in the management of it; that was my responsibility. As for the nuclear, that, of course, he took an interest in.

Q: In '85, where did you go?

KINNELLY: To Canada.

Q: You were in Canada from when to when?

KINNELLY: '85 to '89, in Ottawa as science and technology counselor.

Q: This must have been an interesting thing because of the special relationship with Canada. Things overlap so much there.

KINNELLY: One of the main areas I dealt with was acid rain. It was the high point of that issue as a sore point in U.S./Canadian relations. Our ambassador, Tom Niles, had dealt with this when he was in the European Bureau before going to Canada. He was very well informed, and had dealt with the Canadians on this dispute for years. He spoke on this quite often, as part of the Embassy's public diplomacy.

But the special relationship was indeed unique. Both countries were trying to deal domestically with the high level of public concern over acid rain and its impact. There were provincial and state interests, too. In the US, the New England states felt very badly impacted and wanted to see more federal controls on utilities and other sources of the pollutants causing acid rain. There was a conference in Washington in which both the states and provinces participated. The representative from Quebec prefaced his remarks by explaining that he was representing the province of Quebec and the state of New York. How should the embassy, or the State Department, deal with this type of conjunction of interests?

Q: There was a controversy, but when you were down faced with the issue, what was the issue of acid rain and where was the problem?

KINNELLY: These pollutants, sulfur dioxide and the nitrous oxides, acidified the soil and water where they fell in large amounts and caused a sterility to lakes and land areas. This is true in the Adirondacks as well as Quebec and elsewhere in the East. There is a concern, too, and there is still a lot of research going on, that this acid rain harms maples and other trees and also agricultural production. There is no threat to humans, but to the land and the waters. The issue came to a head when new U.S. regulations encouraged utilities to build higher smoke stacks so that the smoke would not settle on the people immediately around the plant, but would be wafted further afield. We didn't realize how far afield it could go - a thousand miles or more. So, a lot of this was landing indeed on Canada because of prevailing west-east winds.

Q: You had an administration, the Reagan administration, which (I'd like your comment on it) seemed to be dominated by business interests who weren't going to buy this at all and were fighting it very strongly. One, what was your feeling and those who were dealing with it like Tom Niles about what were the actual plants and then how did you deal with both the administration and then with the Canadians on this whole thing?

KINNELLY: Just before I arrived in Ottawa (I arrived just a few months after the Reagan administration came into power), there had been a mad rush in Washington both to complete revisions to the U.S. Clean Air Act to strengthen the controls against emissions of these pollutants and also a rush to complete a new agreement with Canada which would lock the U.S. into doing more. The agreement with Canada just wasn't completed in time. So, the Canadians were very much aware of what was going on in the US.

Q: Could you explain what the EPA was?

KINNELLY: The Environmental Protection Agency was now headed by people who certainly did not want to tighten U.S. regulations. So, there was very little we could do with Canada. What we started doing then was to question whether we really knew enough about the science and about what was happening to lakes and forests, to determine that strong measures needed to be implemented. It really is quite complex. There are a number of reasons why a maple forest might weaken. It might well not be acidification. We did support more research. So, we took this point of asking questions. This was not too well received by the Canadians and it was a quite difficult issue on which we, as an embassy, tried to make understanding noises, but we couldn't really do very much about it.

Q: Were there any other issues besides acid rain with the Canadians?

KINNELLY: The other major issue that Niles and the embassy was involved in was the first efforts on a free trade agreement with Canada. That really engaged the embassy. But it did not so much engage myself. I was interested in Canada’s nuclear program, a major program with a lot of power reactors, especially in Ontario, a lot of research programs.

They had at the time large research reactors that were built in the late ’40s that produced most of the isotopes used for nuclear medicine in the US. So, there was a lot of cooperation. Shades of Madrid, the Canadians had taken an interest in extending their military presence in the Arctic, realizing that Soviet and U.S. nuclear submarines were operating there all the time and that they had no way themselves to get out there and have a presence in their own Canadian Arctic waters. So they were considering the development of their own nuclear submarine program. This Canadian review was going on for a while until they finally decided it would just cost too much money and backed off.

We were beginning to organize a framework for research cooperation in the Arctic, which would include the other circumpolar countries. The U.S. had done a lot of research in the Antarctic, but not so much in Arctic science and we wanted to do more. At the same time, the Canadians were interested in organizing research programs in the Antarctic, where they had not done much before.

Q: Other people I've interviewed, many of whom have dealt with the Canadians, say that if you get into negotiations with the Canadians, keep your hand on your wallet. I mean, they are very good. Did you run into any Canadian negotiations and how did that work if you did?

KINNELLY: Certainly, they're very good and very much interested in protecting Canadian interests. I guess it's the type of negotiations that I was involved in. We weren't negotiating acid rain. There wasn't much the U.S. could do on that score. In the other areas, it was more how do we manage frontier issues or how do we extend cooperation such as into the Arctic? I knew that the Canadians could be difficult, such as in negotiations on space law at the UN. But I was really seeing that from a distance. I think we have had more difficult times with Canadians in multilateral negotiating frameworks than on the bilateral scene.

Q: Did your particular line of work run across the problem of cultural protection with the Canadians? I mean, the Canadians were always concerned about the spillover of American culture into Canada. I was just wondering whether you ran across that particular problem.

KINNELLY: Not in my work, but certainly in the free trade negotiations, this was a major area - movies, magazines, television in which the Embassy was engaged.

Q: Does that pretty well cover the issues that we were talking about in Canada, do you think?

KINNELLY: Yes, I think so. There was certainly, in this period, a growing level of science cooperation with Canada. Canada had joined the US-led deep sea drilling program. It was one of the major participants in seeing the need and finally an

opportunity to examine the huge amount of geological sites under Canadian waters both in the Arctic and off the Canadian shelves in the Pacific and Atlantic.

I must also mention a major set of negotiations with Canada, those concerning Canadian participation in the Space Station. The Canadians have been very proud of their space technology. Canada had developed the technology for a space arm, as they called it, a Canada Arm, which we have often seen in use in deploying satellites from the shuttle.

Q: You always see the Canadian symbol on that space arm, yes.

KINNELLY: Yes. We were engaged in a long series of negotiations for Canada's participation in the space station, in which they would provide a much more developed arm and also much more elaborate manipulating equipment to go at the head of the arm. They were talking at that time of doing other things - the space garage in which a satellite could be brought in to be refurbished and then put back out in orbit. The Canadian space program was certainly the largest science and technology program in Canada and so it was a major commitment by them. There were issues of how could they rely on the U.S. commitment to this program over the years? If they committed themselves so highly to this international collaboration, was that a risk to them or not? Questions of the shared technology: what would Canada get in exchange for providing this arm? The Europeans and the Japanese would build their own laboratories and attach them to the space station, but Canada doesn't get anything from the arm per se in terms of science. So, we negotiated a Canadian share in the total research area of the space station. What would that share be? It turned out to be 3 percent, but that was a hard one to come at. Those negotiations were led by the State Department, while NASA led parallel negotiations relating to cooperation and commitments in providing the actual technology. The interaction of the Canadians with the U.S. was really close, and effective.

Q: You left Canada in '89?

KINNELLY: Yes. I came back to Washington to OES, where I directed the Office of Nuclear Technology and Safeguards.

Q: You were there from when to when?

KINNELLY: Just from summer of '89 to January of '91.

Q: During this '89 to '91 period, what were your main concerns? Did Chernobyl happen at this time?

KINNELLY: Yes, it did.

Q: Was this an outgrowth of Chernobyl?

KINNELLY: No, this office had been there for some time. OES had made a major institutional commitment to nuclear non-proliferation matters. Pickering had done a lot on this and had taken a real interest. There were three offices in OES at the time dealing with nuclear issues. Our office had responsibility for U.S. participation in the International Atomic Energy Agency, which took the lead role in applying safeguards to nuclear programs to ensure that there would not be a misdirection of these programs into weapons areas and that any kinds of sensitive nuclear technologies would be very secure, that there be both a physical and a paper accounting of the movement of all nuclear materials. We worked closely with the U.S. Mission to the IAEA and with Ambassador Richard Kennedy's office, he being the U.S. Representative to the IAEA. We coordinated and managed the funding for a major program in which the DOE labs developed new technologies to support the safeguards program - better cameras, better seals, and we provided this technology to the IAEA. We also had responsibility for bilateral cooperative programs with several countries in the Far East with active nuclear programs - Korea, Indonesia, Taiwan. I chaired a number of delegations on cooperation with these countries. Our involvement with the consequences of Chernobyl, which had just happened, was growing rapidly.

Q: You might explain what Chernobyl is.

KINNELLY: A major accident at a Soviet nuclear power plant in the Ukraine in which a great deal of radioactivity escaped and damaged the area around, badly endangering the health of the people living around, most of whom were evacuated. Some Russian pilots made very brave efforts to fly over in helicopters, fly over the shell of the plant and drop cement and other materials on this shell to provide a temporary sarcophagus for the plant, and were badly burned by radioactivity. Our office took a real interest in trying to help these pilots and one in particular, bringing him to Seattle for treatment several times and watching the poor man die on us. We then developed a cooperative program with the Soviet Union in nuclear safety, led by the Nuclear Regulatory Commission, in which we offered to share technical knowledge. We succeeded in building up a number of cooperative programs relating to the safety of nuclear technology, for example, what kinds of welds to use in plants, how to test for brittleness caused by exposure of materials to radioactivity.

Q: Was your office concerned about Israel, Pakistan, South Africa, Brazil?

KINNELLY: No. There were the three offices in OES. As far as regional areas, our interest was in the Far East. Counterpart offices dealt with these other countries. We had the lead in safeguards, and in nuclear safety. We took the lead in dealings on these matters with the Soviet Union. This was, of course, back in 1990 and the start of the collapse of the Soviet Union, but that hadn't yet taken place. We negotiated a major agreement for nuclear cooperation with the Soviets. We were cooperating well in nuclear safeguards because the Soviets also did not want to see this technology escape to other countries. No more than we did they want to see more nuclear powers emerge.

Q: That's one place where I think all during the Cold War that we've seen eye to eye with the Soviets.

KINNELLY: Yes. So, there was no real trouble.

Q: Did you find after Chernobyl from people who had been dealing with this before in your office and you yourself that this did a lot of converting of people? I mean, they'd sort of come to church as far as safeguards and all once they saw what can happen?

KINNELLY: Well, the impact on people's attitudes toward nuclear power and their concern about the risks of nuclear power really started with the Three Mile Island accident in Pennsylvania. But in that accident, though very serious, nobody had really been injured physically and there had been very little escape of radioactivity. But that sensitized people to looking more carefully at the risks of nuclear technology. Chernobyl supported all these worst fears. At Chernobyl, the type of reactor is much, much different from those used in the U.S. It is a reactor that can be used to produce plutonium for weapons purposes as well as power. The structure is so large a building that it cannot be contained. We use a series of physical containments around our power reactors so that, as in Three Mile Island, if something happens, it is all contained within the building. This was not the case with Soviet reactors. So, it was a much more risky technology. In deciding to embark on an ambitious program of nuclear safety cooperation with the Soviet Union, we were motivated by a strong interest in not seeing another Chernobyl, but also in building a basis for cooperation in the nuclear area on which we could build. With the breaking apart of the Soviet Union, we've built up since then with Russia cooperative programs for dealing with surplus nuclear weaponry, with the protection of the plutonium and other materials from dismantled weapons.

Q: You were there two years?

KINNELLY: Yes, less than two years. There was a sudden need to have somebody in Germany. The science and technology counselor post had been vacant since the previous summer. The man training for this job was having a hard time learning German. Our ambassador in Bonn was General Vernon Walters, who had started his career in the military as a translator and who had some knowledge of six or seven languages. The OES Bureau asked him for a waiver of the language requirements for this position, and the answer was not repeatable. There was one other German speaker in the science cone, coming back from Tokyo, but he decided to retire and that left myself. They asked if I would go out just as quickly as I could. It looked like the Gulf War would be breaking out on January 15 and so we were trying hard to get out there before that. So, I know well it was January 10 that we arrived in Bonn.

Q: So, you were in Bonn from '91 until when?

KINNELLY: Until October '92.

Q: How had things changed since '74 to '77 from your perspective in your type of work?

KINNELLY: The great change was that the Wall had come down and German reunification had just taken place. But otherwise, things were more wealthy, more developed, there were nice bicycle trails everywhere. The roads were even better, just beautifully-built autobahns spanning deep valleys. We enjoyed drives in the Eifel, a mountainous area between Bonn and Belgium. There was a sense of wealth, of plentitude and of well-being. In the 1970's, though Germany certainly was out of the early post war period, there was still a sense of struggle. This was no longer the case. However, Germany was just starting to look at taking on major commitments in terms of assisting the provinces in East Germany, without any real concept of the costs that would be entailed. So, that period of austerity, and of resentment on the part of some in the western provinces, that came in succeeding years, wasn't really felt when I was there

Q: Were there any particular concerns for you or was this more or less carrying on as you had been carrying on before?

KINNELLY: It was a new job for me, as science counselor in one of the most developed centers of technology, and a real challenge to observe what was going on and to see what German science technology policy makers were interested in doing, which way they were trying to push the German enterprise, and trying to capture that sense and convey it to Washington.

But the most interesting by far aspect of my work was to get around to the universities and research institutes in eastern Germany. There was a real interest in Washington in learning what these labs were doing and what would happen to them, and also in establishing contacts. We had always thought that there must be some good expertise out there, and now we finally had an opportunity to find out. I persuaded the National Science Foundation regional representative for Europe, who was headquartered in Paris, to come with me. The two of us would make tours around the east. I think we were often the first official Americans to be welcomed into these places. It was really very interesting. Typically, the institutes at that time were still headed by the East German managers who were struggling with this change. Sometimes there would be new directors coming in from the West. As time went on, the old directors were in most cases fired or given nonadministrative posts and well-intentioned carpet baggers came in to manage in their place. Sometimes there would be a palpable fear about what the future would bring, about the impending change. But at times one would see a whole hallway filled with empty computer boxes and people setting up brand new systems linking with labs in Hamburg or elsewhere, finally being connected to the international science community. The Germans were undertaking a thorough evaluation of these institutions in the East. This evaluation would then be used to decide whether to continue support for these labs, and at what level. We were watching the establishment of a framework for a potentially much stronger German science infrastructure.

Q: What was the impression you were getting at this time about the state of science in East Germany, [where it had been and] now they were looking at it closely for the first time?

KINNELLY: That it wasn't really that good. People there had been starved for instrumentation and for money to do really good research. As in Russia, the training of scientists had been very narrow. They were skilled in their particular area, but they were not able to leap into new areas very well. So, it was rather solidified, the areas of research. If a laboratory had been dealing with some research area in 1952, it was probably continuing to work in that same area of research. This was not true everywhere. I remember outside of Berlin a very fine health research program with very good clinical medicine there, with an interaction between the researchers and the clinical work that was absent in western Germany. Our people who came to visit remarked on its strengths. But that was probably atypical.

Q: In '92, what happened?

KINNELLY: In '92, I reached the end of my seven years as a Senior Foreign Service Counselor, and came back. I worked in OES as a senior advisor in the front office. The most interesting period of this work was in dealing with the transition team when the Clinton administration came in. I also worked with USAID and other technical agencies in developing a much more analytical program for looking at U.S. environmental cooperation programs abroad.

Q: Did you sense a change with the Clinton administration towards environmental affairs and all?

KINNELLY: Oh, yes. There was a strong interest in looking at what we were doing in our environmental contacts with other countries, followed by a series of White House-

directed reviews of the environment. There was certainly a sense of much more interest and engagement.

Q: How long did you stay in OES?

KINNELLY: Almost a year, and then I decided that I had had enough of just being an advisor. It was time to do something else.

Q: Then you retired in '93 about?

KINNELLY: Yes, '93.

Q: Just briefly, what have you been doing since then?

KINNELLY: Various jobs as a consultant. I come over here to the Foreign Service Institute to help present a course on environment, science and technology issues and U.S. foreign policy. I've recently been helping the State Department Historian in research on U.S. relations with the Swiss and other neutrals relating to the movement of Nazi gold during the war and what happened to it after the war. I've worked on proposals for plutonium disposition, what to do with the surplus weapons plutonium that comes out of the dismantled missiles in both Russia and the US. I've edited proceedings of a US-German conference on the future of research and education in the two countries. So, quite a bunch of projects.

Q: You're busy.

KINNELLY: Yes indeed.

Q: Well, thank you very much.

End of interview