

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

AMBASSADOR EDWARD E. MASTERS

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INTERVIEW

Q: Mr. Ambassador, how did you become interested in foreign affairs?

MASTERS: It was during World War II. I got in one year of college before the war, and at that time I thought I was taking a pre-law course, although like a lot of freshman, I wasn't quite sure. But law was the general objective.

The war came along. I spent roughly three years in the Army. And during that time I got interested in why we were involved in the war--what it was all about. I had come out of a very small town, and I mean very small--600 or 700 people.

Q: Where was this?

MASTERS: In Ohio--north central Ohio. When I was growing up going to Cleveland was a big trip that you did maybe once every couple of years; it was 50 miles away. But the Army opened my eyes to much broader horizons, and so I got interested in foreign affairs. I didn't know anything about ambassadors, or diplomacy, but I started talking to others and doing some reading in Army libraries at various bases.

I forget who it was, but one day I was talking to a guy in the unit I was in--we got talking about these issues--and he said, "Well, there's only one thing to do if you're interested in foreign policy. And that's make it; don't study it. Go into the Foreign Service." I doubt I had ever heard of the Foreign Service before that.

Then I started focusing my reading on the making and conduct of foreign policy, and the result was that by the time I got out of the Army I had decided I wanted to go into the Foreign Service. So I switched majors, switched schools, eventually passed the exam, and had a great career.

Q: Well, you came in when?

MASTERS: I came in--actually, I started as a staff officer. Well, let me go back. I passed the exam in '48, just after I got my BA. Then I went on to get an MA, in '49. It was during the time I was getting the MA that I had my oral, and finally passed the whole process. And they said, "Well fine, you pass. We want you, but we don't have any money to appoint you." This was in the McCarthy days--bad budgets, and so forth. So they said, "You're on the list. We're going to appoint you, but it'll probably be a couple of years. Meanwhile, lots of luck."

Well, fortunately--after I got my MA up in Boston, I came back down here--I got a job as a clerk-typist in OIR, as it was in those days.

Q: That was the intelligence part of the State Department?

MASTERS: Right--later became INR. I didn't really do a lot of clerk-typing work. What I basically did was editing long, esoteric NIS studies. These were National Intelligence Survey studies--long studies of politics, economics, sociology, in various countries around the world. So I did that for about a year and a half. And I got a call one day from the Foreign Service, saying, "We still can't appoint you as an FSO (Foreign Service Officer) but would you be interested in a staff appointment--going to Germany as a kreis resident officer?"

And that sounded great. At least it was a way of getting into the Foreign Service, even in a staff capacity. So I agreed, was shipped off to Germany, studied German in a course they set up in Bad Homburg, outside of Frankfurt. And I became a resident officer in Heidelberg, which was a great spot. First I was one of several Americans in the office. After the whole kreis operation was reorganized, I was put in charge.

Q: What did kreis resident officers--this is k-r-e-i-s, isn't it?

MASTERS: Right, kreis being the German for, in effect, a county.

Q: A county, yes.

MASTERS: It was a great job. In effect, we in a sense managed the county during that transitional period from American military government to the return of full sovereignty to the German authorities. My main duties in Heidelberg were in a sense in administering the city; handling liaison between the Germans and the U.S. military. And this was a big part of my job, because European Command Headquarters was in Heidelberg--still is, I

think. And then, also, I ran what now would be called public affairs programs. I had a fair amount of money. I set up youth committees. I set up sports groups, women's committees, what we called "civic action committees." And I had a set spiel that I used to give in German, telling the German people, in effect, that the war was over, the occupation was ended, they should, in effect, stand up to their authorities, etc., etc.,--trying to teach them good democratic rights and responsibilities.

It was absolutely fascinating. I had a big house; I took over the house that an American colonel had had. I had a German staff of--I think it was 37.

Q: This was pretty heavy stuff for . . .

MASTERS: I decided the Foreign Service was exactly what I wanted--I had made the right choice, obviously. (Laughs) But except for the liaison between the Americans--the American military and the Germans, my functions were gradually reduced over a two-year period. At the end of two years full sovereignty was returned to the Germans. And the same person who had been the ober burgermeister in the Nazi days, came back in, took over the office that I had had, and we closed up.

Q: Well, then you had a series of assignments: you were in Karachi, as a political officer, from '53 to '54; then you went to Hindi training for a year; and then to Madras as a political officer, from '55 to '58. Sort of to lump these together, what were your most significant experiences that you had while you were in the subcontinent there?

MASTERS: That goes back a long time. But, I suppose, the most significant thing in Karachi was the visit of Richard Nixon, who was then vice-president. And the move toward the formation of both SEATO and CENTO. These were the days when we thought neutrality was immoral--everybody should sign up. And Pakistan--this was while I was in Pakistan--Pakistan was the pivotal country linking SEATO, which was basically Southeast Asia, and CENTO, which was basically the Middle East or the Near East. So we played a key role in Pakistan, in moving the government of Pakistan, at that time, toward joining these organizations.

Q: Let me ask a question, because in some accounts the story is that the British insisted on putting India into SEATO, with the United States being very reluctant about it. And then they said, "Well, god, if we had to have India in, we've got to throw Pakistan in." And even though they knew India might not accept--which it didn't--Pakistan jumped at the choice. But coming from your particular point of view, the embassy thought this was a good idea?

MASTERS: Yes. Yes, that was the position at the time. As far as I know, everybody in the embassy supported it. I don't recall having heard any dissent.

On your point, I don't remember that any of us in the embassy thought there was a snowball's chance of India joining. India was already moving pretty far left, at that point,

and was very critical of the United States. And we were critical of India, for that matter. I would have thought that--from the U.S. standpoint--getting Pakistan was more a way to outflank India, to try to counterbalance India, than to try to get India in.

And, also, as I say, to link the two organizations--SEATO and CENTO. Of course, Pakistan was the only country that was in both of them. It was the bridge between the two.

Q: What was your impression in Karachi? I mean, this was your first real Foreign Service--sort of line Foreign Service assignment. You were in an interesting country, at an interesting time. How did you feel the embassy operated?

MASTERS: One of the very dramatic points was the lack of money. I was one of several political officers, and we had virtually no money to travel. I remember a particular problem: Pakistan was having elections--I'm not sure whether this was '53 or '54. It was probably '53. The Moslem League was the party in power. It had gotten Pakistan its independence, it was a party of Jinnah, and everybody assumed that it would be continued in power.

At that point, of course, Pakistan included both the east wing and the western part of the country. So we in the embassy were assessing the prospects for the Moslem League--for the government in power--in these elections for the whole nation. But we had no money to go to East Bengal. We had a consulate in East Bengal; we did get the benefit of their reporting. But the people in the embassy in Karachi, who were putting this all together and making the final judgment, never were able to go to East Bengal, because of the shortage of travel funds.

Now, that may be rationalization on my part, but anyhow, the net effect was we totally mispredicted the elections. The Moslem League instead of being returned to the majority, came back in a minority status. They were virtually wiped out in East Bengal. And, of course, that changed the whole political context.

Q: So it can show the budgetary process, and a possible correlation between trying to figure out the political party, which obviously makes sense.

How about in Madras? What role did the consulate play in Madras? This was in India?

MASTERS: Yes, and again, it was a tough time. India had moved more toward the--not affiliated with, obviously--but more sympathetic toward the communist superpowers.

Q: You're talking about 1955 to '58?

MASTERS: This is '55 to '58, right. We had visits, while I was there, of the top Soviet leadership--what was it? I guess Bulganin and Khrushchev at that time. Our consulate general was on the main thoroughfare in Madras. I remember being out on the balcony,

watching this big entourage go by. Then we also had a visit by Zhou En-lai, and the top Chinese communist officials.

We were much on the defensive. We were criticized as trying to impose our will on Asia; being neo-imperialistic, and so forth. And, of course, we were also criticized for failing to recognize what India saw as the value of its neutrality.

Hank Ramsey--who was consul general for most of the time I was there--was a broad thinker. He spent a lot of time worrying about global issues, and where India fit in. I was more down in the trenches, looking at what was happening within these key four southern states of south India. They were then called Madras, Travancore-Cochin, Mysore, and Andhra Pradesh. (The names changed later, after the linguistic reorganization.)

I did a fair amount of traveling; travel funds were not as limited then, thank god. I traveled fairly widely in south India. [I] got to know the local leaders; [I] got to know the local problems, and so forth.

Two very important things happened during the time that I was in there, particularly in '56 and '57. One was the linguistic reorganization of states, where the boundaries of the states of India were almost totally redrawn to reflect the linguistic divisions; so that each linguistic group, in effect, had its own state. That involved regrouping of the population, and was a very dramatic development.

Then the second major event was the 1957 Indian elections, which were based on the linguistic reorganization. But the particularly interesting part was that for the first time the Communists won a majority in the state of Kerala. We were told that--I think except for San Marino, or some fairly small place--this was the first time that the Communists had been voted into power in a major--not a country--but a major political unit.

So they came in, in Kerala, because of a lot of problems in the state. It was the most literate state in India, but it was also one of the poorest, if not the poorest. And the people were not only poor, they knew they were poor, and they were literate enough to know that there was a better life. It was highly Christian, also. And the result was that they--I guess in a move of frustration and desperation--voted for the Communists.

I got to know the communist leadership. A very interesting group came in, and I called on them several times during visits to Kerala. And I usually got a better reception from them than I did the Congress Party leaders, who were in power in the other states. Not necessarily that the communist leaders in Kerala liked Americans, but they were out to show that they were moderate; that they were responsible people. Similar to the Congress leaders, only more efficient--I think this was the basic line they were trying to push. And certainly--not necessarily anti-American.

So I used to have good talks with them, and tried to assess their policies. [I] wrote what I thought were some interesting reports, about how the communist government was consolidating its position; what the makeup of these people was; and so forth.

I remember writing a biographic profile of Chief Minister Namboodiripad at one point. I have no idea how valid it later turned out to be, but it was interesting to do it; to try to get into these guys, and see what made them tick.

Q: Was there any particular pressure on you to report the right way about the communist takeover? We must have been rather apprehensive about this.

MASTERS: Yes, we certainly were. But I don't recall feeling any great pressure. My own inclination was to view it with concern, certainly. I felt, and I think all of us did who were in India, that this was a tremendously important country. One which was moving in the wrong direction; moving away from us. And that we should--first, have a better understanding of what was going on; and secondly, we should do what we could to try to stop the drift of India toward the Communists. And, in effect, to reduce the strength of the Communists within India.

Q: Well, sort of moving ahead, because now we're moving to the major focus of your Foreign Service career; and that is on Southeast Asia.

You went to INR, and this had been in 1958, when you were there, really, until 1961. According to the record, I take it you were mainly in Southeast Asian affairs?

MASTERS: When I first came back from India I was assigned--maybe because of the biographic report I did on the communist leaders--I also did one on the leader of the Congress Party in Madras, who later went on to head the National Congress Party of India. Perhaps because I was interested in what made these people tick, and I did a fair amount of biographic reporting, I was assigned to the biographic reporting office. I forget whether it was called INR or OIR then. But I was assigned to that office to do biographic reporting.

I greeted this with less than great enthusiasm. It didn't sound to me like a fast track to the top. I remember I went in to see Hank Ramsey, who was the consul general in Madras, and a good friend--a good guy. And I said, "You know, this is kind of ridiculous."

He said, "Well, draft a letter. Let's take a look at it, and see what we can do about this assignment."

So I drafted a letter, which in effect, told them what they could do with their job--saying that I was shocked and dismayed with this assignment, and all those kinds of things. I took it in to Hank, and he strongly advised me to tone it down. A couple of days later we came up with a letter which was much more moderate, and much more constructive.

(Laughs) And it did have some effect. It didn't get me out of INR, but it did get me out of the biographic reporting section.

I was switched over into the regular part of INR, doing research and writing on India, and particularly heading up a study of the communist movement in India, which made a certain amount of sense--although I had only seen it in the south. I had obviously read about it, thought about it, studied it--for the whole country.

So I spent, I guess, about two years working on that.

Q: What was the general thrust of our feeling towards India? We're talking from '58 to '60 or '61. What was our concern about India?

MASTERS: The real concern, certainly in INR, was over what we regarded as growing communistic influence in India, both domestically and through the Soviet Union. Not China at that point; by then India and China had fallen out. They had had actual fighting along the border. But the Soviet Union was making--we thought--serious inroads into a country of tremendous importance. So, as I say, it was one of deep concern as to what was happening.

Q: Well, then following that, you didn't have much to do with Indonesia that point?

MASTERS: Well, this was my introduction to Indonesia. After a certain point I started to grumble that I seemed to be spending a lot of time on India. I had been two and a half years in the consulate. I was then about two years running this study on Indian communism. And INR, fortunately, was doing some reorganizing then, and they offered me a chance to head up a little branch that was being created, called the Indonesia-Malaysia-Philippine Branch, in INR.

Now this switched me from NEA (the Near East-South Asia part), over to FE (the Far East part of INR). And it was great from several standpoints, for me. I had no great knowledge of Southeast Asia at that point, but it was a different area, and it was a chance for a new experience. And also, it was a chance to get some management experience by running something--albeit a small unit. There were only six or eight of us in it. But we had the responsibility for analysis on Indonesia, Malaysia, and the Philippines.

Q: In INR, in the early '60s, what was the role of the CIA? Was it sort of a competing branch, or were they complimentary--as far as your work went?

MASTERS: [We] had close working relations; we were in contact all the time, in meetings, and on the phone. But there was, I think, a built-in sense of competition. I know there was a strong feeling in INR--certainly by the head of it, who I think was Hugh Cumming at that time--that he didn't want to be scooped by CIA, or DIA for that matter.

Q: That's the Defense Intelligence Agency?

MASTERS: Exactly. It's a competitive business. So we, like they, had a morning briefing routine, where every few weeks each analyst had to get to work at the crack of dawn--or before the crack of dawn--and read all the cables, and do a little squib to brief the director so that he could get into the Secretary of State and tell him what was going on before somebody else did.

Q: I did that, too. I was in African affairs in '60, '61, or so.

MASTERS: Ah yes.

Q: Well, then from that, looking at it, what was our feeling towards Indonesia and Malaysia at that time? We're talking about 1960-61.

MASTERS: Yes, actually I misspoke by saying Malaysia; it was still Malaya then.

Q: Malaya.

MASTERS: Malaysia came up later. But Indonesia was the major focus of this little group, because it was so much bigger. The Philippines kind of went along on their own, and Malaya had the communist insurgency going that took some attention. But certainly more than half of our time--probably 60 to 70 percent--focused on Indonesia, because of the size of it; and also, because Hugh Cumming, who was the head of INR then, had been ambassador in Indonesia, and he still kept a close watch on it.

And Indonesia, of course, at that point was moving steadily leftward, under Sukarno. He was moving closer to the Asian communist countries: Vietnam, China in particular. They were exerting increasing influence in Indonesia. The Communist Party within the country was growing under Sukarno's auspices. And I know we were--and the top leadership of INR, at least--was very concerned about the direction of events in Indonesia.

Q: Well, looking at it again, you were not in a policy position. But was there a feeling that there were things that we could do to stop this, or were we sort of just bystanders?

MASTERS: Well, I hate to say we were bystanders, but in effect I think probably most of us felt we were. There had been the disaster of 1958, when we had tried to do something about it by intervening in support of the separatist group--the PRI. And an American pilot had been--as you probably know--had been downed, and been imprisoned. And this, of course, had given additional fuel to Sukarno to use against us. I think we probably felt--most of us felt that the best thing we could do was to lie pretty low at that point, but develop a better understanding of what was going on in the country.

Q: Then pushing ahead, you had economic training from 1961 to 1962, and then you moved to a desk, on Thai affairs, from '62 to '64.

MASTERS: Yes, I had the great, good fortune--I guess because I had been in the Far East part of INR, and had gotten to know some of the people in FE (the Far East Bureau)--to switch over first as the number two on the Thailand desk, under an FSO named Clinton Swayze, who fortunately was not very active; so it enabled me to play an important role. And when he left--I guess he retired right after that--I forget where he moved on to. And then I took over as Officer in Charge of Thailand Affairs.

Q: What were our principal concerns, at that time, with Thailand?

MASTERS: Economic development, I suppose was the major one, and related to this was the counter-insurgency program. I spent an awful lot of my time working on AID programs--PL 480; helping the Thai to develop programs to train people, and so forth. And of course, I spent a lot of time fighting the U.S. bureaucracy, because that was a time when a lot of attention was focusing on Southeast Asia, and again, authority was--power was tending, I thought, to drift away from the State Department.

So one of the first things I did, after I became OIC, was to set up what I called a Working Group on Thailand, with me as chairman; and including the people working on Thailand, handling Thai affairs, from all the key departments of the government. We had two from the Pentagon--one from ISA, and one from the Joint Chiefs. We had a CIA fellow, AID, USIA. I don't remember whether I left anybody out or not, but anyhow, we got them all in. We met--initially--about once a week. Then it later became unnecessary to meet so often. But it was a way, I felt, of putting State more in the driver's seat; and ensuring that we had an overall, consistent policy toward Thailand.

Q: This obviously makes sense, but you say you had to institute this. In other words, one--it came as an initiative, rather than an overall order that you should have these working groups, I take it?

MASTERS: There may have been others in the Department--I wasn't aware of them. But it seemed to me that this was a way to do it, instead of dealing bilaterally with all of these people, and them dealing bilaterally with each other--was to get us all in the same room. Sort of like the country team in the field.

Q: Well, did you have any problems putting this together? You know, sometimes there's the inherent reluctance of a bureaucracy to deal with other elements.

MASTERS: No, I felt that it was welcomed. My view has always been that when State asserts leadership, by and large, the other agencies will respond. I think the real problem is when State doesn't assert itself. I think the others are looking for leadership; they're looking for coordination. Now that doesn't mean we all agreed. We had some god-awful fights in this working group, but at least we got together and talked about it.

Q: And you could get the cross feelings, rather than have to fight each battle individually, and then go off and fight it all over. All the cards were on the table.

MASTERS: That's right. Exactly. Somewhat related to that--you were asking about the big issues. Of course, counterinsurgency--very early on in the Kennedy administration--became a big issue. And Thailand, of course, was very prominent in the that role, particularly through the Border Patrol Police. We spent a great deal of time on the BPP (Border Patrol Police).

Q: These are the Thai Border Patrol Police?

MASTERS: The Thai Border Police, that's right. The idea was to strengthen the BPP to at least reduce, if not eliminate, the infiltration of Communists into Thailand.

Q: They were coming from where?

MASTERS: Largely through Thailand's border with Laos, but also to a certain extent, through the Cambodian border.

Q: But basically Vietnamese?

MASTERS: Basically from Vietnam; yes, basically they were Vietnamese. Or they were Thai who had been taken out; trained in Hanoi, maybe in China, and then re-injected.

And of course, there were high-level government groups working on that problem. I know occasionally I would have to go up and meet with--I don't remember the name of it anymore--it was a group chaired by Maxwell Taylor that included Robert Kennedy--very top-level. I would appear before them periodically, and we'd talk about the BPP; we'd talk about other counterinsurgency programs for Thailand. And they got right down into the nitty-gritty of it.

Q: There was the feeling that if we had the proper training, and the proper people on the ground, that this could be contained.

MASTERS: That's right, exactly. But we recognized at the time that it wasn't only beefing up the security forces; that steps had to be taken to improve the living conditions of the Thai people, to reduce the vulnerabilities, also. So we had good programs. At least I think they were good programs, on community development, and helping to expand the base of the Thai economy.

It had happened before my time there, but one example--and I think we benefitted from it--was the building of the Friendship Highway, up to the northeast of Thailand; from Bangkok, up into the northeast.

The northeast, we considered--and I think certainly the Thai agreed--to be the most vulnerable area. It's a dry area--poor soil, much more poverty there than in the rest of Thailand. And this highway helped to open up the northeast.

And accompanying that, different crops were introduced: corn, for example--I was told that an AID officer, traveling up this new highway, looked out over the terrain, and said, "Gosh, it looks to me like corn would grow here." Anyhow, corn was introduced. It was tremendously successful, and the result was that the Thai pretty well knocked us out of the Japanese market for corn. (Laughs) But it was a real boon to Thailand. It gave them another foreign exchange earner, and it brought some more money back into the northeast.

Q: Then you went to the National War College in 1964, for a while. Then you went to Jakarta as Political Counselor. You were there from 1964 to 1968, which couldn't have been a more exciting time. I wonder if you could describe first what the situation was when you arrived there? This is 1964.

MASTERS: Well, I arrived on September 30, 1964, just exactly one year before things blew up on 30 September '65, with the communist coup attempt. And of course, as was well-known, Indonesia by then had moved very close to the Asia communist group; Sukarno had aligned himself with what he called the Djakarta, Peking, P'yongyang, Phnom Penh axis.

He was in with a group of Asian Communist--or crypto-communist countries. The country itself was an economic basket case. Sukarno--although he had done a lot for Indonesia, in giving it a sense of identity, and getting its independence--had no interest, and no ability in the economic sector. He was more interested in playing a grand political role.

And the result was that the country was bankrupt, the inflation was running 600-700 percent per year. The infrastructure was in a shambles. The rolling stock, the highways, the shipping fleet--everything was virtually inoperable. Food production was down. There was, certainly, starvation, in some parts of the country. So this is the situation that we faced.

Meanwhile, it was interesting, it was fascinating. But it was depressing to see what was happening to this potentially very rich country. And meanwhile, step by step, you could see the Communists increasing their position; neutralizing their opponents, certainly with Sukarno's blessing, if not his outright direction.

We'll probably come back into that, but let me talk a minute about the embassy that I found on September 30, coming in as a person with a little background on Indonesia, going back to this time when I had run that little branch in INR. But I was not a language officer at that point; I had not spent a lot of time studying Indonesia. I came in as the new guy on the block--as Political Counselor--to find the embassy was split wide open.

Howard Jones, the ambassador--a very fine person--felt that Sukarno was basically a decent person; he was misguided, had poor advisors around him--he had malicious

advisors. But basically his instincts were good, and he would come out all right. Most of the embassy totally disagreed with that. They felt that the problem was not the advisors, the problem was Sukarno himself, who was--for whatever reason--moving Indonesia deliberately, step by step, into the communist bloc.

Now, there were splits within that group, also. There was one group that felt that Sukarno was a dedicated Communist--a card-carrying member; had been for years, and that this was all a plan that was unfolding according to a grand design that he had.

Q: Somewhat a la Castro, in a way?

MASTERS: Right, exactly. There were others--and I put myself, generally, in this group--who didn't think the guy really had a strong ideological bent, but he was an opportunist. That he was attracted by certain areas--certain aspects of communism. He was turned off by a lot of what he saw in the West, except our Hollywood movie stars. And that without a firm ideological commitment to communism, he was nonetheless, moving the country into a communist-type system.

So anyhow, we had these gradations of how deeply--let's say how thoroughly--Sukarno was directing this move toward the Communists, on the one side; and on the other, we had Howard Jones, who was pretty much alone, feeling that it wasn't really him at all--it was these bad guys around him.

Q: Well, how did this play out? I mean, you were sending reports in, you were dealing with the officers there, you were the key person for reporting on the situation. And here you had an ambassador who was--in his own way--a very strong personality. Yet, the embassy opinion was very definitely on the other side. And you were the person to handle this! How did you work it out?

MASTERS: Yes, I was kind of in the middle, and it's interesting the way it worked out. Howard and I had a good relationship. (I didn't call him Howard then, obviously; I did later on.) He accepted the fact that there was another point of view. He didn't share it, but he agreed, intellectually, that there was a case to be made on that other side. He and I spent a lot of time talking about this. And the way--we never quite laid it out on the table this way--but the way it worked was that Howard would control what went into the telegrams; and he let me control what went into the airgrams.

Q: Ah! You might explain what the airgrams are, for somebody who doesn't know.

MASTERS: Well, an airgram is a longer study--maybe anywhere from a couple of pages, to 20 or 30, depending on the subject matter--which explores an issue in greater depth, and which--at least at that point--was sent to Washington by pouch, rather than by telegram.

And, of course, what Howard knew was that the top levels of the State Department don't read airgrams; the top levels of the State Department read telegrams, or summaries of telegrams. So our airgrams, which we felt were reporting the situation as it really was, were going to--let's call it the working level of State, and other agencies--who probably felt the same way already. But the telegrams went to the top policy level, and in the telegrams Howard would control, certainly, what was said about Sukarno.

Q: You know, in other interviews--sometimes the reporting from a particular post--it was well-known what the divergence is, and all--and if there seems to be a problem, then that is taken into account by the Indonesian desk, and by the Assistant Secretary for Far Eastern Affairs. Did you find that maybe they were plucking from the airgrams more than they would in the normal course?

MASTERS: Yes. Certainly the Indonesian desk people, like Dave Cathell, and Frank Underhill, felt exactly as we did--that Sukarno was the problem. And I'm sure that in the briefing papers they prepared, for higher levels of the Department, they used the information in our airgrams.

Q: Nothing is really secret as far as where there's a divergence of opinion, and these things percolate up to the decision-making level. Well, now you're on the spot there. Was there anything we could do, except sit and look? Again, I want to keep this unclassified, but was the CIA trying to do something? The military? I mean, were we trying to do something, or was it sort of standing on the train and watching it go towards the abyss?

MASTERS: There were some small things that were tried, which--I guess I was fairly enthusiastic about them at the time, but in retrospect, I think were almost totally ineffective; to try to keep another viewpoint alive among the Indonesians, to show them that there were people that cared for them. And also, to give some greater strength to the domestic groups that weren't moving towards the Communists. But I did not feel that they were effective, really.

This gets, again, back to the split in the embassy. I think it gets into the question of how we could affect the situation. Of course, one way we could affect it--and maybe did--was just by being there. Again, there was one group in the embassy that felt that it was undignified for a major power--or any country--to take the kind of punishment that we were taking--humiliation.

Q: I can recall that feeling percolating through the rest of the Foreign Service.

MASTERS: Oh yes.

Q: Why is Howard Jones putting up with this crap? I mean, although this was just as a serving Foreign Service Officer--I think I was in Yugoslavia at the time--I remember having this feeling.

MASTERS: Yes. Well, our libraries were smashed up repeatedly; our people were terrorized, in effect--locked in their offices. Books were burned. The embassy was smashed up. Programs, one by one, were discontinued--to the extent that we were not able to operate effectively in most areas. And there were some people, including within the embassy, who said, "We shouldn't take this crap. We should get out of here. We should preserve our dignity. We're looking bad, not only to the responsible--to the non-communist Indonesians--but to other countries."

But I'm convinced that a majority in the embassy did not feel that way. Howard very strongly didn't feel that way. I didn't. Even Frank Galbraith--the DCM, who was one of the stronger people in the negative view towards Sukarno. We all felt we should stay; that we should preserve a position there; that we should not desert the people in Indonesia whom we would regard as our friends, or people who ideologically would be more in line with our thinking. That if we pulled out that would be the last straw, and they would give up hope. And, as I say, I think we all--well, I think a majority in the embassy shared that view.

But most of us who shared that view felt that our presence should be far smaller than it was. Howard's view, again, was if you start to dismantle the organization, it may go all the way--you can't control it. Besides, if he was right, and if Sukarno was basically a good guy, and you could get rid of the evil advisors around him, maybe things would open up. Howard always saw that day coming, when we could have a big AID program again, when we could move in with a stabilization program, and the climate would be right for it. Most of us didn't think that was going to happen, and we felt that meanwhile, we had an awful lot of people in the country that were at risk, and that we should get them out.

Q: I take it though that our--we were talking about an awful lot of people--it was mainly AID programs, and things of this nature?

MASTERS: Well, that was the largest group. AID had a huge bureaucracy there. They had their own building--a big building on the most conspicuous street in town. But there also was a significant military aid group. USIS was quite large. They had several regional libraries spotted around the country, which were also always targeted by the Communists.

And we even had a small Peace Corps group, which made no sense at all to us. That was something that was put in at the personal request of Robert Kennedy, and there were something like 16 or 18 spread around the country. They were sports coaches. I guess this was considered to be politically acceptable. A great group; did a fantastic job, under very a difficult situation.

I remember there was one of them--I think it was a basketball coach--who was in Semarang, in Central Java. He was routed out of bed one night--in the middle of the night--marched off to police headquarters, interrogated the rest of the night, and then the following day he was paraded through the streets of town, with a sign around his neck saying, "I'm a CIA agent." And the only thing that they used against him was the fact that

he had a portable radio. And it wasn't even a two-way radio, it was just to listen to the local radio stations. But they would take something like that, and parlay it into a big political incident.

Q: Yes.

MASTERS: So we felt that our libraries, and Peace Corps, and a lot of these AID people were at risk, and should be removed from the country.

Q: Well, now let's talk about how the situation played itself out. Howard Jones left in '65, didn't he?

MASTERS: Howard left in--it must have been April. What happened that led up to that . . . Well, let me go back a minute. I don't want to give you more detail than you want, but I . . .

Q: I'd rather have more, rather than less.

MASTERS: Howard came into Indonesia after the '58 fiasco, when we were on the wrong side of an internal revolution, and we lost. It was known that we were involved, and in fact--as I mentioned earlier--one of our pilots was imprisoned. Howard came in and he did, I think, a super job of cleaning up that situation; of reestablishing as much credibility as we could reestablish with a guy like Sukarno. He had some major coups. One was helping work out a solution to the West Irian problem, which the Dutch had held onto after they turned over sovereignty in '49.

Washington's view was that it was great to have a person like Howard there, because he had access; he could get in to see Sukarno--he could see people. And it's true--he could. What Washington refused to recognize--although various of us pointed it out to them orally--was that although Howard had access, by '63 he ceased to have influence. He could get in to see Sukarno. In fact, after I arrived there in '64, I used to go with him sometimes. But he would not have any influence, really, on what was happening. I think he should have been pulled out after the '62 settlement on West Irian.

Q: You mention there that people would ask you 'orally.' I view these transcripts as being something that often researchers who are not familiar with the State Department--how it operates--will look at.

And there often is a sort of substrata of communication. People come out, they talk--to sound the waters; and particularly if you have what amounts to a very controversial embassy. I mean, it was no secret throughout the entire Foreign Service; we knew that there was a major division within the embassy. And you must have had desk officers, assistant secretaries--others, coming out and saying, "What's going on?" and talking about this, didn't you?

MASTERS: Yes, we had visitors from time to time, and various of us, from time to time, were back in Washington. And we would talk even more frankly than we would in the airgrams, about what we thought was happening, and what we thought the U.S. ought to be doing about it.

For whatever reason--I've never [been] quite sure what the instigation of it was--in the spring of '65--maybe because we were reporting at that point that we thought Americans' lives were in danger--Ellsworth Bunker was sent out as, sort of, a last-ditch effort, to see if we could possibly work with Sukarno. A great fellow; [he] had prestige with Indonesia, because he was the one who helped work out the solution to Irian Jaya, in '62.

So Ellsworth came flying in, in a big U.S. Air Force plane. I tell you, it was a real shot in the arm for us, who were really being beaten down by that time, with these constant demonstrations and attacks. And he came in, and he was taken to see Sukarno. He talked with everybody. He talked with various of us individually. And, unfortunately, he didn't leave quite as grandly; he left in a little military jet, out of Saigon, I guess it was. I felt that was a bad mistake; that they should have taken him out in style, also.

But anyhow, he went back and it was shortly thereafter that things started happening, which we thought should happen; that is, the reduction of the American establishment, and the closing of USIS, and other programs. The first was the withdrawal of the Peace Corps. So this process started after the Bunker mission. And then not too long after that Howard Jones left, also. I think it was April that he left.

Q: Did the Indonesians--Sukarno, anybody--react to any of these closures? Obviously we were drawing in our horns. I mean, did he react with pleasure to see us pull out? Or apprehension?

MASTERS: I think almost everybody welcomed the reduction, even our friends, who felt that these people were at risk, and that they could not operate effectively, and there was little sense in having them sitting around there.

I'm sure that Sukarno and the Communists greeted it with considerable enthusiasm. I think our friends greeted it with relief; just that we were getting out of the way. So that if there was a blow-up--nobody was sure how this damn thing was going to play out--but if there was a military upheaval, that at least they wouldn't have to worry about all these damned Americans.

Q: Often when there is a problem, our feeling is, "For god's sake, let's clear the decks." Because otherwise, you run into what we now suffer from so much, and that's the hostage situation; which means your policy options are badly limited. You have to get people out of there.

MASTERS: Yes, yes. Well, we went very quickly from a large diplomatic mission--of 400 or 500 people, including all the AID, and military groups, and USIS, and so forth--to,

I think it was 35 we ended up with; which was most of the political section. And incidentally, I should say--and I want to say--that that political section was a tremendous group of people. I think it was probably the best political section ever put together in the Foreign Service.

Q: Would you mention some of the people who were in that?

MASTERS: Oh yes, it was a terrific group. We had Bob Martens, who was an expert on communism, and had served in the Soviet Union. He was the one who looked at each devious statement, and move by the Communists; and was able to see how it fit into the pattern.

We had Bob Rich, who was a young language officer, who became particularly knowledgeable on the Moslem elements in Indonesia, and some of the domestic political groups.

Dick Howland. Bob Rich, incidentally, is now our ambassador in Belize. Dick Howland, who is now our ambassador in Suriname, was young--I think it was about his second post. [An] Indonesian language officer; very bright, good analyst, good writer.

Paul Gardner, who was also an Indonesian language officer. One of the best drafting officers in the Foreign Service, who did a lot of the writing of the political section; some of the more thoughtful pieces, he did. And he was able to put things in broader context. He went on to become ambassador to Papua New Guinea.

Then we had Mary Vance Trent, who had been in Indonesia before, and who was back for her second tour; she had picked up Indonesian in the course of that, and had a deep understanding of the country. Particularly close to the women, and some of the women's groups. And this is important, because they're called--in Indonesia--iron butterflies. Certainly, the women in Indonesia are tremendously powerful--influential. And Mary Vance helped us keep in touch with them, and also, she worked on other political issues as well.

Q: How did you all view the coming of the new ambassador, Marshall Green?

MASTERS: From what we had heard, we viewed it with great enthusiasm. Marshall was known as a no-nonsense kind of a guy, and someone who would--who we thought would share our view; but of course, by then, almost everybody did. By then we were down to a small embassy. There must have been about a two-months hiatus there. Anyhow, there was a considerable time after Jones left. Frank Galbraith was chargé; I was acting DCM. Marshall came in, then, in July. And we felt that we would have a leader, at that point, who understood. I hate to use that term, because that's saying that Howard did not understand it, but I don't think, frankly, he did.

Q: No.

MASTERS: I don't think he knew what was happening--as good a person as he was. We felt we'd have somebody who really understood what was happening, and we could work with him to see if there was any way we could influence the situation, or at least, that we could adopt policies to ensure that we came out of it with minimal losses.

Q: When he arrived what happened? I mean, let's talk about the operation of the embassy, recommendations, policies. Did you find that this expectation was, in truth, what you expected?

MASTERS: Yes, absolutely--very much so. We had the kind of leadership that we had been looking for--to lead us in the right direction. Marshall is a great guy. I don't know whether you have interviewed him or not.

Q: I have several times. Bob Martens did an interview on Indonesia, about this time, for this series.

MASTERS: That would be a good combination, with Bob interviewing Marshall. But no, Marshall did exactly the right thing. Of course, he had a tough job. From the very beginning the Sukarnoists, and Communists were out to discredit him, and undermine him in any way they could. There were demonstrations--as you know. The famous "Green go home" sign, which he--and it's actually true, comments on. Somebody wrote at the bottom of one of these "Green go home" signs, "And take me with you." (Laughs)

But the key was we had this good group left in the embassy. And we had Marshall as a leader, and I think, from there on we operated very effectively, and we operated as a unit. There were--it was, a kind of, an inner core in the embassy--the key group. There was, of course, Marshall as the head of it; and then the DCM; me, the political counselor; the station chief; and the military attaché. The five of us coordinated closely, and managed things from there on.

Q: Well, how did the situation move? I mean, we were moving up towards the very critical time--as far as it was seen from the embassy?

MASTERS: Yes, the tensions were growing very rapidly. The army, of course, was the only organized anti-Communist element. It was big enough, and effective enough to stand up to the Communists, but it was not standing up to them--because of its leadership, largely; and the reluctance of Indonesians to stand up to Sukarno, who had the great charisma--as the father of the country.

Meanwhile, the Communists--obviously with Sukarno's blessing, whether with his actual manipulation or not we don't know, and we'll never know, I guess . . .

But anyhow, the Communists were moving step by step to neutralize the army. The latest move, at that point, was the arming of workers and peasants. The Communists'

scheme--and then it was adopted by Sukarno, as government policy--was to set up a kind of people's militia, all over the country; workers and peasants who would be given weapons, and would be armed to defend themselves against foreign foes, and what have you. And, of course, this was tied into the confrontation against Malaysia, and the external threat that Sukarno manipulated to distract people.

The game plan, obviously, was to arm the people--a lot of them--under Communist auspices. The Communists would be sure the weapons went to what they regarded as the right people, and this would be another way of neutralizing the armed forces.

Q: Well, then were we reporting this? I mean, we saw this situation, and how it was developing?

MASTERS: Oh yes, this was all reported in detail, and it was obvious that the frictions were growing--the tensions were growing. We would get reports, frequently, that in some village or other the Communists had killed the local Moslem leader. At the grass roots level, the political contest was, kind of, between the Communists and the political Moslems. Or we would get reports that in some other village the Moslems had killed the Communist leader. They knew who each other was.

Then there was the move toward arming the workers and the peasants. The tensions were growing very rapidly. There was always the possibility--and I'm sure we reported this; I don't remember exactly what we said, but I'm sure that we reported the possibility that something could explode. But nobody predicted what happened.

Q: Did we have any ties to the military at that point?

MASTERS: Oh yes, we had ties to the military. We used to see them. We were still providing some limited military training which incidentally--I certainly felt that that military training program was one of the best investments we had made. And we had, up until very late in the game, a very small military group there, working on a communications project, helping the Indonesians to build a communications system so that the military could communicate with outlying units. So we still had our contacts with the military, but we weren't trying to get the military to take some action against the Communists.

We also had a lot of other contacts. Just as an example--and this is something that carried over when I went back for my second tour--I developed very good contacts with the economic technocrats, the so-called Berkeley-Mafia Team; a fantastic group of people. And again, I think one of the best investments we ever made.

Actually, the training was done by the Ford Foundation. But this group was trained to be the economics faculty at the University of Indonesia. They were trained in interrelated disciplines of economics: trade, finance, micro, macro, theory, and so forth. [They] came back to Indonesia with their Ph.D.s, at the time when the worst thing you could have was

an American college degree. And of course, they immediately became targets of the Communists--claims they were CIA agents, and so forth. There were demonstrations against them.

I got to know them, and in fact, we used to show American movies in our house; we could bring them in through the pouch, although American films were banned for commercial showing. Sukarno brought them in and showed them in the palace. We brought them in and showed them in our homes. I used to invite the technocrats, and some other Indonesian friends in from time to time, for sort of--as close as you could get in Indonesia to an American hamburger, and a movie. And they liked it. And they still talk about it, in fact--those movies they used to see in '64 or '65, at that time. So I developed good contacts, also, with the technocrats.

Q: Let's move to--when was the coup? October of '65?

MASTERS: Well, it was--yes, it actually happened in the early morning hours of October 1st; it's called the 30 September affair, but it was early . . .

Q: What were you doing in the political section during that time?

MASTERS: Well, we were fighting off the demonstrators, and again, continuing with our analysis of what was going on. We had very frequent demonstrations at that time. And usually, when we had a demonstration it would be the political section that would receive a delegation from them, listen to their complaints. And it would always be--sort of, fill in the blank. The Indonesian people are aroused by what you are doing in Dominican Republic, Congo, Vietnam, etc., etc.--areas that the Indonesian people didn't really have any interest in, or knowledge of. These were used as the excuses for demonstrations.

We were just continuing to analyze how--where this situation was going, and how it might end. But as I say, we did not predict the way it ended, and we were totally taken by surprise by it. I remember on the morning of October 1st, as usual, I had a driver and a little Ford Falcon. I was driving down to the embassy. And the route that we usually took--I only lived about a mile from the embassy--the route we usually took went past the home of General Nasution, who was the Minister of Defense at that time. He's called the Indonesian Hamlet. A person who had high respect--an honest, honorable, good person, but one who had never stood up to Sukarno.

Well, we went down this street, and it was blocked off. I thought, "Well, strange, but maybe there's going to be a wedding or some festival, or something." So we detoured around. [We] saw a lot of tanks out on the street, and other activity, but nobody bothered me. So we went into the embassy.

Other people came in and they also had noticed strange things in their areas--in different residential areas: roads blocked, tanks. One guy had heard shooting in the middle of the

night--it was one of the assistant military attachés, whose house backed up to one of the generals, who actually was killed.

And it was only piecemeal--as the morning progressed--that we started to get a glimmer that something serious had happened. And then, of course, the announcements started to come on the radio: that a group, led by Colonel Untung had seized power. He was in Sukarno's palace guard.

But it was some time before we really knew what had happened. In fact, one of the big uncertainties for several days was what had happened to Sukarno--was he alive or dead? And we didn't know for sure; we got different stories.

We were only sure later. We were then living in the embassy. There was a curfew, and for that reason--but also because we wanted to stay near the communications equipment--we were sleeping in the embassy. And we had been listening to the Indonesian radio. And for some reason--we were talking, or maybe playing bridge, which we sometimes did late at night--we didn't turn the radio off after the station signed off for the day. And then it came back on again. The local announcer in Djakarta, came on saying, "Stand by for an important announcement." He was broadcasting to the regional stations. And this kept going on; "Stand by for an important announcement."

Eventually came the important announcement, and it was Sukarno. A very different sounding voice; a very subdued voice, but no question it was Sukarno. And he was broadcasting a message to the outlying stations, which was being recorded, which was to be broadcast at--whatever--seven o'clock or something the following morning. This was the first we were sure that he was still alive.

We also had great uncertainty over who this guy Suharto was, who was--we were told--the surviving senior general, and was the person who was pulling together the fragments of the demoralized military establishment. In fact, at one point--Suharto is a fairly common name--and at one point we identified the wrong one. It was another Suharto--not the Suharto. So we finally focused on which one it was, but we didn't know much about him.

He was one of the few top leaders that had not attended a training course in the United States. He, apparently, had once visited the U.S. as part of a larger delegation, but had not gone to school here. So we didn't have a file on him. But eventually this worked out, and we found out who he was.

Q: Well, moving somewhat on, you left Djakarta in 1968, and then moved on to Indonesian affairs back in Washington. But how did you evaluate this by the time you left Indonesia? How did you evaluate Suharto and what he had done?

MASTERS: Pretty favorably. We felt--I felt, certainly, that he had done an excellent job of bringing about a--I won't say peaceful, because a lot of people were killed in the process--but bringing about an effective transfer of power.

There were a lot of complaints that it took a long time, and it did. You know the story, that he did it in a Javanese way, without direct confrontation. He very adroitly undercut the bases of Sukarno's support, until eventually--after a year or a year and a half--Sukarno sort of fell of his own weight.

Had he moved more directly, and more quickly, there could have been a bloody civil war in Indonesia, that would have really set the country back. But as it was, that didn't happen. Suharto got power into his own hands gradually, effectively, and then put the country on, I think, a very effective course for a responsible world role.

[He] ended the confrontation with Malaysia, went back into the U.N. As you know, they had left the United Nations. They are still the only nation ever to walk out of the U.N. [He] started the process of economic development; started opening up to foreign investment; and adopted, generally, what we regarded as pragmatic, moderate policies.

Q: How did we feel about the--at least the estimates at the time--that there was tremendous slaughter of both Chinese and Communists after? Did we feel that this was part of his policy, or this just sort of happened? Or was there really as bad a slaughter as thought at the time?

MASTERS: Well, it wasn't as bad as a lot of people thought. I remember there was--I think it was Topping, in the New York Times, who came out and spent some time in the bar of the Hotel Indonesia--(you couldn't travel them) who wrote that a million people had been killed. And other journalists who spent most of their time in the bar in the Hotel Indonesia, wrote about rivers choked with bodies, and so forth. Well, those of us in the embassy never saw any rivers choked with bodies. In fact, I never saw a body. Now, we didn't travel in the countryside right away. But fairly quickly on, we started to get out, and we didn't see the kind of carnage that was reported.

That's a long way of saying I don't know how many people were killed. It certainly wasn't a million; it wasn't 500,000. I would be comfortable with a figure of 100,000. At one point, in the embassy--although I think it was probably not accurate--we seized on the figure of 350,000, and we used that for a while. But I think as time went on, and as we did get out and did more traveling, we decided that it was less than that. But a lot of people were killed.

Some Chinese were killed. Old scores were settled. The Communist Party, which had been a large apparatus, was virtually wiped out. Because as I said before, the tensions were there between the Moslems and the military on one hand, and the Communists. They knew who the Communists were. And there was very strong reaction against the killing, and the mutilation of the generals. And of course, that gave a signal--which they

hadn't had before--to go get the local Communists; they did, and they did it very effectively.

Q: You came back to the United States in 1968, and you were the Country Director for Indonesian affairs, until 1970. And then you were with Regional Affairs for East Asia and the Pacific, till '71.

This is right in the middle of our involvement in Vietnam, and where did Indonesia play in this, in our policy towards the area?

MASTERS: Well, there certainly was interest in Indonesia. I'm not sure--well, I was going to say not really because of Vietnam, although there was. I know there were people who felt in the longer run Indonesia might be more important to us than Vietnam was; because of the tremendous size of the country, and the resources, and its international influence.

But when I think about Indonesia at that time, I don't think about it in relation to Vietnam. I think more in terms--maybe it was partly because of that--but our effort then was to help the Suharto government; to work with them in ways that they wanted our support. Thank god we didn't get in too deeply; we didn't get too far out in front. We didn't smother them with aid and attention, which might well have put the Suharto government in a difficult position. We let them take the initiative, and we responded. We moved in with economic aid to strengthen the country.

I suppose, in a sense, Vietnam had a role, because whether--we didn't see ourselves losing in Vietnam at that point--but however Vietnam came out, there was concern that if we had lost, Indonesia was even more important as a major country in Southeast Asia. And even if the Communists were defeated in Vietnam, that Indonesia was equally important.

There was concern--but this was largely under Sukarno--that the Communists could more or less leapfrog Mainland Southeast Asia, into Indonesia--and put Malaysia, Thailand, South Vietnam for that matter, in a nutcracker.

Q: Was there a feeling, when you were back in Washington--with direction from Marshall Green in Indonesia, and also from those involved--to resist any pressure to put too much aid . . .

MASTERS: Absolutely.

Q: Was there a problem?

MASTERS: Yes, there was a problem. And in fact, rather than to try to energize the bureaucracy, we had to hold them back. There was great tendency by AID, by the military, to want to move in with too much; and with inappropriate types of aid.

Q: Could you elucidate?

MASTERS: Inappropriate refers largely to military aid. We did not feel, and neither did Suharto--these were the messages that we got back through the intermediaries that we used to communicate with him--did not feel that we should move in with a lot of weaponry. So our policy was to beef up training, and to provide Indonesia with non-lethal types of weapons.

Now, we had a lot of arguments over fine points: is a personnel carrier non-lethal or not? It can carry guys who are carrying guns. But on the other hand, a personnel carrier itself is kind of neutral. We got into those kinds of arguments. I think we did give them the personnel carriers--that was one big argument that we had. Then we got into pistols for police; another big argument. Tear gas was a huge argument.

But we pretty well limited ourselves to--let's say to avoiding heavy weaponry.

Q: This was a very definite attempt--particularly by those on the ground in Indonesia, in our embassy--backed by the desk, and all--to say, "Look, we know what we're doing. Don't send too much in. We want to fine tune this."

MASTERS: That's exactly right.

Q: Which is sort of unusual, isn't it? I mean, in the way our policies . . .

MASTERS: I think it is very unusual. But we had--with Marshall and me back in the East Asia Bureau, and a like-minded group in Djakarta, including Frank Galbraith at one point there, when he was ambassador--there was a total identity of view. And we had all been through this Sukarno thing. We'd been through the 30 September upheaval. We all felt that we had misplayed things before--with the big AID mission, the big military group, and so forth. So we were determined not to reinvent the wheel.

It was probably remarkable--probably an unusual degree of unanimity of views between the embassy and the bureau. We didn't want wastage; we knew that if we sent in a lot of stuff, inevitably a lot of it would be wasted. Then we would have problems: the Congress would come in, we would have investigations, and the whole program would be endangered. But more importantly, we didn't want to overburden this very delicate government that Suharto had put together, with a big American presence, and a lot of American programs.

Q: Then you went to Bangkok, from 1971 to '75, as Deputy Chief of Mission. You had two ambassadors there.

MASTERS: I had three.

Q: Three? Leonard Unger, until '73. And then William Kintner.

MASTERS: Bill Kintner came.

Q: And then who?

MASTERS: Charles Whitehouse--Charlie Whitehouse; the last year was Charlie Whitehouse.

Q: How did they use you as DCM?

MASTERS: Gosh, that's a tough question. (Laughs) All three of them used me very heavily. It's a little bit of a problem, maybe, to have three ambassadors in a five-year period. But all three were good, and all three gave me a lot of scope, because there was a hell of a lot going on in Thailand at that point.

One thing I did was to coordinate the drug program. That was a huge program. Two aspects of it: one was working on drug abuse among the large American community.

Q: This was a major problem, I know, in the school there, and all this.

MASTERS: That's true. There were--I think it was five students--Americans--who died of drug overdose in Thailand. We had problems of drug abuse--addiction, heroine--in kids as young as 10 to 12 years old. You could buy pure heroin for your lunch money in Bangkok. It was available everywhere. And these kids didn't know what they were getting into. So we had that side of the problem.

Then we had the interdiction--the effort to stop the flow of heroin out of the Golden Triangle, through Thailand, and out to foreign markets--largely U.S. I coordinated both of those program; that took a fair amount of time.

Q: How did you find working with the other agencies--the Drug Enforcement Agency, and the CIA, and all? These are usually rather hard-headed, hard-charging organizations, and often don't work well in the complexities of an international situation. Did you find problems there or not?

MASTERS: Oh, we had problems, but I think--I always felt they were worked out satisfactorily. Again, we had a group that met frequently, and it included the agencies you mentioned; also, customs, which was involved in it. AID was involved equally in--well, initially in supporting the police, until we were prevented from doing that; then in helping develop alternative sources of income for the villagers who had been growing opium. But I think it worked reasonably well. But was it a success? Not really.

In our most optimistic moments, I would guess we may have interdicted ten percent of the opium and heroin coming down through Thailand. It's like here; there's so much money to be made, that if you block off one route, it comes out some other way. And I was

convinced at that time, and in fact still am, that the problem really has got to be tackled in this country. I'm not saying we shouldn't do anything overseas; we should continue to do what we can, partly to help those countries themselves reduce the availability of drugs. But that's not the answer here.

We did a lot of work with the U.S. military, and of course, at that time we had five air bases, and some Army units in Thailand. A lot of the bombing of Vietnam came out of the Thai bases. So I did a lot of the liaison with General Kriangsak, who was the head of a little unit that had been created within the Thai military to handle the relations with the Americans. It was a little bit of a throwback to what I'd been doing in Germany, god what, 20-25 years earlier, although with much higher stakes. Kriangsak, incidentally, went on to become prime minister, although this was a surprise since he was a staff officer.

I spent a lot of time working with him on issues all the way from a brawl in a bar where G.I.s beat up on some Thai, to moving a major air unit; or expanding a base, or what have you. And it was an interesting . . . He was good, he was helpful, he always extracted a price for Thailand, which is understandable. Whatever we were going to do, it had to have a little something in it for Thailand; not corruption, but if we were building a runway, we'd also have to pave a road, or something. It worked out satisfactorily. So that was another major effort.

Of course, since I was there for the whole five years, and ambassadors came and went, I kind of became the point of continuity for the Thai, which was good and bad; in a sense, it was good that--remember, the Thai had known me, and I think fortunately, had a favorable impression when I was running the Thai desk in the '60s. And then I came out there as DCM, and it was like old home week again. So they tended to gravitate to me, particularly after Len Unger left; Len had long experience in Thailand, and he was very highly regarded.

It was good that the Thai felt they had a place to come; but it was a little bit difficult, I found, in my relations with my ambassadors.

Q: I'm sure. This is one of the reasons why often a DCM is kept only for a relatively short time, and then moved on. The idea is to leave the ambassador free to choose. How did you evaluate Charles Whitehouse, who's again, one of those rather pro-counsels of our Vietnam era?

MASTERS: I had known Charlie quite well. As you probably know, before Thailand he was ambassador in Laos. And of course, we had a lot of interaction back and forth between the two missions. I thought Charlie was a good choice. Yes, he had been a province advisor--or whatever it was--in Vietnam. But I felt that he had a good understanding of Thailand, and how you had to operate in that country. I was with him for one year. He arrived in difficult circumstances. I was chargé during the fall of Saigon; we were between ambassadors then. It was a god-awful mess.

Q: How did that play out in Thailand? What did the Thais see as this was going?

MASTERS: Well, the Thai went into a total panic over it. In effect, we had lost the war, and they were aligned with us. We were running a lot of the war out of Thailand, and through Thailand, and with Thailand. And they saw us being defeated, and they were in a state of panic.

They don't like the Vietnamese anyhow; historically, their relationship is very bad. They were worried about an aggressive Vietnam, an expanding Vietnam, a communist Vietnam. And there were some elements in the Thai government at that time that wanted to move very quickly to a neutral position. There were even some who thought, "We better strike a deal with these guys in Hanoi, no matter what the price." But fortunately, they didn't.

It put us in a difficult spot; we had some very difficult negotiations with them. Some elements in Washington wanted to keep at least something on the bases that we had had there. The Thai refused; I think the Thai were right. It was better for us to get out of there, and get out of those bases; let the Thai work it out with Hanoi in their own way. And this was what I was recommending at the time--which they did, and as indeed we thought they would. The result was that I think the U.S. relationship with Thailand came out much stronger after this interim period.

But the point I was going to make was--of course we had been through this traumatic experience. Saigon had fallen. The refugees started pouring into Thailand; this was at the very beginning of the refugee problem. Neither we nor the Thai were equipped to handle them. Our embassy in Phnom Penh had fallen. John Gunther Dean came into Thailand with his entourage, and they thought that they were going to continue to operate as an embassy in exile in Thailand. I told them no way; John and I had some working out to do, because he let me know very quickly that he was an ambassador, and I was a chargé. But I had to let him know that it was my country and not his. (Laughs)

Q: You were saying that John Gunther Dean wanted to more or less take things over.

MASTERS: Yes, well he thought, at the very least, that he would continue to run--in Thailand--a mission, which would be running our relations with Cambodia, and maybe ultimately with Thailand, too, for that matter. But we felt, in Bangkok, that the Cambodian thing was finished, we were out, and there weren't going to be any diplomatic relations with Cambodia.

For example, John wanted to set up his own independent reporting channel, and I told him no way. And we had--we've ended up friends, and I have high regard for John. I could understand. He'd gone through a terrible experience as ambassador in Phnom Penh; had seen the country fall around him; had been evacuated by helicopter. And after a few weeks things calmed down. Washington supported me, as I felt they had to.

Q: Yes, in a way, when push comes to shove, there's nothing they can do about that.

MASTERS: I knew that the Thai didn't want any U.S. element in Thailand that had something to do with Cambodia--absolutely not. They didn't.

Q: Let me ask a question. You say there was some thought of maintaining our bases in Thailand?

MASTERS: Yes.

Q: What was the rationale for this?

MASTERS: Well, it was largely to keep them--you know the military--they are great contingency planners. And they wanted to keep these bases. After all, they are super bases. We had put a lot of money into them, they had all the latest equipment, and they wanted, at least, to keep some on a standby basis, and keep small units there; at the very least, to maintain the equipment, and keep them in a state of readiness. And the Thai were not prepared even for that.

I wanted to make one other point. I got--as I tend to do--I got distracted there a little bit, on Charlie Whitehouse's arrival. This was an important element. In addition to the collapse of Saigon, the refugees, Ambassador Dean from Cambodia, I also had a Foreign Service Inspection Team at the embassy at the time. (Laughs)

Q: In fact, I was talking to somebody who was on the inspection team, who was finishing up the inspection of Vietnam a week before Saigon fell.

MASTERS: Oh yes? (Laughs)

Q: Oh yes. He was William Bradford, I think.

MASTERS: Oh yes. Ray--the guy who was in charge of that--Ray Garthe is it? Anyhow, that's beside the point.

But the point I wanted to make was that adding to our complications was the Mayaguez issue. Are you familiar with the Mayaguez?

Q: Yes, I am. But would you spell the name of the ship?

MASTERS: Well, we were in this state of total confusion. The Thai were panicky. Refugees were pouring in. U.S. military units were leaving. And all of a sudden, we had this U.S. merchant ship carrying PX supplies, for this god-awful department store that the U.S. military had in Bangkok, that was seized by the Cambodians.

Q: This is the Mayaguez?

MASTERS: The Mayaguez, exactly. And I was chargé. Kukrit Pramoj was the Prime Minister of Thailand; he was the head of a 16-party coalition government--very shaky, this thing that had been put together after they had overthrown the military.

Well, Kukrit was a very smart guy. He's a very prominent Thai intellectual and journalist, ran the best paper in Thailand; also an actor; he played the part of the Prime Minister in The Ugly American, among other things.

Q: This is the movie, The Ugly American.

MASTERS: The movie, yes. The ship is seized. Kukrit calls me in. He's not dumb. Fortunately, he and I knew each other; we're on good terms. He said, "Look at it. I know how you Americans feel about freedom of the seas. And we respect all that. But whatever you do to get this ship released, leave us out of it. We've got our own problems. And I ask you to not involve Thailand in this process."

I said to him, "Well, we are trying, I know, through certain parties, to get the ship released. I'm not aware of any plans for other action. But if such a plan should be developed, I'm sure that in accordance with our usual procedures, we would consult with you." We had firm agreement--including written agreement--that we would not introduce any military unit into Thailand without the Thai government's prior approval.

So, I went back to the embassy. I had no sooner walked into the office, that the press officer came running up with a ticker item--AP or something or other. And it reported that Marines had left Okinawa, I think it was, en route to Thailand, to stage the release of the ship--the military release.

I called Kukrit. I said, "Remember that conversation we just had?" I said, "I've just seen a press item that indicates that maybe--" I said, "I don't have confirmation. I have nothing from the government. But if this item is correct, it may be that other ways of freeing that ship are being considered."

Well, he moaned and groaned, and asked me to stop it. I said that if the ticker item was correct it was too late for that. He said, "Well, for god's sake, do the best you can. I don't want this kind of a problem." He said, "All hell's going to break loose if you stage a military action out of Thailand."

Well, to shorten a long story, indeed the report was right. I think it was 1,200--I'm not sure of the exact number--1,200 Marines came into the large air base just south of Bangkok. And Kukrit, being the head of this rather shaky coalition government, felt that he had to react to this. We had violated the agreement. We had not consulted in advance. We had sent the Marines into Thailand.

So, a big demonstration was mounted against the American Embassy. Ten thousand, probably, at one time. I don't know whether you have ever been there, but they totally

blocked off Wireless Road, in front of the embassy. But being Thai, they were very practical about it. Our embassy went through an entire block, and it also had a back entrance on another street. They didn't bother that. So we continued to have access, but they were making their point. They barricaded the front entrance. They tore down our seal. I understand that seal is still available in one of the Thai universities somewhere.

They did some dumb things, from the Thai standpoint. They urinated on an American flag in front of our gates. They burned a flag. The use of the shoe and foot is very insulting in Thailand, and they stamped on the American flag. And these things, fortunately, had a counter-reaction. There were a lot of Thais who said, "Hey, wait. We're mad at the Americans, but we don't go this far. This is not polite. This is not behaving in the proper Thai manner."

So, the thing started to, sort of, turn around--if there was any bright side to this--turn around a little bit in our favor. But meanwhile, Kukrit would call me down to the Prime Minister's office, at least once a day while this was going on. And the TV cameras would be out there, cranking away. "Here's Masters again, flying the flag, going in to see the Prime Minister." He'd hand me a protest note, and say, "Read it in the car going back." We would both agree that things were tough, and we were both in a difficult position. And I'd go out, and he would then appear before the microphones and say, "Well, I told the American chargé that we're not going to tolerate this kind of heavy-handed treatment," etc., and so forth.

So we both played our roles for a few days, until eventually--as you know--there was military action. The ship was released. More people were killed in releasing the ship, than were freed. I thought it was a tragedy, myself. And I'll never forget, there was a photograph on the front page--much as I respect President Ford--there was a photograph on the front page of, probably, the New York Times, of Ford and somebody--I'm not sure, one of his top people--laughing gleefully over the freeing of this ship. And I thought it was just terrible.

But meanwhile, Kukrit was making his political point. Work was going on okay. And eventually, the demonstrators went away. And then a counter-demonstration, favorable to the United States, was mounted. And I had to go out in front of the embassy and accept some flowers. Everything was okay again.

The point I want to get at though--and this is an interesting one to me--is what happened with the dispatch of the Marines to Thailand. Phil Habib, who was then the Assistant Secretary EA, was on a speaking trip somewhere; I think it was in Missouri, or somewhere. (He was out of Washington.) And what I have never been totally clear on is, did Washington forget to tell me, as chargé--in charge of the embassy--that the Marines were coming in? Or did somebody say, "Let's not tell Masters. What he doesn't know--he can honestly say he didn't know." And did somebody make a deliberate decision not to tell me? I don't know.

When this happened, I went--next time I saw Kukrit, I said, "I honestly did not know."

He looked me in the eye, and he said, "Ed, I know you, and I believe you." Had we not had that kind of personal relationship it might have been much different. But I have never known, to this day, whether they'd forgotten me, or whether they deliberately decided to leave me out.

Then we got into a great hassle over--the Thai obviously had to have something to save face. So I sent back to Washington a proposal that we should issue a statement.

What Kukrit said was, "You've got to apologize."

I said, "Well, maybe they're not going to apologize, but I'll see what I can get out of Washington." So Washington and I exchanged messages back and forth on what we could say. Finally, Kissinger--as I had understood--was taking a very hard line against doing anything.

But we finally got a statement which the State Department agreed to issue, which said in effect, "We regret that in the heat of the moment actions were taken which did not follow normal procedures,"--something like that.

I thought this was pretty good, and ran down to Kukrit. He looked at it, and read it, and said, "It's no good. It doesn't say 'apologize'."

So we got into a big hassle. I said, "Look, Kukrit. You know English as well as I do. We said 'regret.' What's the difference between 'regret' and 'apologize'?" I said, "Let's not have a semantic problem over this."

So we talked back and forth, and he finally said, "Okay, I accept it." He went out. He addressed the press. He said, "The Americans have apologized; everything is fine." The demonstrators went away--no problem. (Laughs) A fascinating incident, in retrospect.

Q: It really is. What was the feeling, let's say, of Henry Kissinger or someone? I mean, after all, here we were sending troops to a country--to operate against a third country. There must have been some appreciation of the fact that you had to make amends for this, or you never could do it again.

MASTERS: Well, one would think so. As I say, I never got what I regarded as a decent explanation as to what had happened. Of course, Washington--let's face it--was in a state of great turmoil then, also. Vietnam had fallen, and they had all that on their hands.

Q: You had a rather shaky Presidency, with Ford.

MASTERS: Yes, exactly.

Q: I'd like to move on. In the first place, just how did you get along with Whitehouse?

MASTERS: We got along fine, yes. Charlie is a good, solid professional, and he was astute enough to know that he needed me for a while. He was also astute enough to know that since I was so prominent in Thailand that he had to get rid of me before too long. And it worked out very well. I was there for just about a year, and then was appointed to Bangladesh.

Q: How did that appointment come about?

MASTERS: Well, I don't know all the inner workings of it. I have always assumed that Phil Habib had an important role in it, but I . . . I just got a telegram about it. And frankly, I was not filled with great joy. After all, I had been operating, in effect, as an ambassador to a much bigger country, and a much more important country than Bangladesh. And I grumbled a little bit. And I was told by Phil to shut up. He said, "Look, Masters, what you need is an embassy. It doesn't make any god-damn difference what embassy it is. You need to be an ambassador. If you do one, you might get a chance at another one. Take this one and shut up." I did.

Q: Which is probably the best . . .

MASTERS: He was absolutely right!

Q: I was just looking--before this interview--I looked up Bangladesh, in the records. And when you come to Bangladesh, the words that come out are malaria, cholera, tornado, flood, starvation. I mean, these are--particularly in that time . . .

MASTERS: Yes, well fortunately--yes, some of these things--all of those things happened in the one year I was there. But it was good time that I was there. The situation was politically stable. They had a big upheaval in '75, where they killed the prime minister and his family. I went in there in the fall of '76, and was there till the fall of '77. President Zia was in power. He was a good fellow; a remarkable person. He had a great feel for what needed to be done socially, and economically. He traveled; he got out among the people. [He] had good programs. He put his full weight behind family planning.

I enjoyed the tour there. The Bangladeshis are very nice people. God knows, nature wasn't kind to the country; they don't have much to work with. And I don't think you'd want to stay there too long; I think the magnitude of the problems would become pretty depressing. But I enjoyed it for a year, and I worked very closely with Zia. We did some reorganizing on some of our AID programs, and I think we made some real progress.

I guess the most dramatic thing that happened during that year was the aircraft hijacking. It was a Japan Airlines plane, but it had some Americans on it. And the result was that we got deeply involved in this. And Washington insisted on orchestrating everything from

Washington. I won't go into a lot of detail on that. But the plane had--I think it was 12 Americans, including several rather prominent Americans, that I won't go into detail on. Washington got upset and concerned about this, because of these rather prominent Americans that were on the plane.

There were three telephone lines out of Dacca International. Washington tied up one of those for five days, with my embassy on the other end--just to keep the line open. And I always had to have somebody--at one point I hung up on them. I said, "Look, the Bangladeshis need the line, and I need my embassy staff. I don't need them sitting on this god-damn telephone." They called right back again.

Q: What was the pressure? Is this a feeling that at least a line there? I mean, everybody wanted to make sure that they show they were doing something?

MASTERS: I think that was partly it. It was also a little because these people on the plane were politically influential. It was to be sure that Washington--yes, was able to tell--they were tied in to a prominent U.S. senator--was able to tell the senator that we were doing something; that we were in touch with the situation; and of course, to keep him informed as to what was going on. Actually, it worked out fine. It was a god-awful five days, but one by one, the people came off the plane.

This is also a story which should be written up sometime. It was the Japanese Red Army which had hijacked it out of Bombay, and forced it to land--of all places--in Dacca, which is about as poorly equipped to handle an aircraft hijacking as any place in the world. They parked the plane right in front of the terminal. And a friend of mine, who was the head of the Bangladesh Air Force--Marshall Mahmud--conducted the negotiations from the tower, to the radio in the plane. And of course, all of us in Dacca were listening in--monitoring the thing.

So the word from Washington was, "For god's sake, get those Americans off." Well, it was a Japanese plane. It was in Bangladesh. But fortunately, we had--I knew a lot of people, and we had influence. I worked closely with the Japanese ambassador, and with the Bangladeshis. And one of these Americans on the plane--a very sharp woman--claimed to be pregnant; I guess, sort of fainted away on the plane. And the Red Army let her out; she was one of the first people to come off--fortunately, a very astute woman.

So we got her together with the mug-books, on hijackers, and went through it. We identified exactly who was on this plane, and I tell you, they were toughies. One of them had been involved in the Lod massacre, and they had done this, and they had done that.

Q: Lod was at the Lod Airport in Tel Aviv?

MASTERS: Tel Aviv, yes. And so we knew we were dealing with a tough group, and a very professional group. Let's see, then another American--rather elderly--capsized from

medical problems. No, his wife came off first--which was a woman of sixty-some years. She came off. I got her settled in a hotel. I got the young one, who identified the mug-books--got her settled in a hotel.

Then my friends in the Bangladesh Air Force told me that the husband had collapsed on the plane, and that they might let him off. So I dashed in the car, with the flag flying, to the airport. Picked up the wife. We ran to the airport just in time to see an ambulance going from the airport to the hospital. So we went around and followed the ambulance to the hospital. Got her in. It was her husband. Everything was okay.

So one by one, then, the hijackers were letting the passengers off. And it was down to the point where there were two Americans on board. One of them was the husband of this young lady, who had helped us with the mug-book. And the Japanese met the ransom demands of the hijackers. The plane is going to leave. The wife--maybe she was in the embassy. She was in and out of the embassy. Anyhow, she was very distraught. She said, "My god, they're going to take off with my husband. They'll kill him. I'll never see him again."

I called my friend, the chief air marshal, and I said, "Look, could you possibly make an effort to get this American fellow off the plane?" I said, "The family is distraught, the father is elderly and still in the hospital. It would be very helpful if you could get him off."

He said, "I'll try."

So I ran back to listen to the radio, to see what he said. Mahmud came on the radio to the hijacker, and to my great surprise, he said, "The American ambassador has asked me if you would kindly release Mr. So and So."

And I thought, "Holy Christ! They'll kill him. They'll never let him off now."

There was a silence that seemed like five minutes--it was probably 30 seconds--on the plane. And the hijacker said one word; he said, "Affirmative." They opened the door. They pushed this guy out. And they took off. Why? Interesting! (Laughs) You never know.

Anyhow, this American group thinks this is the greatest thing; it's, "My god, we've got wonderful ambassadors overseas. They get us off of planes. They do all these things." They thought it was terrific. In fact, I was written up in a congressional record for this. It's funny how these things work.

Q: Yes.

MASTERS: Why that terrorist let that American off, at the request of the American ambassador, I can't imagine.

Q: Yes, because you would think it would be just the reverse.

MASTERS: Yes.

Q: Yes.

MASTERS: They finally took off. There was still one American on the plane; he was an American official, who was with the Sinai--whatever that peace-keeping mission we had in Sinai.

Q: Yes.

MASTERS: And they let him go in Algeria, I think it was. Well, anyhow, Bangladesh was a hectic one year, but I enjoyed it.

Q: Well then, I think we should go to your major assignment. Indonesia certainly made tremendous sense. I mean, it made so much sense--the appointment--that I'm almost surprised you were appointed there. (Laughs)

MASTERS: Yes, I was too, frankly. (Laughs)

Q: Do you have any idea how that came about? Or was just the logic overwhelming?

MASTERS: Well, I don't know the inner workings of it, but I suspect Phil Habib had a voice in it. Phil was the Under Secretary for Political Affairs. And fortunately, Phil and I had--I think Phil had good regard for me, from the Bangkok days. But I've never known what the inner workings were. Holdridge was on board--not Holdridge . . .

Q: Holbrooke?

MASTERS: Yes, Holbrooke was on board.

Q: Yes, this is the Carter administration . . .

MASTERS: Yes.

Q: . . . was in place then. Well, when you went out to Indonesia--now we're talking about . . . You were there from when to when?

MASTERS: November '77 to November '81--exactly four years.

Q: What were American interests in Indonesia in that period?

MASTERS: Well, they were considerably different, and more extensive than they had been when I was there in the '60s. By then we had heavy U.S. investment in Indonesia; largely in the oil business, but not exclusively. You're never quite sure how to measure those investments, because in Indonesia you go in on a partnership arrangement, rather than an actual equity. But I think we used to figure that the total investment there was in the neighborhood of five billion dollars. Trade was fairly extensive. Indonesia was playing a responsible role in the international community, and the U.N.--in the non-aligned group, and even in the Islamic group. They're very moderate, very responsible.

A big country, of course; I guess at that time, 145,000,000 people or so--maybe 150,000,000 then. So we had the interests there, of a large country, influential internationally, with substantial U.S. trade and investment.

Q: Did you have any instructions from the Department, or from the Secretary, or the President? Or did everybody pretty well assume that you knew what you were about?

MASTERS: I'm sure I had instructions, but much as I could recall they were kind of, "Go out there and keep things going the way they're going, because they're going pretty well." We didn't have any major problems with Indonesia. They aren't an ally; and in fact, fortunately, we don't want them as an ally. That would have been a disaster.

Q: You're saying this because--why wouldn't we want them as an ally?

MASTERS: Well, for them to be an ally would have triggered all kinds of reactions among Indonesians, that would have made it not work. They would have then blamed us for all their problems, and it would have been, I think, a mistake for U.S. foreign policy.

But they were a responsible, non-aligned country. I used to say, privately, they were non-aligned on our side. Because, basically, we and Indonesia saw things pretty much the same, with some degrees of difference here and there. But we didn't have fundamental disagreements with Indonesia.

Q: I would imagine that the one problem you would have had with Indonesia--you went out there during the Carter years. And human rights was a major thrust of our policy, and there were problems there. I mean, you had Timor, particularly; there had been a rebellion in Timor, hadn't there? And there was claims of starvation, and of military oppression, and things of this nature.

MASTERS: Yes. Human rights were the main problem, I guess, that we had. And then a couple of other things that I'll mention later, that sort of grew out of that. The first human rights problem was that Indonesia still had, salted away on an island some 80,000 Communists, or suspected Communists, from the '65 coup attempt. They were still out there, isolated and under detention.

And the human rights groups, and the U.S. government--and I, myself--did not think this was the thing to do. The people should either--after all, we were then more than ten years after the event. And the people should either have been tried and sentenced, or let go.

So I worked on the Indonesians on this. I wasn't the only one; there were other ambassadors that felt equally strongly: the Dutch, the British, the Australian. I guess we were, kind of, the hard-core working to get these people sprung.

The problem in doing it was that Washington handled it very publicly. We then had an assistant secretary for human rights, and so forth.

Q: You're speaking about Patt Derian, who caused a great deal of pain, at least within the professional Foreign Service; because of this overriding concern for one aspect of our policy. And often really centered on making a good public relations record, at least that's the way it was seen.

MASTERS: Well, yes, I think, probably that's true; although, I think Patt achieved a good many things that needed to be done. But maybe [she] went about it in the wrong way. Based on her own experience--she had been active in the human rights--civil rights struggle in this country, in the south, where obviously you wanted publicity. That was a part of it; you did things that would get you publicity. When you are dealing with a foreign government, quite often publicity from another country is counterproductive. And that's a point that I guess we in the professional service were never able to get across, or there were overriding reasons why they went public.

Anyhow, the publicity created a problem for me, because here it was public pressure from a big country. But I agreed with the objective, and we did over time--we got all those people released. They came out in batches.

Q: But you feel that it was the approach of the international community that brought about the release?

MASTERS: Absolutely! Without that they'd probably still be there. The Indonesians just didn't want anything to do with this; it was a problem--the Indonesian military felt that this was a group--or these were associated with the group that had killed the generals, and preferred to leave them there. And it was only through this pressure that they were released. A few were tried--very few. And the problem was settled.

East Timor then became the big human rights problem. East Timor, of course, had been split--in the colonial days--between the Dutch and the Portuguese. Each had half of this dumpy little island; a desolate place--barren, arid--but good for growing coffee up in the highlands. So it had some economic value.

Well, the Dutch half, of course, went to Indonesia in '49, when the Dutch left. The Portuguese--because of internal upheavals in Portugal--only gave up their half in '75.

They didn't really give it, they walked away from it, leaving a civil war, in East Timor, between a group called Fretilin which was a Marxist group--which had been given the weapons of the Portuguese military when they left--and a non-communist group, and an Indonesian-supported group. There were three groups that were fighting there, but the Fretilin were the strongest, and they were by far the best armed.

And it was in this kind of a situation that Indonesia sent troops in, in--what was it, December of '75?--roughly there, anyhow; faced with this civil war, and very concerned because of their own experience with the Communists; very concerned with the communist influence in this little enclave, right in the middle of their archipelago. They felt it was a situation they couldn't tolerate. They moved in, and they took it over, in effect. Fretilin fled up into the mountains, with their arms.

So that's where I arrived on the scene: the fighting is continuing; there are disturbing reports--some exaggerated, I think, coming out of the Catholic clergy, in East Timor--some of whom, were still Portuguese, who are reporting back to the church in Portugal. But, obviously some very bad things were happening. There's no question about it.

And I started working on the Indonesians very early on this, saying in effect, "Look, this thing's going to blow up in your face. It's going to damage your reputation. It's going to hamper our ability, and others', to give you foreign aid, and so forth. And you'd better open it up."

Well, eventually they did. The first thing was a jerry-built trip by--oh, there must have been a dozen ambassadors from Djakarta, I was one, and the others I mentioned earlier; plus, even the Korean. I think the ASEAN--their fellow ASEAN--ambassadors were taken along. And we got a staged trip. And everything was rosy, and the natives waved flowers, and this sort of thing. You think it's fine--no problem there. But obviously, that wasn't enough, and I kept working on the Indonesians--so did these other ambassadors, and other groups.

Eventually they agreed to let me go in with my AID director--and it coincided with the visit of a senior official from the Catholic Relief Service, a Father Charlebois, I think his name was--a French name. And we went in, and went where we wanted to. I said, "I'll only go if I can pick where I go. And in some cases, I'm going to pick it while we're in the air." Because we had heard where the problems were.

Q: Yes.

MASTERS: So we went in and we visited--I don't remember--eight or ten different places, and it was just awful; much worse than anything I'd ever seen in Bangladesh. These refugees had fled up into the hills, as a result of the fighting. Those hills, as I said, as barren and arid. There was no food up there. So they came down starving, and the Indonesians had herded them into camps, but weren't able to cope with the problem.

Now, I don't buy the idea that it was genocide--that the Indonesians were trying to kill them off. I think they honestly faced a problem; they were surprised by the magnitude of it. These people came down out of the hills, and they just couldn't cope. And it was recognition of that, I think, that led them to let us in.

Well, the AID director, and Catholic Relief Service, and I went in and visited, and saw these things. We saw people in the last stages of starvation; all kinds of medical problems. And it was a result of that, that they let in the UNHCR, refugee people. The Catholic Relief Service mounted a program there. Other groups were let in. I fault the Indonesians on being much too slow; they should have come to grips with this problem much earlier. They should have let us and other groups in.

Q: Why--was this embarrassment, or was this unwillingness of passing the word up to higher headquarters about the immensity of the problem? What do you think was behind that?

MASTERS: Probably all of those. Embarrassment, certainly. Maybe on the part of some of the military leaders, the fact that--after all, the fighting was still going on. The Fretilin were still shooting up police stations, and army units when they could get at them. They didn't want outsiders in there. But for whatever reason, as I say, the main fault that I would lay on them is that they waited much too long.

Q: Yes.

MASTERS: But once they let us in, then things moved reasonably quickly, and we were able to get emergency food programs in. I then went in a third time with some congressmen: Lester Wolfe, Henry Hyde. We had a good trip, also. But by then, the situation had improved considerably; this was probably a year after the first visit. So I was there three times in all.

Q: Looking at this objectively, you feel that our intervention in this thing--not only ours, but the international intervention--played a major role?

MASTERS: Absolutely right, absolutely, yes. The Indonesians--certainly the Foreign Minister--recognized that they had an international problem here, and that they had to face up to it. The military were the ones who were slow to--I think--to come around to it. But they eventually did.

Q: How about--speaking about problems of this nature--dealing with the Vietnamese boat people. Was this a problem for you?

MASTERS: Yes, this was a problem.

Q: I might, just for the record, say that the boat people are those who were fleeing from Vietnam--on often very overcrowded and small fishing-type vessels--illegally, to escape the communist rule there.

MASTERS: Some of these boats were coming up on Indonesian islands, largely islands up toward Malaysia, and Singapore. And again, the Indonesians were not equipped to handle them. They didn't push them off, and I will give them full credit for this. Some countries in the area were pushing them back out, and people were starving to death, and drowning. The Indonesians didn't push them off. But again, it was kind of like Timor; they couldn't cope with it.

So we worked with them, and again, it was a slow, laborious process, but they eventually agreed to--not give us--but to, in effect, make available to the UN High Commissioner for Refugees, an island up near Singapore, to be used as a holding center for refugees--Galang Island. And the UNHCR moved in there, and with our help--and a lot of others--we built some barracks, and made it into a pretty nice location. So then the refugees, as they piled on these different islands, were all funneled into Galang, and were held there until they were processed for eventual repatriation.

The Indonesians, I thought, behaved very responsibly on this--on this refugee problem. They were very cooperative. But, you know--as an indication of the attitude of the Indonesians, when I was working with them to try to get them to agree to set up the processing center--I should have known better, but I guess I had run out of all the other arguments. And at one point, I said, "The Philippines has agreed to have a processing center, and therefore, we hope you will also."

The gentleman I was talking with fixed me with a beady stare, and he said, "Look, Ed, the Philippines need you much more than we do." (Laughs) I got the message, but we also got our holding center, so . . . But it's an indication of the sensitivity of the Indonesians. They're great people, but they are sensitive.

Q: How was your staff at the embassy, at the time you were there? How would you evaluate it?

MASTERS: I had a very good staff. I brought in, as DCM, Paul Gardner, who I mentioned a long time ago, who had been in that very fine political section in the '60s. And Paul was a language officer, and again--I felt it was useful--of course, I had it--but I felt it was useful if maybe I wasn't the only one that knew where the Suharto government had come from; the experience with the Communists and with Sukarno's economic mess conditioned his thinking, and that of his top people. People that understood '65, and the trouble of replacing Sukarno, and so forth. So again--Paul was political counselor, and I moved him into the DCM job.

We got a great political counselor, Harriet Isom, who--also an Indonesian language officer--had been consul in Medan. And I moved her in as political counselor. If you were

going to pick somebody that you would say would never get along with an Indonesian, you would pick Harriet. She's six-feet tall, a raving blonde woman. And all of those things you'd think would cause trouble with Indonesians, who tend to be about 5'6", and so forth. She did a super job. The Indonesians liked her, respected her. She's now our chargé in Laos, incidentally. In fact, I remember writing in one of her efficiency reports that if the system worked, she should--at some point--be ambassador to Indonesia.

[I] had a good AID director, Tom Niblock, who again, was a good solid pro; the kind of a person who needed very firm direction. One of those AID guys who felt that, "By god, this is my operation." But, we worked it out okay.

The military side had a good colonel, who spoke the language, and was head of our military group. We called it the Defense Liaison Group, so it wasn't a military aid group, but in effect, that's what it did. This was Colonel Tombaugh.

By and large, I felt we had a very good staff there--a good professional staff.

Q: What were your connections with Suharto, and how did you evaluate him at that time, and his government?

MASTERS: Well, my relations with Suharto were good; they were excellent. But Suharto is not the kind of person--I don't think, at least--that becomes really close to foreigners. He's somewhat--not shy, at all--but somewhat--gosh, what's the word I'm trying to think of?

Q: Reserved?

MASTERS: A reserved person, as Javanese tend to be. But whenever I wanted to see him, I could see him; he was always responsive. He was always helpful, when it wasn't against his interests to be helpful. So I felt that we had a very good professional relationship. I saw a lot more, of course, of some of his staff people. In Indonesia you quite often have to do things indirectly, because Indonesians don't like public dissent, difficulty, and bad news. So I did a lot of work through intermediaries, some at the cabinet level, and some below the cabinet level; which again, I think shows the advantage of knowing the society before you get there--knowing who those intermediaries are, and how to use them.

Q: Could you give an example of how? Let's say you have instructions; you want to get something done, or some response from Indonesia, and how you might go about this indirectly.

MASTERS: Yes, it depends on the issue. In some cases I would seek an appointment with the president, and put it up to him directly--or the foreign minister. But in other cases, I might still want an appointment, but I might want to pave the way for the appointment, so I don't surprise him. So there were a number of people in different areas that I would know were close to the president, or this minister, or that minister. And I

would talk with them, and say, "This is what I want to do. Do you have any guidance on how we can work this out? What's the best way to handle it? etc. etc."

And he'd say, "Well,"--in some cases he'd say, do this, do that. In some cases he'd say, "Well, let me think about it." You'd know he was going to go talk to the guy that you wanted to see.

Q: So, in other words, you were paving the way. You asked advice in order to both get some advice, but also to let them know what you were about.

MASTERS: That's right, exactly. Sometimes it wouldn't work, but usually it would work quite well. And my view is it's much better--particularly in the Indonesian context--than going in and hitting him cold, on some kinds of issues. There are other issues where you don't; where you want to hit him cold--you want to get a reaction. Of course, then, reading the reaction is sometimes difficult, and here again, you sometimes will use an intermediary.

We used to joke in Djakarta that President Suharto had four ways of saying "yes". He never said "no"--there were four yes's. One really meant yes--let's see if I can remember these. One meant "maybe", one meant "I hear what you're saying". This would be, kind of, as you're talking, he's saying "yes, yes". That doesn't mean he agrees with you. And the final yes means "it's a dumb idea, forget it", but he says "yes". So from the context, and the body language, and maybe knowing how the guy thinks, you've got to figure out which "yes" you're getting. And that, sometimes, I found--even knowing the Indonesians as well as I did--sometimes is tricky, but usually you can tell.

Where I had any doubt, I would go to an intermediary, and say, "What did the President really mean?"

And he would say, "He means it's the stupidest thing he ever heard of." (Laughs)--or whatever. But if I had doubt, I'd double check it that way.

Q: So you're saying that this is a society, particularly, where it really pays to have both contacts for some time, and also to understand the society?

MASTERS: Absolutely.

Q: Which comes over a long period of experience.

MASTERS: Yes. I'm convinced that it takes at least a year to become effective in Indonesia. It's interesting--we had a very good German ambassador when I was there. And he came in, charging ahead, and was going to do great things. But later on--he left before I did--as he was leaving, he said, "You were right. It took at least a year to really become effective."

Because, the Indonesians--although they'll smile, and nod--you're not really getting through to them, until they size you up, and decide what kind of person you are: whether you really respect them, whether you take them seriously, what your real motives are. This doesn't mean you have to agree all the time, but they want to know where you're coming from. And then once they decide that you're okay, then fine, it's open. And of course, I had done all this in the '60s. So the great thing was that when I arrived as ambassador, it was just like I had never left.

And in fact, it was a little embarrassing. Because I had been off in other countries, doing all these things that I thought were interesting. And meanwhile, they're just sitting there. And of course, it's announced in the paper, "Ed Masters is coming back again." So they had time to think. So we'd run into these people, and they'd say, "Oh, how nice to see you. We remember that very nice movie party you had in 1966, and Allene wore that lovely green dress." Well, at first we couldn't remember who these people were, let alone the movie party! (Laughs) But it finally worked out. We had gone through the shakedown period. So I think--as you said--it was an assignment that made a lot of sense.

Q: You were mentioning American investment in economics--commercial interests--were playing a larger role there than they had, really, in any of the other posts you'd been in, by the time you came back. There was some mention in the papers about a problem with Ford--illegal payments, and all that. Was that during your time?

MASTERS: Yes, I know what you're talking about, and I'm not sure whether the payoff took place . . .

Q: I think it had taken place before you were there, but . . .

MASTERS: I don't think that was an issue while I was there; I think it became an issue later on. But there was one of the those that came up, and again, I'm not sure which one it was. Anyhow, I didn't--I wasn't involved. I remember I once set up arrangements for--I guess it was somebody from the Attorney General's office to come in and take some depositions. But it was not something that we got deeply involved in.

Q: How about payoffs, and corruption? This is always a major problem--how you deal with this. In some countries this is how business is done, and yet you were there during a time when we were particularly sensitive about American businesses doing that. Was this an issue, or a problem for you?

MASTERS: Well, it was a problem for American business, I know, because of our Foreign Corrupt Practices Act; American businesses were not able to do what almost all other businessmen in town were doing--greasing the skids. I'm convinced that American businessmen were not paying off, because the stakes were too high. But certainly others were; there's no question about it. I personally took a very strong stand against this.

In fact, as one example, in addition to the embassy car I ordered a personal car from Australia--a GM car from Australia. And it came in. And I told my staff, "No payments!" I told our local staff. The result was, it took six weeks to get my car cleared through customs; here's the American Ambassador's car--six weeks! You can imagine how long it would take for somebody else.

Q: Yes.

MASTERS: Facilitative payments are the way you keep things going in a society like that. The customs people, and immigration, and all the rest, don't make enough to live on their salaries. They make it up through under the counter payments.

Q: Yes, in many ways--sometimes I wonder if it's not our problem. Because what you're doing is you're paying for services rendered. If you want somebody to stamp something, you pay him. Normally, this would be paid through a higher salary, but people who don't need that thing stamped, don't need to bother to pay that much.

MASTERS: Yes, I agree with that. The facilitative payment--as long as it's within reason--I could live with. It's the five and ten percent deals that create the problem. I think U.S. business lost out on a lot of good deals there because they couldn't do that, and didn't do it--at that time, I don't think. If they were doing it, they sure wouldn't tell me, anyhow. But I don't think they were.

I worked very closely with the American business community: very closely with the Chamber of Commerce. There had been some problems in the relationship before. I had a monthly meeting with the Chamber, and we sat down, and they said--at least--that nobody had ever talked with them so frankly.

Q: This is one of the things that is often overlooked, and that is getting together with the American business people, and having close ties with them.

MASTERS: Yes.

Q: Were there any other major problems, or tasks that you had while you were there--that we haven't covered?

MASTERS: There's one that I want to mention, and then I think I've got to go, and probably you do also. And that is that--I guess because of the human rights problem--the focus on human rights in Washington--the Carter administration, I felt, missed some real opportunities in Indonesia.

For example, Suharto had been invited to Washington, under Presidents Nixon and President Ford. Even the two years Ford was President--Ford visited Indonesia, and Suharto visited Washington. The personal contact is extremely important for an Indonesian; knowing the person, having a direct relationship. I could not--absolutely

could not get Washington to invite Suharto to visit Washington. I did my damndest. And I think what it boiled down to was that they felt they couldn't invite Suharto unless they could invite Marcos; and there was no way they were going to invite Marcos, because of the human rights problems. I think it was a bad mistake. It would have had a good influence on human rights. It would have had a good influence on a lot of things.

The result was Suharto took it as a personal affront, that he was not invited. And Carter never came to Djakarta. Suharto wasn't invited to Washington. And I think that was a bad mistake.

That may also--similar considerations may have influenced some of our AID actions. For example, Washington decided at one point to eliminate the PL 480 wheat program to Indonesia--stupid! We had wheat coming out of our ears. We've got millions of tons stashed away. And they want to eliminate this piddly little program in Indonesia, for which the Indonesians are paying in dollars--albeit, soft terms. But it's hard currency repayable. I think the program was originally about \$100,000,000 a year. And Indonesia needed the wheat; was using it effectively. There was no problem of misuse. It was just--here's a country, an OPEC member, making decent income, and no reason why we should give the wheat.

I fought it and lost, and was told the program was going to be eliminated. The Indonesians, fortunately, had the foresight to cozy up to some of the wheat growing senators, and the program was reinstated.

Q: This brings up a point: do you ever find yourself explaining to other countries--particularly Indonesians--how to play the Washington game? In other words, that the State Department, and the President are not the only players in town; there's the Pentagon, there's the Congress, there's the Congressional staff, there's the media. I mean, it's a complicated world there, and technically, their ambassador should do it. But did you ever find yourself saying, "Well, maybe a senator might be more useful."?

MASTERS: I don't remember ever giving specific guidance like that. I certainly--in all the countries I've been in--have urged them to expand their range of contacts in Washington; but they tend not to. The Thai and the Indonesians are both very shy about what they see as pushing in. And they tend to always go to the State Department and not develop ties with the Congress. I used to tell them to get to know people on the Hill, and particularly the Congressional staff. In this particular case, I didn't give specific advice. And frankly, I wouldn't have, against a policy decision--as much as I might have disagreed with it. But fortunately, they were smart enough to figure it out for themselves, or somebody else told them to do it. (Laughs)

Q: Well, before we wind this up, a name that's come up several times--I wonder if you could give your evaluation of him, looking at it now from some distance; Philip Habib, who was a major figure in the time you were there, in American policy towards Asia.

MASTERS: Yes. I never worked directly with or for Phil, but of course, felt his influence when he was Assistant Secretary, and slightly when he was Under-secretary of Political affairs.

I have high regard for Phil. [He's] a hard charger, a tough guy, but I felt that his policies were good, and what he was doing was right. I don't blame him for the Mayaguez thing, because he was out of town. And I have no reason not to have high respect for Phil.

Q: Looking back on your career--not necessarily just where you were ambassador, but over all--a question we ask in these interviews: what would you consider the accomplishment that gave you the greatest satisfaction?

MASTERS: Oh gosh. Well, there were some specifics, and I've mentioned them. I'm not going to give you one answer, but there were specifics. An interesting one I didn't mention, in Bangkok: a lot of the refugees from the Vietnamese Air Force brought their planes with them, into Thailand. And the Thai had more or less impounded those planes. We had a whole bunch of F-5s--was it? What was the big plane then? Anyhow, we had probably more than a hundred.

Q: F-4s, probably.

MASTERS: I'm just not sure; my mind is faulty on this. But whatever they were, they were the popular jet fighter of the day, that we had provided to the Vietnamese, under our AID programs. They were flown into Thailand, abandoned by the pilots who defected. And the Thai were very concerned that--well, the Vietnamese laid--Hanoi laid claim to them, and the Thai were in the middle--a tough time; they were vacillating. And I told the U.S. military, "God damn it, get a ship in here and get those things out, and get them out fast." And they did. They dropped one overboard, and blamed it on me because I was telling them to hurry. But they got those planes.

Now, the Thai may have been aware of what we were doing. This may have been a little drama here. But anyhow, I told the military, I said, "Get the god-damn things out of here, or you're going to lose them." So they loaded up. There was a hundred and some million dollars worth of airplanes. Got them on a ship. The ship sailed. A few hours later I got a call from the Thai. (Laughs)

"About those airplanes? We want you to know that we are going to turn them over to Hanoi." (Laughs)

So I said, "Gee, I'm sorry about that, but they just left." And we all heaved a sigh of relief. I took a lot of satisfaction out of that; also out of the result of the airline hijacking in Bangladesh.

But I guess the single most notable one would be, that I think I played an important role, over many years, in restructuring our relations with Indonesia. And that one, I think, is extremely important. It's a key country, and one that we could have messed up very easily.

Q: A final question, that again, we ask: a young person comes to you today, and says, "What about the Foreign Service as a career?"--I mean, seeking advice. How do you feel about today's Foreign Service?

MASTERS: Oh, that's a tough one. I, myself, thought it was a very rewarding career. I enjoyed it, and you can probably tell from the enthusiasm, and talking too long. But in all honesty, I might advise somebody to do it, but I would tell them to look into it very carefully. I think with the 1980 Foreign Service Act, and what that's done plus the increasing politicization of our foreign affairs, the increased number of political appointees, it's a different service. And as I say, I would just tell somebody to go into it with their eyes open.

End of interview