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

ROBERT E. SERVICE

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INTERVIEW

Q: We'll start at the beginning. Could you tell me when and where you were born and something about your family?

SERVICE: I was born in Peiping, China, as it was then called, in February 1937. My

father was a language student at the Embassy in Peking, having entered the Foreign Service in 1933 as a clerk in Yunnan-fu (now Kunming), and then been transferred up to Peiping in 1936.

Q: We have an extensive oral history in our collection and also at the University of California at Berkeley that was done by the Bancroft Library there, of your father. How long were you in China?

SERVICE: My mother, my sister and I were there until late 1940 when it was decided that the wives and children of American officials should leave the country. We were evacuated and went back to the U.S. I haven't been back since. My father stayed in China through the war. He left in 1945.

Q: Where did you go in the States?

SERVICE: We went to Berkeley, California, where my mother's parents lived. Her father had been an Army officer and retired in the mid-1930s. They built a house in Berkeley. They were good enough to take us in, the three of us, my mother, sister, and me. We spent the war years in Berkeley.

Q: So, you were eight years old, I guess, when the war was over?

SERVICE: Yes, eight and a half.

Q: I guess you had just started school in Berkeley.

SERVICE: I did kindergarten through third grade in Berkeley.

Q: Then, where to?

SERVICE: My father came back and we moved back to Washington. We were there for about a year. Then we went to New Zealand for a couple of years, and then back to Washington, then to India, and then back to Washington. There were other complications I can get into if you want me to.

Q: I think it's covered pretty much on that side, in your father's account. Focusing in on you, how did this sit, as far as going to New Zealand, India and all? How did you react to this moving around?

SERVICE: I loved it. Every place was fascinating, is fascinating. I think when you are young, you are more adaptable than when you get older. I certainly never found any problem in adapting. Each country was an adventure. In New Zealand, I went to a New Zealand school. My father was the second man in the Legation. Many of the children of the Embassy went to private schools. My parents had, I consider, the fortunate idea of sending me to a public school. I spent two years there. The Ambassador in those days lived out on a sheep station, about 40 miles from Wellington. It was called Fernside. He

used to invite us out periodically, to hunt rabbits and hares, and things. It was awfully exciting for a boy who was nine, ten, eleven years old.

Q: How about India?

SERVICE: India, we went when I was 13. We were headed to Calcutta. We took a boat from Seattle. My father never got there. The rest of us went on. He was called back on account of charges being made by Senator Joseph McCarthy. My mother, my sister, my brother, and I went on. His post had changed from Calcutta to New Delhi. So, we went to New Delhi and spent a year and one-half there, waiting for my father to come, before the government said that we should head back. Loy Henderson was the Ambassador to India at that time. I attended a missionary school called Woodstock in Mussoorie. It was before the days of the American school at New Delhi. I had a fascinating experience again.

Q: Were you pretty well indoctrinated into the Foreign Service? I mean, how did you feel about the Foreign Service?

SERVICE: It was the only thing I knew. The aspect of traveling, seeing, getting to know various countries, different cultures, was very absorbing.

Q: Then, you went back to New York?

SERVICE: We came back to Washington from India. Then, my father was fired from the Foreign Service. That was in 1951. Meanwhile, I had applied for, and won, a scholarship to go to England for a year. So, I did that from 1952 to 1953, while my family lived in New York. I came back for my senior year of high school in New York City.

Q: Tell me about 1952 to 1953 in England. Where did you go?
SERVICE: I went to Magdalen College School in Oxford on a program that was set up by something called the Kinsman Trust. It had been established by wealthy Britons who had sent their children to the United States during World War II. Many friends, or relatives, or what not, invited children to come to stay with them. As a way of showing gratitude, they set up a foundation. I suppose this was mainly for descendants or relatives or people who helped them. But, by the time I came along, it was open to a larger range. So, I applied for it, and won, and went to Magdalen College School for a year.

Q: Did you find the British system different?

SERVICE: Yes, but don't forget, I had been in New Zealand, too.

Q: That's right. Also, India.

SERVICE: Well, India was at an American school, but there were some people who were British there, too. It was not all that different, or if it was, it didn't bother me particularly. I remember things like, for example, most of my fellow students had been studying French for five years. Of course, I was barely starting. In French class, I sort of worked

by myself in a corner. I wasn't really capable of keeping up with them. But I managed.

Q: Where did you finish high school?

SERVICE: I finished high school at Forest Hills High, New York City. My parents lived in Queens, Kew Gardens, and that was the nearest high school. I did one year there. Each of my high school years was spent at a different school, in three countries.

Q: How was the New York school?

SERVICE: Well, it was a 3,300 person school, quite different from the small schools in India and England. Coming in during my senior year to a class of 1,100 was a little difficult, but there are always friends. I certainly managed. One of my best friends was another marginal sort, a person named Peter Heliczer. He was of mixed Austrian/Italian descent. He got kicked out of Harvard after his freshman year for taking something from the Fogg because he thought it beautiful and wanted it on his dorm mantel. Later he jumped off a ship in Barcelona harbor, but was fished out. I've lost track of Peter. I guess the point is that even though I think I had a normal sort of youth, I probably didn't in American terms. I was an outsider when I was in the U.S., and also of course in places like New Zealand and England. India was different because it was an American school.

Q: You graduated from high school in 1955?

SERVICE: 1954.

Q: Where did you go then?

SERVICE: I went to Oberlin College, where both my parents had gone, and where my sister was a year ahead of me.

Q: Oberlin not only had liberal, but also very strong missionary ties, didn't it?

SERVICE: Yes. Oberlin graduates had been active in China since before the 20th century. One of the central pieces of architecture is the Martyrs' Arch, I believe, which commemorates those who died in the Boxer Rebellion. There had been an "Oberlin in China" until 1949. When I was at Oberlin there was the Oberlin in Shansi Committee, which I've served on, and which chose a number of seniors each year to teach in Asia. At that time it was not possible to go to China and so they went to India, or Taiwan, or Japan. Eventually they returned to China. There was a strong China influence and also a strong missionary influence of one type or another. One of my classmates had also been in my class in the missionary school in India.

Q: At Oberlin, what courses were you taking?

SERVICE: I majored in economics. This was not out of tremendous enthusiasm, but it seemed like a useful thing to take. I took a lot of history and political science. I also took

a sprinkling of other humanities and the required science course and the required language course, and a couple of English courses.

Q: What was the campus like during 1954 - 1958? This is what they called, I think, the "Silent 50s," or something like that, as opposed to the rambunctious '60s.

SERVICE: I guess it was pretty quiet. There was an issue when I first got there about whether there should be ROTC [Reserve Officer Training Course] on campus. That was resolved by asking them to leave. I think there had just been one, the Air Force. There was a Eugene V. Debs Club and a certain amount of activism. But by comparison to the subsequent decade, it was not much. When I wasn't studying, or with my steady girlfriend, Sue Moldof, I spent a lot of time running track and cross-country. I won the conference mile my junior year. I also worked on the campus newspaper, was on student government one year, and belonged to various other groups or activities. I had a wonderful time.

Q: When you were taking economics, were you pointed toward anything?

SERVICE: Not really. It wasn't until my senior year that I thought somewhat about going to law school. I went and visited a number of them. Instead I went to Princeton, to the Woodrow Wilson School, for two years. At that time I had pretty much decided I wanted to give the Foreign Service a try. I took the exam my second year at Princeton and passed. I did my six months in the Army and entered the Foreign Service in early 1961.

Q: At Princeton, was it a different view of sort of the international world that you were getting than at Oberlin, did you find?

SERVICE: I never thought that. It never occurred to me. I would be surprised if it were very different. Oberlin, despite its liberal reputation, was a fairly sophisticated place.

Q: I was just thinking that it has an international reputation but more of a missionary tinge to it as opposed to Princeton, which would have been more the Eastern establishment. I was just wondering.

SERVICE: Yes, but I think at Oberlin in the 1950s the percentage of students who came out of a missionary/religious or left/liberal backgrounds was probably no more than five, perhaps eight percent. A lot of kids came from New York City or other eastern metropolises. And, of course, I was a graduate student at Princeton, not an undergraduate. Between the backgrounds and outlooks of the undergraduates at Oberlin and the graduate students at Princeton, I did not notice any great differences.

Q: I was just wondering, both at Oberlin and at Princeton, what were you getting as far as the Soviet Union was concerned? This was the major preoccupation, I think, with the United States, during this period.

SERVICE: I don't remember clearly what the perspective was at Oberlin. There had been

a number of attempts by students at Oberlin to become knowledgeable about Eastern Europe. There was a sense that these were captive countries and that they were really more like us than the Soviet Union. Therefore, we ought to try to open up lines of communication. The editor of the college newspaper and who later became a Unitarian Minister, Clark Olson, went to Poland and brought back information to the campus. There was sort of a warm feeling about these kinds of relations with Eastern Block countries. Much the same was true at Princeton. We actually had a couple of Russians. I once moderated a debate between a Russian and an American, each defending and extolling his system. There was an effort to build bridges of understanding and break down the hysterical negativeness that existed in some parts of American public opinion.

Q: I was wondering - in your decision to go into the Foreign Service, your father was almost the China hand who was singled out by McCarthy and associates. Did this leave any, sort of family feeling, that you don't mess with the Foreign Service, public service and all? Was that there?

SERVICE: There was never any of that. I think that my parents' feeling was that public service was a good thing. Before my father, his father had been a YMCA [Young Men's Christian Association] missionary in China. My mother's father was a colonel in the Army Corps of Engineers. There was support for public service on both sides. What had happened to my father was the result of politics and mass hysteria, an occupational risk but not a reason for avoiding such work. It could be very unfair to people, my father notably, but it was not the general rule in our society. Therefore, I should not generalize too far from what had happened in his case.

Q: Did you find that when you were in school that the whole McCarthy thing was being fought generally by the liberal, or whatever you call it, the Eastern establishment? There was not strong support for the McCarthy movement or whatever you want to call it, for the right wing within the eastern establishment, or within the liberal arts schools. Did you find people trying to pick you up to recruit you into leading things, this sort of thing?

SERVICE: Not really. I was too young for that, perhaps. I was 13 when McCarthy first named Dad, and 17 when McCarthy was censured. During that period, it very seldom came up in my contacts with other people. I do not remember any aggressiveness or antagonism toward me, toward my family, toward my father, based on that. Maybe people felt that it wouldn't be polite to take a strident position, face-to-face. It was almost a non-issue, other than that it affected my father and my family. But not in my daily life.

Q: Also, you're nine years younger than I am. I was born in 1928. When I was in college, the McCarthy thing was just beginning to hit, and it hit a couple of our professors. I think we were of the age where we were more affected. By the time you were coming along, it was over, in a way, or at least it had dissipated.

SERVICE: Yes. By the time I got out of Oberlin, McCarthy's star was on the wane.

Q: You came into the Foreign Service in 1961?

SERVICE: Yes.

Q: You took an oral exam. Do you remember anything about the oral exam?

SERVICE: I remember a few questions. I remember that one of the people on the panel was named Farnsworth. It was a three-man panel, all men in those days. It was not particularly traumatic or terrifying. After I finished, they told me I had passed. I don't remember much more than that about it.

Q: You took what was called Basic Officer's course, A-100 course, as it is known now. What was your class like?

SERVICE: There were 30 people in it, of which, one was a woman. The average age was probably 27, 28. I was among the youngest. There was a wide variety of backgrounds. We had one officer who had been a musician at the Milwaukee Symphony orchestra. The orchestra took a trip abroad, and he felt that he would like to do more internationally, so he came into the Foreign Service. Out of 30, there are probably five or six that I felt particularly close to and have kept up with, to some extent, over the years, but not more than that. It was a typical class. There were no particularly bright stars. I think eventually three out of thirty of us became Ambassadors, which is probably about average.

Q: When did you come in, in 1961?

SERVICE: In January, 1961.

Q: In 1961, John F. Kennedy became President. Many of the people I interviewed were caught up in the spirit of public service, and the Kennedy ethos that "We will go out and do things," and all that. Does that strike a resonant chord with you or your group?

SERVICE: There was some of that. We were proud to be coming in at the same time this young and inspiring President was taking over. Because we started in the same month he took the oath of office, maybe we thought we were the class that would be most closely identified with him. but it wasn't something we talked about or something that we felt particularly pumped up about. We were excited starting off a new career. We had all signed up before we knew who was going to be the President, and we were looking forward to it.

Q: Were there any efforts by any of the new people in the Kennedy administration to make contact with this brand new class coming in?

SERVICE: I don't remember any, although three members in our class went up to see Fulbright. He decided he wanted to see some of the entering Foreign Service officers. I guess the Senate has to confirm new recruits, new officers. He said, "Let me see a few of these people." We had one person who was from Arkansas, Guy Gwynn, and they sent him up. I have forgotten who the other two were. They didn't send me up though, nor the

son of U. Alexis Johnson, who was also in our class.

Q: They always give you the choice of where you want to go. Where did you want to go?

SERVICE: I asked for Latin America. I didn't have a world language, any language, except English. I had a Cuban roommate during my first year at Princeton. Of course, that was when Castro was coming in. There was a lot of excitement. Castro came to Washington and then up to Princeton. My friend, Victor Morales, was very much swept up in all that, and perhaps a bit rubbed off on me. I asked to be taught Spanish and then go somewhere I could use it. In those days, they still had the system where they called the whole class into the auditorium and read out names and where you were going. My name was followed by Barranquilla, Colombia. I didn't go there, however, because later they switched my assignment to Managua.

Q: So, your first assignment was Managua?

SERVICE: Yes.

Q: You're single at this point?

SERVICE: Yes.

Q: You were in Managua, Nicaragua from when to when?

SERVICE: From 1961 to 1963.

Q: How would you describe the situation in Nicaragua during this period?

SERVICE: Nicaragua had been run by the Somoza family since the 1930s. The old man, Tacho he was called, had been assassinated in 1956. His two sons, Luis and Anastasio, Jr., known as Tachito, took over. When I got there, Luis was President and Tachito was head of the National Guard. People didn't really trust Tachito, but they gave Luis the benefit of the doubt. They thought he was sincerely trying to modernize and democratize the country, to move away from the family dictatorship that it had been. That was true all the time I was there. Things seemed to be moving in a generally positive direction. Shortly thereafter, Luis died and Tachito became more involved, and the situation deteriorated.

Q: Why were there reservations about Tachito?

SERVICE: Tachito, much more than Luis, was in the Latin American caudillo mold. You prove you are a leader by being more ruthless than the next fellow, by being willing to use intimidation and force. In that he was like his father. Luis was more liberal, more democratic. Or at least that is how it appeared to us.

Q: What was the social situation, not society, but the social in Nicaragua in your eyes, as

you saw it, in 1961?

SERVICE: You mean the poverty, and things like that?

Q: Poverty, and was there sort of a ruling family? I mean, how did things work?

SERVICE: The country was not the poorest in Central America, but one of the poorer ones. It had more land per capita than some. It did not have the Indian problem that Guatemala has. Everybody was pretty much mestizo, except for the people on the coast, who were black, primarily. There was a fairly small, educated, elite in the cities. The rest of the country was pretty poor. There were not huge slums, but there was a very sharp drop off in living standards once we got beyond the urban elite. It was at about the time I was there, although we were not aware of it at the time, that the Sandinistas started organizing in the mountainous areas. At first they were just a handful of people. I was not aware of their existence until many years later.

Q: What were American interests there at that time?

SERVICE: They were rather limited. There were a few Cubans in the country, supposedly refugees from Castro, but we checked to make sure they were not serving as conduits for sending machinery to Cuba. This was after the Bay of Pigs and after we had broken relations with Cuba. There were a few American cotton farmers, and the Blue brothers had started a cocao plantation. United Fruit was trying to grow bananas on the Pacific Coast side of the country. They had pretty much abandoned Nicaragua in the 1920s and 1930s. Now they were looking for a new land free of the various diseases that affect bananas. But, overall, our economic and commercial stake was not great.

Q: What about Embassy social life?

SERVICE: I was young and single. I spent most of my time with young people outside the embassy. It was an international group but included a number of Nicaraguans who had spent some time studying in the States. Marta Molina and Frances Urbina Somoza (a distant cousin of Luis and Tachito) were the girls I knew best. We used to do things on weekends together. We would go off and explore one of the islands in the lakes, or go to a waterfall, or go to the beach, or one thing or another. I was invited occasionally for diplomatic functions within the U.S. Embassy, and to the Ambassador's house periodically. A number of us from the Embassy played bridge every Monday night at the Club Nejapa, Nicaragua's one country club. It was a duplicate game. Two of the regulars from the Embassy were the administrative officer, Jack Baxter, and his wife. Both were killed when a light plane crashed. We had a visitor from Washington who wanted to visit something on the Gulf coast of the country. Two small planes were used and there were extra spaces, so the Baxters decided to go along. Flying out they went in separate planes, but coming back, because it was bridge night, they both took the first plane to depart. It never made it. They had two small children, girls, who became instant orphans.

Q: Who was the Ambassador while you were there?

SERVICE: Aaron Brown. His wife's name was Dorothy. Aaron's previous job was head of personnel. He had earlier been DCM [deputy chief of mission] in Bogota. Aaron was a New Englander, rather reserved. But he was always very good to me.

Q: What type of work were you doing there?

SERVICE: I started off in the Economic Section. Actually, I was sort of the Commercial Officer. It was a two-man section. I had a very good Nicaraguan named Juan Sierro, who did most of the work. Then, the head of the section left and they had some trouble replacing him. I was head of that section for about nine months. It was a great experience for a first term FSO-8 [Foreign Service officer, rank 8] officer. I used to go to the Ambassador's staff meeting every morning. The usual attendees were the political officer, the economic officer, and the DCM. We discussed what was going on, and had arguments from time to time. I remember one time when the national railroad wanted a loan from the Ex-Im [Export-Import] Bank and the embassy was asked for its opinion. The DCM, Lou Blanchard, was all for granting the loan. I argued that the railroad had no future and we should not encourage it. I don't remember how it came out, or whether I was proved right or wrong by subsequent events, but it was rather heady stuff for a young officer to be arguing with those twenty or more years his senior. At one point I did an airgram on the wealth of the Somozas. I think I concluded that they were not as wealthy as popular opinion imagined. For a number of years, officers who followed me to Managua or worked on Nicaraguan affairs would mention having read that airgram.

Q: There were no attempted coups or earthquakes, or anything like that, while you were there?

SERVICE: There were a lot of earthquakes, but nothing major. In those days the major earthquake referent was that of 1931. Such and such was before or after that. Now when anybody talks about before or after the earthquake, they are talking about the earthquake of 1972 or '73. The rains came and the rains went. The heat stayed most of the time. It was a very pretty country, but not particularly healthy. I got hepatitis and also shingles, but neither badly enough to keep me away from the office for more than a day or two.

Q: Well, what was the feeling about the economy in Nicaragua at that time? Was it . . . for its size and place a viable economy?

SERVICE: I suppose one would have to say yes. But there was a big movement at that time to form various Central America organizations, a Central American common market, a Central American Bank, a Central American this and a Central America that. USAID [United States Agency for International Development] put a lot of manpower and money into supporting those things, as did the multilateral banks. People thought this would be the path to a better future. The five countries would get together and work together, rather than each try to duplicate what the other was doing. For example, Central America did not need five plants making tires, or farm machinery, or whatever. They would agree on some rational allocation of industrial projects. In that way all would be

better off. All that was still in the formative stage when I was there.

Q: How about the Alliance for Progress? Was that getting cranked up, at the start of the Kennedy administration?
SERVICE: Those were the big years for the Alliance. There was enthusiasm, manpower. There were a lot of meetings and seminars on the Alliance for Progress, or this or that aspect of it. It was an exciting time in terms of hopes.

Q: Was there any particular aspect of the Alliance for Progress that the Embassy was pushing?

SERVICE: I don't remember in detail, although I'm sure we thought education, health, and housing deserved high priorities. I know there were a couple programs involving labor unions, and how labor unions could have a larger, more productive role.

Q: Was Nicaragua a police state at that time or was it pretty open?

SERVICE: I had very little feeling that it was a police state. Formally, the main street of Managua was called Avenida Roosevelt. But the Nicaraguans always called it Avenida Central, which had been the name before. As you came up Avenida Central from the lakeshore, you went past an Army installation just below where the Presidential palace was. At night time you used to have to turn off your lights when you went past there, so they could see who was driving and how many were in the car. We joked about that a little bit. We said, "What kind of country is this where you can't even go up the main street without having to run into the military?" I can't think of much beyond that. I can remember of almost no cases of the military or police arresting people or beating people. There was very little political oppression that I was aware of. But that was before the days when people who had been mistreated sought out the U.S. Embassy to protect them. We had long been identified with the Somozas. The opposition did not trust us.

Q. *Is there anything else you want to say about your tour in Managua?*

A. I should mention that I met my wife there, although we didn't get married until four years later. Karol Kleiner worked in Washington for the Bureau of Labor Statistics and came to Managua writing a report on Labor Law and Practice in Nicaragua. One day I found her sitting in the Commercial Reading Room, for which I was responsible. We went out a few times during the two or three weeks she was there, and then kept in touch until we decided to get married in 1967.

Q: You left Managua in 1963. Where did you go?

SERVICE: In 1963, I went to Salvador Bahia, Brazil. I had asked for a place where I could learn another world language. I assumed it would be French, but they sent me to Brazil, which was fine.

Q: You were in Brazil from 1963 to?

SERVICE: 1965.

Q: What was the situation in Brazil when you got there?

SERVICE: There was a great deal of ferment because those were the last days of João Goulart. I don't know if you remember, but Goulart had won election as the vice president. The president was Janio Quadros. Quadros was rather eccentric. At one point he up and resigned. This pushed Goulart into the presidency. Goulart had come out of the left, populist side of Brazilian politics, which was then quite effervescent. A lot of people, conservative people, the military, were very worried about having Goulart as President. There were almost continual rumors of plots by the time I got to Rio in December, 1993. The military finally did overthrow Goulart in late March of 1964, shortly after I had gone from Rio to Bahia. I first spent three months in Rio studying Portuguese.

Q: Were you in Bahia when the overthrow came?

SERVICE: Yes, I was. I had gone up there about March 20th. I drove from Rio. I think the coup was actually the 31st or so. We had very little idea of what was going on and the radio stations wouldn't say anything. Our communication with the Embassy was not the most effective. I suppose we did call, or could have called. The radio stations played music. We just hunkered down and hoped that it would be all right.

Q: I was just looking at the map.

SERVICE: Bahia is not on it, but it is right there below Recife.

Q: It's a long way away from everybody.

SERVICE: Yes, it is about 1,000 miles north of Rio, and probably 400 or 500 south of Recife.

Q: What was Salvador Bahia like? I always hear Salvador Bahia. Was that a different place than Bahia?

SERVICE: No. Bahia is the state. Salvador da Bahia is the city, the capital. But Bahia is often used for the city, too. I think the full name is Salvador da Bahia de Todos os Santos (Salvador of the Bay of All the Saints). It was the colonial capital. It was the capital until the late 1700s, before the capital moved down to Rio. Bahia at one time had a great deal of money and the Church was very strong. It has a pretty location, up on some hills overlooking the bay. The population is and was quite heavily black, so you had the whole African culture or cultures mixed in with the Portuguese. There are beautiful beaches. It is a very romantic, idyllic, down-at-the-heel kind of place, with a lot of history. They have good food, their own cuisine essentially. I spent a very enjoyable year and a half there.

Q: Did the military make much of an impression from your perspective?

SERVICE: No, it was a very pacific revolution, if you want to call it that. The Brazilians pride themselves on not spilling blood in these things, and they didn't on this occasion. The opposition came later and became quite intense by the 1970s when the military showed no signs of giving up power. In the beginning, people sort of went on with their business. The civilian governor of the state of Bahia, Antonio Lomonto, Jr. was allowed to continue. Some governors were allowed to continue. Some were not. He apparently was okay. He ran the state but with the military looking over his shoulder. Again, there was very little overt sign of military rule.

Q: What were you doing there?

SERVICE: I was Vice Consul. It is amazing what we used to have in the old days. Here was a little place, which we have now closed, where we probably had ten or more Americans full-time. We had three USIA [United States Information Agency] officers, including two bi-natural center directors. We had an Air Force officer. We had an AID officer. We had six State Department, or nominally State, personnel. We had a variety of things. Anyway, I was the second State Department officer, Vice Consul, as opposed to Consul. I basically did the consular work and whatever economic and political reporting there was to be done, and also kept an eye on the administrative functioning of the consulate.

Q: What sort of consular work would there be there?

SERVICE: We issued both IVs (immigrant visas) and NIVs (non-immigrant visas), but not a great many. I had a very good Portuguese lady for my consular assistant, Cecilia Peixoto da Silveira by name. She would tell me what to do and I would generally do it, and ask a few questions from time to time. It was not particularly difficult and not very time consuming. I suppose there were some days where we didn't even do one NIV and there may have been other days when we did three, four or five. The IVs became sort of interesting at one point because an immigration lawyer in New York did some research and discovered that Bahia had almost no backlog in immigrant visa issuance. In those days you could not change your status from non-immigrant to immigrant without first leaving the U.S. So this lawyer started sending his people to Bahia. I think they were mainly Dominicans who came down to Bahia. Then we would process them through. We had one case I remember particularly. The immigrant visa regulations say that a person has to be able to read in order to receive a visa. I got one poor young women and gave her something to read in Spanish and found out she couldn't read it. I said, "I'm sorry I won't be able to issue you your IV." Eventually the lawyer found a way around that by bringing her boyfriend down, and having them get married. Once they were married, it didn't matter whether she could read.

Q: Who was the Consul then?

SERVICE: A guy named Harold Midkiff. Harold Midkiff had a missionary background

in Brazil that was sort of parallel to that of my father in China. He knew the country well and spoke Portuguese fluently. He knew the manners and culture and what not. He was a very nice person.

Q: Was AID a big deal in Bahia?

SERVICE: It was a big deal in Brazil, but it was not all that evident in Bahia because the main bases of operation were in Rio and Recife. We would get people in and sometimes they would come to the office. The only AID-related people who were stationed there that I remember were a bunch of college professors, some from Michigan State and some from the University of Southern California who had AID contracts to teach business and public administration at the University of Bahia.

Q: What was the social life like for you?

SERVICE: I had a girlfriend who was Brazilian. We used to do a lot of things together. Near where I lived there was something called the British Club where I used to go when I didn't have anything else to do, and play snooker, usually with a Brazilian named Jaime Cerqueira. There were a few Anglo-Brazilians who hung out there. Most of them were quite far removed from anything British. One time, a real Brit came in and nobody said a word to him. Finally, he shouted in anger, "What kind of British club is this? Nobody says hello. Nobody asks who I am." He stormed out. There were a few Americans in Bahia. Some were in the oil business. There was a Lone Star cement plant. Another American raised chickens. In the summer, students would come down from U.S. universities. The ones I remember best were the anthropologists from Columbia.

Q: Was there any disquiet within our diplomatic and consular establishment about how to deal with the Brazilian military?

SERVICE: If there was, we were not aware of it. I don't remember any guidance messages, or warnings about what to do and not do -- although there may have been. The USG [United States government] view at the time was that the military-led revolution was a positive development. It would be good for Brazil and good for our relations. Only later did we become more skeptical and critical. You'll remember that in the first year or two, at least, of the military government, the official U.S. position as stated by the Ambassador and perhaps somewhat less strongly by Washington, was that this was a great thing. This was a country on the road to development and would return to democracy very soon, too. Lincoln Gordon was very high on the military government. I suppose all of us sort of reflected that. In retrospect, I think what surprised many of us was how long the military were able to stay in power.

Q: The expectation then, I assume, was that they will put things in order and then go back to the barracks?

SERVICE: Yes, I think most of us thought that. It was only gradually that it became clear that they intended to stay as long as was necessary. And nobody knew how long might be

considered necessary.

Q: I've heard other people say that if a military government doesn't get out in about two years, they just aren't going to leave.

SERVICE: There is something to that. If they don't relinquish power voluntarily within a certain period of time, then they are eventually forced to do so. They will sort of be pushed out the door. In the Brazil case, as in many others, they eventually overstayed their welcome. To put it another way, they eventually ran out of solutions to Brazil's many complex problems.

Q: Was there any reaction to the death of President Kennedy while you were there?

SERVICE: That was before I was in Brazil. I had left Managua in September 1963. I was in San Francisco. I learned of Kennedy's death while I was in San Francisco sitting in a restaurant having a cup of coffee.

Q: Did you get to travel around much?

SERVICE: I saw a good bit of Bahia.

Q: It is a big state, isn't it?
SERVICE: It's a big state. Soon after I got there, the Consul and I went off to the interior and visited Peace Corps volunteers. We went west from Bahia to the São Francisco River, and then followed it north and west to the Paulo Afonso falls. There was a big power plant there. One time we had a professor of anthropology from Columbia visit Bahia. He and I drove up through the interior of the state. I visited a friend who was doing a Ph.D. thesis on the coast, in Sergipe, which is the next state up. On weekends, with my friends, I would drive up and down the coast to various places. I took a boat down the coast one time, and worked my way back by various means. In some ways Bahia was the most idyllic of my assignments. I was young and single. I had a fairly steady girlfriend for the last year or so, María França Machado Pinto. When I left the Consulate for the last time and turned to look at the door, I actually shed a few tears. I have not done that on leaving any other post.

Q: You left in 1965. You were a four-year veteran of the Foreign Service by this time. Where did you go?

SERVICE: I went back to Washington, to ARA [Bureau of American and Regional Affairs] Personnel. Bill Lehfeldt was head of it at that time. I worked for Bill for a year, I suppose. Then Roger Brewin took over for him. I did two years in all.

Q: This is 1965 - 1967?

SERVICE: That's right.

Q: How did the placement system work? With these things, the personnel system keeps changing. Were the assignments essentially done within the bureaus? How did you work with centralized personnel?

SERVICE: You're right. It keeps changing. As I remember, when I was there, there was a period in which the bureaus allegedly had more authority than they did later. Even so, it wasn't a great deal. While the assignment officers were in the regional bureaus, you had to go to a central panel meeting to actually have the assignment approved. It was run by people in central personnel. You put the case for why you couldn't live without so-and-so in one of your posts. Somebody else might want the same person for another area. Or one of the career management people might object that what you were offering wasn't good for the officer, even if he or she wanted it. In short, there were a lot of ways in which you might not win. You did not have the final say.

Q: Was there a more enclosed ARA group of people? Did you find that there wasn't much interchange between the EUR [Bureau of European Affairs] and the ARA people?

SERVICE: Yes, I suppose so. I think we were most evident, most aware of it, when we had people who wanted to go to some other part of the world, and it was hard to find a place for them. The other bureaus would frequently say, "look, we already know some other officer or have some responsibility to so-and-so." ARA was probably less exclusive, in part because we were not the most popular region for assignments. Whenever we had knowledge of somebody with a good reputation, serving in another area rather than Latin America, we would look very carefully at them and some we would take, and some we would not. But, we were not resistant to them.

Q: Did you come away with any impressions about the fairness of how the personnel system was set up and how it worked?

SERVICE: Not very strong feelings from that period. As a relatively junior officer in our office, I was dealing with the more junior placements of both officers and staff. I did not have a lot of first-hand experience with the distortions of the system that you probably have higher up. It was more of a run-of-the-mill, routine thing. People tended to go more or less where the collective wisdom thought they should go.
Q: What about Vietnam? Was that beginning to lay a levy on all of you?

SERVICE: Yes, but it does not loom large in my memory. It must not have been a major issue within ARA. At that period it affected primarily those who were just coming into the service, and of course those who had some EAP background. There were a few volunteers from ARA, but I don't remember any forced assignments.

Q: What areas did you find hard to put in junior officers? Was it sort of the Mexican border post? In other words, were there places that were difficult and other ones that were highly sought after?

SERVICE: It was surprising sometimes. I remember one second tour officer, coming out

of Montevideo, who was particularly talented. We offered him the chance to be the principal officer in David, Panama. We felt that was a real opportunity. But he turned it down and left the Foreign Service. He is now the President of the Federal Reserve Bank in New York, Bill McDonough. When he turned down David, I had to call an officer who was headed for Rio, but had stopped off in San José or somewhere, and tell him that he should go no further than Panama, that David was his next assignment. I think he took it well. I don't remember the border posts as being particularly difficult. In part the consular positions at those posts were filled by first tour officers who did not usually complain. And there were always a few officers who asked for those posts because they needed to be close to the U.S. I suppose the easiest posts to staff were the bigger, more sophisticated, better-known capitals. The harder ones were the poorer, tropical cities. But there were always people who realized that you get more opportunity and more job diversity at the smaller places.

Q: In 1967, did you stay in Washington or go out again?

SERVICE: In 1967, I went to Stanford for a year. To do Latin American studies. In May of that year I had married Karol Kleiner, whom I had first met in Nicaragua four years earlier. We drove across the country in her Austin Healey.

Q: So, that was 1967 - 1968. Was there any cast to the Stanford faculty on Latin America?

SERVICE: In general, the faculty was very critical of U.S. policy. Some of them were quite excited by what Castro was doing. They viewed U.S. policy as overly focused on national security issues and in support of the status quo and the wealthy. They thought we should grab hold of the winds of change. Some believed that U.S. policy was determined by U.S. corporations. There were frequent references to United Fruit.

Q: You didn't find yourself having to tilt with that particular windmill?

SERVICE: To some extent. Sometimes they went too far in terms of what was driving U.S. policy. I used to tell them "I've been there six, seven years. I've never seen what you are saying is the rationale for our policy. There is no basis for it in any paper I have read, any confidential message I have seen, any discussion I have been involved in." They would say, "Of course, it is not enunciated, but it is there." Apparently we were all conditioned to follow certain policies without being fully aware of what we were doing. That kind of analysis has never impressed me.

Q: Was it more the idea that American business interests were pulling the wheels or was it just...?

SERVICE: Yes, there was some of that. That was how they viewed U.S./Latin America relations in the first part of the century. And Guatemala seemed to confirm the thesis. And then came Castro and Cuba. We hadn't yet gotten to the Chilean experience. It was not hard to make the case for business domination of U.S. policy toward the area, if one

were so inclined. But there was very little evidence for it in anything that I saw or heard in those days.

Q: At Stanford, how was Cuba observed?

SERVICE: With some notable exceptions, they were not particularly attracted to it. It was a very interesting experiment, but basically a bad system and probably not even very appropriate for Latin America in the long run. The exceptions, people like Richard Fagen, were quite excited by it and thought it opened up possibilities for the rest of the area. They went down there, studied it, wrote about it, etc.

Q: I take it that by this time, you felt that you were a Latin Americanist?

SERVICE: Yes. I like to know well whatever I am doing. I was not particularly attracted to the idea of continually moving from one area to the next. I felt it was worth devoting most of my career to a particular area. Latin America seemed to be as interesting as any other.

Q: After Stanford, then where?

SERVICE: I went to Mexico City. I was a political officer.

Q: You were in Mexico City from 1968 to 1971 as a political officer.

SERVICE: Political officer. Internal political reporting.

Q: When you got there in 1968, how would you describe the political situation in Mexico? Then, how would you describe the relationship between the United States and Mexico at that time?
SERVICE: Mexico has a very special political system, had in those days. It was a one-party-dominant system. Supposedly it was leftist, revolutionary and progressive, but in fact, the years of rule by one party, non-democratically, had led to a great deal of disaffection for the regime, particularly among the young people, as well as by the left. The PRI (Partido Revolucionario Institucional) governments ruled by very strict measures of control. Everyone knew all this had to change sometime, but nobody knew when. The role of the internal affairs political officer was to try to identify and project the incipient trends which were eventually going to change the way Mexico was governed. Relations with the U.S. were quite good, although there was a lot of rhetoric negative to the west. The Embassy view, and that of most observers, was that Mexican governments used foreign policy issues and anti-U.S. rhetoric to mollify the left within Mexico. It was a way of distracting attention from internal failures and shortcomings.

When I arrived in July, 1968, there was considerable ferment in student and leftist circles. The Olympics were scheduled for October. The students and left more generally decided that this provided an opportunity to force concessions out of the government. I don't recall at this point what their demands were. I'm sure there were some specific demands,

but underlying them was disillusionment with a revolution that had become increasingly conservative over the years, that was viewed as being controlled by the wealthy, that was corrupt, and that gave little more than lip service to democracy. And, of course, they assumed the worst of U.S. policy. This was 1968, don't forget, and student activism was very much in fashion. It had started in the U.S. in the mid-1960s and then picked up with the opposition to the Vietnam War. There has been Paris earlier that year. And there were the events in Prague.

Beginning in July there were a number of marches staged by students and leftist groups. Finally, in early October I believe, there was a major confrontation at a place called Tlatelolco in the Plaza de Tres Culturas. That is where the Foreign Ministry was. With the Olympics due to start shortly, the government apparently decided to crush the movement. Shooting started and a good many people were killed. Nobody, to this day, has an official figure, but most think at least 200 died, most of whom were students. That was a major issue and event in world news. And the result was what the government wanted. There were no more marches or demonstrations.

Q: Were you there when the shooting at Tlatelolco took place?

SERVICE: I was in Mexico City, but not at the Plaza that day. I had been there about three months when it happened.

Q: Usually, when you are the police shooting your own students, this is often considered as bad as it gets. How did the Mexican Government get away with this?

SERVICE: They had been getting away with it for a long time. What was new, and perhaps important for the future, was that this time those killed were not from the lowest groupings in the society. In the past, when the Government had used heavy repression, it had usually been against peasants or poorer workers. When you start shooting down students, you are getting into the middle-class, to some extent. I don't know where exactly the students came from, but it seemed to indicate a degree of disaffection which perhaps hadn't existed before, or at least not so openly. That was in 1968, after the student movements in the U.S. and Europe. It was just before the Tupamaros in Uruguay and far left movements in Argentina and Chile started to attract public attention. It was something that was happening worldwide, and Mexico was a small piece of it.

*Q: It is really intere*sting, *because even in the worst of times, in Paris, and throughout Europe, 1968 was the year of the students. Basically, students weren't being shot. In fact, when we accidentally shot some students at Kent State, about two years later, it really was a culmination of our involvement in Vietnam.*

SERVICE: Old ways die hard. Supposedly the government of Mexico was behind the killing of 45 people, fairly recently, down in Chiapas. They went into a town and killed 45 people. Same tactics, thirty years later. Of course, the what happens is much more visible today. The whole world knows about it. Thirty years ago nobody would have known about it.

Q: How did our Embassy react to this? We are talking about the 1968 time.

SERVICE: This was before the human rights emphasis in our policy which really came in with Carter. As I said, what happened at Tlatelolco was nothing new. The scale was greater and the fact that it involved primarily students was perhaps a novelty, but basically the U.S. Government continued to do business as usual. I don't remember if the Embassy even put out a statement? Nowadays, we certainly would. There would be something put out in Washington and probably something down there. In 1968 we were still very much in the mode of "you don't meddle in internal matters."

Q: Wasn't Echeverría the Minister of Interior or something at this point?

SERVICE: Yes, Luis Echeverría. He was Interior Minister at the time of Tlatelolco.

Q: Didn't Tlatelolco mark him as somebody to watch out for or be concerned about?

SERVICE: I think it did. In preceding decades there had been a certain tradition that the Interior Minister would move up to be president. That continued to be true in Echeverría's case and I think that his role in what happened at Tlatelolco contributed to making it so. In the PRI at that time there was still a bonus for forcefulness and for decisive action. Then, too, the Interior Minister, because he controlled the intelligence services, knew where skeletons were buried. It was a position of great power, probably still is. Didn't you see in the paper, yesterday or today, the article about eavesdropping and taps and whatnot, and records kept on people.

One of my jobs was to speculate about who would be the next president. I think the fact that Echeverría he had put himself on the line to stop the student movement gave him a leg up to be the next President.

Q: Going back to this Olympic thing, who was the President?

SERVICE: When I got there it was Diaz Ordaz, who had been president since 1964. He was not a very charismatic or physically attractive person. But he was not one of the more corrupt presidents either.

Q: You were looking at the opposition parties. This was in 1968 to 1971. Was it considered an exercise in futility? I mean, looking at something that was sort of kept on the sideline? How did we feel about it?

SERVICE: I think it was looked at as inevitable that someday Mexico would have a more democratic system, but no one knew when. In other words, it was not a waste of time to get to know and analyze the main opposition party, even though nobody in the Embassy or in Washington thought that they were going to take power anytime in the foreseeable future.

Q: Was a difference seen between the PAN [Partido Accion Nacional] and the PRI?

SERVICE: The PAN was center right, the PRI center left. The PAN was not anti-Catholic while the PRI, in theory at least, continued to be anti-clerical. The PRI was corrupt, if only because it had been in power for so long. The PAN was viewed as being reformist and relatively honest, but of course had had very little temptation. I think it had won one or two city governments along the border, but not much else at that time. Of course, most of these things are the differences which come in part from one being in power, or not being in power. You're never quite sure what is going to happen if the roles change.

Q: Did you have quite a ready reception to the leadership of PAN?

SERVICE: Yes and no. They had an office downtown with maybe one or two people in it. My main contact was a person by the name of González Schmal, if I remember correctly. The head of the party lived in the north, somewhere along the border, where the PAN had had its few electoral successes.

I, personally, and maybe the Embassy, looked in a friendly manner on the PAN simply because its members seemed to say many of the right thing. They hadn't had a chance to prove that they were hypocritical, whereas the PRI had. The fact is, it was then a fairly conservative party, not necessarily with the right solutions to Mexico's problems. But it did offer the possibility of an alternation of power. It was seen as a necessary piece of the puzzle which would become stronger with time.

Q: Did you get involved at all in defending America's role in Vietnam or with Cuba? Was this something that came up all the time?

SERVICE: Yes, sure. Not daily, but with enough frequency that we knew there were always going to be those two questions if you went out in public situations.

Q: I never served in Mexico, but there seems to be this great cooperation on so many things with Mexico, across the border and all, sort of a Ministry to Department type of thing. The one place where there was a great diversion . . . it was almost as though it really doesn't make any difference, this is where we will show our independence, was on foreign policy. Is this something we thought that the Foreign Ministry viewed as sort of preserving the leftist image of the Revolution, or something?

SERVICE: Yes, I think we had that feeling at the time. That was the sop you gave to your left wing supporters, of which there were a significant number. It was relatively easy because it didn't affect vital, day-to-day, interests of the party or its more influential supporters. It was more symbolic than substantive, since Mexico at that time did not play a large international role. We at the Embassy sort of shrugged and tried to convince our Mexican interlocutors that some of their positions didn't really make much sense in terms of their own stated ideals and aspirations, but few were persuaded.

Q: Did you ever have the feeling that you were dealing with a state that in some ways was comparable to some of the states that we were opposed to, the East Bloc, anything like that, as far as government control?

SERVICE: Sure. You had that feeling. The Government of Mexico was very arbitrary with its own people quite often. It professed one thing and practiced another. Even so, and although I had not been in the Eastern Bloc or any communist country at that time, I assume there was still much more freedom of all types in Mexico than there was there. Most important from our own policy perspective, they were generally supportive on bilateral issues, although not so much with respect to multilateral matters.

Q: How did Cuba loom in our relationship there? Was it a problem? Was there a big Cuban presence in Mexico City?

SERVICE: There was an Embassy of course, and we watched it closely, with the help of the Mexicans. I don't recall a large non-official Cuban community. Most Cubans who fled Castro's Cuba wanted to get to the U.S., not stay in Mexico. Many of those who were pro-Castro had gone back. Obviously, the U.S. government was interested in who was going to Cuba, and coming from there, and there were arrangements for facilitating that, but I was not involved.

Q: Who were our Ambassadors when you were there?

SERVICE: When I first got there in 1968, Fulton (Tony) Freeman was the ambassador. He soon retired.

Q: He was an old Latin American hand, wasn't he?

SERVICE: Yes, and a Chinese hand of sorts. He also spent time in Europe. He was somebody my family had known for a long time. He was followed by Robert McBride. He was still there when I left.

Q: How did he fit in with the scene?

SERVICE: McBride was seen as very European. He grew up in Europe and his father was a businessman. He spoke very good Spanish, very good French. I associated him with the European-type diplomat in our service, rather than the more relaxed Latin Americanist. He was rather stiff, austere, but a kindly person if you could get beneath the shell.

Q: How did Fulton Freeman operate?

SERVICE: Freeman was a very outgoing person. He was a musician, a golfer, a champion badminton player. He liked people and liked to be sociable. He had a heart attack which slowed him down a little bit. I was in Personnel at the time. Another Ambassador by the name of Tello, wanted to be the Ambassador to Mexico. He kept

calling up to see how he was, hoping perhaps that Tony would have to retire. McBride was quite the opposite. McBride was a Europeanist. He was very quiet, subdued. Two totally different styles. If I had to guess, I would say that Freeman came across better with the Mexicans than McBride did.

Q: Did you feel in the political section, sort of through osmosis, from the Ambassador down, any change with the advent of the Nixon administration as dealing with our policy and Mexico?

SERVICE: The main change we felt, those of us on the ground, was with respect to narcotics. Narcotics suddenly became a very big issue. Soon after Nixon became President, we mounted something called Operation Intercept at the border, which resulted in tremendously long lines to get across the border, because our law enforcement people had decided to make a serious check of all vehicles. This created great distress among Mexicans and Americans on the border. We agreed to sit down with the Mexicans and try to work out improved cooperation between the two countries. I was the State officer at the Embassy assigned to that task. I spent about six weeks with somebody from Customs, somebody from the Bureau of Alcohol and Drugs (George Gaffney), as it was then called. We worked out an agreement. Later, Nixon came down to Puerto Vallarta and met with Diaz Ordaz. I was involved with Mitchell, Haldemann, and Ehrlichman, and sat in on their meetings with their Mexican counterparts. I think that Egil (Bud) Krogh was also there. The main topic was narcotics. On a lighter note, I joined John and Martha Mitchell for drinks one evening at the house they were staying in. I think they both had martinis. When we walked to the bus to go to the hotel for dinner, I held Martha's arm.

Q: What was your feeling toward the Mexican approach to narcotics then? Was this before the, big money and the really corrupting influence came in, or was it already a problem?

SERVICE: It was already a problem, but we were not sure what could be done about it. I suppose our feeling was it was that it was very difficult for Mexico to control what went on within its borders because of the poverty and the prevalence of corruption. There was also an attitude on the part of the Mexicans, rarely openly expressed, that it was okay to profit at the expense of the Americans. In retrospect, the elevation of drugs to a high place on the bilateral agenda was probably important in forcing the Mexicans to come to grips with the problems of their own governance, the lack of real democracy and accountability, the shortcomings of the courts, etc. But at the time it probably was unrealistic to expect a high degree of effectiveness against drugs. It doesn't mean you don't try. But, you don't go in feeling very optimistic.

Q: Was there a problem in the fact that at a small level, we had quite a few Americans in jail for dealing or carrying narcotics? We are not talking about big dealers, but we are talking about all of them. So, middle-class sons and daughters of Americans were caught up in jail. Was this an inhibitor as far as pushing any anti-drug program at that time?

SERVICE: I don't remember that. I don't know how many Americans were in jail in

Mexico at that time. I don't remember it being raised in our internal discussions. Our marching orders were to do whatever we could to get them, the Mexicans, to take more effective action, to provide greater cooperation in the battle against drugs.

Q: As a political officer, what was your impression of the faculty and the students at the University? These are always little worlds of their own, aren't they, in Latin America?

SERVICE: I didn't have much first-hand contact with them. My impression was that they were standard Latin American leftists of that period. You had to get beyond UNAM, the Universidad Nacional Autónoma de Mexico, to the Colegio de Mexico to find serious scholars by our definition. It was a private institution, or quasi-private, geared more toward graduates. There were a few others that were more business or technology oriented that also turned out good graduates. Much later in my career I came across an explanation for why most Latin American university students are leftist. When there are few books and other resources, it is hard to amass learning piece by piece, perhaps eventually arriving at a coherent opinion or hypothesis. But you don't need much infrastructure to imagine how the world works or what are the real reasons behind events. There is a great temptation to start with the theory and make reality conform.

Q: In so many countries, universities seem to get taken over by Marxists who get the enthusiastic support of their students until the students graduate. They immediately turn around and become good, solid capitalists, or the equivalent thereof. Did we devote much time and effort to the universities when you were there?

SERVICE: Mexico City is such a big place. UNAM such a huge place. I'm not sure we devoted very much resources to it. I'm sure that USIS [United States Information Service] had some programs to try to get our view of the world in there, but they were probably a drop in the bucket compared to the size and the structure. Unlike some of the smaller places I have served, where access was easier, I don't remember much effort to get close to the universities in Mexico. Maybe we figured they were too tough a nut to crack. Or, as you suggest, that most would eventually become more conservative.

Q: It was a write-off?

SERVICE: It was a write-off in the sense that this is a phase many Latin American students go through and eventually most become less critical of the U.S., and more critical of their own institutions and leaders.

Q: Were we seeing a division between Mexico City and its neutrality and the northern provinces? Was Mexico a divided country in how it viewed the U.S.?

SERVICE: Yes, there was some of that. The north being more influenced by the U.S., and the U.S. example of democracy and how the government doesn't always have to be corrupt. Businesses also have responsibilities, not simply to get contracts, but to do something for the country. We found more of that in the northern tier than elsewhere. There was also a division between Mexico City and the rest of the country. The head and

the body kind of thing -- the outside being much poorer than the center, and therefore having different interests and outlook.

Q: Were we looking at all, or just as political reporters, the southern part of Mexico? I think Chiapas now is a major thing. Was that area almost closed off? Well, not closed off, but not a place we paid much attention to?

SERVICE: Chiapas didn't come up as I remember, but Yucatan did. There was a lot of labor unrest during the late 1960s in Yucatan. I remember writing reports on the background of that unrest and what caused it. This was an area where there were a lot of henequen plantations. We had a consulate in Mérida. We weren't really in a position to do much more than observe and report. We had stopped our AID program in Mexico before I got there. We had what is called a residual program. There was somebody there tying up the loose ends.

Q: Did you feel that the Embassy was a loose coalition of powers? I mean, you would be doing your reporting and all, and you would have the FBI [Federal Bureau of Investigation], and the Water Commission, Social Security, all sort of doing their thing. It was more a conglomerate rather than a unity.

SERVICE: To a certain extent, although, I don't remember that as the dominant feeling. By-and-large we got along pretty well. We communicated internally pretty well. We socialized together. There were no serious institutional antagonisms that I can recall, none that I was involved in. The law enforcement agencies sometimes fight among themselves as much as they do against the common enemy. Customs and what later became DEA [Drug Enforcement Agency] have long been notorious for that. So, too, the CIA [Central Intelligence Agency] and FBI. I don't know if it is time overtaking memories, but most of my recollections of internal strife come from later in my career, not from Mexico. Our relations with Mexico were so extensive even then that there may have been enough turf for everybody to have his piece.

Q: How did you go about your job?

SERVICE: Probably in a too-bookish a manner. I read a lot. I would read newspapers and magazines, and things like that. I read a lot of the U.S. academic publications on Mexico. I even got in the habit of, at one point, putting footnotes in the reports, which I'm sure wasn't appreciated by Washington. It was still the days where most of our reporting was by dispatch. By then we called them airgrams. Unlike telegrams, they didn't have the same sense of urgency. They could be rather lengthy, although I don't think mine ever got into the 30 or 40 page category. I would take a problem, such as the guerrilla movements in Chihuahua and Guerrero, and read everything I could find on it, and do an all-you-ever-wanted-to-know piece about those places and their problems.

Of course, you had to do a certain amount of spot reporting too. You had to keep up with what was in the press that day. I would get those out of the way by 10:00 or 11:00 a.m., whatever was in the paper, or something that was heard overnight. Then, I would spend

the rest of the day working on these larger pieces. The one I enjoyed particularly and I may have mentioned it before, had its origins in a suggestion by one of my contacts that I read a book on the style of Mexicans, Mexican politicians. It was a fascinating book. I wrote a paper on the mentality of apparatchik in Mexico. I would like to read that paper again. In those days, I never kept copies of what I wrote, and it may still be too early for it to be declassified.

History has always interested me, and I would show off that knowledge from time to time. One morning I went into the Ambassador's staff meeting -- this must have been 1970 or 1971 -- and announced "This is the 50th anniversary of having no successful coups in Mexico." I think the last one was in 1921 or so.

Q: How did you find Mexican politicians? Were they the same breed of cat as American politicians, when you got to know them?

SERVICE: I can't say that I really got to know any important ones very well. I knew some of the younger, would-be politicians. They did not seem all that different from me, from other Americans my age. Of course I am not a politician. I would say, in general, Mexican politicians are less open than their American counterparts. At least they were in that age. So much depended on position and contacts within the party, much less on personal popularity and ability to go out and convince people. Everyone was looking over his shoulder, to some extent.

Q: Well, it was closer to the Communist system in that. It is not just Communist, but there are other systems where the voting list and the candidate list are controlled. That's how you move ahead.

SERVICE: Or move back. And of course there is a lot of corruption. This was one of the main ways to make enough money for a reasonable lifestyle if you were a moderate-to-poor Mexican.

Q: I remember each time a President would retire, it was sort of horrifying to hear of these self-made millionaires all of a sudden going off to a hacienda. Did the corruption...

SERVICE: That was business as usual. We have had a good bit of it in this country until fairly recently.

Q: You were there when the changeover between Johnson and Nixon occurred. Johnson was a Texan, and really had a very close feeling toward the Mexicans. I think more than most Presidents. We had the Vietnam War. What was your impression of how Johnson was perceived?

SERVICE: I got there at the very tail end of the Johnson presidency. I don't remember him being perceived in any particular way by the Mexicans. Of course he had been badly hurt by the Vietnam War and decided not to run in 1968. I don't think the Mexicans spent much time reminiscing or talking about their great friend, Lyndon Johnson. I think they

were just waiting to see who the next president would be.

Q: What was the feeling toward Nixon? Nixon was coming out of the almost-radical right, of the Republican party, but he was from California, which was always connected to Mexico. Did you get any feel for it, or did anybody care?

SERVICE: I think the more sophisticated Mexicans knew enough to know that labels don't necessarily mean very much, particularly because our interests are so intertwined. I recall that Nixon had had his honeymoon in Mexico many years before. There was a good publicity blurb on that aspect. I think it was basically: "We got along with Eisenhower, we got along with other Republicans, we can probably get along with this one." I think there was a little bit of "I told you so," when we got to what was called Operation Intercept, about six months into the Nixon period. As I already mentioned, it pretty much closed down the border. It created all sorts of a brouhaha and unhappiness until a new level of cooperation was worked out. I was at Puerto Vallarta when Nixon came down. This must have been in 1970. The presidential meeting was uneventful. There were no particular frictions or unhappiness. Everybody smiled in the right places. There weren't any crowds of demonstrators. Of course Puerto Vallarta is not the easiest place to get to. It may have been attractive as a meeting place for that reason. There is only one road in and the same road back out.

Q: Apart from drugs, were there any other issues that we were concerned about during this time?

SERVICE: Mexico's good relations with Cuba were sort of a continuing mild irritant, but I think we probably also felt an advantage in it, too, because through the Mexicans, we were able to obtain information on Cuba that might not have been that easily available otherwise. There was some risk to the Mexican government, because all the Mexican security forces didn't necessarily agree with the public stance toward Cuba, so you got some feedback out of that. Of the border issues, I think the land question was largely resolved a little bit before I got there. There was an agreement over the Chamezal, which gave back a piece of land to the Mexicans. The Rio Grande had shifted its course many years before, putting a small piece of land that had been theirs on our side of the river. Water was a continuing problem because of scarcity. How much water each country gets, and its quality.

Q: As a Political Officer what you were dealing with was, in a way, remote from the daily substance of our relations. There was so much back and forth across the border. Towns on both sides had all sorts of relations, and all that. Here we are trying to play the great game of diplomacy. The real action was almost happening despite it.

SERVICE: Yes. Political sections are normally divided into the external affair's side and the internal affairs side. I was the internal. The external did what embassies do in most places. You go into the Foreign Ministry with your notes, and try to get them to support our position on this or that. I was on the internal side, and it was almost as academic as it was diplomatic. I was sort of sitting there, looking at a system which had a lot of impressive accomplishments to its name but was running out of steam. The questions

were: How would it evolve? How quickly? And What did this mean for our interests and relations? I knew that not very much was going to happen during my time, so I could be sort of above it all.
Q: So you kept an eye on the PRI. That is basically where everything was coming from anyway.

SERVICE: Nothing was going to go very far without the PRI signing on and then controlling it.

Q: Were you, by any chance, around when Kissinger had his famous meeting down in Mexico City where he discovered . . . it was a hemispheric meeting of our chiefs of mission and he came out of there saying that none of the people even know what NATO [North Atlantic Treaty Organization] is. He was mad as hell.

SERVICE: No, that was later.

Q: It must have been later because that's when he was Secretary of State.

SERVICE: Kissinger said, "Let's get the Latin Americanists out of Latin America, and let's get officers from other areas in." There was brief flurry and then personnel practices gradually returned to what they had been previously. The person who was the Deputy Chief of Mission, while I was there, the second one, was Jack Kubisch. He profited from Kissinger's unhappiness and from what he did about it. Kubisch went off to be DCM in Paris and then, at a later date, our ambassador in Greece.

Q: Like all these changes, they sound great and die within a year or two. In 1971, you went where?

SERVICE: In 1971, I came back to Washington for six years. But, I should note before we leave Mexico that both of our children were born there, Jennifer in 1969 and John in 1971. Both were born in the ABC Hospital, without complications.

Q: So, from 1971 to 1977, you were in Washington?

SERVICE: I came back to Washington to the Office of the Inspector General. The State Department had just gone through one of its self-examination processes. I forget the name of it. Maybe you remember. It was something entirely internal. It had not been mandated by the Vice President's office like the recent Reinventing Government initiative.

Q: There was one called Diplomacy. I think it was Macomber.

SERVICE: Yes. Anyway, one of the recommendations was that the Office of the Inspector General should be revamped and that it would start looking not simply at how things were done, whether they were done correctly or incorrectly, legally or not, but also at what was being done, including policy. Thomas McIlhenny was named to be the

Inspector General, and he asked me and various others, some of us middle-grade, to be in that office as they tried to come up with this new format. I served two years in the Office of the Inspector General. I mainly worked in the Department, but also did one overseas inspection to Guatemala.

Q: How did you find the idea of working on policy? This is a very touchy issue. Here are people coming from a different part of the Department, and essentially, treading on the prerogatives of the Embassy, and also those of the bureaus.

SERVICE: I didn't feel terribly comfortable doing it. We were grandstanding a little bit. It is easy to criticize and say "Well, now yes, but have you thought of this over here," or "You've been doing that for 10 years and what do you have to show for it?" You couldn't really be sure that any other policy would have produced any better results. We tried it for a while in a rather limited way, but gradually inspections returned to focusing on administrative and consular matters.

Q: What was your impression of the clout of the inspections at that time, because these had waxed and waned? At some point, inspections were really very important to the people involved. Later, they didn't really focus on people as much, so they really weren't paid much attention to.

SERVICE: When I was there, we were in the process of disengaging from the people rating part of it. I have forgotten whether we still did reports on everybody or simply on certain categories of people: those who were in difficulties, or were ineligible for promotion, or who asked us to. Of course, one of the problems then, and even more so later, was that nothing was confidential anymore. In earlier times the Inspector General didn't necessarily show the reports to the people being inspected. When we came in, there was even a part of the annual efficiency report that was confidential. You weren't shown it at the time, but you could read it when you went back to Washington later. Do you remember that?

Q: Yes, I do.

SERVICE: All of that was on its way out, or already out, and it made the inspectors' function less significant. When I was in the Inspection Corps, there was still a good relationship between the Inspection Corps and the rest of the Department. There was not the same degree of combativeness that seems to characterize the process today. It was still almost totally a Foreign Service operation. The Inspector General and one of his two deputies were Foreign Service. One deputy was brought in from outside. He was supposed to provide some outside management expertise and what not. Coming out of the Macomber reforms, there was a general willingness to give the new system a try, to cooperate and have good relations. We had close ties to the Policy Planning staff and various other entities. It was a pleasant environment. What we accomplished is hard to say, but we had some useful recommendations.

Q: How did you find Guatemala when you were there?

SERVICE: A place where it was hard to be optimistic, even harder than in a place like Mexico. In Mexico, you had the feeling that someday this country is going to make it. With respect to Guatemala and some of the other Central American countries, you could not be so certain. They are smaller and more stratified. In Guatemala, you had a large Indian population that was largely excluded from the more modern and westernized part of society. It was hard to see a clear path toward development or democracy. You had to wonder whether what we were doing was worth it. All of the money we put in as aid and all the support we have given them, wasn't it basically just helping the rich to hold onto their privileges? Maybe yes, maybe no. On the other hand, our top priority was national security. We didn't want in Guatemala or in Central America what later happened with the Sandinistas in Nicaragua and almost in El Salvador.

Q: You left the Inspection Corps in 1973?

SERVICE: Yes, 1973.

Q: Where did you go?

SERVICE: I went to the E Bureau [Bureau of Economic Affairs], I think it was then called, soon to become the EB Bureau [Bureau of Economic and Business Affairs]. I went to something called the Office of Food Policy and Programs.

Q: You were there from 1973 to 1976?

SERVICE: Yes.

Q: What was this office? I mean, what were they dealing with?
SERVICE: The office I was in was called Food Policy and Programs. I headed the Food Programs Division. It dealt with the PL [Public Law] 480 program -- Food for Peace, although for some reason we in State called it Food for Freedom. Our basic job was to be State's voice in the interagency decisions on where food aid was going to go, how much to whom. Most of the program action was with AID and the Agriculture Department. But State was represented because of the political and national security dimensions. It was an interesting time because, as you may recall, there was a serious world food shortage, starting in about 1972, which culminated in the World Food Conference in Rome in 1974. World stocks were very low. Therefore prices were high. Some of the poor countries could not buy food and depended on food aid. The issue within the U.S. Government was, should allocation of food aid be determined primarily by humanitarian criteria or by political criteria? This being the Kissinger period, the political criteria tended to win out. Kissinger was not very much swayed by humanitarian criteria, as far as food aid went. The opposition to that position was in AID and to some extent in Agriculture, and certainly among some people on the Hill. Usually we would try to accommodate both humanitarian and political concerns. But, in the few times that we really had to choose, we tended to go more toward the political criteria. I think this later was one of the factors which lead to the Bureau of Humanitarian Affairs, or Human Rights, whatever you want to call it. There was a feeling that humanitarian concerns

should be a more explicit component of our foreign policy. Therefore, a bureau was created.

Q: How was this difference between policy and needs resolved? Was it that we wanted to sell wheat or give wheat to India? Part of the problem was, wasn't it at this time, that India was really able to take care of itself? This was one of the big driving forces.

SERVICE: It was still not self-sufficient entirely. I remember sitting in on a meeting with Kissinger and the Indian Ambassador. I was the note taker. I think I actually spoke once. We had been warned that note takers were there to be seen but not heard. It came to some point in the conversation, where neither of them knew the answer, so I spoke up and told them what the answer was. But, how were the allocation issues resolved? Tom Enders was the Assistant Secretary of EB. He and I worked up the allocations that we thought Kissinger would support. I went over to the NSC and cleared them with Bob Hormats or Richard Kennedy. Then we brought them back as a done deal. We showed them to AID and said, "Hey, Kissinger decided this is the way it is going to be." Much of this was at the margin. It was a question of two or three, rather small countries, which AID thought were deserving. These were countries that should have received something for humanitarian reasons, but that were either were left out entirely or got less than AID would have liked.

Q: You had the Rome conference on it... World Food, in this 1970s period, you were dealing with this. Is that right? What was our initial attitude toward the calling of this conference, and all? We were the major food suppliers.

SERVICE: That was handled by the Food Policy side of the office. I think we went along with it fairly early on. We got cranked up and played a major role.

Q: Was there the feeling that...

SERVICE: Ed Martin was our representative.

Q: Was there the feeling that there wasn't a real answer to the food crisis or was there the feeling that if everybody pulls their socks up and uses the right kind of fertilizer, we might be able to take care of it? It is essentially the case today.

SERVICE: I don't remember great pessimism or fatalism. There had been a couple of bad years. But they were abnormal. The expectation was that if we could just get over this year, and next year, the immediate problem would go away. I forget when the Green Revolution really got going. It may have been a few years later. But we were already aware of the possibilities for expanded production in the developing world. We did not see it as a crisis which was only going to get worse.

Q: In other words, it was a cyclical weather thing, more than that all of a sudden we were outgrowing our means of production?

SERVICE: Except, obviously there was concern about population growth and the long term impact.

Q: Were you feeling the hot breath of the American wheat farmers, and all, or was that coming from somewhere else?

SERVICE: The farmers, of course, always saw food aid as a way of helping to get rid of some of the surplus. In the period we are talking about, there were no surpluses. That meant that there was less food made available and it cost more to buy. I don't remember the farmers being one way or the other on the issue. They got paid regardless, whether the government bought their wheat to give away, or whether it sold on the open market. They saw food aid as a mechanism that was there and worth preserving.

Q: Were there any other crises? You had food and what else?

SERVICE: I had food, basically. There were an amusing moment, given my own background. Twice a year, or maybe it was three times a year, I went over to meetings with the Food Aid Committee in London, which met in conjunction with the International Wheat Council. The first time I went was in February of 1974, and one of the issues on the agenda of the International Wheat Council was the admission of Communist China. By then the PRC [People's Republic of China] was already in the UN [United Nations]. Logically, this paved the way for admission to all UN-affiliated organizations. My instructions were to oppose it, but at the same time to know I was going to lose, and not be too obnoxious. In other words, put up a show of opposition, but lose gracefully. I got up various times and argued against the PRC's admission. Eventually, of course, I was argued down. I figured I had done my job.

Q: Why were we taking that stand? Was it just domestic American politics?

SERVICE: I guess so. We, of course, had still not established relations with Beijing. While we were not exactly still marching down the track we had been on before, we were adjusting only slowly to the new reality. Nobody in Washington was going to fall on his or her sword to keep China out of the Wheat Council. We just wanted to be positioned correctly when we lost.

Q: In 1976, you were out of this, I take it, and off somewhere else?

SERVICE: I had first hoped to be a DCM. I think I had a reasonable chance to be DCM in Guyana. But, I was then selected for the National War College [NWC]. Guyana didn't seem that attractive a place. The National War College by most accounts was a useful and pleasant experience. I opted to go there for a year.

Q: So, 1976 to 1977?

SERVICE: Right.

Q: How did you find the War College?

SERVICE: It was a delightful year. It was not a laborious year. I think it has become more rigorous, more exacting since then. You can now get a degree out of your time there, and you have to write some sort of thesis, and what not. In those days, it was still pretty relaxed. You would go to lectures in the morning, and then you would have a certain number of classes in the afternoon. It was usually over by 3:30. You had two hours for lunch. Some afternoons you may not have anything. I used it to get back in shape, in part. I ran around the campus out there and actually organized and won the three-mile competition between NWC and the Industrial College of the Armed Forces. I even made the trophy that was then presented to the winning NWC team. It was very pleasant. Some of the course material was useful and some of the speakers were very good. Perhaps most useful was getting to know the U.S. military better than is possible in the normal course of a career.

Q: What was your impression of the attitude of our military officers toward the Vietnam experience. This was not long after the collapse.

SERVICE: I think there was a lot of resentment still about how we had fought the war in Vietnam, particularly on the part of the Army officers. The resentment was about not going into a war unless you were prepared to win. Quite clearly, with hindsight and from their perspective, we had not been in the Vietnam War to win. I don't remember as much of that from the Air Force. The Navy made the least impression on me. I don't know if you know much about the War College, but there has been a tradition of the Air Force and the Army sending their best people there, while the Navy tends to send its best people to its own college. There was a course on Vietnam and I took it. It was given by a civilian. I don't remember tremendous angst or unhappiness, but the emotions did show through occasionally.

Q: In 1977 you are due to go out again, aren't you?

SERVICE: Yes. I had been in Washington for six years, so I went to Chile.

Q: You went to Chile from 1977 to when?
SERVICE: 1980.

Q: What was your job?

SERVICE: I was the political counselor.

Q: Who was the Ambassador at that time?

SERVICE: When I got there, there was no Ambassador. David Popper had left a few months before. Tom Boyatt was the Chargé. I suspect he has a long history here somewhere.

Q: Tom and I were in the senior seminar together. I have done an oral history with Tom.

SERVICE: He is a character in some ways.

Q: Yes.

SERVICE: Anyway, he was the Chargé for the first six months I was there. Then George Landau came as Ambassador. He was there the rest of the time I was in Chile.

Q: Chile had been the focus of much of our attention, probably as much as Cuba was during the 1960s. How did you view the situation in Chile, when you arrived in 1977?

SERVICE: Well, a number of things strike me. One is a sort of siege mentality. This was well after the worst of the repression. There was very little overt repression going on when we got there, and I think probably very few political prisoners still. Many of them had gone into exile. On the other hand, there was a continuing polarization of feelings about the Allende period, and particularly on the right, which we tended to see more of. The left was either out of the country or very quiet. The attitude by the more conservative sectors was if you weren't here during the Allende period, then you can't understand. If you raised any sort of query or question mark about why this or that took place or had to happen, or was necessary, they would almost always end up saying that you can't understand if you weren't here. There may be a grain of truth in that, but it was made to carry too much weight.

Q: How did we view Pinochet?

SERVICE: We viewed him basically, in negative terms, although we thought that some of the changes he was trying to bring about were potentially positive for the country. He had the sense to listen to some of the U.S.- trained economists. He was trying to implement their ideas. Certain sectors of our government thought that was very positive.

Q: You were there during, essentially, the Carter years, weren't you?

SERVICE: Yes. I got there in the summer of 1977. Carter had been in office six months. The big issue in bilateral relations while I was there was the assassination of Orlando Letelier which took place in Washington in 1976.

Q: In Sheridan Circle.

SERVICE: Yes, in Sheridan Circle. Letelier and a woman, an American woman, an assistant named Ronni Moffit were killed. Fairly early on the investigation started leading back to the Chilean government. The Chilean government said, "Oh, it must be Cubans, or whoever." We spent most of the time I was there trying to get those who were believed to be responsible extradited into our custody. The only we got at that time was an American named Michael Townley who had been the one who actually made and placed the bomb. We were able to get the Pinochet government to turn him over to us. We got

him back here. He provided a lot of the information through plea bargaining that allowed us to solidify our case against some of the others. Manuel Contreras, who was head of something called DINA, the intelligence agency, is now serving time in jail, as is one of the three others involved. I think a third one did also. He is now living in the U.S. All of them, to some extent, were eventually punished.

Q: How did this play out for you in your political dealings with the Pinochet government?

SERVICE: It was almost never mentioned in our dealings on other matters. In fact, we did not have that much contact with the Pinochet government, other than the Foreign Ministry. Landau once said to me, "This is a very unusual situation. I've had no contact with Pinochet and I don't really think I should." I didn't disagree with him. But, it was not the situation that occurs in most places and times in Latin America, where the U.S. Ambassador has frequent presidential meetings. Our dealings were primarily with the Foreign Ministry, which understood that we were under instructions to do x, y or z. We did it. There were not a lot of animosities that I could detect. They may not have liked us. Some probably saw us as sympathetic to the left. Others may have secretly sympathized with our position on the Letelier matter. But it didn't really affect how we did our jobs.

Q: Did you have any problems with junior officers in the Political Section? I can see, especially with the temper of the times, human rights, junior officers wanting to change the world and all. Chile was the focus of an awful lot of attention.

SERVICE: It is interesting that you should mention that. As I recall, before I got there in 1977, there had been at least one occasion when there were two versions of the annual policy plan that posts had to prepare, the Country Program Plan or whatever it was then called. As I recall, either the year before, or the year before that, there had been a sharp division of opinion in the report, with dissent messages going into Washington. That was not true while I was there. I don't know if it was because personnel had changed or because the situation had improved somewhat, but as I said, the worst of the repression was over before I got there. There were very few, if any, reported disappearances, as they called them, people being picked up and not being seen again. Let me mention another interesting point. You mentioned that there was an attitude toward Pinochet. At some point, I've forgotten whether it was 1977 or 1978, there was the signing of the Panama Canal Treaty. The Carter people wanted to make it a hemispheric thing and invite all heads of government up to Washington. There was a real issue of whether Pinochet should be invited or not. They decided that if it was hemispheric, and he would be invited, too. So Pinochet went to Washington. I think there were probably a few demonstrators around the OAS, or wherever it was done, but no more than that.

Q: Landau had come from Paraguay. He was our expert on dealing with difficult people. I think he had been the desk officer for the Iberian Peninsula when Franco and Salazar had still been in power.

SERVICE: He had a good reputation in the Human Rights Bureau.

Q: Were you feeling any, if not heat, any problems with Congress and the human rights activists over Chile? There was the book and then a movie called Missing. I don't know if that came out at the time you were there.

SERVICE: I think it did. We had some problems, which were more about accuracy than anything else. Each year, we did a Human Rights report on Chile and then we pressed for a rapporteur in the Human Rights Commission. It seemed to me and to others of us at the Embassy that sometimes the U.S. positions on Chile as drafted by our U.N. people or in Washington went beyond strict accuracy. They were exaggerated and overly zealous, undoubtedly encouraged by the human rights lobby. They were to some degree political statements rather than careful analyses. There were some disagreements. We would go back and forth saying, "Hey, look, it would be more accurate to say x." But basically they said what they wanted to say.

Q: Where did you get your information about human rights violations?

SERVICE: We kept in touch with the opposition, a variety of opposition groups. The political parties, of course, but also youth and labor. And the Catholic Church had something called the Vicaría de la Solidaridad which did a great deal to compile information on abuses and help those affected. By and large they were all eager to talk because we were a sounding board to the outside world. We would filter out the less reliable of those contacts. We spent a lot of time with the ones we trusted. It was personally rewarding because these were people who were in pretty tough straights. We felt in some small way that we were helping them.

Q: What about the influence of the socialist countries in Europe, Sweden, possibly France, at that time, Germany? Chile was a European cause at that time. I was wondering whether it made much difference.

SERVICE: We were quite good friends with the Swedish charge, who was Peter Hammarskjold, some relation to Dag. They were a little fed up by that point with the number of Chileans who had come to Sweden, claiming political harassment, but who were really there on economic grounds. There were a huge number from some small town up the coast, which had been depressed for years. Sweden looked like a great opportunity to improve their lives. Of course, all the Eastern Europeans had left, voluntarily or otherwise. I don't remember any of the Europeans being particularly active on the human rights front while I was there. Some of them had been earlier. The Italian chargé, poor guy, was kept there for years and years because the Italians didn't want to send an Ambassador. If they had removed the chargé they would have had to replace him with an ambassador, because they had accepted a Chilean ambassador in Rome. Their solution was to just keep the charge there, who had been there since the coup in 1973. He was there for seven or eight years. He had been active early on. The Brits and the French, we never saw much of them, although there is something called the International Commission on European Migration (ICEM). It had been set up after World War II to assist displaced Europeans go to other parts of the world. In Chile, during the time I was

there, it worked in the opposite direction, helping persons in political danger go abroad to live. The head of the office in Santiago was an Argentine. Some of the European countries worked closely with that.

Q: Were we under constraints on things like ship visitors, or official visitors, cultural exchanges, this sort of thing? Or were we having more or less normal relations?

SERVICE: It was a little less than normal, but perhaps not very much. We had UNITAS each year. Naval ships go around the continent and they have exercises with their counterpart navies. We were not selling any equipment to the Chilean Armed Forces. This became rather sensitive when the seat ejection cartridges for their F-5s started wearing out. They felt that this was putting their pilots' lives in danger. We may have voted against some loans to the Chileans, either in the Inter-American Development Bank or the World Bank, but I don't think we were ever able to block one. I'm not sure we did that consistently through the period. There was pressure to do it, but it was not established policy. As far as visitors, there were a few congressional visits. The Assistant Secretary of State for Inter-American Affairs, Terry Todman, came through. I don't remember anybody other than that while I was there. It was something less than normal but not very much.

Q: Did you have any contact with the group that was the known as the Chicago Boys? They had essentially been Chilean economists who came out of the University of Chicago, and other places.
SERVICE: I knew some of them socially. I did not have any working contact with them because that was largely handled by the economic side of the house, and by the Ambassador to some extent. They were a presence and very important. Not all had studied at Chicago, but they had that name.

Q: How about George Landau as Ambassador? Did he have to walk a fine line between dealing with the Chilean government and then with the opposition, and make it known how we felt in nuanced ways?

SERVICE: Did you do an oral history on George?

Q: Somebody did. I didn't do one.

SERVICE: George is a fascinating guy. He is one of the best I have ever seen at . . . Let me put it this way. Some people walk a middle path and end up having both sides mad at them. George was able to walk the path and have both sides think, "Hey, he is with me." He is very skilled at it. Chile was a place where you had to do that, to a significant extent. Pinochet loyalists thought that basically it was good that the military had come in and put down all that Allende stood for. We, as a government, were opposed to much of what happened. Yet George had good relations with most of the pro-Pinochet people, as well as with the opposition.

Q: You were not there as everybody kept pointing out to you during the Allende period,

but did you get the feeling that what Allende was up to almost inevitably took the country down the road to disaster?

SERVICE: My feeling was that Allende lost control. He was being pushed, pulled, by groups and individuals much more radical than he was. That, as much as the specific policies that he was advocating, put the country into a tailspin and brought his downfall. When food becomes scarce, when you have to wait in huge lines, when other things change that you've been used to, people start being willing to march and pressure the military to do something. I think he lost it. How do you ride a revolution? He couldn't.

Q: You left there in 1980?

SERVICE: Yes.

Q: By the way, did Patt Derian, of the Human Rights Bureau come down to visit you at all?

SERVICE: No, I don't think so. We may have had somebody from her office, but I can't even be sure of that. I think maybe when Todman came at one point, we may have had...

Q: Terrence Todman.

SERVICE: He was the Assistant Secretary for ARA at that point. He eventually got booted out, essentially because he was not strong enough on human rights for the Human Rights Bureau. He started saying, "Wait a second, let's be a little more cautious with some of these things we're pressing." So he was sent off to Spain.

Q: In 1980, you went somewhere, where?

SERVICE: Let me say another thing about Chile. We almost had a war between Chile and Argentina over the Beagle Channel. I don't know if you remember that or not.

Q: I remember it because the Beagle Channel is where Darwin's boat went through on the Cape, Cape Horn.

SERVICE: Yes, it is south of the Strait of Magellan. It's a little tiny strait there. There are three islands, Lennox, Picton and Nueva, that had been in dispute between Chile and Argentina for a long time. The Argentines were looking for ways to distract their population from some of their own problems, of which we were to see more later. Things became quite volatile over these three islands and where the water should be divided, etc. I think the Chileans had an arbitral decision favorable to them, but the Argentines chose not to accept it. Things were rather tense for two, three, four months. There were rumors of war breaking out imminently. Finally the Pope got involved and called for a cooling off period. They worked their way out of it. But, I spent a great deal of time trying to keep up with that, reporting on it and what not, all from the safety of my desk on the 10th floor of the Embassy in Santiago.

Q: Well, it would strike me that looking at the geography, it would be a little hard for Chile and Argentina to go to war, wouldn't it? I mean, the geography being what it is.

SERVICE: Sure. You've got that mountain chain which is pretty easy to block, to prevent one or the other country from just pouring over. But there were a lot of Chileans in Southern Argentina and the Argentines claimed to be concerned about fifth column activity there. There is still one unresolved territorial dispute in the Andes. We are talking about a few square miles on top of a glacier, in the middle of the Andes. Whether it is worth occupying or not, I don't know.

Q: Well, where did you go then in 1980?

SERVICE: In 1980, I went back to the Department to head up the . . . I was supposed to head up the Office of Panama Affairs, but when I got back, somebody realized that it would be more sensible to have me head up the Office of Southern Cone Affairs, having just come from Chile. The office in those days covered Chile, Argentina, Paraguay and Uruguay. Those four countries. I did that for two years.
Q: So, that was 1980 - 1982?

SERVICE: Yes.

Q: This was a rather interesting time.

SERVICE: Yes, for a variety of reasons. One is because Reagan won the election, and you recall that Jeane Kirkpatrick was one of his principal foreign policy advisors. She went out and made a splash, let's say, with an article about authoritarian versus totalitarian systems. While authoritarianism isn't good per se, at least it contains within the seeds of evolution to something better, whereas totalitarianism precludes that kind of evolution. But that of course has turned out not to be true, with the Soviet Union as the prime example. Anyway, the view of many in the Reagan administration was that Carter had been too tough on the Latin Americans, particularly those countries run by the military. The theory was that we should stop meddling and telling them what they ought to do with respect to their own internal situations and human rights. They were good anti-communists and wanted to be our friends. We should make the make the most of it. We got, very soon after Reagan came in, a visit to Washington by Galtiere, who was the general in charge of the Argentine government at that time. There had been a series of them. By then the Argentines were cooperating with us in Central America. From the Reagan administration's perspective it seemed like a bright new day for our relations with Argentina. Not so much with Chile. Chile was always a little bit beyond the pale. That was the way Reagan administration started off. It changed over time, driven in part by what was happening in Central America. I give Tom Enders credit. There was a realization that if you are going to make a big issue about communism in this hemisphere, about Cuba and the threat to Central America, and to stress the importance and desirability of democracy, not only in this hemisphere but everywhere, you have to be consistent. You have to apply it to other countries in the hemisphere where you have the

military or the right in power. I think that became the predominant message of Reagan foreign policy toward the hemisphere over time, not immediately, but within two to three years.

Q: What were you getting, particularly from Argentina? This was a pretty nasty and inept junta that was running things. They weren't doing very well, and yet they were killing off a bunch of their people. Were the disappearances still going on while you were there?

SERVICE: Again, I've been lucky not to be involved in the most bloody periods in these countries' histories. I think the Carter policy had some effect, with Patt Derian going down there and essentially saying, "Hey, you are killing people." I think that did make them at least slow down. I don't know whether you have ever run into Tex Harris. Tex is well known. He was head of AFSA for a while. Tex was in Buenos Aires as a political officer and as the human rights officer. Tex almost got himself PNGed [expelled, declared persona non grata]. I don't know if he did or not. He spent a tremendous amount of time with people like Emilio Mignone, who had lost a daughter, and with other human rights activists, essentially making the statement that the U.S. Government did care and that it was trying to be supportive and to prevent further abuses. That did not sit well with the military government and its supporters. By the time I became head of Southern Cone Affairs in late 1980, there was little of that going on that we were aware of. It had all been done. I think, in all, at least 8,000 people had been killed.

Q: Had we just, sort of, said, "Okay, that's gone and past" or were we pressing for anything?

SERVICE: We were pressing for accountability, not accountability in the sense of punishment but rather an accounting, so that people would at least know if their loved ones were alive or dead, so there would be some way of ending the agony of not knowing. I'm not sure we were ever terribly successfully at that. I don't remember pressing for any more at that point.

Q: I'm pretty sure you were there during . . . You were there from 1980 - 1982?

SERVICE: As the head of the office, yes.

Q: The Falklands/Malvinas business?

SERVICE: That took up the last four months or so of my time in the office. The invasion of the Falklands was either March 31st, or April 1, 1982. For about a month before that, there had been indications of unusual things going on, but we did not think it meant anything serious. We thought the Argentines were testing, probing, staging an incident here or there, just to keep the issue alive. Since we didn't think it likely the Argentines would try to take the Falklands by force, we dismissed any intelligence that seemed to point in that direction. And, perhaps more important, we didn't make a concerted effort to find out what they were really up to. There have been many failures of intelligence before and since. Pearl Harbor is perhaps the most famous. Most intelligence, unless it is very

blatant, is shaped, distorted or ignored because of our mental constructs of the particular moment or period.

I don't know if you know the background, but the Falklands had been occupied by Great Britain since 1834, or thereabouts. The Argentines claimed it before and since. It has been a running issue. A few days before the invasion took place, the British Ambassador came to the Department and saw the Deputy Secretary, Walt Stoessel. He said they had good information that there was going to be an invasion. We attempted to prevent it. There was a late night telephone call from Reagan to Galtiere on the night of the invasion. Galtiere at first refused to take it, and then said that it was too late to stop the invasion. Then, for about the next almost three weeks, I was involved in the shuttle diplomacy with Secretary of State Haig and a large retinue of others.

Q: Alexander Haig?

SERVICE: Yes. First, we flew off to London, then from London to Buenos Aires, then back to London, then back to Washington. Then there was a second trip to Buenos Aires and back, and perhaps also to London again, although I'm not now sure of that. Enders was there. Vernon (Dick) Walters was there, and a lot of other people. Then, when the shuttle effort failed, I was the head of the Task Force in the Operations Center for the next two or three months while the crisis played out, which was a very dreary business because I sat there while the British came closer and closer and eventually retook the place. Meanwhile, there was an air war of sorts. Ships were being sunk. There was a lot of unhappiness in the hemisphere, which we tried to broker as best as we could, to preserve our position. It was a difficult time in hemispheric relations.

Q: Tell me, on the Haig shuttle, what was your impression of Secretary Haig, when he first became involved? This obviously had not been very high or even on his agenda before all hell broke loose, I take it.

SERVICE: Yes. In retrospect, I'm not sure why Haig decided to get personally involved in this, other than, "Here is our closest ally, so to speak, in a possible shooting war with part of our own hemisphere." But one wondered if there wasn't more behind it. Earlier, we had had the Kissinger shuttle in the Middle-East, while Haig was in the White House, and maybe Haig wanted to have his own shuttle to visibly, clearly, prevent something or resolve something. As it turned out, he didn't succeed. I'm not sure Kissinger succeeded either.

Q: Was he or his immediate staff drawing on you to try to figure out what made these Argentinians, this junta, tick, and all?

SERVICE: No, I don't remember being all that involved. There was a little inter-circle at the top with Enders and Walters and the Secretary's immediate staff. The rest of us were there to do whatever needed to be done as a result of their discussions, or sometimes what they couldn't do or didn't want to do. I did not really sit in on the policy discussions. In Argentina, I was used to meet with groups that wanted to come in and talk with Haig.

Haig wouldn't see them, so I would see them. We didn't have any great Argentine expertise. I knew a bit from having been Director for Southern Cone Affairs. I think Walters had known some of the military.

Q: He was basically a Brazilian hand.

SERVICE: Brazilian hand, but he had been to a lot of places a lot of times, so he probably had met some of the military, and may have had a feel for them, some of the upper military. Our ambassador in Argentina, Harry Shlaudeman, was a very savvy guy. My direct knowledge of Argentina was minimal. I had been in Chile. You don't learn very much being the country director in Washington. It turned out that it was all futile. The Argentines had a chance. There was a moment when, I think, Margaret Thatcher, might have been persuaded to halt the military action. It was a risky action. It was costly and would take a long time. If the Argentines had had the sense to withdraw and agree to some sort of arbitration process, they might have ended up better off than before the invasion. But they didn't have the sense to do that and we couldn't persuade them. At first they really didn't think that Thatcher would carry through. They may even have thought that if push came to shove, the U.S. was going to support them because we are part of the same hemisphere, and they were helping us in Central America. That didn't happen. They misjudged us, and they misjudged Margaret Thatcher. Beyond that very small window, there was no turning back, as far as Thatcher was concerned. She was too committed, and probably thought she could win, and she did.

Q: Was there any thought on the part of our ARA apparatus that the United States might back the Argentines? I was an outsider on this issue. At this point, I was getting ready to retire. But, it never occurred to me that we could do anything but support Britain, since Britain was not only our closest ally, but also because Argentina was a dictatorship. It just seemed like it was a done deal, almost, that we would support Great Britain.

SERVICE: No, I think there was some feeling in the Latin American part of the State Department that, if not support Argentina, we ought to find a solution which eventually would lead to realization of Argentina's aspirations. I think to most of us who specialized in Latin America, there was a certain absurdity to these 2,000 kelpers out on this island with very long and tenuous ties to Great Britain. It was a holdover from a Colonial era, which no longer existed. There was hope that we could find a solution short of war, because we all realized that if it came to war we have no choice but to support Great Britain.

Q: What about the rest of Latin America? What were we getting from our people in other places? I understand, that obviously there should be great solidarity, but if there is any country for whom there was less solid feeling, would be for most of Latin America, but the Argentines.

SERVICE: Yes, you put your finger on it. Argentines, historically, have not been loved by their neighbors in the hemisphere because they thought they were better than anybody else. They were arrogant. And so while the predominant statements were favorable to

Argentina, the sentiments were not necessarily matched. Maybe they were quite happy to see Argentina get what it was due. Of course, there was the question of military rule and some of what the military had done while in power had put the left against them, almost everywhere in Latin America. You really had to be a very fierce regional loyalist to support Argentina regardless.

Q: While you were on the Task Force, what was it? Was it just a matter of watching this very slow motion, this Armada going out of England and moving very slowly toward there? Also, were we getting much good intelligence about what the Argentines as far as preparing for the war?

SERVICE: The first part of your question, yes. Essentially, we were just watching it. Where are they now, and how soon are they going to be there? Once they got there, there were weeks, as I remember, of the bombardment, and the Argentines planes coming over from the coast, and sinking a number of ships. The Argentines did very little. They sent over their rawest recruits. They did not think they would ever have to fight. By the time they discovered they would, there was very little they could do. I suppose there was a brief window there where they could have sent over a lot more reinforcements. But I'm not sure they had them. When it came right down to it, they were not a match for the Brits. There was an episode when the British sank the cruiser, Belgrano, which was the old U.S. cruiser St. Louis.

Q: The old World War II American cruiser, a light cruiser.

SERVICE: Built in 1938, or something like that. I think there were at least 700 lives lost. There was a great uproar throughout the continent. It was Belaunde, the Peruvian President at that time, who tried to broker a solution at that point to prevent further bloodshed. It was a very frustrating time because there was nothing anybody could do unless the Argentines just voluntarily picked up went home.

Q: Did you have the general feeling that the Argentine rulers had gotten frozen in the headlights? They didn't know what to do, they had started this, and weren't really responding, just standing there.

SERVICE: Yes, we had that feeling. There were also insinuations I know are true that Galtiere drank a great deal and he was not capable of making sound decisions a good bit of the time. I think they still had unrealistic expectations that somehow the United Nations or whoever would pull their chestnuts out of the fire, or they felt they just couldn't back down, because, obviously it was a tremendously nationalistic issue in Argentina. I remember when we were coming in from the airport with Haig; the airport is about 30 miles outside of town. It is kind of like a Dulles access road highway. All the overpasses were hung with banners, with people on them, all waving signs saying "las Malvinas son nuestras," or something like that. A lot of this was whipped up and organized. At one point, when Haig was in the palace negotiating, there was such a crowd outside, they had to take him out by helicopter back to his hotel. They whipped all of this up and then they couldn't just withdraw. It was a tough situation.

Q: Were you there when it was over?

SERVICE: Yes, I was still on the task force when the last shell was fired, the last casualties counted, the prisoners taken and the British flag back up.

Q: Were you sort of removed from the cone of South America, by that time?

SERVICE: Yes. I was due to leave the Southern Cone job that summer (1982). I had been on the task force for three or four months. My deputy basically ran the day to day operations for our relations with the other countries of the area. I'm not sure I ever went back, other than, maybe just to clean up a few odds and ends. I left in early July. The Falklands were retaken by early June, mid-June, and I think I was out of there by July. I went on to my next assignment.

Q: So, we will pick this up in, I guess, 1982. You were going where?

SERVICE: To Madrid.

Q: Well, we're off to Madrid in 1982. One last question about this: Were you dealing at all with Argentine affairs when the junta fell apart? That was on somebody else's watch.

SERVICE: Yes. Quite clearly, the Falkland's debacle helped to end military rule in Argentina. I think we could foresee that by the time I was leaving, but it hadn't happened yet.

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Q: Today is the 6th of May, 1998. Bob, let's start in Madrid. You went there in 1982. What were you going to do in Madrid?

SERVICE: I went there as political counselor.

Q: Who was the Ambassador?

SERVICE: The Ambassador when I got there was Terrence Todman who had been the Ambassador for four years when I arrived, and stayed there for one more year.

Q: You were there from 1982 to when?

SERVICE: 1987.

Q: Wow. This is supposed to be the ARA reward, isn't it? I'm surprised they let you stay that long.

SERVICE: I think I went there on a four-year assignment. At some point, I thought of

changing it to three years straight, but didn't. Then when we had finished four, our daughter was a senior in high school. Furthermore, there had been a lot of changeovers, including the DCM and ambassador at about the end of the fourth year. So, the Department accepted my staying a fifth year. I was the continuity.

Q: What was the political set up in Spain when you arrived there in 1982?

SERVICE: First, let me say, I had been in the Foreign Service at that point for 21 years. Spain was the first democracy I served in. As a matter of fact, I served in only democracies after that. Franco died in 1975 and he had designated Juan Carlos to become the King over his father. The six years before I got there, was a period of reinitiating democracy and a rather delicate time in some respects. There was a famous incident in, I think, February of 1981. Some Guardia Civil officers took over the Congress and shots were fired. People were in there for a long time. The country survived that. All of a sudden, Juan Carlos, who had been looked at as a rather difficult, not very bright, not very capable, royal started to look pretty good. The country was ruled by moderates, moderate-right governments from 1976 to 1982. There was still considerable fear by those who had supported Franco and who remembered the Civil War. I got there shortly before the election of 1982. The Prime Minister was Calvo Sotelo. The election, in October, was won by the socialists led by Felipe González. That was a very big step forward in healing wounds of the Civil War and strengthening democracy. For that, Felipe González deserves a great share of the credit because he is one of these people who is not antagonistic. Everybody seemed to like him. He reassured everybody that "socialists" can come in and rule the country sensibly. That was the situation when I got there, or very soon after I got there.

Q: Can you give a little idea of what the political counselor was doing in Spain in a democracy at that time?

SERVICE: Well, we had a very large section to start with. We had about 10 officers and three or four secretaries. That is almost as big as the entire embassy in Paraguay in terms of Foreign Service officers. We had a political-military office, which actually was a separate section when I got there. Later we combined the two. It dealt almost entirely with the bases issues and Spain's membership in NATO. The rest of us tried to keep track of what was happening in the evolving political situation in Spain, which was not threatening, but there were a lot of people and parties we had not followed very closely during all the years of Franco and which were in the process of regeneration and change. We divided up the parties and leaders and tried to get to know them and talk with them, your usual political reporting and analysis.

Q: Did we have some catching up to do with the socialists or had we developed pretty good terms with them already?

SERVICE: There was a little bit of catching up to do, although some of my predecessors in the political section had become close to some members of the inner circle. By and large they were eager for contact because they saw this as proving their democratic and

non-extremist credentials. Soon after I got there, but before Felipe was elected, we had a visit by George Shultz. I went to see the foreign relations secretary in the Socialist Party, Elena Flores, and said "We've got the Secretary of State coming. He would like to meet with Felipe. Any problem?" They said, "No, no." It was all set up. Felipe came to the Ambassador's residence and they met there. Some of the elements of the Socialist Party wanted to keep us at arm's length. They still had an ideological mind-set that we were not really sympathetic to them or friendly. They tended to hold against us our relationship with Franco in the 1950s, the bases deal, which in their imagination, helped prolong the Franco regime. I don't think that is true, but that is what some of them did believe. However, most of them, and certainly the ones we got to know best, were friendly.

Q: Did you find that the cast of the Socialist Party was sort of doctrinaire as far as nationalizing industry and various elements of the society?

SERVICE: No. They had changed greatly. This was Felipe's great accomplishment. I've forgotten in which year, but there was a Socialist Party convention prior to his winning office in 1982. Felipe insisted that they take out the explicit Marxist reference in the basic document of the party, the PSOE (Partido Socialista Obrero Español). This created a big conflict within the party, the same thing the British labor party has gone through more recently. Felipe resigned, but only briefly. The bulk of the party asked him to come back. They knew they needed him. On one occasion Felipe is supposed to have said "Look, I'd rather be mugged in New York, then live in Moscow." He was very pragmatic, very moderate. Soon after he came to power -- this, you will remember, is following Mitterrand's initial attempt to apply socialist economics in France, but soon had to back off -- Felipe said something along the lines of "Look, there are no longer socialist economics and capitalist economics. There is only one economics in the global marketplace, and if we want to participate and benefit we have to have the sense to get on board." There were socialist-controlled labor unions, and there was a left wing of the party. The Vice President, Alfonso Guerra, was widely considered to be leader of the left side of the party. But Felipe was the commanding voice in the party, and was a moderate, is a moderate.

Q: Were we able to keep track, of say, the unions, because the unions are always such a powerful force in the socialist government? Did we have good contacts with the unions?

SERVICE: Good, but not close. We had a labor attache. He spent a certain amount of time with them. The AFL-CIO [American Federation of Labor-Congress of Industrial Organizations] was in one of those labor confederations with the socialist-controlled unions, but it was not a close relationship. Most of the unions in Spain, at that time, if I recall correctly, were either socialist-dominated or communist-dominated. There was no Catholic, or Christian-Democratic movement of any significance. We had a formally good relationship, but not a close relationship.

Q: What about the Communist party, internally within Spain at that time?

SERVICE: Fairly small, about 10 percent of the public, or even less by the time I left.

They, of course, were still proscribed in the immediate aftermath of Franco's death. It was only in 1977 or 1978 when Adolfo Suárez was Prime Minister, that they were legalized. After the 1981 incident in the legislature (referred to above), there was a massive national parade of solidarity. You had the Communist leader marching arm-in-arm with Manuel Fraga, who had been a minister under Franco and was the leader of the conservative party (Acción Popular). The intent was to send a message, "We are all in favor of democracy. We are all against military direction of the process." At one point, I thought it would be useful to get to know something about the Communist Party. Tom Enders was the Ambassador then. I ran it through him, and he had no objection. I had lunch, every so often, with somebody who was rising in the party, not somebody at the top, but one of the younger lights.

Q: Was there the feeling that the Soviet Union was still trying to sort of fish in troubled waters or had that pretty well ceased?

SERVICE: I don't remember much concern about the Soviets. We had certain relations with the Communist party, but they were not Moscow-line Communists. They were Euro-Communists, democratic Communists, whatever.

Q: What about France? Did France play much of a role in Spain as we saw it? They were so close in many ways. I was wondering whether the Spanish looked to the French or to the French socialists, or anything.

SERVICE: Spaniards have the feeling that the French look down on them. Just the way the Brits used to look down on the whole continent, Africa starts at Calais, or wherever. For the French, Africa starts at the Pyrenees. There wasn't any great love lost between the Spaniards and the French, although, people like Felipe and others had studied, spent some time in France and spoke French. There were a couple of issues that counted. One was that Spain wanted to become a member of the European community and the French position on that was very important. And Spain wanted help with the Basque separatists, because, as you know, there are French Basques, and there are Spanish Basques. The Spanish believed that the French Basques provided refuge to the Spanish Basques. So that was a continuing area of interest, friction, and perhaps some cooperation.

Q: Speaking of the Basques, did we have concerns that we might be threatened by the Basques because of terrorist activities and all?

SERVICE: We?

Q: The American presence in Spain.

SERVICE: Not a great deal. Although there was one incident when two rockets were fired at the Embassy from one of the streets nearby. I can't say with certainty that was a Basque operation, but it was the work of one of the terrorist groups which may have had some affiliation with the Basques. In general, I think, our attitude was that this was an internal Spanish matter. The Basque didn't have any interest in getting us involved.

Obviously, we supported the integrity of Spain and we cooperated with the security services. Let me add one other thing. There was some concern... This was the period when Central America was very hot. We got reports from time to time that there were a lot of Basques in places like Nicaragua, that they were members of ETA [Euskadi Ta Askatusuna, e.g. Basque Homeland and Liberty]. We passed this onto the Spaniards and said, "You guys ought to take a look at this. These are people who may be there because they can't be here, or may have done things here, or are working actively with the Sandinistas, offering their assistance," and what not. The Spaniards sort of shrugged. The Spanish position, the official position, was basically that we shouldn't be doing what we are doing in Central America, that the problems there were internal. They weren't eager in getting involved on our side, or against the Sandinistas, even if this meant ignoring some Basque terrorist ties.

Q: How was the Reagan administration perceived because of Central America and also Grenada?

SERVICE: It depended on whom you talked to, of course. I think, by the center to the left, it was viewed in rather negative terms. Of course, you have to remember that the Spaniards still view Latin America as, not their colony anymore, not their empire anymore, but an area where they have a particular expertise and a particular interest. In a sense, therefore, they view us as their rivals for influence. They looked for anything we did which would play poorly there and rejoice in it. That is probably too strong, but not inaccurate. The left, in general, thought we exaggerated the communist menace. Latin America had real social problems and we could not solve them by strengthening the right to suppress dissent or by sending in military assistance. You have to let such things play out, however, they are going to play out. They tended to downplay the extent of Soviet influence and involvement, and to some extent that of Cuba. The Spanish right was somewhat more supportive of our policies in Latin America, but not all that much.

Q: What about our policy toward Cuba?

SERVICE: The Spanish government under the Socialists thought our policy a mistake, and that we should be trying to build bridges to Cuba and to the Castro government. I think most of them saw the eventual end of the Franco dictatorship as the product of the gradually increasing interaction of Spain with the rest of Europe, starting in the 1950s. The fact that you had millions of tourists coming down to Spain every year from democratic countries, and the opening up of cultural exchanges and access to publications of one kind or another, made it very difficult to maintain a non-democratic regime in Spain. They thought the same would happen in Cuba if we stopped isolating it.

Q: Did you have a problem explaining our Cuban policy, because the way I see it, I've never really dealt with it, but it's really determined by the very strong Cuban exile movement in Florida, more than looking at it in any really rational way?

SERVICE: As one of our Assistant Secretary's of State for Latin America said when asked a Cuba question, "I thought we were going to talk about foreign policy today."

Yes. No question, because (1) the Spanish didn't think our policy was the best policy; and (2) and they were also aware that it was driven by the anti-Castro Cuban lobby to a significant degree. You'd have to explain, "Well, you know, that is foreign policy in a democracy. All are allowed to express their opinions and attempt to influence policy. We have our Israel lobby, we have our Greek lobby, we have our China lobby. You may not agree with them, but they certainly have a right to express their view." They would sort of nod, but, they still thought our policy was a mistake.

Q: Was there much of a contrast in the Embassy between the way Terry Todman operated and Tom Enders?

SERVICE: Do you know them both?

Q: I only know Todman vaguely, and just know much about Enders. He is sort of a legend in the Foreign Service.

SERVICE: I had three Ambassadors while I was there. I had Terry Todman the first year, I had Tom Enders for the three middle years, and I had Reggie Bartholomew for the fifth year. I must say they all three are/were (Enders is dead) exceptional people, but in quite different ways. They were also, at times, difficult to work with. It was a relief when I went to Argentina and Brazil and had ambassadors who were more normal human beings.

Q: A little too close to the furnace.

SERVICE: Terry Todman, was not well liked by the officers on the staff because of his style, his way of running the Embassy. I would call it an imperial style: "Everybody is here to support the Ambassador. Two hours of your time is not worth even five minutes of the Ambassador's time." In my view there was a lot of make-work. A good bit of what we did was not really necessary but was done because the Ambassador thought it just might be helpful to him in some way. By the time I got to Madrid Todman had been there for four years. He knew all the people. He knew all the issues. He knew the background. But he still wanted briefing papers on everything and for every visitor. It seemed unnecessary although, in fairness perhaps, Todman saw this as an educational technique for the newer personnel. He was always trying to keep us up to snuff and making sure we were doing the best job we could. One thing that was almost a fixation with him was if he were the first one to hear of some piece of news, it made him quite unhappy. He felt that we all should be listening to the radio or watching television just as intently as he was, and somebody should have called him.

Anyway, Tom Enders was totally different. Tom Enders was a superbly qualified, extremely intelligent person. Sometimes he gave me the impression that he really didn't need you at all because he could do it all himself, in half the time you could do it. He was a much easier person to work with because he didn't make what I would call "marginal demands" on people. If you had something important to say, fine. Otherwise, you just did your job and interacted with him as appropriate, but didn't dance attendance all the time.

Reggie Bartholomew was a combination of the two. Reggie is an actor. He loves to perform. We used to spend hours in his office, listening to Reggie think out loud. He would say, "Now, I am going to say this to him, and then he is going to say this to me, and then we are going to do this," etc. It was his way of working through things in his mind, of preparing himself. It was quite entertaining for the rest of us, but also time-consuming and wearing. My tour ended after a year with him, and by then his style of leadership had begun to pall a bit. Each one of these men was very effective on the outside, despite their different styles. It just proves that there are many ways to be a successful ambassador. They were each interesting people in their own rights.

Q: What were our major interests in Spain at this time?

SERVICE: Our overriding interest was the military alliance. Spain had become a member of NATO in about 1980, or maybe 1981. This was over the objections of the Socialist Party, and the Communist of course. The Socialists said they would take Spain out of NATO when they came to power. Later that position was modified to say that the issue would be put to a referendum so that the Spanish people could decide. The debate over NATO membership dominated the first three and a half years I was there. After much delay, the referendum was finally held in March, 1986. It was nip and tuck right up to the end. The polls, two weeks ahead, which is the latest they could do them, showed that NATO membership was probably going to lose. In fact, a small majority voted in favor.

The NATO issue played back on the question of bases, although we had had the bases for years without Spain being in NATO. But, that relationship was evolving too. The Socialists had come in committed to renegotiating our military presence in a downward direction. Ironically, the fact that continued membership was approved may have made it more difficult to negotiate the kind of continued base presence we preferred.

Spain was important to us because of its relations with Latin America. Although those relations were not as strong and as important as the Spaniards liked to think, we consulted them. We tried to bring them along on issues we thought were important and get their support. We also consulted them on Middle East and North Africa matters. Spaniards see their country as a bridge to the Muslim world because it had 700 years of Islam. I went to the Foreign Ministry and talked a lot about Iran and Iraq, and also the problem with Morocco and the separatist movement there. We tried to coordinate our policies, work together as best as possible.

Q: Was this really a matter of sharing views or were there any possibilities for cooperation?

SERVICE: It was more sharing of views. The Spaniards did not have much of a projection at that time outside of Spain. There was not much they could do to be helpful in a real sense, apart perhaps from shipping or not shipping arms. We tried to discourage shipping to whomever was our principal enemy at the moment. It was Iran most of the time. We were arguing that Iraq was the good country and Iran the bad guy. The Spaniards were not so sure. They were proved right, in a sense.

Q: Well back to NATO. What was in it for the Spaniards as far as we projected, but also what was the thinking of the Spaniards as far as what was good about NATO and what was bad about NATO?

SERVICE: The Spanish left still had a romantic idea of the brotherhood of nations, and believed that military alliances are basically conservative and reactionary and tend to work against the evolution of man and the move toward socialism, and therefore are bad things. Very few had any rosy views of the Soviet Union by that time, but that had this philosophical bias against military alliances, particularly when the alliance is lead by an extra-continental power like the United States. Those who were in favor of continued NATO membership pointed out that Spain was at the same time trying to gain admission to the European Economic Community [EEC]. It was unrealistic for Spain to want to enjoy the economic benefits that came with being an accepted, democratic member of Europe, without at the same time sharing the defense responsibilities. I think that helped influence opinion to some degree. Probably, the Spanish military saw membership in NATO as a channel for its modernization, for its becoming a respectable, better qualified military force. There was some support in the business community for joining.

Q: What about the Spanish Army? Were they becoming a smaller, more efficient Army when you were there? Was NATO having an effect on that?

SERVICE: I don't know the figures. I think they had been in the process of force reduction for quite some time, and there had been limited modernization. I don't know how big they were at the time I was there, but it was not an oppressive military presence. You never had the feeling that it was this huge, bloated structure that had to be cut down by half or two thirds. It was still run by people who had been around a long time. Some of them fought with Hitler on the eastern front in the Blue Division in World War II.

Q: How was Spain responding during this time to the European Economic Union (ECU)?

SERVICE: We used to call it EC, didn't we? I think it was the European Economic Community, which later became European Community [EC].

Q: Yes.

SERVICE: There were petitioners to join. They had their requests in. I forgot when it finally happened, whether it was January 1, 1986 or 1987. It was sort of marching along. But there was a certain amount of doubt until it actually happened. As I recall, France didn't oppose it and Germany didn't oppose it. They were the ones who could have blocked it. In the European mind, Spain's membership in the EC was seen as a way to preserve and strengthen democracy there. More recently the same argument is being made with respect to the countries of eastern Europe.

Q: Did you have the feeling that you were watching a positive change in Spain, both economically and politically while you were there?

SERVICE: Yes, very much. It was an upbeat time to be there. I think the economy generally did fairly well. Felipe projected optimism. His style was quite unlike the name-calling we have around here. It was a time where they still felt they should all work together. Felipe was the kind of guy whom even the opposition had a hard time calling names. That is a nice situation to be in, particularly, I suppose, if you are a Spaniard, but it is also nice for the foreigners looking at the internal dynamics of the country.

Q/ *Was there any concern about the British and German takeover of the coast and all? There were so many northern Europeans in the places along the coast that it seemed to have turned them into Little Brightons or Little Hamburgs, or something like that? Was there a certain xenophobia building up?*

SERVICE: I personally avoided them. I never went to those places. So, I can't say whether this was the case or not. Certainly, there wasn't any that I noticed in Madrid. There were not columns and articles about that. I think it was viewed as, if you want to come down for a few weeks or a month each summer and spend your money here, that is fine. There may well have been some at the local level, but I never saw it.

Q: What about the media? Did you find that the media was a normal, democratic-type media, covering the spectrum?

SERVICE: Yes, I would say so. There were conservative papers, the middle-of the-road papers, those that were more leftists, etc. I'm sure there were things on the far right too.
Q: Did you have a problem with the American military? Were there planes crashing or GIs getting drunk and doing things, and that sort of thing?

SERVICE: Yes, there is always a certain amount of that, especially when you have three major bases in Spain and a lot of little tiny things. Some of them were radio stations, or this that and the other. We had been doing this since the mid-1950s. There were established guidelines for how you handled the inevitable problems that came up. It was all sort of automatic, hum-drum. I don't remember any particular scandals.

Q: I don't recall any planes dropping a hydrogen bomb on the countryside, or just off the shore.

SERVICE: As had happened earlier.

Q: Yes.

SERVICE: In Palomares, and it ended with a picture of Fraga and our Ambassador wading out in the waters to prove that they were not contaminated.

Q: It was a chilly day outside. Tim Towell, the Ambassador's aide had arranged this.

SERVICE: Good old Tim.

Q: Yes. Oh, one thing that I am just curious about. I heard at one point at one of these society things there was a lady whose name I can't remember, who is an American citizen, but who is married to a local Count who had the ear of Nancy Reagan, and was trying to depose Enders and take over the job. Was this actually happening?

SERVICE: The Countess of Romanones or something, and an author too, by the way. She wrote the Spy Wore Red, something like that.

Q: The Spy Wore Silk Stockings, I think, or something like that.

SERVICE: She did a number of them. She was an OSS [Office of Strategic Services] employee who went to Spain in the Second World War, worked in Madrid. She married this Count Romanones. I'm not sure I ever met her. I heard the same thing. I heard from somebody that she was out to get Enders. I'm not sure exactly why, but it may have been true.

Q: How did you find working with the society there? I would think it would be a little bit of a problem just trying to carry on social duties because of the hours.

SERVICE: Yes. But in some ways, it was not as bad as Latin America, some parts of Latin America that I have been in. In Madrid, of course, lunch can start at 1:00 or 1:30, and you may not get back until 4:00 or 4:30, or 5:00 in an extreme case. For dinners you weren't invited until about 9:00 or 9:30, but you ate fairly promptly, and you might be out by 11:30 or 12, whereas in Latin America, in some countries, you might be invited to come at 8:00, but wouldn't eat until 11:30 or 12:00. Of course, the Spaniards, themselves, wouldn't go into work until 9:00 or 9:30 the next morning. The Embassy said that you had to be careful about how late you stayed out, which is not usually a problem with me.

Q: After the trying years in Spain, I take it by the time you left there, things were all looking up and that it looked like a country well on its way to getting involved in everything, becoming a solid member of Europe.

SERVICE: I think that is fair to say. I think some of the more striking progress has been made in the years since then. In late 1980s or early 1990s, they had a good growth rate for a number of years, which helped. Unemployment is still quite high, although one always has to wonder about the unemployment rate of 20%. It doesn't seem to get much lower. Whether that is really a valid figure, I don't know. The Spaniards started investing abroad quite a bit in Latin America. They have become an accepted part of Europe, a serious part of Europe, not a basket case, not a poor relative. There is now a Spaniard as Secretary General of NATO. The country has come a long way since that referendum in 1986.

Q: Were you sort of staying up late at night and making your predictions and keeping your fingers crossed on the NATO referendum?

SERVICE: Yes. We were essentially. The polls a few days before vote still showed a majority against staying in NATO. But we said that movement was in the right direction and it might be enough to change the result by the day of the referendum. And that is what happened.

Q: Was there anything we could do or was it a matter of just sit back and report?

SERVICE: It was basically sit back and report. Of course we talked to everybody we had contact with, but we weren't swinging many votes that way. In the final analysis, the fact that it was pretty obvious Felipe Gonzalez and the King both wanted Spain to stay in the Alliance carried the day.

Q: What about the universities? In some countries, the universities, are, sort of, a power of their own. Many of the students are usually taught by leftists in the University and there are leftists in Latin America. Then, when they come out, they turn into good, solid business people, and all that. Was Spain of that caliber or was it different?

SERVICE: It was not an issue while I was there, in part because the Socialists were in power. There were no marches about national issues that I recall. It was a fairly quiet time as far as university students went.

Q: Well, in 1987, what were you hoping to do?

SERVICE: I knew it was high time I became a DCM somewhere, as a stepping stone to becoming Ambassador. There were also three DCMs while I was in Madrid. The first one was Bob Barbour, and the second one was Jack Binns. When Jack Binns retired in January of 1986, I had already asked for an extension. I was going to be there for another year and half. I asked if I could be DCM for the remaining year and a half. I talked to Enders about it, and he had no objection to my taking the position. I was in Washington and talked with George Vest about it. Vest said "We have already chosen a DCM, who will come in September of 1986. You can be DCM until then. We will give you the title and everything." I was DCM for nine months in 1986. Then, Adrian Basora came and was the DCM for the last nine months that I was in Madrid. Bob Gelbard was the Deputy Assistant Secretary of State for Inter-American Affairs. He apparently decided that I would be a good candidate to be DCM in Buenos Aires. There was a certain amount of back-and-forth with the Ambassador in Buenos Aires, whose name was Theodore Gildred, a political appointee from San Diego. We talked on the phone a few times. He also talked with Reggie Bartholomew (our new ambassador in Madrid) and I sent a memorandum about myself, and he said, "Fine." So, I went to be DCM in Buenos Aires, directly from Madrid in July of 1987.

Q: You were in Buenos Aires from when to when?

SERVICE: From July of 1987 to November of 1989.

Q: Back to Spain. You were there just after the Falkland's War?

SERVICE: Yes.

Q: How was that playing? At a certain point, we came down, and tried to be an honest broker, but we ended up by supporting the British. Was that a problem in Spain?

SERVICE: As I recall, the Spaniards had a rather equivocal position. Their sympathies were with Argentina, in part because Spain has its own long-standing territorial dispute with the UK [United Kingdom] over Gibraltar. But, because they were both members of the NATO, Spain had not taken a position against the UK. They tried to straddle the issue.

Q: Of course, Argentina had such an odious government, anyway, at the time. It was not for democracy. It was not an easy one to support.

SERVICE: And, there had been the intense repression in the preceding years, which many in Spain didn't condone or approve of. I probably told various of my Spanish contacts about my role in the Falklands affair, but I don't remember much explicit criticism of our policy.

Before we leave Spain, I want to record an incident that is of some historical interest. I've forgotten exactly which year, but there was an incident in the Gulf of Sidra involving U.S. and Libyan planes. The Reagan administration decided to strike back at Libya using bombers based in England. The question was how they would get to Libya, would any of the intervening countries give overflight rights. Enders was the Ambassador at the time. He was told to see Gonzàlez and make a request. As I recall, González did not say okay, but he did say something to the effect that they probably wouldn't notice if we did fly over Spanish territory. In the end, we elected to fly over the water, sending the planes down the Atlantic and then in through the Strait of Gibraltar. But the Spaniards, and particularly Felipe, got at least half marks on this one.
Q: In 1987, what was the situation like in Argentina?

SERVICE: You'll recall that the military lasted about one year after the Falklands war. Then, they had elections and the Radicals won over the Peronists, which surprised many people. In Spain, too, this was viewed as positive. The Radicals were seen as a more serious party. They were going to try to restore democracy and growth, and what not. I'm not sure exactly why, perhaps because the Radicals themselves were split, or because they were still clinging to outdated, perhaps never valid, policies, their administration was not very successful. By the time I got there, in 1987, it was becoming very shaky, indeed. Things were not going well. There was a military revolt at Easter time, in 1987, before I got there, which was nip and tuck for a few days. The economy was doing poorly. They had a number of stabilization plans, but inflation was going up rapidly. It was a difficult time.

Q: You went from one major Embassy to another major Embassy. Did you find a difference in atmosphere and operating style in Buenos Aires than you had in Madrid?

SERVICE: You mean, within the Embassy itself.

Q: Yes.

SERVICE: Yes, and don't forget this was the first time I had ever served with a non-career ambassador. I don't know if you need to know that, but it is a fact. Then too, I was DCM for the first time, which put me into a different category from what I had been in more recently. I found it to be a very enjoyable experience. Ted Gildred grew up in Mexico, and he spoke Spanish almost as if it were his native language. He knew the Latin culture and mentality. He abhorred the routine paper work that most of us spend most of our time doing in this business. Therefore, by-and-large, he just didn't do it. I would guess that he spent an average of three days per week in the office. That was probably the maximum. That was okay, because he would do the important things. He would go to see the President. He would go to see the Foreign Minister. He left us the nuts and bolts of everything else we do, to us meaning the professionals. He didn't second guess, which was very nice. It was a very pleasant relationship. He took considerable concern in morale and did not forget the FSNs [Foreign Service nationals]. He held meetings with them every four months or so. For a good part of the time he did his own thing, whether it was playing golf or polo, or flying, or driving racing cars, or fishing, or hunting, you name it. But he was there when he was needed.

Q: I would think that Argentina would be a difficult country to cover because you have Buenos Aires and then you have... It's a large country. I was wondering, what do you do?

SERVICE: What we did was to send out little parties of embassy people every so often. We sent them up to Córdoba, and we sent them over to Mendoza, and to all sorts of other places. Gildred tried to do it en masse for a while. He and six or seven people would go off together, an officer from the Commercial Section, from Consular, from USIS, etc. They would go off and talk with the governor, local leaders, the business community, any resident Americans, and then come back and write a report. It was fun and to a certain extent useful. But the fact of the matter is that Argentina is much like France; most of what is important happens in Buenos Aires, or you could find somebody in Buenos Aires who knew about it. You were never quite certain when you went out on expeditions whether it was much more than glorified sightseeing. It was pleasant to get out. But were you really doing anything that couldn't have been done almost as well in Buenos Aires?

Q: It's one of those things - you're dammed if you don't do it, in a way. It always leaves open the charge that you don't really understand what is happening out in the country, or is that not the case in Argentina?

SERVICE: Yes to some extent it is the case. But what's happening out there usually isn't very important except when the situation becomes extreme. We weren't really in that kind of situation most of the time. The only time we got close to it was at the very end of the Alfonsin period. Alfonsin did not complete his electoral mandate. Things got so bad economically that he stepped down early. I think Alfonsin was supposed to hand over the

reigns of the government to Menem in December. In fact, he got out in July. He said, "I can't do anything. Let a new president with a new mandate try to stop the rot." It's the only place I've ever lived where we got into what is really hyperinflation. It got up to 200% in one month. When the inflation gets that high the economy stops working. The stores aren't restocked. Prices in stores, especially in grocery stores or pharmacies, get out sync with each other. Things that used to be twice as expensive as something else are now cheaper than something else because one happened to raise its price that day, and the other one hadn't yet. You had situations in which, and this did cause a riot, they would call out in supermarkets that prices were all going up 10% right then. You hadn't even checked out and there was 10% more on your bill. So, there was some rioting as a result of that, but none of which threatened the basic stability of the country.

Q: During this period, Alfonsin was obviously going down, and Menem was the man who was coming up and Menem was a Peronist. Before he came in, what was our view, how were we looking at this?

SERVICE: We had good contacts with them because they realized that ever since the 1940s the U.S. Government and Peronism had had very few good things to say about one another. They wanted to overcome that if they could. We wrote a cable in January of 1989 which essentially said that just looking at the history of our relations and policies over the past 10, 20, 30 years, or whatever, we should hope that the Radicals win the election again. There was no clear basis for thinking that Menem would be any different than his Peronist predecessors. His loss was probably the best outcome from our point of view. But we don't rule out a possibility that the Peronists, if they won, would be looking for and interested in good relations, and that they would do some things that the country needed. More than the Radicals, they might have the ability to do it. We left open that possibility, and some of us actually believed there was a good possibility things would turn out that way.

Q: Did we see this as something with the man or the movement?

SERVICE: It was not limited to one man by any means. He had to have advisors and so forth. Menem was the one who was able to pull it off. When I say it, I mean the rather radical changes in national policy that he was able to institute. Menem had enough charisma to be able to carry his party with him. The one I knew best of that group was Guido DiTella, who is currently the Foreign Minister. He was Ambassador in Washington during the first part of the Menem administration. Before Menem was elected, I used to have lunch with Guido every so often. I remember asking him one time whether Menem really understood anything about economics. He said, "No, not really. But, he is a good listener, and very receptive. He understands if you explain the importance of it to him." It was people like DiTella, and Cavallo who is generally viewed as the main architect of the economic policy, who were able to persuade Menem that Argentina had to make basic changes in the way the country had been run for the past 40 or 50 years if it was ever going to get straightened out. And Menem did that.

Q: It has always been, . . . I won't say, a puzzlement, but here is Argentina, which is

probably the most European of the Latin American countries, . . .?

SERVICE: Yes, it and Uruguay and Chile to some extent are all similar.

Q: It seems to have absorbed all of the worst elements of political life for so long. It has great riches and just misused them for so long.

SERVICE: The connection is the dependence on land as the main status symbol in these countries. Anybody who got ahead wanted to have a big hacienda somewhere. It had a very stultifying effect on Argentina's political development, as on that of most other Latin American countries.

Q: Did our contacts cut across various elements of this society pretty well, classes and all?

SERVICE: As much as you can in a big metropolis like Buenos Aires. We knew a lot of businessmen. We had some contact with labor through our labor attache. USIS and the younger officers tried to get close to the students. The Political Section dealt with the overt political class more directly. We had the usual range of contacts across the parties and economic sectors.

Q: During this period, did we get involved in hunting down the last remaining Nazis who were keeping a low profile in Argentina at that point, or was that just not on our agenda?

SERVICE: I don't remember any U.S.- related identifications while I was there.

Q: What about the nuclear issue? This concerned us for sometime with Argentina.

SERVICE: Yes, nuclear, and then missiles. They have a nuclear research complex near Bariloche, and we were concerned about what they were doing. We kept an eye on it as best we could. They had one or two nuclear power plants. We were concerned they might try to export enriched uranium to countries like Iran. But there was no real crisis in our nuclear relations while I was there. We maintained a good relationship. We cultivated their nuclear people to try to know what they were up to, and provided them with safety training if they wanted it. While I was there, missile proliferation was more of a concern. At some point the Argentine Air Force had decided that it ought to build missiles and sell them around the world. They saw this as a way to obtain foreign currency to buy the arms they wanted. They had a fairly advanced missile program which they had developed in collaboration with Egypt, as I recall. That bothered us very much. We spent a lot of time on it. Later, after I had left, we finally convinced them to give up the missile export project.

Q: What about relations with Brazil and Chile during that time?

SERVICE: Relations with Chile were always a bit tense because of the long border and because a substantial number of Chileans live in the South of Argentina. The Argentines

felt that Chile might try to claim some of the area, and they felt they should maintain adequate forces at the border or kick them out. They had almost gone to war in 1978 over the Beagle Channel. There was no love lost on either side of their relationship. Brazil was the major country in South America and for most of the century the Argentines saw themselves as their equal in economic and military power. That had clearly changed by the time I had come there. The Argentines recognized that they lost that race. They were no threat to Brazil, and much like Canada in relation to us, more or less had to assume that the Brazilians were not a threat to them. There was not as much security tension left. Economic problems, of course, are another matter. Later, after I left Argentina, Brazil, Argentina, Paraguay and Uruguay signed the Mercosur Agreement to form a common market. Chile was a member-in-waiting. More traditional concerns and frictions either disappeared or, at least, dropped sharply.

Q: Did you find that the United States was playing any particular role, or was the main thing to stay out and keep a benevolent eye on things?

SERVICE: In Argentina, particularly?

Q: Yes.
SERVICE: You mean, in its relations with its neighbors?

Q: Yes.

SERVICE: Certainly in the case of the Beagle Channel we had urged caution and prudence on both sides. In general, our arms sales policy to the countries of Latin America had been closely circumscribed from the Carter period on, and so selling major weapon systems was not an issue. Even so, we looked at all requests for lesser systems, upgrades, repairs, etc. in terms of the balance of power in the region. When in doubt, we tended to come down on the side of not selling or giving arms. To that extent, we were involved.

Q: With regards to ARA and our embassies, was this an upbeat time? Here was Argentina going through a real election and in other places, things were changing more toward really participatory democracies. Was this a good time or was there much of a feeling that things were changing?

SERVICE: Viewed from Argentina, I think it was a time of considerable concern. The feeling was that the brave new democracy which had been launched in 1983 possibly wasn't going to make it because of built-in rigidities, the inability to modernize, and to make changes in the economic sphere. We had real concern. Brazil, where I got to in 1989, was further behind than Argentina, and was still adjusting, adapting. Of course, in Chile, there was the question of how long Pinochet-instituted reforms could last, and what would come after. It was not a time of euphoria in Latin America relations.

Q: You left in 1989, more or less, with the change of administration, when the Bush administration came in?

SERVICE: I left in November of 1989. Bush had been in for almost a year. Terry Todman had come down in June or July of 1989 and I was here for another five or six months before I went to Brasilia to be DCM to Rick Melton. He had succeeded me in Nicaragua as a junior officer many years earlier.

Q: You were in Brasilia from when to when?

SERVICE: From November of 1989 to August of 1992.

Q: Was Melton the Ambassador the whole time?

SERVICE: Yes.

Q: How did he operate?

SERVICE: Who, Melton?

Q: Yes.

SERVICE: Very much like me. We are very similar. He is a professional, subdued, thoughtful, and careful about details. He likes to know what is going on and then follows up. He is very low-key, not emotional. He is a very decent person, a very sound person, and has excellent judgment.

Q: I've done an interview with him. You had been in Brazil before hadn't you?

SERVICE: Yes, I served in Brazil from 1963 to 1965 in Bahia, the old capital.

Q: What was your impression of the Brazil you went to in 1989?

SERVICE: Well, of course, I was in Brasilia. It is not an impression of anything, other than suburbia. It is not a city. There is no center. You have to work hard to occupy your time because there is no culture, there are no stores to speak of. It takes no time to get anywhere. All of the things that consume time in a normal city, you don't have. Well, what do you do? People who liked it were the ones with a lot of kids. It was a good place to raise them. Those who liked to play golf and tennis, and other outdoor things were very happy. I suppose there may have been a few others who liked it for special reasons. But, it is not the real world. Brasilia is not the real anything. It hadn't changed much at all, a little more built up, than when I had seen it first in 1965. Brazil, itself, was poorer, not poorer in an absolute sense, but in a sort of psychological sense. Rio had become one of the most dangerous cities in the world if you want to believe our listings. And I do believe them in this case. Almost everyone in our Consulate General had had something happen to him or her. At most posts, that is a rarity. Brazil was going through a tough time for a variety of reasons, primarily because the economic model had run out of stream, and because of the vast disparities in income.

Q: What was the government like at that point?

SERVICE: I don't know how much you know of modern Brazilian history, but the military had run the place from 1964, when I was there the first time, until, I think, 1986. They agreed to step back at that point. The person who was to become President was elected, indirectly, but then died before he could take office. That was Tancredo Neves. His Vice President, Jose Sarney, became President. He was not an inspired or inspiring leader. I can't say that he was a bad one, but he was not a new broom, or new brain, or anything else. I got there just before the next presidential election. It turned out there were two of them. They have a system where if you don't get 50% the first time, you have a run-off with whomever finished second. There was a certain amount of excitement over a young politician from Alagoas, a poor northeastern state. Fernando Collor de Melo. He was only about 40. He was physically attractive, modern supposedly. He was the man who would lead Brazil into a bright new future. It was exciting to be there at the time. His main opponent was Lula, the leader of the Labor party. That, of course, worried the more conservative part of the population. Anyway, Collor won and everybody wanted to see what he could do. He wasn't very successful, and not entirely for reasons of his own making. Brazil is a very hard country to govern. It has a multiplicity of parties. The parties don't have much discipline. People move in and out of parties with great abandon. They have a federal system. I doubt if it gives more power to the states than we do here, but in a country with Brazil's history and its poverty and its inequities, federalism in some ways makes it harder to govern. Collor was eventually forced out of office because of rather blatant corruption. We were surprised. We had reasonable hopes that he would be a progressive president, and would do some important things. It turned out to be a rather tawdry episode in Brazilian political history.

Q: Was it that the political system was essentially corrupt and this was the first time somebody was being called on it or was he corrupt more than was generally accepted in that society?

SERVICE: Don't forget you had 20 years of military government. I suspect, at the beginning at least and maybe throughout, the Presidents were pretty honest and clean. I think the Brazilian military has a considerable degree of discipline and self-regard, and they had their brother officers looking over their shoulders. It was not common to have massive corruption at the top. Perhaps before the period of military rule there had been. But I think the country had come to expect more. Collor certainly promised more. Because he was so young, there was a temptation to think he was some brilliant politician. They found out that this guy was as bad or worse than the rest of them. I think that was disillusioning. Furthermore, we in the United States had demonstrated you could impeach a President. The Brazilians figured out that even in Latin America it was possible to impeach a President who breaks the rules excessively.

Q: Were you talking with the various political powers during this time? First, were you beginning to see the discontent coming and building-up on this new man? Were they looking to the United States and asking us how we got rid of Nixon, and that sort of

thing?

SERVICE: As DCM I really didn't do much outside the Embassy. I did more in Buenos Aires than I did in Brasilia. But, as you know, the DCM job is mainly to run the Embassy and make sure everybody else is doing his or her job, while not interfering too much with what they are doing or their contacts. I, personally, was not talking with a lot of politicians. The Brazilians do not look to the U.S. for guidance or support the way some of the smaller Latin American countries do. Some may have expressed interest in the possible precedents from our own experience, but basically they handled it their way.

Q: Were there any particular issues that involved you at all, during this 1989 to 1992 period?

SERVICE: You mean substantive issues, issues with our relations?

Q: Yes.

SERVICE: I might tell an amusing anecdote. At one point, we were going to have a visit by President Bush. In fact, he eventually came. He came twice while I was there. Once was to the Rio Environmental Conference in 1992, but this was earlier. The White House advance people, as normal, got in touch, and said, "We want to do something environmental. Let's check out Manaus."

Q: Manaus being?

SERVICE: Manaus being a city on the Amazon, about halfway up. There are two main cities. Belem is further down river. Manaus is where the Rio Negro joins the Amazon. I met them in Manaus. We took them around to various major research places, this, that and the other thing, the Smithsonian project, the monkey man. We went down the Negro to the confluence of its clear waters with the silty waters of the Amazon, we even saw a pink porpoise or two. They kept saying, "No, no, it won't do." Finally, I was at my wit's end. There was a nice hotel there, called the Tropical, and there was a tourist boat that goes across the river and back. So we hired it and did the standard tourist tour across the river, a little walk in the jungle, something to eat and drink and then back. The advance people were delighted. It was manageable and it gave the right picture shots. That it had nothing to do with science or preserving the environment didn't matter. It was a classic example of appearance over substance. I guess that is what advance people are supposed to be good at.

Q; *Absolutely, this is their business. Timing depends what news show . . . when the 7:00 news comes on . . .*

SERVICE: Following up on that, we did have the World Environmental Conference in Rio in 1992. I sort of ran our operation. I was the nuts and bolts man to make sure everybody had an escort officer who needed one, that planes were met, etc. I spent two weeks at a hotel in Rio while this was going on. President Bush came for his second visit.

Q: What was the role of our Consulate General in Sao Paulo? Is this almost an entity unto itself, or was this integrated with Brasilia?

SERVICE: Have you interviewed Myles Frechette?

Q: No, somebody else has. I just interviewed Niles Bond, who did it sometime before.

SERVICE: Is Bond still around?
Q: Well, he came down from Connecticut last week. He was 84 or 85. He was talking about how this is a different world.

SERVICE: Bond was the Consul General in São Paulo, when I first went to Brazil in 1963. São Paulo has always considered itself almost an embassy, or better put a second embassy because of the importance of São Paulo, and also the fact that you usually had people in that job who had been ambassador somewhere else. This didn't happen always, but quite often. It can create friction from time to time. One ambassador, it may have been John Crimmins, insisted that all reporting, for both Rio and São Paulo come to the embassy for review before going on to Washington. They couldn't just send a copy to the embassy. We didn't do that when I was there, but I called up the CG in São Paulo from time to time to remind the Consul General that he was part of the Country Team.

Q: I've been told that most of the political class, except those with children, gets the hell out of Brasilia on the weekends. Is this still true? And also that most official Americans would rather be in Rio.

SERVICE: Less than it used to be. A lot of people eventually made their peace with Brasilia. They got used to the more relaxed life style. Our presence in Rio has continued to be fairly large because we had this embassy building there, which we held onto all this time. It was easy-pickings for any agency which wanted to set up a regional office. We had the Library of Congress there with 25 or 30 people, mostly Brazilians. The FAA [Federal Aviation Administration] had an office. So did the Defense Mapping Agency. And there were various others.

Q: Back in the 1960s, I guess it was, Jack Tuthill went through what was known as Operation Topsy, which was to cut down on the American presence in Brazil, which had grown immensely. But, I am told that after he left, there was sort of gradual creep and we had an awful lot of people there again.
SERVICE: When I was there in the early 90s, we had slightly less than 400 Americans. But, spread around the embassy, two large Consulate Generals, and two smaller consulates, . . . I think we looked for places we could reduce, but there wasn't any major reduction to be done.

Q: I guess, too, when Tuthill was there, we had a very large AID presence.

SERVICE: Yes, we had 1,000 people there. A lot of that was reduced. The Peace Corps

was the largest in the world, and it departed in the 1970s. The Brazilians told us they wanted it to leave. There was no Peace Corps when I was there. AID was three Americans. The military had been cut way back. We used to have a big military presence there. USIA was in the process of cutting back. It had always had big operations in Rio and in São Paulo.

Q: As you mentioned before, Brazil never really had a strong orientation toward the United States. Was it Latin American centered, or how about ties with Europe?

SERVICE: I disagree with you there. Brazil, until at least the 1960s, was perhaps the closest country in South America to the U.S. They decided that because we were both continental size countries, had federal forms of government and racially mixed populations, there was a lot of commonality in our two experiences. This began to change after the military took power in 1964. I think the Brazilian elites realized that the relationship was lopsided. They had been attributing much more importance to it than we did. They were depending on the U.S. to be the guiding light and so forth. When we didn't reciprocate adequately, when they realized that our priorities were not necessarily the same as theirs, when we started to put human rights and non-proliferation at the top of our agenda, they felt that they ought to reduce the importance of the U.S. relationship substantially, and start to look elsewhere.

Q: We weren't the big brother or anything like that at that point.

SERVICE: Historically Brazil had a military rivalry with Argentina. That is no longer the case, in part, because Brazil had so far surpassed Argentina in economic size and power. Therefore the U.S. is no longer needed as a potential balance against Argentina. As mentioned, Brazil and the U.S. diverged sharply on a variety of issues in the 1970s and early '80s. Meanwhile it became possible for the first time to think in terms of an alliance of the South American countries, at least economically, with Brazil at the center because of its size. It's only now, after all these changes, that U.S./Brazil relations are starting to improve and to move back somewhat in the direction of where they were before 1965. But they will never go back to where they were because Brazil has greater confidence and more options.

Q: How were we seeing the economy of Brazil during this period, 1989 - 1992?

SERVICE: There was a certain amount of optimism when Collor launched his stabilization plan in March of 1990, when he came into office. But, it didn't last very long. It started breaking down very quickly. They really didn't make much progress in resolving a lot of the basic, underlying problems. There was little progress in reducing the size of government or the degree of state direction of the economy. Only now, under President Cardoso are they starting to have some success in bringing about the needed reforms. This has only been in the last year or two. Some of the needed change depends on revising the constitution. The constitution written in the late 1980s was a backward-looking constitution. It permitted, even encouraged, the country to retain a highly nationalistic, import-substitution model of development. When it was written, the world

was moving in a different direction. Now the Brazilians are trying to undo it, but over a lot of opposition from entrenched interests.

Q: Now, when the President who was removed for corruption, . . . his name, again, was?
SERVICE: Fernando Collor de Melo.

Q: Were we watching the military to see whether . . . if the political leaders didn't take care of this, did it have any appetite to do anything, or did they say, "The hell with this."

SERVICE: Our sense was they were still recovering from their 20 years in power. They realized that they did not have the answers to a lot of the country's problems, and that the civilians had to work it out as best as they could. They weren't going to try to impose their answers. They didn't have any good answers.

Q: They didn't want to get involved again. How did your family like Brasilia?

SERVICE: My family at that point consisted of my wife and myself. Our kids were in college. They came down at vacation time and I think they enjoyed that. My wife found it rather unexciting. She had a few close friends and they did things together. Within two or three hours of Brasilia there were a number of small towns, selling gem stones or various types of handicrafts. You could buy a Topaz, or some other semi-precious stone for not too much. That would take up a certain amount of time. There were a few other extracurricular activities. We played tennis. I played golf.

Q: It sounds as exciting as Canberra?

SERVICE: Or Washington during its early history. Although Washington was probably always nearer to larger places than Brasilia was.

Q: Well, why don't we pick this up the next time in 1992, wither?

SERVICE: In 1992, I was leaving Brasilia for Washington.

Q: What was your job?

SERVICE: By then, I was in the position of having been DCM two times, and wanting an embassy, but nobody was offering me one. Nobody was offering me any job really at that point. A guy named Roger Gamble, with whom I had worked in Mexico City twenty or more years before, called me up one day. He said, "How would you like to come work for me in FMP (Financial and Management Policy)?" A gal named Jill Kent was head of it. She had been brought in from the outside. Roger came from being the Deputy Chief of Mission in Mexico.

Anyway, Roger said, "Why don't you come work for me? I need somebody who can do projects and troubleshoot." I said, "Fine." I thought it could be interesting. It was better than walking the corridors. I came back to Washington in August or September of 1992,

and went to work for Roger.

Q: You were in that particular job from 1992 to when?

SERVICE: Well, 1994. But, it sort of changed its nature in the course of things. The first thing he asked me to look after was the Special Embassy Program. I don't know if you are familiar with that.

Q: No, but we should explain it.

SERVICE: The Special Embassy Program was set up sometime in the 1980s. The idea was we really don't need an embassy everywhere, but policy said we should have one everywhere. In some of these very small countries, the Pacific Islands, some of the countries in sub-Saharan Africa, a few in Latin America, you really don't need very many people. They wanted to try to figure out how they could get by with three, or four, or five Americans, and reduce the reporting requirements on them, and reduce the administrative problems to the maximum extent. By the time I arrived in Washington in 1992, I think there were about 50 special embassies. Every circular cable that went out had to be cleared FMP to make sure it was something that really needed go to the smaller posts. The idea was to reduce the workload. Anyway, they wanted me to look at it and see if I could develop criteria: Why are some posts special embassies, and why are other ones not, especially if they are the same size? Ambassadors would complain "Why is my embassy not a full-fledged embassy like everybody else's?" Some ambassadors felt that it demeaned their own importance if their embassy was a Special Embassy. I worked on that for a while. Then I made or found other work to do. I brought some of it along today. I looked at the efficiency report. I don't know if you remember how it used to have five boxes about potential -- one, two, three, four, five. They went up in a straight line. The fifth box said, splendid, magnificent, what a wonderful person, and what a great future he or she has. The fourth box was a little less glowing, and so on down to the first box, which basically described the person as incompetent. The question was whether these box ratings meant anything anymore. What was the average box that was being given to an employee? Four? I think I had a bet with someone. I said that I think it was higher than four. I went into the personnel files and I ended up going through 30,000 EERs [Employee Evaluation Reports] for the previous five years. I recruited various junior officers to work with me, and we compiled the box scores for those 30,000 EERs. Do you know what it turned out to be? On a scale of one to five, what was the average box score?

Q: Probably four.

SERVICE: 4.35, something like that.

Q: That's high. I would have thought even in...

SERVICE: I put that all together. Everybody who rated anybody during those five years was listed, showing the number of reports they did and what their average score was and what the breakdown was between one, two, three, four, and five. Of course, you get some

people who never gave it a bit of thought. The higher their position in the Department, the more likely they were to do that. Their argument, I suppose, was that only the best people worked for them. It was very revealing. I sent the report up to the Director General. I think it contributed to eliminating the box scores. My proposal was somewhat different. I suggested that instead of one to five, they make it one to twenty. Then, you could reasonably give someone a 15 the first year, a 16 the next, and a 17 or even higher the final year. But, they never did that. The report took a fair amount of time and numerous paper cuts, but it was intriguing.

Q: I would like to go back to the Special Embassy Program. What was your evaluation, how that was working? Were you able, really, to cut out the tasks, and to make sure that the system works?

SERVICE: Mixed results. We tried to cut out things. There was resistance, and sometimes the powers that be said, "Oh, no, it has to be done. It is a legal requirement." We did get some of the reporting reduced. That led into another project later, when we got reporting reduced still further. There used to be a whole bunch of required reports coordinated by INR [Bureau of Intelligence and Research], many of which responded to requirements from other agencies or departments. Some of these things had been on the books for years, literally. Nobody stopped to think that maybe we didn't really need a particular report anymore, or that there might be a better way of getting the information. With a little prodding, we got some of those reports eliminated or reduced. We also had some success in getting newer equipment for the Special Embassies, which in most cases made life easier. But the constant problem was that embassies tended to grow. We started off with most of the posts in the ex-Soviet Union as part of the Special Embassy Program. Then, of course, they got an AID program, and then maybe a Peace Corps program, or this or that. Probably, in some cases it was justified. In other cases it was more because some agency thought that that was a hot place to be. Sometimes it was an Ambassador who wanted to build his empire a little.

Q: FMP, sounds like something, kind of, in the bowels of the bureaucracy, but sounds like, in a way, there was quite a bit of control there?

SERVICE: Yes, of course they had the money. If you have the money, a lot follows behind that. People listen and pay attention if you say that you would like to take a look at something. Then I did a project on the Country Program Plan.

Q: What are they?

SERVICE: Those things every post has to do every year. I think they may have stopped them now. But, for many years, you did them. You had to set out what your priorities were, and how you would get there, what your objectives were. I looked at all 180 of those. I looked at them by region to see how the objectives varied from region to region. I put together various charts that showed how our priorities differed among the regions. For example, fighting drugs was more important in Latin America than it was in Europe. After I had finished that project, I looked at senior performance pay because that was

under attack and they wanted to know what we should do about it.

Q: Senior performance pay, you mean what?

SERVICE: I'm not sure we still have it, but starting with the new Foreign Service Act there was provision for selecting the best performers each year and giving them four, five, six thousand dollars, up to ten, as a bonus. Then, there were presidential awards above that. The question was whether we should continue this? How does it work? I looked at that, and compiled a list of who got them over the years. It was actually pretty broad, much broader than people thought. I think they felt that these awards were going to the same people, and that they didn't need them anyway. That took me about six to eight months. Then Deputy Director General, Peter Burleigh, suggested that I put my name up for running the reinventing State Department project. I don't know whether you remember that.

Q: If you could explain what this is.

SERVICE: In March of 1993, Vice President Gore launched a reinventing government initiative. I think this was, in part, a response to some of the Ross Perot kinds of criticism of Washington. I think the idea was to make the government more efficient, more effective, more customer friendly. Every department was tasked with looking at itself and coming up with recommendations and implementing them. In addition, there were central teams, made up of people drawn from the various agencies, which were charged with looking at agencies other than their own. Anyway, the State Department had a reinventing team, as did every other agency. The first head of it was Bob Pearson, who was about to go off to be DCM at USNATO. They urgently needed somebody to take over from him in mid-stream, so to speak. The Under Secretary of Management, Dick Moose, asked me to do it. I did that for the next year, but our report was finished by September, 1993.

Q: What were the principal areas where you thought you could do something?

SERVICE: It was about a 100-page book, by the time we got finished. There were more than 100 recommendations. Anything was fair game. There were a lot of recommendations about consular matters, a lot in the administrative area, and a lot aimed at reducing unnecessary requirements, decentralizing to the greatest extent possible, and reducing paperwork. This was completed and turned over to management. Then Moose entrusted the implementation to an office that was already established. I never joined that office, but I worked with them for the next, eight, nine months. I took on two projects, in particular. One was required reporting, in which I compiled what I'm sure was the most comprehensive list the Department has ever had. It covered all areas of reporting, substantive, administrative, financial, consular, etc. I made recommendations about which ones we should try to eliminate. The list started off with some 400 reports, and by the time I finished my recommendations were that we keep about 200 or so. How many they were actually able to get rid of it, was another thing, because some of them were congressionally mandated, and you had to go back to Congress, which by and large they

weren't willing to do.

Q: Did you find, in looking at this, that there had been a steady growth of required reports to the Congress? There have been statements that Congress tries to micromanage Foreign Affairs. How did you find this?

SERVICE: I don't think I had a basis for chronological comparison, that there were so many in year X and so many in year Y, but clearly these things added up over time. Usually there was no mechanism for stopping the production of a specific report once the reasons for asking for it no longer pertained. The report would just continue indefinitely. Often when the Congress doesn't know what else to do, or doesn't trust the State Department, it asks for a report. Over time the burden becomes quite large.

Q: After doing this, did you have anything else?

SERVICE: Yes, I also took on customer service. It was quite interesting. I got a task force together from all the bureaus and we met periodically. The idea was for each unit of the Department to figure out how it could become more customer-friendly. Some parts of the Department had done a lot already. There were some impressive approaches taken. We shared experiences and encouraged the others to do the best they could.

Q: I would have thought the Consular Bureau and its offshoots would have been the main people in the task force. Were there others?

SERVICE: Sure, almost all activities of the Department, because customers are not only on the outside, but also on the inside. I would argue that everybody has customers. Part of our exercise was to figure out what we really did and who the customers were. Political officers, economic officers, have customers. They deal with outsiders, if only the Congress, or if only other bureaus and agencies. But most also deal with outsiders from time to time. Now that I am retired and have to deal with some of the departmental offices, I find it very frustrating at times.

Q: You were doing this from 1992 to 1994?

SERVICE: That's right, and for the last year, I was basically doing my own thing. I had various offices around the building. Every so often, they would tell me I had to move. First I was on the third floor, then I was put on the first floor, then I moved up to a suite where Strobe Talbott was, anywhere they could find a spare office. I had a computer and a desk, and they would hook up my telephones. I would do these projects. When I needed someone to deliver a report, I would do it myself. I could get to all of my places of delivery within 40 minutes if I followed the right path.

Q: You began to really know the stairs and the corridors.

SERVICE: Of course, if you have 40 envelopes, you have to have them in the right order to start with. You follow the shortest path. It was a very efficient operation. I think we got

a good bit done.

Q: What happened in 1994?

SERVICE: It was interesting. In about November of 1993, Dick Moose, Undersecretary Moose, said they were going to nominate me for Ambassador to Paraguay. Of course, I was very pleased with that. My name went over to the White House. There was a little mention in Al Kamen's "The Loop."

Q: In The Washington Post?

SERVICE: Yes, in The Washington Post.

Q: Assignment Gossip?

SERVICE: Assignment Gossip - which said that a guy named Robert Service was going to be nominated to become Ambassador to Paraguay. I think that was in January, along with two other people, who were going to Latin America. I compared notes with them. They said that they had already gotten their White House approval, which I had not. That dragged on for about five or six months. My name sat over at the White House because there was pressure to name a political appointee to Paraguay. The White House hadn't made up its mind. I waited from about December of 1993 to May, 1994, before the White House finally approved it. While I waited, I continued to work on the various projects we've already discussed. After the nomination was approved, I started taking two hours of Spanish twice a week, and I worked on my calls and briefings, and getting ready to go to Paraguay. I think I had pretty much stopped my projects by June, or July at the latest.

Q: Did you ever find out anything about the politics of why you got Paraguay and the political appointee didn't?

SERVICE: Do you know the answer?

Q: No.

SERVICE: Yes, I did. Do you want me to tell you?

Q: Sure.

SERVICE: The AFL-CIO had proposed somebody to go to Paraguay who had been long active in the American Institute for Free Labor Development (AIFLD). He was someone I knew fairly well because he had visited many of the posts where I had served. He had devoted a good part of his adult life to strengthening U.S.- Latin American labor relations. His name is Bill Dougherty. I think the State Department's pitch, and here I'm talking mainly about Dick Moose and perhaps Strobe Talbott, was that Dougherty probably wasn't the right person to send to Paraguay, a country with very little organized labor, and that it would be better to send him somewhere else, and send me to Paraguay.

So Dougherty was nominated for Guyana and I got the nod for Paraguay. But, then Bill couldn't get a medical clearance for Guyana. I think he took the test twice and, so it ended up that he did not go to Paraguay or Guyana. I did go to Paraguay.

Q: Before going to Paraguay, . . . In the first place, you were in Paraguay from 1994 to when?

SERVICE: From November of 1994, until October of 1997.

Q: Before you went to Paraguay, . . . I can't remember, . . . Had you had any experience with the country and what were you getting from the desk and ARA before you went out there about what was happening?

SERVICE: I had been in Paraguay once before, when I was head of the Office of Southern Cone Affairs in the early 1980s. The Southern Cone included Argentina, Chile, Paraguay and Uruguay. I was head of that in 1980 to 1982. I visited Paraguay for a couple days. But, I also had served in Argentina and Chile and Brazil twice. I was well acquainted with the neighborhood.

Q: Before you went out, what were American interests and concerns in Paraguay?

SERVICE: First and foremost, democracy. If you recall, Alfredo Stroessner ran Paraguay from 1954 until he was kicked out in 1989. They really never had had a functioning democracy. Could it survive? Clearly, we wanted it to. Second, drugs were a concern because a certain amount of cocaine comes out of the Andes, through Paraguay, and on to Brazil, Argentina, Europe, and the U.S. Third, intellectual property rights had long been a problem with respect to Paraguay because it has been a place where dealing in contraband was more or less an accepted way of life. Some of it was legal merchandise, legally imported into Paraguay but maybe not legally exported out of Paraguay to the bigger and richer neighbors. Perfumes, whiskey, cigarettes, all that sort of thing. But more recently the trade had broadened to include other types of goods, particularly electronics, software, CDs, cassettes, videos, computer games, etc. Sometimes these were legitimate products. More often they were pirated reproductions. This involved infringements on copyrights and patents. A lot of money was being lost by American companies. Therefore it was a matter of concern to us. Environment was also a concern. Paraguay has been busy chopping down its forests, and it has two large rivers. How they are developed for navigation, irrigation and other purposes could have major effects on the ecology of a large region in the center of the continent.

Q: When you arrived there, what type of government did they have?

SERVICE: Let me go back a little bit. Stroessner was kicked out in 1989 by his own military. His top generals said, "You've served your time. Goodbye." He got on a plane and went off to Brasilia where he still lives. The ranking general after Stroessner was Andres Rodríguez. Rodríguez agreed to hold elections very soon after the coup. He was the candidate of the party that had been in power for 40 years, and he won. Nobody was

quite sure whether this was really democracy, or just one general substituting for another general. But, Rodríguez was convinced, or convinced himself, that he should step down after he had been president for four years. He was succeeded by a civilian named Juan Carlos Wasmosy. Wasmosy was elected in 1993. He had been office about a year and three months when I got there. Democracy had in fact come about in Paraguay, although it was still a rather weak plant, a young plant. Paraguay has long had two major parties: the Liberals and the Colorados. The Colorados had governed the country for 45 years, and they still do. Rodríguez was a Colorado, Wasmosy was one, Stroessner was one, obviously. But by the time I got there, and as a result of the 1993 elections, the traditional opposition party, the Liberals, and a new party called Encuentro Nacional had won a majority in Congress, and also the mayorships in a number of the important cities, including Asunción. You did have the opposition involved in exercising power.

Q: During the time you were there, 1994 - 1997, how did the democratization of Paraguay seem to be going?

SERVICE: I think a considerable amount of progress was made. One of the things that happened soon after I got there was reform of the Judicial Branch. It had consisted previously of five Supreme Court Justices. The new constitution expanded that number to nine. They had a rather elaborate selection procedure. People nominated themselves, which was an interesting idea. Then a commission looked at these nominations and came up with 27 recommended persons for nine positions. Then the Congress selected the nine, which then had to be approved by the President. The Supreme Court in its new form was made up of four people who were viewed as members of the Colorado party, four who were members of the opposition parties, and one who was considered an independent. That constituted another important institutional brake on arbitrary power by one party or by one individual. There was also reform of the electoral system, so that elections would be as free as possible. Again, the people were chosen for that Commission were one Colorado, one Liberal, and one something else. In various ways the monopoly power that had been held for so long by one party was breaking down. There were other reforms, but a lot of things didn't get done also. There were ambitious plans to rewrite numerous laws. Some of them had been around for decades and were outdated. A great deal was left undone because of divisions within the Colorado party. One thing that should be pointed out is that Wasmosy, who was the President, and still is the President (1998), won in a very contested primary to be the party candidate. In fact, he probably did not win, and they stopped the ballot counting. Three months later, they declared he had been the winner. So, the guy who probably won - a guy named Argaña, pulled out his supporters and basically there was bad blood and enmity between the Argaña faction of the party and the Wasmosy faction of the party for much of the time I was Ambassador in Paraguay. And there was a third important player, who was a military man named General Lino Cesar Oviedo. He had been instrumental, one of the key people, in the coup in 1989. Then, he had been moved up. He was a Colonel at the time, and was promoted rapidly. When Wasmosy became President, he made him head of the Army. Oviedo is a very charismatic person. He speaks Guaraní fluently. That is the Indian language. He claims to be a man of the people. He clearly had political ambitions. He was contesting power with Wasmosy from the start of the Wasmosy administration. He claimed credit

for having made Wasmosy president. At the time of the contested primary, it was probably Oviedo who said, "We are going to make sure that you win." There was a lot of tension between Wasmosy and Oviedo the whole time I was there.

There was discussion at various times of what to do about it. Sometimes, the President would discuss it with me. One time he said, "Well, I think I'll make him head of the party." He would suggest to the general that he retire and become head of the party. I said, "Won't that ensure that he is the next candidate for President?" The President said, "Not necessarily." He may have offered it, but Oviedo did not want the job. Oviedo gave us concern. We believed, I still believe, that Oviedo was involved in the profits from drug trafficking, if not drug trafficking itself. He certainly got some of his money from contraband of various types, including pirated merchandise. He had protective relationships with various border businessmen who looked to him to be their man in the government, and to make sure that they got a good deal and were not prosecuted or harassed in any way. I remember, one time, we had a trade dispute with an American company in Chicago, named COBRA, because there was a local company which was making their products. Actually, they were just imitations of them. I mentioned this to Oviedo one day when I was visiting him for some reason. He said, "Oh, yes, I had the two people in my office yesterday." It was a very surprising statement because why would this head of the Army have these two people in his office. He had them in the office because he was the one who was providing protection to the pirate. He was trying to work out, I suppose, some sort of deal where the Americans would stop complaining and yet his man wouldn't be harmed. Anyway, Oviedo was a constant source of concern to most democrats in Paraguay, and to me as U.S. Ambassador, and to the U.S. Government more generally. The crisis finally came in April of 1996. It was rather unusual how the crisis developed. At the Embassy we had no particular reason to think a crisis was imminent. We thought things were going along their normal up and down course. We started getting calls from Washington about possible unrest, possible coup attempts, this, that and the other thing. We didn't know what to make of it. Finally, we figured out, by talking to people in the Department, that some of Wasmosy's intermediaries had been going up and talking to people in the White House or elsewhere and pushing these ideas. Wasmosy and his staff had not been telling us, I'm not quite sure for what reason. Anyway, we got that straightened out. There were a couple of meetings. The Ambassador from here was down there with Wasmosy. Wasmosy said, "Look, we are going to force Oviedo into retirement sometime in the next three, four months. This country just isn't big enough for both of us. We are going to have to move against him. This was in early April, 1996. I jotted that information down and informed Washington. They had said similar things before and nothing happened.

My wife and I went off to visit the Mennonite community in the Chaco. We were gone from Wednesday to Saturday. I got back in the early afternoon on Saturday. This would have been the 20th of April. I received a call from the man who was going to be the Foreign Minister later, but was still the private secretary to the President. His name is Ruben Melgarejo. He said that he needed to see me. He asked whether he could come over, and I said, "Certainly, come over at 5:00." He came over and we sat on the front veranda and started to talk. He said that the President had decided that he was going to

call Oviedo at 8:00 a.m. on Monday morning, the 22nd of April, and tell him that he had to retire, he had to step down. They weren't sure what would happen then. They would have to play it by ear. Would the U.S. be supportive? I told Melgarejo that we would provide moral support. I wasn't sure we could do much more than that.

At about this point the DCM, Bill Harris, came up to the house. He saw us sitting on the veranda. He sat with us. Then, he said, "I hear the telephone ringing." He went inside the house, and then he asked me to come. There had not really been a phone call; he wanted to say something to me. He said, "Look, the word we have through our military is that this person you're talking to is closely linked to Conrado Pappalardo who, in turn, is a supporter of Oviedo. So he may be trying to sound you out, maybe to mislead you, etc." I replied "Well, I don't think that is true, Bill. Besides we are too far into this to back out at this point. I'm just going to ignore that piece of information." We went back and finished talking. That night, I went to the Brazilian Ambassador's house and told him what was going to happen on Monday. He also had been aware that something was afoot, but hadn't heard a firm time and day. Oviedo was there that Saturday night also, although I didn't have occasion to speak to him. Others also had some information. One elder statesman type urged the Brazilian Ambassador and me to try to dissuade Wasmosy from confrontation. We decided to ignore the plea. This was Saturday. On Sunday I got the key members of the country team together and told them what I knew. The general attitude was "We'll believe it when we see it." On Monday morning, the 22nd, we were obviously on tenterhooks. Was anything going to happen? And if so, what?

We sat around most of the day waiting for a telephone call to tell us what was happening. By early afternoon, there were rumors going around town that the President and Oviedo, and other top military had met all morning. But nobody knew what was going on. I called the President at least once, fairly early in the day, to find out. He said, "No, nothing was conclusive yet. Don't say anything, don't do anything." I called him again, shortly after 6:00 in the evening, and got pretty much the same response. This time, however, he sounded less confident, less sure there would be a satisfactory outcome. After the morning meeting, Oviedo had said he was going to the large cavalry base on the edge of Asuncion to meet with the other Army generals. Oviedo also said he wanted to talk to ex-president Rodríguez who was in Buenos Aires. Wasmosy called Rodríguez's son-in-law, who sent a plane to get him.

After I talked to the President a little after 6 p.m., I decided to release a statement we had prepared earlier in the day. At about 6:25 the Public Affairs officer, Mark Jacobs, called the most popular radio station and read our statement directly on the air. It essentially said that the President had ordered the head of the Army resign. He should do so. It was the first "official" statement about what was going on. Although we did not realize it at the time, it had the practical effect of making it impossible for the President to back down. Up until then, he probably could have found an exit from the crisis by returning to the status quo ante. Our release was the first official statement. The Brazilians asked for a copy of what we had said and then put out their own. The Argentines followed quickly.

About the time we were putting out our statements, I called the Brazilian Ambassador

and asked if he wanted to come with me to talk to Oviedo. The Brazilian suggested we also involve the Argentine Ambassador. So the three of us set off in my car to try to talk to Oviedo and to explain to him the severe repercussions for our relations if he did not obey President Wasmosy's orders. On the way over, Nestor Ahuad, the Argentine, remarked that this might be the last time anyone in Latin America had the opportunity to try to stop a military coup. We laughed.
But Oviedo would not see us. A soldier told us that he had left, but he was not very convincing. We got back into the car and drove out to the entrance where there was a lot of press and we had a press conference. We told the press how concerned we were, etc. Then, we drove by the presidential residence where Wasmosy was. He seemed fatalistic at that point. He didn't see much more that he could do. The Argentine Ambassador, who was a medical doctor, said that Wasmosy looked depressed. There were a lot of people milling around. It wasn't clear to us that we could do anything more. So I went home and started getting ready for bed.

At about 10:30, I got a call from Papal Nuncio, at Wasmosy's residence, saying that things were very bad, and that I should come back. I wasn't sure there was anything useful that I could do. I asked whether I could talk to the President. He got on the line, and said, "Yes, I would like you to come over." By then, I had sent my driver home. I got in my car and drove over there. It was just across the street from my residence. In the President's house, there were about 200 people milling around -- cabinet members, personal friends, congressmen and senators, his sons, and perhaps a dozen ambassadors. The President was thinking of resigning. Apparently, since late afternoon, various emissaries had been going back and forth between Oviedo and Wasmosy. Oviedo was saying, "Look, if I resign, you have to resign too. If not, I'm going to march on the palace." Wasmosy said over and over again that he did not want to be the cause of bloodshed, and that he did not want to cause hardship for his country, etc. He was seriously considering resigning. There were about 10 or 12 Ambassadors there, most of them from Latin America. We all urged him not to resign. At one point, he claimed the Liberal Party leader was in favor of his resigning. I said that I didn't think that was so and asked whether he had talked with the Liberal Party leader. He said, "No, this comes from his wife." I said, "You've got to talk to Laíno himself. He's the head of the party." So, Wasmosy put a call into Laíno and talked with him. Laíno denied that he had urged resignation. But, still Wasmosy was thinking of resigning.

Finally, about midnight, I said, "Look, there is another alternative. Why don't you send all these people home, get them out of harm's way, and you come over to my house and spend the night?" It was no sooner said, than he and his three sons were in a pickup truck. I got in after them, and we drove around a little bit, not the most direct route, but around a couple blocks, into the Embassy compound. I had to get out and identify myself because it was a truck that was not an Embassy truck. We got in and went up to my office. The first thing I did was to call the Department and say "I've got the President here. What should I do?" I think I got somebody in the watch office. They said, "Hold on, we'll get back to you." I think they finally got hold of Peter Tarnoff, Under Secretary for Political Affairs. The word came back that it was ok for the president to be there. Of course, there was no real alternative at that moment. But I was a bit concerned. A day or two earlier,

talking with someone in ARA, that official had expressed the hope that if Wasmosy had to take refuge in an embassy it would not be ours. And the next morning, to get ahead of my story, I asked the administrative officer to check what had to be done to get Wasmosy out of our compound and into that of the Papal Nuncio, who had a house right next door but separated by high walls. Luckily it never came to that.

I got a call from the head of one of the opposition parties, Guillermo Caballero Vargas, who asked me whether somebody important was there. I said, "Yes." Then, I got a call from the Brazilian Ambassador who also asked me whether somebody was there. When I answered with an affirmative, he asked whether he could come over. I said, "Sure." His name, by the way, is Marcio Dias D'Oliveira. We were good friends, and more important, our governments shared the same views regarding the desirability of democracy in Paraguay. So he came over.

There we were: The President and three of his sons, the Brazilian, various of the Embassy officers, and one of the emissaries that had been shuttling back and for to where Oviedo was. The President was still thinking of resigning, even when he got over to the Embassy. The Brazilian Ambassador, playing for time, suggested he ask instead for a leave of absence, and helped him to draft such a request. The Brazilian and the emissary took that piece of paper and went to Oviedo's place. About this time Jeff Davidow called. Jeff was the incoming Assistant Secretary for Latin American Affairs. He also talked to Wasmosy and said, "Don't resign." About 1:00 or 1:30, we went up to my residence, further up the compound. We sat around up there for two or three hours. At about 3:00 a.m. OAS Secretary General Gaviria called. He was in Bolivia. He, even more emphatically, told Wasmosy not to resign.

Q: Let me just ask a question here. The whole point of the matter was that the democracy was fragile and the idea of a President resigning under the threat of the military, would just negate what had been happening all over Latin America. So, it was a very important point at this time?

SERVICE: Yes, very much so, given the history of Paraguay and the historically dominant role of the military. We wanted to preserve democratic order and democratic constitutional order, etc. So, Gaviria called and urged him not to. Then, the emissary and the Brazilian Ambassador came back from Oviedo and said that Oviedo had rejected the leave of absence idea. He said that he wanted a letter of resignation. He even had the text. It was the one that Stroessner was forced to sign in 1989. At that point, Wasmosy said, "I'm not going down that path." He had firmed up in his own mind that that was not the proper, the best thing to do. Then, he went to bed for an hour. We all went to bed for an hour.

At 6:30 am, this is Tuesday now, April 23, he and his sons got up. We had a little breakfast. The President was still not clear on what he was going to do next. At one point he looked out the window at the beautiful grounds and said he might just spend the day there. I urged him to get hold of his closest advisors, have them come over, and think about what had to be done. He got a couple of them in: Melgarejo, his private secretary

and the one who had talked to me on Saturday afternoon, and Morales, who had been a colleague in grade school. They decided the President needed to get back into a normal routine of activities. We all went back to the Presidential palace. He changed clothes and shaved. Then we all went down in a caravan of cars and pickups to the Palace downtown. There were a lot of people in the streets, clapping and honking. It was an emotional boost for Wasmosy. Most of the Paraguayan vehicles were black. My own white Caprice was at the back of the caravan. We stayed at the palace all morning. There were four Ambassadors, myself plus the three representing the other countries of Mercosur: Brazil, Argentina, and Uruguay.

Q: Argentina?

SERVICE: Yes. Brazil, Argentina, Uruguay. The Spaniard was in from time to time. On the other side of the President's desk you had the President's chief advisors. Wasmosy was at his desk. The chief advisors were over here, and the Ambassadors here. The basic issue for the morning was what to do about Oviedo. Most thought that he had essentially given up, but still it was necessary to provide him a graceful exit, some face-saving way out. The idea developed to make him Minister of Defense. I think I was the one who initially raised that possibility, more in the way of a question than a proposal. Eventually, it was picked up by others in the room, even though I had not pursued it, and was far from sure in my own mind that it made sense. Now, Minister of Defense is not as important a job in Paraguay as it is here. It is not in the chain of command. So the proposal was conveyed to Oviedo. He accepted immediately. Wasmosy announced the "solution" to Gaviria when he arrived from Bolivia shortly after noon, and then later to the Foreign Ministers or Deputy Foreign Ministers of Argentina, Brazil, and Uruguay when they arrived later in the day. There was also a lunch, at which the leaders of the opposition parties were present. Nobody said what a terrible idea this was right at that moment. They sort of said, "Well, it would have been better to make him Ambassador to Germany, or something. But, if that is the way it is, that's the way it is. At least the coup threat is over, and constitutional order has been preserved."
By late afternoon, however, all sorts of opposition had begun to be heard against the idea of rewarding someone who had almost staged a coup. There had been no thought given to public opinion when a graceful exit for Oviedo was being decided. Public opinion is a rather new phenomenon in Paraguay. But now it was making itself heard. Many people, and not just those who belonged to opposition parties, were asking how it was possible that this man who has just threatened a coup, had all but staged one, had tried to force a change in government, was now being rewarded. This was still Tuesday.

They held the ceremony for Oviedo to resign on Wednesday. It was a gala event with all the pomp that could be mustered on short notice. Oviedo and Wasmosy embraced. Afterward, Mrs. Oviedo confronted Wasmosy and told him that her husband had done his part. Now it was the President's turn to do his and carry through with his promise to make Oviedo the Defense Minister.

The idea was to name him the Minister of Defense on Thursday. But, between Tuesday afternoon and evening, and Thursday morning, the opposition to doing that had become

very strong and very vocal. Wasmosy decided no, he could not do it. There was a very interesting meeting on Thursday morning at the Presidential residence, which the Brazilian and I were both at. After Wasmosy had made the decision not to make Oviedo Minister of Defense, he had to draft a speech to explain his decision. He was sort of thinking out loud. He had the head of the Armed Forces, General Nogueira, sitting beside him: " I have decided, with support of the Armed Forces, etc. Nogueira stopped him and said, "No, Mr. President, don't put that in. This country, too long, has made things rely on the Armed Forces. Don't say "with the support of the Armed Forces." Just say, in accord with my constitutional authority, have decided not to name Oviedo Defense Minister." In a country with Paraguay's record of military involvement in politics, that was a very important moment.

Q: What happened to Oviedo?
SERVICE: Now, we get into the ironies of the matter. Oviedo, who was retired on the 24th of April, and thought he was going to become Minister of Defense on the 25th, was left out in the cold. He was not allowed to make a speech at the National Presidential Palace. They cut the lines to the microphone when he tried to speak. He became a full time politician. He spent the next year stumping the country, holding meetings, giving away things, and promising more. He won the Colorado Party primary for the presidency in September, 1997. There appeared to be a good chance that he would succeed Wasmosy as president. However, there were a number of court cases pending against him because of what he had tried to do in April, 1996. Finally, a military court convicted him and sentenced him to 10 years for having attempted the coup in 1996. This was upheld by the Supreme Court shortly before the Presidential election, which was on May 10, 1998. Being a convicted prisoner, he could not be on the ballot. Therefore, the man who had run with him as Vice President moved up to the presidential slot. The person who had lost, who had come in second, Argãna, who had also been beaten in the Colorado primary by Wasmosy in 1992, became the vice presidential candidate. Oviedo is in jail, in a military prison. His Vice President, Cubas, has been elected President. He has declared that as soon as he is President, he will look for a way to free Oviedo. We will have to see whether that happens or not.

Q: Well, going back to this whole thing. In the first place, very early on, the President is sitting down there with you and asking whether he should do this or what you would suggest he do. It sounds like the sort of thing, . . . in Latin America society, which I don't know, but a political thing would be a tendency to keep somewhat away from the American Ambassador.

SERVICE: In many countries where I have served, that is true, or was true, much more in the past than it is now. Paraguay is unusual in the sense that, to my knowledge, there has never been a strong anti-American movement. In fact, quite the reverse, because they have big neighbors who are much closer to them, Argentina and Brazil. They have looked to the U.S. to be the balance at times against those neighbors. It's been true, in fact, . . . Rutherford B. Hayes is a famous person in Paraguay, because after the war of the Triple Alliance, when Paraguay lost to Brazil, Argentina and Uruguay, and had chunks of its territory taken away by them, one final piece was desired by Argentina. It was put up to

arbitration and Rutherford B. Hayes was the arbitrator. Hayes came down on the side of Paraguay. So, he has a department and a town named after him. We were also involved in helping to settle the Chaco War.

Q: That was in the 1930s?

SERVICE: Yes. By and large, the U.S. has a good reputation there. We put a great deal of money into the country in the 1940s, 1950s, and 1960s under AID and its predecessors. We have had a Peace Corps program there for a long time. It is the largest Peace Corps program in the world. Americans are liked. I don't think there was much political downside for Wasmosy from consulting with the U.S. Embassy. The leftists would be against it of course, but there aren't that many leftists in Paraguay. And the more nationalistic right didn't approve. But, as I say, not many people.

Q: Of course, I assume that what was happening was occurring at a point in time, that by this time, all of Latin America had gotten rid of its dictatorships, hadn't it?

SERVICE: All except for Cuba.

Q: All except for Cuba, which was always, sort of, off to one side. Paraguay had the weight of all these countries around it. They didn't want to see any countries go back to old ways. I would think that would be a pressure.

SERVICE: Yes, I think there was. There was, in fact, a great outpouring of support from all of the Latin neighbors. Many of the Presidents called Wasmosy. So did President Clinton on the afternoon of April 23.

Q: "Hang in there."

SERVICE: Right.

Q: What about public opinion? Was that a factor that he could call upon early on or did he feel he couldn't?

SERVICE: I don't think they were much aware of public opinion. The whole naming of Oviedo as Minister of Defense episode, demonstrated to me that public opinion was not taken into account, normally. Nobody asked what would be the reaction to naming him Minister of Defense. In the future, because of what happened, more attention will be given to public opinion.

Q: The normal thing, you would think would be, the President would get up and make a speech . . . "My people" . . ., something like that. In your talks with others, that wasn't a consideration?

SERVICE: He did do that eventually. There was not one before he decided to fire Oviedo, but he did make speeches on Tuesday, Wednesday, Thursday, and he did rally

support to his actions. Oviedo at that point was quite low in popularity polls. But, he devoted a great deal of effort to his campaign, and as I said earlier he was somewhat charismatic.

Q: What about the military forces? Had he sent them to march over to the presidential palace, would they have marched, or what was the feeling?

SERVICE: Nobody knows. I think he had some officers who were personally loyal to him. I'm not sure the majority would have been loyal if a coup had been attempted. There is a very strong tradition in the military, any military, that you do what the guy above you tells you to do. Oviedo was head of the Army at that point. So, it was not impossible that he could have succeeded. There is an anecdote and I don't know whether it is true. Finally, about 5:00 in the morning on Tuesday, after this long night of indecision and back and forth -- was Wasmosy going to resign, or wasn't he going to resign -- Oviedo realized he was not. He said to the military men around him, "Well, we'll have to crank up the tanks." One of the generals said, "You know, we don't have a plan and it is almost daylight. We've lost the advantage of night time. It's impractical." That suggests that at least that general's heart was not in the operation. Probably Oviedo never intended to use force. He thought he could win by bluffing and by bluster, which is the way he had gotten most of what he wanted in the past. This time Wasmosy held out.

Q: Was there much press coverage at all on this at the time?

SERVICE: A tremendous amount locally. But, internationally, it was not a big deal. In fact, Strobe Talbott complained to me when I came back that he had a hard time getting any newsmen interested in the story. He gave a couple of interviews to The Washington Post and others. The Washington Post reporter, who was based in Buenos Aires, came up and I gave him a long interview, which appeared in the paper. There were a few others, but not a great deal. Paraguay was off the screen for most Americans.

Q: Not many American Ambassadors have a chance to be there to handhold and to support a President who is threatened by the military take over, and all.

SERVICE: Oh, no, it was an incredible experience, unique. Obviously, this was the high point of my career. It turned out okay. But for a while I doubted it would end well. I told the DCM, Bill Harris, "Look, you may be in charge for a long time." But, it then turned around, and came out okay, at least then. Now, whether okay also includes what has happened in the subsequent two years, and the fact that Oviedo became the official candidate, until he was disqualified, . . . I don't know. It doesn't seem as neat as it seemed in 1996.

Q: Turning to some of the other things that you had to deal with - drugs.

SERVICE: Drugs were a continual issue, a headache, problem. It was the question I was asked most frequently whenever I saw the press, which was very frequently. If I went to a government office, there would usually be some press when I left. If not initially, then

very quickly, they would ask about the drug effort and whether the U.S. believed that Paraguay had made an adequate effort.

Just to give you some background, we have a process called certification by which our President has to certify each year that Paraguay is cooperating fully in the battle against drugs. Paraguay is included on the list of major drug producing or trafficking countries. Paraguay was always certified until I went as Ambassador. Then, the first time it came up while I was Ambassador, which would have been March 1st of 1995, Paraguay was certified only on the basis of the national interest waiver. There are basically three categories: you can be fully certified or you can be "not certified," or you can be certified on the basis of a national interest waiver, which means that you wouldn't have been certified except that it is in our interest to do so. Paraguay was in this grey area, along with the three major producers: Peru, Bolivia, and Colombia. This made Wasmosy very unhappy. The press focused on it a good bit. We tried to motivate them to do what was necessary to restore full certification. It was a hard job for various reasons: (1) Because some people in government profited from the drug trade, if not in the national government, which I can't totally rule out, then at least at the local and regional levels. I've mentioned Oviedo as a person whom I think indirectly profited from the drug trade. Governors in the border areas also undoubtedly received money from it. There was a vested interest in maintaining it. And (2), the Paraguayans have practically no history of a capable investigative force able to find out who is doing what. Historically, there has been very little interest in that kind of capability because it might point fingers at the wrong people.

Q: Also, they are sort of like Andorra (a smuggling state).

SERVICE: A smuggling state, certainly. So, there has been a lot of live and let live and don't ask too many questions and maybe some of the money this guy is making will come to you, etc. Also, I would say, because of its history as a smuggling state, if we may call it that, there is very weak law enforcement, very little tradition of being willing to stop a bullet. They had very little experience in trying to uphold the law, and fighting corruption. Nobody wanted to go out there and get his head blown off. There was not much tradition of wanting to do that. It was hard to get them to do what was needed. There is another factor which in all fairness should be mentioned. Paraguay is no worse than a lot of Latin America countries. Each year, when it came to certification time, you had to have somebody on the list. We have much more extensive and important relations with larger countries, Mexico for example. So, what do you do? You end up with Paraguay, and maybe Belize, and maybe Panama, occasionally, countries for which there are not many defenders in Washington who would say that you can't do that because we have other important interests with them. I think Paraguay suffered on that account as well. Anyway, the first year they were certified only on the basis of national interest, the second year, the same. The third year, they were fully certified. But, then the fourth year, after I've left, they were put back in the national interest waiver category. So, have they learned anything, have they done much? I don't know. We were quite hopeful at one point after Oviedo had been fired. They put a man named Ayala, an ex-general, in charge of the drug program. He had been an opponent of Oviedo, supposedly because he was

honest and Oviedo wasn't. That hasn't produced the results we hoped for either. I don't know if they are going to make much progress, or how soon.

Q: Were they essentially getting their raw product through Bolivia?

SERVICE: Yes, most of it comes down from Bolivia in planeloads of 100 or 200 kilos, or by truck or bus, down through the Chaco. Most of it moves onto Argentina, Brazil, the markets there, or onto Europe or some to the U.S. But, I don't think much goes to the U.S.

Q: What about intellectual property?

SERVICE: Again, same sort of problem as drugs, in a way. There were a lot of people making money off of it. There were a lot of people being bought off. The Chinese had been very active in some of it. Some of the pirated merchandise was from Taiwan, some of it from Hong Kong, some, maybe, from the mainland. But, there is a lot of money in it. It is hard to control, thus far. Judges tend to look the other way. We had one case in which the representative of a U.S. company, which was being plagiarized, or pirated, came down. The person from the U.S., the representative in Paraguay, and our economic officer went over there to Ciudad del Este, the center of such activities. They went to the factories where these pirate activities were taking place. I forget whether it was CDs or musical tapes, or software. The local judge went with them. The judge closed it down, embargoed, put tape on everything. One of the workers appealed on the basis that he was being deprived of his livelihood, and some other judge ordered the factory reopened. There were a lot of games like that going on.

Q: Were the things essentially being manufactured there or was this just a way for things to come in?

SERVICE: A lot of the parts came from Taiwan or elsewhere in Asia and were assembled there. But, also, some reproduction, or production took place in Paraguay. They may be getting to where they can actually do most of it there.
Q: Were there any criminal sanctions of some sort from the United States if the country didn't do something about it?

SERVICE: We are possibly moving toward that now. Paraguay, since I left, has been declared a priority country, which means that within six months, USTR [United States Trade Representative] has to come up with a game plan which may mean sanctions against something they export to us. The problem with Paraguay is that they don't export very much to us. We export much more to Paraguay than they do to us. Their exports to us are only about fifty million dollars a year, some wood products of which the main exporter is an American citizen, who has a factory near Ciudad del Este. Sugar is also exported, but not much.

Q: What about the environment?

SERVICE: The big issue there was what is called the Hidrovía. This is a plan to make the Parana and Paraguay Rivers navigable for 2,500 miles, up into the center of Brazil, or further. The environmentalists are very concerned that this could cause irreparable damage to the Pantanal, which is a huge marshland area in the center of the continent, a tremendous natural resource. If they don't do anything to harm the Pantanal, cleaning up the river, or blowing up a few rocks is fine, but what the environmentalists don't want to see done is eliminating the huge curves in the Paraguay River. They don't want anything done that would damage the Pantanal. That may mean instead of having year-round clearance of 10 feet, you have to settle for 8.5 or nine feet. That practically exists now.

Q: Did we take any part in that?

SERVICE: We kept pressing them no to do anything that they would regret later. In fact, we invited and got President Wasmosy to come up and visit the Everglades and the Mississippi River to see some of the things that we were spending billions of dollars to undo.

Q: I take it that you were able to leave in 1997 at least with the feeling that you were able to hold a dike against return to military rule?

SERVICE: Yes, I think so. I think we helped. In a new democracy, every time you are able to overcome some obstacle/hurdle or sustain something which is being threatened, it makes it a little bit stronger. That is the feeling I and others had about our time in Paraguay. We had contributed to this process of stabilization, of their getting accustomed to how democracy is supposed to work. Paraguay still has a long way to go, but each success is one more step in that process.

Q: In 1997, did you retire?

SERVICE: Yes, I came back to the Department and retired in November, 1997.

Q: What are you pointed toward now?

SERVICE: I'm not sure. I was doing a little consulting for a while for a company which thought that there was a good market for its product in Paraguay. My main accomplishment was to convince them that there is not that good a market there right now. So, I am no longer working for them. I may do some more consulting. There are a lot of other things out there. I'm just going to see what comes along. You have to keep active in something.

Q: Thank you.

SERVICE: Thank you.

End of interview