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

PIERRE SHOSTAL

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INTERVIEW

Q: Will you start at the beginning? Could you tell me when and where you were born and a bit about your family?

SHOSTAL: I was born in 1937 in Paris, France. My father had been born in Vienna, Austria. My mother was born in Hungary, but moved to Vienna as a very small child, so she also grew up a Viennese. They married in 1933, which was at the time of the collapse of the main bank of the country, so they didn't see much economic future for themselves in Austria and they moved to Paris to start a branch of a business that my father had already started with his brother in Vienna.

Q: What type of business?

SHOSTAL: This was a photography agency, selling, being an agency for photographers who wanted to sell their photographs to magazines, advertising agencies, etc. and it was at that time still quite a new field. They thought that there would be a market for this kind of thing in France, so my father with his bride went to Paris at that time and they got started. It was not easy in the early years, because that was in the 1930s and the economic depression was pretty general. They managed finally to get a foothold. Then came the war in 1939. My father, being of Jewish background and not a French national, was especially vulnerable during that period. He was called up into the French armed forces, but fortunately for him, not in the regular army. He served in the Foreign Legion and was sent to North Africa. When the French were defeated in 1940, he was not in war zone, but rather in North Africa. At that point too, my parents had a second child, my younger brother, who was born in January, 1940 and the problem then became, once the Germans were in Paris how we were going to get out and get to the unoccupied zone in the south. My mother had tried with me, already during the fighting to get out, but like many other people were trapped on the roads

and didn't make it. Finally, thanks to help from some friends she got false papers for her and for me and we went to the unoccupied zone with quite a little difficulty.

Q: This would be Vichy, France?

SHOSTAL: This would have been in to Vichy, France. Our destination was Marseille, where we hoped to join my father who was then to be released from the Foreign Legion. All that finally worked out. My mother managed with courage and good luck, to have my younger brother, who was six months old at that time, smuggled into the unoccupied zone. We finally all joined up with my father. We were extremely lucky. He had a cousin who was married to a Harvard professor and they sponsored us for a U.S. visa. It was very difficult to get visas, but we were among the lucky ones. From Marseille, after I think a stay of six or nine months, we got to Spain. By this time it was the summer of 1941. In late summer we got on a Spanish freighter which took us to New York. Again, we were extraordinarily lucky, because that same freighter on its return voyage was sunk by a German submarine, even though Spain was technically neutral at the time. We at first settled in New York, and then spent several months in Iowa at a Quaker home for refugees from Europe.

Q: Had your father joined you by this time?

SHOSTAL: Yes, he'd joined us in Marseille. I think it was late 1940, early '41.

Q: Your family being Jewish, were they beginning to feel a hot breath of Vichy government beginning to cooperate on what eventually ended up with the Holocaust?

SHOSTAL: Well, yes and no. Before we left Paris, my mother and I, it wasn't a problem because my mother was not Jewish. So, she was left pretty much alone. In Marseille, that phase of things hadn't begun as yet. There was still an awful lot of disorder, chaos at the time. The Vichy government, I think, had not organized itself in its efforts to help the Nazis round up Jews at that time. We were extremely lucky that we got out before things really got bad.

Q: Your family settled in New York?

SHOSTAL: At first in New York we spent several months there. Then we moved to a Quaker settlement house in West Branch, Iowa, which was also the birth place of Herbert Hoover. There's quite a Quaker presence in that area. So, they kind of got us started. My parents learned the language and I did too. We then returned to New York, I think it was early 1943.

Q: So you would have been about six years old then?

SHOSTAL: I was six then. I went to the local public schools in New York City and settled in Queens. My father, because of his age and family circumstances, wasn't called up for military service, so we were together as a family through the war. In '49 we moved to

Peekskill, New York which is about 40 miles north of the city and that's where I spent the next several years.

Q: What type of business did your father go into?

SHOSTAL: He started again the same kind of business in New York that he'd had in Europe, and I think had the foresight to recognize the potential of color photography at that time. So, he really specialized in color photography, but did very much the same kind of things in New York as he had in Paris. During the war he also worked at some odd jobs, like gas station attendant, working in a button factory, just to keep us going.

Q: You were in Peekskill from when to when?

SHOSTAL: From '49 until I went to college. I had a stroke of very good luck there and got a scholarship from the Ford Foundation to enter college early.

Q: While you were in High School at Peekskill, did you get anything in foreign affairs or were you picking up knowledge of foreign affairs from your family?

SHOSTAL: I think it was mostly from my family. They were having me read the New York Times and often discussed what was going on in Europe and had some contacts still with people in Europe. So, I think it was very much that and the fact that they were very much steeped in European culture. They both had doctorates from the University of Vienna.

Q: Were you picking it up by the time you got there, were you a French and German speaker, or was it pretty much French?

SHOSTAL: At that point when I first came, I think it was French. In fact, at home, once the war started, my parents, my mother, my father wasn't around, but my mother didn't speak any German. Obviously, it wouldn't have been very popular.

Q: I have to say, my Grandfather and Grandmother found that they were German background in Chicago during World War I and they knocked it off for a while.
SHOSTAL: In fact, I didn't learn German as a small child, which may have saved my life at one point. Because, when my mother was trying to get herself and me from the occupied to the unoccupied part of France, she stopped at a town where she had to get across the demarcation line. There were German soldiers there. She was sitting in a cafe, she later told me, and there were some German soldiers at the next table who called me over to play with them. Of course, they were speaking to me in German and she was petrified that I would understand and answer in German. But I wasn't bright enough to do that. So, they assumed that I was a little French boy.

Q: And you didn't speak German as a small child?

SHOSTAL: I didn't speak German as a small child. In fact, I forgot French for a while until

I started in college and it came back. In college, I also started with German and it came fairly easily, because I'd heard a lot of German at home.

Q: You started when, about age 16 or something?

SHOSTAL: About 15 at Yale.

Q: I'm just curious. How did this system work? I always think of the University of Chicago and I lived in Annapolis and I know St. John's had young people and was viewed with a certain amount of suspicion by the people who lived in Annapolis. I mean, what were these young kids doing spouting Plato at the age of 16? Talk a little about this educational process.

SHOSTAL: Altogether, there were about 200 Ford Foundation scholarships per year divided up among four colleges, including Yale. There were 50 of us "Fordies" as we were called. We were put into a program that Yale already had started. It was not designed specifically for us, but it really met our needs very well. It was called Directed Studies and for the first two years we didn't have much choice as to which courses to take. It was a very well designed and academically sound program covering world literature, philosophy, history of art, science and math. It was especially good I thought for me, because it filled some of the blanks that I had. One of the other people in that same program in my year was Ivan Selin, who later became the Under Secretary for Management of the State Department and we were in several classes together. The second two years at Yale I went into a major called History, the Arts, and Letters. This was a seminar centered program of small classes where we would specialize in one particular country during a particular historical period and study the history, the arts of the letters for that time. I chose France, a country that at that point I had the language for and had a family background interest in. So, that was really quite an exciting and rewarding time and I owe much of whatever I've been able to do since then to what I think was a very sound education.

Q: You graduated from there about 18?

SHOSTAL: 19.

Q: When did you graduate?

SHOSTAL: In '56.

Q: One of the problems of course, always is graduating at that age. You may be a college graduate, but nobody will take you seriously at age 18 will they, or was it a problem?

SHOSTAL: At that point I wasn't looking for a job. I did want to get a Masters, so I spent a year studying in Geneva at the Institute for Advanced International Studies and then a year at the Fletcher School, where I got my Masters. I think those two years did give me some time to mature. By the time I was 21, 22 and looking for jobs I was a little bit more credible that way.

Q: At Fletcher, did you have any particular emphasis?

SHOSTAL: No. Again Fletcher at that time was really sort of geared toward fundamentals of international affairs, and had emphasis on diplomatic history, international trade and economic development, and international law. I think it was a very well designed and well-balanced program. I came away from those experiences, both at Fletcher and Yale, very much a believer in a well-organized and balanced liberal arts education.

Q: Were you getting any knowledge of the American diplomatic establishment in Foreign Service and all of that at this point?

SHOSTAL: Not what you'd call the nuts and bolts. It was an excellent program which has been very valuable throughout my career as background.

Q: Were you at all during this time beginning to point toward the Foreign Service?

SHOSTAL: Very much. It was really my first preference, although I did make a stab at some other possibilities. I'd put in some applications at oil companies and other large firms in international business. That particular year, '58, happened to be a recession year, so there weren't an awful lot of jobs. I took the Foreign Service exams, I think it was in the Spring of '58. I remember the oral was in the Spring of '58, just before I graduated from Fletcher and there was quite a long waiting period.

Q: Can you recall any of the questions or feel about the oral examination?

SHOSTAL: Yes. At that time, this was still the period of decolonization and France in particular was having problems in North Africa. I remember a question that I got was to discuss, what should the United States do. We faced the dilemma on the one hand of our tradition of championing self determination and on the other hand, the need to support an ally. We talked about that, but I can't remember what I said. But, I do remember the question, because it was really very much an issue and a debate in the State Department, as you well know, during that whole period.

Q: Oh, yes. Also, I think this was close to the time when Senator Kennedy got up and, as a Senator, talked about we should support the independence movement in Algeria.

SHOSTAL: Exactly. In fact, I suspect that the background to the question was the Kennedy speech, because I think he made that speech in '57, and I took the oral in early '58. So, that was all part of that discussion.

Q: So, you were put on the waiting list and what happened? This is '58?

SHOSTAL: '58. I looked around for jobs, in the Hardware Department at the local Sears and Roebuck, and then I was lucky enough to get a job as a copy boy at the New York Times, which was really very humble and humbling kind of activity. But, it did expose me

to a little bit of what a newsroom looks like. I remember the big moment of my life there was meeting James Reston and giving him a cigarette. I saw quite a bit of the people of the Editorial Board. It was quite a stuffy institution at that time, with the exception of Reston, who I felt was very animated. The reporters that I met were very different, a more lively breed, but most of my job consisted of running galley proofs up and down between the type setters and the editors, who turned out copy in long hand. What a very different world technologically than the one we are in today.

In late '58, I learned that my number had come up for the Foreign Service. My class was brought in January, '59. I remember very clearly my first days in Washington, because it was also the time Fidel Castro came to power in Cuba and I remember reading in the local cafeteria over my breakfast the accounts of Castro's arrival in Havana. We were put on detail to the Passport Office, as many other people were at that time. I was sent to New York.

Q: This was before you took the equivalent to the entry course?

SHOSTAL: That's right. Before I took the basic entry course they sent a whole bunch of us to various passport offices around the country, including New York, because of the very rapidly growing work load. By the late ‘50s a lot of Americans were traveling to Europe and the passport office simply wasn't staffed to handle all of the applications. I spent six months in New York.

Q: I'd like to come back to the Passport Office. How were you treated there? Was this being another copy boy?

SHOSTAL: To a large extent it was. The job consisted of sitting at a counter and taking applications from people and checking over that their applications had been properly filled out and then giving them the oath. It was really quite a mechanical and rather dull activity. Very similar to what people do on visa lines these days.

Q: Did you get any feel for, who was it, Ruth Snyder, was she the head of the Passport Office?

SHOSTAL: No, it was Frances Knight.

Q: Oh, Frances Knight was already there, yes. Did you get any feel for her on the other hand?

SHOSTAL: Oh, yes, she was very much a presence, feared by everybody in the organization, but also admired, because she had brought a lot of efficiency and for that time, modern technology to bear on speeding up the process. She was certainly somebody with a lot of clout in the Congress, really a power unto herself.

Q: Did you get at all involved in sort of rooting out the Communist who were trying to get passports?

SHOSTAL: There was an awful lot of that talk. We got some orientation talks by security people before going to the passport office to work and then later in the basic Foreign Service course. The atmosphere of that time was still influenced by Scott McLeod, former Security Chief and there was a lot of nervousness. Even, quite a bit, I would say, political polarization among the people that I knew who were either for or against. The other big theme at that time of course was, Wristonization, the process of melding the Foreign Service and Civil Service sides of the Department. It was very much, I think a period of transition for the Department and, for the people in it, not an easy one.

Q: Tell me, when did you start the basic officer course?

SHOSTAL: That was in late summer of '59. At that time that we went, the Foreign Service Institute was still in Arlington Towers.

Q: You were down in the garage, more or less?

SHOSTAL: Yes. We were down somewhere in the depths of Arlington Towers, but of course we spent quite a lot of time being taken around to various places.

Q: Can you give me sort of a snapshot of the class you came in with. Its composition maybe, the outlook and in their training a bit?

SHOSTAL: The composition was diverse by the standards of that time. It reflected the transition that the Foreign Service was going through from what had been a largely Eastern, Ivy League establishment to a corps with a more recent immigrant and geographically representative composition. There were, for example, people with Italian and Jewish backgrounds. One of my classmates by the way was Tom Pickering. There was only one woman in our class; there were no blacks or other groups that we would call minorities today, but it was diverse compared with incoming classes a few years before.

Q: While you were doing this had you pointed yourself towards something or which way to go?

SHOSTAL: I was really very much of an open mind at that point. I was just in awe of being there and mostly interested, I think, in learning more about the world.

Q: Did you have that feeling of, how come I'm here and all these other people, I guess not, but I'm really just not really up to the caliber of what they expect or something like that?

SHOSTAL: I guess I had moments of doubt.

Q: I just think, most of us who got in there, I mean you sort of heard how difficult the Diplomatic Service is and then you find yourself in and it wears off after a while.

SHOSTAL: I think that's right. I think that there was some people who you knew were

going to be very successful and Tom Pickering was certainly one. Tom Boyatt was also in that class. They were people who I think were more mature and obviously very intelligent, but also had a sense of a career plan: how you go about constructing a career. Some of us, including myself and some of the other younger people in the class were still growing up and had less of a clear idea of where we wanted to go.

Q: Where did you go?

SHOSTAL: I stayed in Washington. I was assigned to the Bureau of Economic Affairs, and was very fortunate. First, I worked briefly in the Trade Agreement Office and then very quickly got transferred for a year to be Junior Staff Assistant for the Assistant Secretary.

Q: Who was the Assistant Secretary?

SHOSTAL: When I first came it was Tom Mann and then later, after about six or eight months, Ed Martin.

Q: Well, both of these are sort of major figures in American diplomatic circle, working in Washington and things. Could you describe your impression of how Tom Mann worked and a little about his background?

SHOSTAL: Well, I didn't know him well, I have to emphasis that. What I felt about him was that first of all, he was very rooted in America; very much a Texan and very proud of that; highly skilled and very much imbued with a sense of domestic politics. I found sometimes too, that I was puzzled by some of the things that he said, for example, in staff meetings. I found him really very skeptical, oddly enough, about the virtues of free trade. This was from a man who was in charge of economic policy and I think that this reflected perhaps his own personal beliefs, but also the fact that he had very close ties with a lot of senior American business officials, who came to talk to him about those things, and also perhaps some of his congressional ties.

Q: He was close to Lyndon Johnson, was he or not?

SHOSTAL: I'm not sure how close he was, though I'm sure Johnson knew him.

Q: What type of work did you do as a Staff Assistant? What were you doing and what sort of things were you observing as you went about?

SHOSTAL: Largely, it was trying to keep the paperflow in and out of the Assistant Secretary's office going smoothly, but the things that I think I learned from it were, first of all how the State Department was organized and how it is meant to function; the importance of communication of all kinds. I think that's what I feel is one of my stronger skills, that is keeping people working together; coordinating with them so that everybody knows what he should know about what's happening. Also, I think already there I gained an appreciation for the complexity of decision-making. That decisions in government very rarely involve clear-cut black and white issues. A decision-maker has to weigh an

enormous number of factors and I think that was certainly one of the things that interested me in observing Tom Mann, that he was very much aware of the Congressional and public aspect of things.

Q: Were you getting any feel for what we certainly were pushing then and really to some extent even today or still pushing, which is sort of the cornerstone of our foreign policy and that is getting Europe to bring itself together. I mean, it went through various stages, but essentially the idea of getting Europe to be some of the unity and particularly in the beginning was in the economic. Did you get any feeling about almost the true believers about Europe and all that at that point?
SHOSTAL: To a certain extent, yes. Not so much with Mann, who was very much Latin America and Mexico oriented, but when Ed Martin came in, Martin worked early in his career on the Marshall Plan and NATO, and he came to the Economics Bureau from London, where he'd been the Economic Minister. In fact, one of the things that he worked on was encouraging the Europeans to better coordinating donor assistance to the Third World, and using the OECD as a vehicle for that. That was already, I think, the beginning of the kind of things that we are still engaged in. The subtext for all of this was burden sharing. At that time it was meant at least to avoid the duplication and confusion in aid giving. But, there was also, I think, a strong emphasis on trying to get the Europeans to work among themselves, to cooperate more closely, to put behind the old national rivalries.

Q: Did you feel a, I mean I grant it, you're carrying the brief-case and all that, but still you are bright eyed and bushy tailed listening to what the people are talking about at that state. Did you feel any change in the atmosphere from when Mann was there, who was, some were skeptic about free trade and Latin American oriented. Then we had Martin come in who you know, is pushing, if not free trade, the equivalent there of certainly to Europe and being European oriented.

SHOSTAL: Absolutely. There really was a big difference. I found Martin's view of things more interesting, more challenging and the office was really more alive. It may have had an awful lot to with the fact that Mann's interest being Mexico, also being Cuba. We had to wrestle with that problem at least in the early stages when Castro was young.

Q: How did Martin operate as far as getting things done, and also how did Mann? You know, just as a manager. Did you see difference in them?

SHOSTAL: Well yes. Mann delegated quite a lot, although he made very clear what his views were, I think expected his deputies and his office directors to carry the ball. Martin was a man with a really very impressive capacity for work. He prided himself on reading enormous amounts of material and on being on top of everything that he did. It was more a one-man show.

Q: Did you get any feel with these two different people about the role that the Economic Bureau played within the State Department? There had been times they'd said, economics are interesting, but really the political military side is really what drives the State Department. Did you get any feel about the clout of the Economic Bureau then?

SHOSTAL: At that time I think it was relatively strong, because in both cases you had strong personalities running them. But, there's no question that the glamour bureau already in those days was the European Bureau and that's what got most of the attention of the seventh floor. By the way, during that period the Department moved into its present building and the "seventh floor" became a term of significance. There was also another tradition which was fast dying out at that time and that was that the State Department had the lead on international trade negotiations. The Trade Negotiations Office was in that Bureau, but it was really in an era of decline with other departments and non-governmental people having growing influence. I remember one particular incident that occurred, I think in '62. By that time I had moved from the Staff Assistant job in the front office to the Trade Agreements Shop. One of the veterans of that office one day came back from a GATT negotiating session in Geneva and said, "Boy, we really can take some lessons in how to negotiate. There was a cracker jack, young California lawyer on this group negotiating with the Europeans, I think it was textiles. You'll remember his name. It's Warren Christopher.

The other thing that really stands out in my mind is kind of symbolic of that period, and how different it was from today. One of the issues that I dealt with, was the problem of negotiating within the GATT when we would take protective measures to protect a domestic industry. You could do that under the GATT rules. If an industry was really threatened, you could give it some protection and raise the tariff, but you would have to provide compensation to other nations through other trade concessions of equivalent value. The particular issue I was dealing with was the Swedish clothespin. That sounds really weird, but what happened was, there was a large increase in imports of Swedish clothespins and the American industry was crying bloody murder. So it got some protection, some relief. If you think that Sweden then was producing wooden clothespins and contrast that type of economic activity with today's, it just gives you a sense of how far we've come in not even 40 years.

Q: Did you have any feel for the desire of the Economic Bureau to start developing a really trained core of economists, because later they became sort of the, was it Reinstein University, which was Jacques Reinstein had a six month economic course and still continues today in one form or another. Was there a concern that we were getting too many political officer types and not enough training people?

SHOSTAL: I think that there was some concern. In part also, because the other agencies that dealt in these issues had a visible disdain for the State Department's expertise. But, not much was done about it. In fact, I think that one of the factors contributing to the loss of the commercial function by the Department was that it was too slow in reacting to this, in building up credible expertise. I'm trying to remember when that course came into being, but it was, I think not until the late 1960s. And, I think by that time the horse was out of the barn. Had it been done 15 or 20 years earlier, the Department might have been more successful.

Q: Here you are your first assignment and obviously your ears are listening to everything

that is being said. Were you getting a feeling about economics versus political work and all of this for a career course and what were you hearing?

SHOSTAL: That economics was very much a growth industry. I must say, I was very attracted by that. In fact, I decided at that point to apply to be an Economic Specialist and was put in the economic cone at that time.

Q: You finished in '62?

SHOSTAL: Yes. Actually I had an interruption. I was in the Economics Bureau from late 1959 until the summer of '61. At that point I was actually supposed to go on my first overseas assignment to Senegal, but then came the Berlin crisis and I was called up to active duty with the Air National Guard. I spent a year from late summer of '61 to late summer '62 in the Air National Guard, at Andrews Air Force Base.

Q: What were you doing then?

SHOSTAL: I was an enlisted man in what was called flight operations, which is sort of the traffic management of flights. It was a tactical fighter wing that I was part of. I fully expected that we were going to be deployed to Europe and I saw visions of myself as the General's interpreter. But, all of that came to a screeching halt when one of the mechanics in this unit was working in the cockpit of the planes. These were F-100 fighter planes and his elbow touched a button and launched a rocket that demolished another plane that was standing a few yards away. So, the Air Force decided that we were not quite deployment-ready.

Q: So we've moved back to '62?

SHOSTAL: In '62 I got out of the Air Force and now was deployment ready with the Foreign Service and got sent to Kinshasa.

Q: You were in Kinshasa. I'd like to put at the beginning of from when to when?
SHOSTAL: I was there from October '62. I remember that on my way to Kinshasa was when the Cuban missile crisis occurred. I was supposed to be assigned to Stanleyville, which today is called Kisangani. But, the Embassy was extremely busy at that time and they told me that I would stay in Kinshasa for the time being. What was making them busy was the secession of one of the provinces, Katanga. The Ambassador at that time was very much the chief strategist for our policy in the Congo. It was a very busy place.

Q: You were in the Congo at that time, October '62 until when?

SHOSTAL: I stayed only until July '63, because I was Medevaced for hepatitis at that point.

Q: Who was the Ambassador in Kinshasa at that time?

SHOSTAL: Actually it was called Leopoldville at that time. It was Ed Gullion, who was a real favorite of President Kennedy. Kennedy had gotten to know him in Vietnam. Gullion had painted for Kennedy a very pessimistic view of how the French were doing in Vietnam at that stage, in the early ‘50s. Gullion's analysis so impressed Kennedy that he very much became a backer of Gullion and when Kennedy came to the Presidency he made Gullion Ambassador to Congo. At that time this was a very important job, because it was one of the real hot spots of the Cold War.

Q: In this October '62 picture could you give me your impression of what you saw in Leopoldville and the government? I mean what was the situation then?

SHOSTAL: It was quite a confused situation. You had a very weak government. The Prime Minister at that time, Cyrille Adoula, was in some ways a very admirable man, somebody with whom Gullion had a very close relationship. But, he was in poor health and he was somewhat indecisive and unable to impose his decisions. This was well illustrated during a visit by the Assistant Secretary for Africa, Soapy Williams. It may have been late '62, early '63, somewhere in that period. This time I was the interpreter for Williams. We went to Adoula's office which was in a building overlooking the Congo River, very modern and well laid out. Adoula was asked by Williams to describe the situation, describe his problems as Prime Minister. Adoula said, "Well, I'll illustrate my problems very simply to you. You see this console here, these buttons. These buttons are all connected with different offices and people are supposed to come here and respond when I press these buttons." So, he put all ten fingers on ten buttons and said, "Now wait." And we waited three, four or five minutes, and nothing had happened. And Adoula said, "You see Mr. Williams, that's my problem. I can decide whatever I want, but nothing happens." That was symptomatic of the problem that the administration that had been left behind by the Belgians. Most or all of the senior jobs and the middle level jobs had been staffed by Europeans, so there wasn't anybody trained to take over. Therefore, you had the Congolese military always hovering in the background and ready to intervene to restore order and make things function. This happened in '65 when Mobutu staged a coup and started his rule.

Q: Had Lumumba already been deposed?

SHOSTAL: Lumumba had already been deposed. He was deposed in early '61 and was assassinated not long after that.

Q: What was life like living in Leopoldville at that point?

SHOSTAL: There was a rather hectic kind of atmosphere. The political uncertainties made for a rather nervous city. Also, a deteriorating law and order situation. There was a lot of crime and some murders. In fact, I was held up at gunpoint by a gang of murderers and was very lucky to escape that. So, it was certainly a city with a lot of tension, especially in the late months of '62, early '63 while the Katanga succession was still going on. You had the buildup to what became a short war in January, around Christmas, early January in '63, in which the U.N. intervened militarily and put an end to the secession there. After that, there

was a kind of relief, I mean some of the tension in the air dissipated, because you weren't expecting the outbreak of war at that point. But, the sense of political malaise and drift continued.

Q: What was your job while you were away?

SHOSTAL: Basically, a Junior Political Officer. That was the reason that I was kept there, rather than being sent to Stanleyville. They needed some extra hands to work on the political reporting. That was really fascinating.

Q: You're talking about an absolutely inexperienced government. There were only three Congolese who graduated, college graduates or something, or some think there were five or six. But, I mean we're really talking about a handful. We're talking a very weak government. Was there political life and can you describe what was happening from your perspective.

SHOSTAL: There was a rather active, even hectic, but very superficial kind of political life. There were lots and lots of political parties. Most of them tribally-based. But, there also was an ideological divide. One of the legacies of Lumumba was that he had created the only political movement that was not tribally-based. But it was Marxist in inspiration and admired the Soviet Union. It was also influenced by the thinking of European socialists, Belgian and French in particular. With Lumumba gone, it was, however, on the defensive. It represented something different from the parties representing, say, the Bakongo peoples in the western part of the country or the Baluba from the Kasai, who all had their own political leaders and movements. Lumumba's successors were very second-rate people, and couldn't carry on effectively the movement he had started.

Q: How did you operate within this as a Junior Political Officer?

SHOSTAL: Well, largely carrying out the instructions of my bosses, the senior political officers.

Q: Who were they?

SHOSTAL: First, it was Tom Cassilly, who was very much an Africa hand at that time. He had been very involved in the African Bureau in the late '50s, early '60s and was very enthusiastic about African politics. Then later, Lew Hoffacker who became our Ambassador some years later to Cameroon. They were both very talented, energetic and demanding bosses from whom I learned a great deal. I mean about the basics of how to gather information, how to evaluate it, and put it together in a readable report. Most of what I did was report about the provinces, which was kind of hard to do, because it was difficult to get out of the capital. The transportation system had largely broken down. But, I did get out on a couple of very interesting trips. One to the tropical forest area North of the Congo River and another longer trip to Kasai Province, which was in the East Central part of the country. It had been an area with a lot of tribal conflict, a lot of bloodshed. My first really good in-depth political report was about the Kasai trip. I got a commendation for it from

our desk officer whose name you would recognize, Frank Carlucci.

Q: Oh, yes. I started to say I've been interviewing Frank on his time over there.

SHOSTAL: Well, then you'd know many of the stories about him. He paid a couple of visits to Kinshasa at the time, so I did get to know him somewhat and learned a great deal from him.

Q: What was his reputation?
SHOSTAL: He was a real star. Everybody thought that he was just about the best Foreign Service Officer that they had seen in a long time. Somebody with a flair, a genius for understanding and analyzing the politics, but also for being a political actor. Before I arrived, and when Frank was still in Kinshasa as a political officer, there was an attempt to put together a legitimate government. They organized a political conclave to put together, first a Parliament and then having the Parliament vote for a government. By all the accounts that I heard Frank was really the key guy in making this conclave work so that if a government emerged from it that provided some stability.

Q: What was your impression of the people you'd be interviewing as you went out to get information?

SHOSTAL: On the whole, very inexperienced and not very educated, but with some exceptions. Some of the students who I met, either from the local University or in one case, somebody who had just returned from Belgium were very bright. There was a tremendous generational divide between the pre-independence, very under-educated elites, and some of the younger people. One person in particular who came back from Belgium and was assigned to the Foreign Ministry did a brilliant job of organizing an Organization for African Unity (OAU) meeting, on virtually no notice with few resources and he really pulled it off. I mean really a very impressive performance that any American FSO would have been proud of. I got to know him quite well. One day we were walking on the street and he stopped and started talking to an older man dressed in very shabby clothes, obviously a village person. Then my friend came back in my direction, "Well, that was my father. I didn't introduce you, because he doesn't speak French, he only speaks his local language." Then I thought to myself, “Here is this very well educated, bright young man and that's his father, living barely out of the stone age.

Q: In the embassy, was there an atmosphere of being almost a proconsulate by the Ambassadors and others?
SHOSTAL: There was. There was, I think, a feeling that we had to do this for a couple of reasons: one was that there was a very low regard for the Belgians' political and administrative performance and the way that they had handled independence. So, we didn't see them as a pole of power, organizational power. Where there was, at least, a potential of some power was at the United Nations, because it was trying to keep the country together. But, for much of that time, the chief U.N. representative was somebody whom our Ambassadors didn't trust. He was a leftist, Indian, intellectual and aristocrat, named Dayal. We thus saw the U.N. to a certain degree not a helpful influence. So, I think that there was

a view at the embassy that we had to consolidate western influence in the Congo, because if we didn't try to build a nation then it would fall apart and would succumb to tribal warfare or the Soviets would come back in. Keep in mind that we felt very much in late '60, early '61 that we had blunted a Soviet power play, that had Lumumba stayed in power Moscow would have achieved a major victory. As one of the people in the Embassy said, "Look, the Ilyushins were landing at the airport and the Soviets were pouring in advisors. This would have become a Soviet satellite." I think there was also, as I know you know, a kind of missionary view at that time in the Kennedy Administration about Africa that the United States had a special role to play there.

Q: Could you explain what was going on in Katanga and the view from the Embassy of the situation of what they were up to?

SHOSTAL: I think the view at the Embassy was that the secession of Katanga, the richest part of the country, was being orchestrated by European powers and conservative political and business elements that didn't want to accept the winds of change in Africa, the independence movement. We thought they wanted to hold on at least to the choicest parts of the old empires for economic reasons. Strategically, the view or the concern was, that this kind of secession movement would prompt other such movements elsewhere in Africa, causing the breakup of these newly independent countries and give the Soviets tremendous opportunities for causing trouble. I think this view also reflected our own national experience in the Civil War. Ambassador Gullion referred to this as the Congo's Civil War and said it was imperative that the country remain together.

Q: Did you get any feel for the relationship between Soapy Williams, head of the African Bureau, and Ambassador Gullion?

SHOSTAL: I don't think Gullion had a very high regard for Williams. Gullion was very proud of the special relationship that he had with Kennedy. In fact, it was so special that he often by-passed Dean Rusk, the Secretary of State. Within weeks of Kennedy's death, Gullion was out as Ambassador. I heard from a number of people, who I think were well informed, that Rusk was deeply resentful against Gullion for by-passing him and working so direct with Kennedy.

Q: Did you get any high level visits, the Congo was really front and center at that time, other than Soapy Williams?

SHOSTAL: The only other one that I remember was a mission, I believe in early '63, headed by Harlan Cleveland who was Assistant Secretary for International Organizations and a significant player in the Administration. Also a member of this mission was a Lieutenant General named Truman who was, I think, a nephew or cousin of the former President. Their mission was to map out a plan for building the Congo as a nation. I remember, in particular, that we went to see Mobutu, who was in charge of the military at that time and this American three star general gave Mobutu a real tongue lashing about the need to discipline his troops. Mobutu was very irritated and obviously resented being talked to that way.

Q: And you were the interpreter?

SHOSTAL: I was the interpreter. To me the interesting thing is to recall the self confidence that we had at that time. We really felt that we could design countries, even those starting with the very low human infrastructure level that the Congo had at that time. We thought we could use the experience that we gained rebuilding Europe, and apply it to countries emerging from colonial rule. Well, things didn't turn out that way.

Q: What were you getting about the relationship of the U.N. with the Embassy during the period the U.N. was putting down this little Civil War in Katanga. You were talking about the relationship with the U.N. High Commissioner or what was he?

SHOSTAL: There was a U.N. High Commission representative, I've forgotten the exact title, but the man who was there just before I arrived was an Indian named Dayal, who was apparently very intelligent, dynamic, but didn't get along at all with Americans.

Q: Being the equivalent to a Krishna Menon?

SHOSTAL: Very much, from what I've heard. I can't even remember his successor's name, but he was clearly not a strong personality and I think that the relationship between the U.N. and the Embassy improved as a result. In Katanga there was a very close relationship. In fact, a sort of conduit was our Consul there who was Jock Dean, who later became a significant figure in the Foreign Service. Jock was suggesting military strategy to the U.N. during much of this period. Things calmed down between the Embassy and the U.N. by early '63. There was, however, a lot of frustration in the Embassy that the U.N. civilian operation was really very disorganized and chaotic. Simple communication problems were an irritant. English was the common language, supposedly, but it was spoken in very many different ways by different contingents.

Q: What about the media? Did you get any impression of the media? There was quite a few.
SHOSTAL: Yes, in fact there were some very talented media people. David Halberstam had just left, so I never met him.

Q: He wrote a book called, "The Making of a Quagmire."

SHOSTAL: Yes, that was it. He went from Congo to Vietnam and wrote his book about that experience. Tony Lucas, who killed himself the other day, was the New York Times correspondent in the Congo. I got to know him quite well and had a lot of respect for him. Jonathan Randal who still writes for the Washington Post, was there. He is somebody who really loves adventure and hot spots, and is also a very good reporter. So, there was quite a large press corps. The Embassy spent a lot of time sort of nurturing and briefing the press and we had quite a lot of give and take with them.

Q: I'm just wondering as a young political officer, what do you feel you were giving and what were you taking with the media?

SHOSTAL: I think that they learned something, because we had quite a large Embassy and had a range of contacts that they couldn't maintain, but I also learned a great deal in terms of their analytical abilities. So, it was, I think something of a give and take, keeping in mind that my role was a modest one.

Q: Were there any other events that we should cover before we move on?

SHOSTAL: I think from that period those were the main ones. As I said, my tour there was cut short.

Q: So, you caught hepatitis and was brought back to the States?

SHOSTAL: No. I was sent to Rome and was in the hospital there for several weeks and then convalesced. In the Fall of '63 I was reassigned to Brussels rather than brought home and spent the next almost two years in Brussels.

Q: This would be in '63 to '65?

SHOSTAL: '63 to '65, yes.

Q: What was the situation in Belgium when you arrived there? What was the political situation?

SHOSTAL: It was dominated by the perennial language issue. It was a period in which the political dominance of the Flemish majority was beginning to make itself felt. The Foreign Minister was someone who was quite a major European figure and a Francophone, a French speaker named, Paul Henri Spaak. Nevertheless, it was a time of transition between that older generation of French speaking dominance in Belgium typified by Spaak to dominance by the Flemish speakers. Today the country has to a large extent split along linguistic lines.

Q: What was your job?

SHOSTAL: I started out for a very brief period in the Consular section and eventually moved to the economic section. In between I had a brief stay in the political section.

Q: Who was the Ambassador then?

SHOSTAL: The first Ambassador was Douglas MacArthur. Then, Ridgway Knight came just before I left in Summer of '65.

Q: Well, Douglas MacArthur has a reputation of being a rather difficult person and his wife had even a greater reputation. Could you talk a little about the impact of a couple of this nature on the Embassy?

SHOSTAL: That was definitely a fact of life, and I think to a very large extent Mrs. MacArthur was the problem. She was a person of very strong views and very strong likes and dislikes. Very quickly after somebody arrived at the Embassy, one knew whether Mrs. MacArthur liked or disliked that person. I was one, and I have no idea why, one of the people she liked. But, there were several other people, in fact some very talented officers whom she strongly disliked. She had a lot of influence on her husband, there was no doubt about that. The relationship or the attitude that Mrs. MacArthur had toward different people was reflected in the way he would deal with those people. He, I think, had great admiration for his uncle, the General, and very much tried to mold himself on his uncle. He tried to be a decisive, very policy-minded person. In some respects he was a very intelligent person, but I think frankly somewhat overrated his own abilities. He would give a very impressive talk about Belgium, to American visitors. After the third or fourth time of listening to this, I really had the feeling that there wasn't an awful lot of active thought continuing to go on. Perhaps, a lot more of resting on his laurels and image building. So, as you can guess, I was not a great admirer of MacArthur as an Ambassador. I don't think he was one of the better Ambassadors that I worked for. Certainly he was no match intellectually for Ed Gullion who was a very creative, insightful, and intellectually impressive person.

Q: Having gone from the Congo up to Belgium, were you picking up, even at our Embassy, a different view of events in the Congo and all?

SHOSTAL: Oh, yes. The conflict between the Africanists and Europeanists was very present there and I was getting a very different perspective, because there was resentment in the Belgium government at Americans muscling in on what they saw still as their territory, even after independence. Our Embassy was confronted with this Belgium resentment and saw American activism in the Congo and Africa generally as a complicating factor for what we were trying to accomplish with the Belgians in the NATO and the European Community context.

Q: Did you find yourself playing the role of an Africanist thrown into this European center of attention?

SHOSTAL: Yes. I hope that I was able to bring at least some on-the-spot expertise and insight to the Embassy from having just been there. There was still quite a lot of time devoted to what was going on in Congo at the Embassy. So, I think I did play a role in trying to explain regional differences, who some of the political figures were, maybe also some of the ways that the Belgians were operating there, too.

Q: What about particularly, you spent most of your time in the economic section, is that right?

SHOSTAL: That's correct, yes.

Q: Were you taking a look at Belgium economic influence in the Congo, I mean among other things?

SHOSTAL: Actually, no. My boss in the economic section was somebody who knew those issues very well, Bill Harrop. Bill had served on the Congo desk; had been the Economic Officer for the desk and was interested in Africa. So he kept that portfolio, so I found myself working much more on domestic Belgium economic issues, particularly energy. I wrote a long report on the future of the Belgium coal industry and prospects for being able to sell American coal and also, worked on telecommunication issues. This was when we were beginning to talk about color television with the Europeans; satellite communications was also on the horizon. Those were the things that I worked on there and then I did the general economic roundups, the monthly economic reports. So, it was good training but much less exciting than what I had been doing in Kinshasa.

Q: What was your impression of how Belgium was responding to one, the demise of its colonial empire, and two, the integration of Europe. Essentially there was a still incomplete recovery from World War II?

SHOSTAL: Well, those are three different issues. On the decolonization process, there was really a political split within Belgium. The conservatives, and it was largely the Catholic Christian Democrats, were still resentful. On the other hand, the Socialists were more favorable to independence. Foreign Minister Spaak had been in favor of decolonization, although he wanted to see a more orderly and less rapid decolonization process. So, there was that political split. If you were talking to conservatives you'd run into quite a lot of resentment. If you were talking to the Left, there was more sympathy for the American policy. On Europe, Belgium was peculiar in one way in that it suffered relatively little destruction during the war. There was little combat, except in the Ardennes. So, Belgium came out of the war in better shape physically than most of the rest of Europe.

Q: And with that big port too.

SHOSTAL: And with the big port of Antwerp, which was a tremendous asset. The Belgians, having a small country and having been marched through several times earlier in the century, were very much in favor of European integration. They saw it in terms of security and also, I think realistically in terms of economic viability, they were simply too small to be significant as a nation state in modern times. So, right from the beginning they were very much in favor of integration.

Q: Did you find, I mean this is crossing from the economic into the political side, that we had any particular problem in dealing with this increasing divide between the French and the Flemish speaking thing or did we duck?

SHOSTAL: I think we largely ducked it. I think there was a problem and there is still a problem of languages. Our officers going to Belgium should be trained in both languages if they are to be optimally effective. Brussels is largely a French speaking city. Most government business is conducted in French, but a lot of the people who count in politics and in the economy are Flemish speakers. Now, when I was going around talking to economic contacts, they were quite ready at that point, in the mid-'60s, to use French. A

few of them would use English, but many of the Flemish speakers of that generation had been educated in French, but the younger were more nationalistic minded Flemish speakers, who clearly did not like using French. So, the problem that we had was that our foreign language training was in French, but a lot of the people we were talking to or should be talking to were Flemish speakers and very sensitive on that point.

Q: Looking at this as a practical measure, Flemish, what is it, between Dutch and German or something like that?

SHOSTAL: It's really Dutch. It's the same language as Dutch with some differences in vocabulary.

Q: Do you have any idea how we're treating that now?

SHOSTAL: I think, and I'm a bit out of touch, I know that we have sent a few Flemish speakers to the Embassy in recent years. But, what exactly the situation is now I just don't know.

Q: By the way, did the operation Dragon Rouge happen while you were in Belgium?
SHOSTAL: This is the air drop on Stanleyville. No. It happened in November of '64 and I was on home leave at that time. I was very much involved in some of the runup to that, however. For example, we would try very hard in the second half of '64 to find out what was going on to the Americans in Stanleyville. The best way we could find out about it was through Belgian ham operators. We finally found a ham operator in Stanleyville, whom we regularly talked to. The local Congolese rebels, called the Simbas wouldn't understand Flemish. So, to inquire about the two consuls whom we had there, we gave them the names of Mr. Vereenigte which sounds like a Flemish name, but which means "united" and Staaten, which means states. So, we would regularly ask this ham operator there, how are Mr. Vereenigte and Mr. Staaten getting along and he would tell us. So, I got involved in a bit of that, liaison with these ham operators. Finally, Belgium paratroopers dropped on Stanleyville and freed the city from the rebels.

Q: When you left in '65, you left Belgium?

SHOSTAL: That's right. Summer of '65.

Q: Where were you assigned?

SHOSTAL: To Washington. I got a job in the Secretariat, the State Department of Secretariat. It was then called a Line Officer job.

Q: You did that from when to when?

SHOSTAL: For two years. From '65 to '67.

Q: Could you tell me, the '65 to '67 a bit how that worked?

SHOSTAL: Well, this was an idea that was brought in by George Marshall when he was Secretary of State. It was very much a transplanting of the idea of the military staff system of having staff officers prepare the work, prepare papers that the Secretary and his deputies were to see. My job was to make sure action memorandums, for example, that went to the Secretary were properly coordinated and that the issues were laid out clearly. From my new perspective, the old fight between the Europeanists and the Africanists again was very visible. In fact, it was practically guerrilla warfare between the European Bureau and the African Bureau, with the Europeanists showing disdain for the Africa Bureau which they saw as unrealistic and quixotic. The European Bureau felt that it was dealing with the really important issues for America. That was true very much in the period of '65 and '66. But what began to overshadow everything was of course Vietnam. When I arrived back in Washington we had just begun our buildup in Vietnam and it was going on rapidly with more and more policy attention being turned to Vietnam and with Dean Rusk finding more and more of his time and energy focused on trying to manage the war, trying to keep it limited, trying--as he saw it--to prevent the military from escalating to the point where you could bring the Soviets or the Chinese into the conflict.

As time went on, more and more of Secretary Rusk's time and energy was being taken up by that. This I could measure from my perspective by the number of memos going from the East Asian Bureau to him as compared with the European Bureau. It started out by being a lot of European stuff, but more and more the Vietnam related stuff would concentrate and go toward Rusk. His Deputy, George Ball, was the Europe man, and a lot of Europe delegated increasingly to Ball.

Q: You mentioned putting everything in proper form and all this. I was interviewing, I think it was Fred Rondon the other day who was the African man in the NSC, little later, but he was saying that there was a terrible problem, because the State Department never seemed to be able to come out with a clear-cut, sort of a decision, they needed a paper on such and such and within 24 hours, where the military could more or less turn out something, he found he often had to just write something himself, because the secretary was involved not only in the actual process, but how things looked when the margins were right and all that. This essentially made the State Department less a player in the game of the White House level than it should have been.

SHOSTAL: I think that was a problem. I certainly was very much aware of it since I might have been part of the problem, because our very clear instructions were to be sure that things were in exactly the right format, with no typos. In the era before word processors, it was very tough to achieve those kind of standards quickly. But, I think that there was also the policy problem of the loggerheads at which the African and European people would often find themselves. I think as time went on in the '60s that became less of a problem because the African Bureau was receding in influence at that time. Africa was getting increasingly low priority.

Q: I assume that George Ball, who had a reputation of being a preeminent Europeanist, just by his own predilections would be primarily interested in Europe. Were you sensing

that at all?

SHOSTAL: Oh absolutely. Dean Rusk was increasingly immersed in Vietnam and Ball was interested mostly in Europe. After the fall of Khrushchev, the Soviets rapidly lost interest in Africa. With the loss of African interest by the Soviets, correspondingly our interest dropped off as well. Contributing to our changing attitude was also the realization that African nation building was going to be a lot tougher than we had earlier thought it would be. All these things, I think also helped to diminish the access that the African Bureau had to policy makers. Maybe Fred Rondon's experience affected that to a certain extent as well. The Department's seventh floor simply wasn't as interested.

Q: How about places like the Middle East? I mean, there's an ongoing crisis in Israel.

SHOSTAL: I was in the Secretariat during the Six Day War. It was really one of the most exciting periods of my Foreign Service career. Obviously, it was very brief, but I was in charge of some of the paper flow for the Middle East Bureau at the time. I had really a very good birds eye view of what was going on and one particularly memorable incident was a dispute that we had with the Israelis before the war over what kind of guarantees the United States had given to Israel with regard to the Red Sea Straits. The Israelis insisted that John Foster Dulles after the 1956 Suez Crisis had given them firm guarantees that the United States would provide them military support in the event there was ever an Egyptian effort to seize control of the Straits. Nasser was being very aggressive at that point.

Q: Oh, yes. This is sort of what they insisted on, the U.N. leaving.

SHOSTAL: That's right. At that point the Israelis came to us and said, "Look, you've now got to stand by the guarantee that we got from Dulles." And, the State Department said, "What guarantee?" They said, "We have it in writing." There was a desperate search for the paper in our files and it was never found in our files, but the Israelis had a copy. So, I learned about the importance of having an orderly filing system.

Q: Was there ever a feeling that maybe the Israelis made this up?

SHOSTAL: No, I think there was clear recognition that this was authentic.

Q: Oh, boy. Were there any other events that you sort of were sitting on top of while you were there?

SHOSTAL: I think the big issue increasingly, was Vietnam. We had really a lot of debates among the younger officers serving in the Secretariat. It was a very talented group. We discussed the pros and cons of our involvement, particularly of the bombing. Most of us were skeptical about our policy. We knew enough World War II history to recognize that bombing alone wasn't going to win this type of war for you. It hadn't done it in Europe and it was unlikely to do it in a much more primitive economy in Vietnam. The other thing that worried us was the divisive effect that the war was having on our own society.

One of the things that I find now in retrospect was kind of a blind spot on my part was understanding the nature of the conflict. Although I had Vietnamese friends in Washington who would tell me that the Vietnamese saw this as a nationalist war of liberation from the West, the prevailing view (and mine) was that Vietnam had to be defended because it really was part of a larger problem of Communist expansion. My Vietnamese friends would tell me, "Look, you don't understand what's going on yet. The Viet Cong happen to be Communist, but they are not taking orders from anybody and they're not going to do the bidding of either Moscow or Beijing." I was skeptical of that view. At that time I accepted the prevailing view of the danger of falling dominos. But by 1967 I finally came to the view that the devastating effect on our society was worse than the possible fall of Vietnam.

Q: Did you find that other Foreign Service officers of your age were beginning to feel this way?

SHOSTAL: Many were, but not all. I think by Spring of '67, most of us felt that our policy was in a kind of dead-end street and that the constant increase of numbers of troops and more and more bombs were not bringing the war any closer to an end. So, we were very skeptical that there was a military solution and felt increasingly that there had to be a political solution.

Q: Why don't we stop at this point. I'd like to put at the end where we stopped. We'll pick it up next time, 1967 when you left the Secretariat, where did you go when you left?
SHOSTAL: I went back to Africa to Malawi.

Q: Okay, we'll pick it up then.

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Today is the 26th of June, 1997. Pierre, you're off to Malawi. You were there from '67 to when?

SHOSTAL: '69.

Q: What were you doing in Malawi?

SHOSTAL: I was Political Officer at the Embassy there.

Q: Could you explain both where Malawi is and what the situation was at that time?

SHOSTAL: Malawi is in southeastern Africa, just north of Mozambique and just west of Tanzania. In other words, it's a landlocked country. To its west is Zambia. So, that sort of gives you the location. It's a rather small country, quite poor, dominated by one of the great East African lakes, Lake Nyasa. The time that I was there was a period of geographic isolation and also political isolation for Malawi. What do I mean by that? Well, first of all, the geographic isolation was reinforced by the war that was going on then in northern Mozambique, the anti-colonial war being waged in Mozambique. Also, that sense of

isolation was further reinforced by the Rhodesian sanctions that were going on at that time. The international community had imposed economic sanctions to try and bring the self-proclaimed Government of Rhodesia to heel. Where that affected Malawi was that a lot of the traffic and transportation links southward ran through Rhodesia, so the combination of those factors, the Mozambique Civil War and the Rhodesian sanctions, which for example made it possible for us to travel to Rhodesia. During my tour in Malawi, that sense of isolation was reinforced by a political decision by the President of Malawi, Hastings Kamuzu Banda, to establish diplomatic relations with South Africa. This made Banda the odd-man out of black Africa.

Q: When you talk about Banda, you could put it in two parts: one, before you went there and when you got there, how did you view him?

SHOSTAL: Well, Banda was and actually is still alive and is now a very old man in prison, a really unique character. He was an African nationalist, in some respects one of the founding fathers of African nationalism, but he was also highly conservative and pragmatic, unlike the man who had been his mentor when both of them were in exile in the '40s and '50s in England, Kwame Nkrumah. When Banda returned to Africa from England, where he'd practiced medicine, in 1963 to become the first President of Malawi, he had very little patience for the kind of economic Marxism that people like in Nkrumah and other African nationalists at that time had. The result was that, although he copied some of their political ideas, for example one party rule, of people like Nkrumah, he gave them a very conservative cast that led him pretty quickly to part company with what was then called the Pan-African movement. Banda also realized that he had an opportunity for overcoming a certain amount of economic isolation through establishing relations with South Africa. South Africa was very eager to have a black African country recognize it and Banda got substantial economic benefits in terms of trade and assistance from South Africa. In particular, South Africa was able to realize Banda's dream of building a national capital in his own home geographic area in Central Malawi. So, it was a rather interesting period to watch from that viewpoint, although rather far removed from the central stage of world affairs.

Q: What was your feeling at the time, the Embassy's and your's, of Banda?

SHOSTAL: Well, there was quite a split. On the whole, the leadership of our Embassy, the Ambassador and DCM were really quite favorable to Banda's ideas. Both of them were personally rather conservative people.

Q: Who were they?

SHOSTAL: The Ambassador was Marshall Jones who had been in EAP and Bill Barnsdale was the DCM. Barnsdale had really been an Italian hand up until that point. Both of them were really quite attracted to Banda's ideas. I was somewhat less enamored, because I saw this, our support of Banda's policy, as being out of step with what I thought at that time was the mainstream of African politics. But I also recognized that Malawi really was very much a sideshow, a very small country. Although, because of Banda's policy, a rather interesting

one. And also, it was an interesting perch from which to observe what was going on in Mozambique, Rhodesia and South Africa.

Q: You mentioned a split between the old guard and the new guard in the Embassy, which often happens. I guess Nkrumah, was out by that time?

SHOSTAL: By that time Nkrumah, let me see, he was already out.

Q: Many of these had come away sort of inculcated by socialism from England and France. I mean looking at it from somebody who has never served there, these ideas sort of made a mess out of the whole economic system in Africa. Was this apparent and was this something we were looking at?

SHOSTAL: The failure of Nyerere's or, for that matter, Kaunda's, brand of African nationalism in Tanzania and Zambia was not really that apparent in the late '60s. One thing to keep in mind is that world commodity prices were still pretty high. The Vietnam War of course was raging and overall the countries were doing pretty well, particularly Zambia, by selling copper. So, I think that really became clear somewhat later.

Q: What were you doing as a political officer?

SHOSTAL: Well, I must confess, it was a country without an awful lot of political life, so there were certain limits to what you could do. There was a one party system and it really was tightly controlled, very personally controlled by Banda who--it was said--personally approved every government check for over 30 pounds. There was really not an awful lot to report about in terms of political debate and ideas. On the other hand, I got to know a lot of Malawians quite well, and, from that viewpoint, found my tour really quite rewarding. I had a chance to understand a little bit better how the society functioned from a sociological point of view. I think this was quite valuable.

Q: Can you talk a bit about a social life there? How did you meet Malawians and how did this work, particularly in such a tightly controlled country?

SHOSTAL: There weren't any restriction really on Malawians meeting Americans, or for that matter on Malawians being friendly with Americans. Banda was very pro-American. He'd studied the United States and admired the United States in many ways. So, that getting to know Malawians socially and personally was not a big problem. Getting them to open up and talk about their own political ideas was more difficult. I had really quite a number of African friends who were relatively open in talking about their own personal lives, their customs, that kind of thing.

Q: How would you entertain?

SHOSTAL: Well, very informally at home usually. They would come to my house, informally, usually sort of buffet-style events. We also often showed movies. So, that kind of thing was really very good. They came very readily and very rarely had no shows. And,

they would invite us back, which in my experience in Africa is quite rare, because in most cases, our housing was much superior to their's. But, I was really very pleased and found it rewarding that we had as much personal contact as that. On the other hand, there was a very different kind of social life as well, a kind of last bastion or British colonial society. At that time, this is the late '60s, Banda still had quite a number of British expatriates working in his administration.

Q: As far as issues go, were there any particular issues with Malawi?

SHOSTAL: No, not for the U.S. The big issues as far as Malawians were concerned was trying to get the United States to give some economic aid. This was a period when we were cutting back drastically on economic aid to Africa. I think that reflects what we talked about in a previous section, mainly the loss of interest by the Soviet Union at that time. We certainly picked this up very quickly and I think said to ourselves, "Ah, the Soviets are not really trying to make gains in Africa, so why should we be spending a lot of money." This was, I think, compounded by the Vietnam War and the budgetary problems it created. So, that was the big issue, the bilateral issue, the fact that we were cutting back our aid presence and trying to take a regional approach to assistance to Africa. This did not work at all, because--for example--Malawi's interest and priorities were very different from those of its neighbors, Tanzania and Zambia. So, the bottom line was that the stream of assistance was drying up and I think this was one of the reasons that moved Banda to look to South Africa.

Q: Southern Rhodesia was under sanctions at the time, but was stuff coming in and stuff coming out? I mean, did you spend a lot of time, sort of sitting by the side of the road counting trucks and things like this?

SHOSTAL: No. We really didn't have responsibility for that kind of thing. In fact, it would have been rather difficult, because what was going in and out of Rhodesia was really going through Mozambique. Mozambique, or the Portuguese government there, was sympathetic to Rhodesia and leakage in the sanction system was through Mozambique and of course, through South Africa.

Q: What about the situation in Mozambique? They were having a guerrilla war. How did we see the war at that particular time?

SHOSTAL: I think there was still the same kind of split vision that I talked about at our last session, mainly between the Europeanists heads who were concerned about not under-cutting the Portuguese too much, and the African Bureau which favored the liberation forces. By that time, however, the vehemence of the debate had subsided somewhat. I think there was quite a lot of concern at that point that the Mozambique nationalists forces were under communist influence and that tended to dilute any enthusiasm or support for them. I think, as far as the Portuguese were concerned, there was regret in the European Bureau that the Portuguese were wasting their resources. Of course the Portuguese regime was eventually brought down by the colonial wars.

Q: What was the impression you were getting from the sidelines of the Portuguese rule in Mozambique? The effect of the guerrilla war against them.

SHOSTAL: Malawi was very much affected, because the fighting blocked access to the Indian Ocean. Rail traffic during much of that period was interrupted, so it caused a certain amount of hardship in Malawi, although not really severe hardship. There was always the concern there would be a spill-over. For example, refugees from the combat area. This in fact did happen many years later, 20 years or so, when there was a big civil war among Mozambique factions themselves and where there were hundreds of thousands of refugees in Malawi.

Q: How about Tanzania? Did you get any look at Tanzania?

SHOSTAL: Tanzania was something less of an influence, simply because the communication lines for Malawi ran through Mozambique rather than Tanzania. The area between Northern Malawi and Tanzania was underdeveloped. So, there really was not an awful lot of impact. The big issue with Tanzania however, was the railroad that the Chinese were building.

Q: The Tanzam Railroad?

SHOSTAL: The Tanzam Railroad which connected Dar Es Salaam with the copper belt mining areas of Zambia. It was meant to avoid the necessity for Zambia to use Rhodesia as an export route. So, we watched that with quite a lot of interest, because it was a very, very big project.

Q: What was the feeling towards this project? The Chinese were building it then, were there feelings that they were gaining influence and what would this sort of influence mean?

SHOSTAL: I think that definitely was a concern. We were still thinking at that time in terms of the Chinese Communist as a hostile power; one opposed to the United States; one opposed to the international trading system as it operated, so there was concern that the Chinese, having made such a big investment there, would reap big political gains. Not only in Tanzania, but also in the rest of Africa. I think that the Chinese were probably also motivated by their competition with the Soviets. With the Soviets at that time losing interest in Africa, I think the Chinese saw some political and propaganda benefits to be gained by that very big investment.

Q: Did you get any feel, I know I interviewed somebody, and I'm not sure exactly what time, but was in either Rwanda or Burundi and they were rather ticked off, because Tanzania with Nyerere who was spending most of his time castigating the United States was still getting considerable amount of American aid. They had friendly governments in Rwanda and Burundi and they weren't getting any. Did you get any?

SHOSTAL: That there was. That was something that the Malawian government would bring up with us frequently, saying, "We're your real friends and you're spending all this money on Tanzania." I think that reflected two things: one the large size and more strategic

importance of Tanzania on the ocean routes, as well as a desire to compete with or keep our hand in the competition with the Chinese so that Tanzania not be completely open just to Chinese influence.

Q: Also, wasn't Nyerere a figure who would charm the pants off our leaders and have them take their wallets out of their pockets at the same time. He was doing this particularly with the European Socialist government and Scandinavia.

SHOSTAL: I think that's right. I think that American disillusionment probably started before the Europeans woke up, but I think that's true. He was an attractive figure and some of his ideas, at least when you listened to them, had a lot of appeal.

Q: During this time, did the war in Vietnam have any repercussions or did they ever bring it up?

SHOSTAL: The Malawians no. Within the Embassy, yes. Within the American community we had for example, a rather large Peace Corps contingent. There was a generational split along lines that you would expect. The older, more conservative leadership of the Embassy fully backed the war effort. Younger people were very skeptical and antagonistic toward the policy. So, that was really the major impact of the war.

Q: How effective was the Peace Corps? What were they up to?

SHOSTAL: They were involved mostly in agricultural development and in applied types of skills. I had a very good impression of the effectiveness and enthusiasm of the volunteers. They were bright, very motivated, learned the local language. I thought they did a wonderful job. Whenever I traveled around the country, which I did a lot, I was always impressed. They also seemed to really know what was going on, which was also useful.

Q: Malawi, was there a tribal split or was it more or less one country?

SHOSTAL: No, there are tribal splits of the country, as happens in Africa. The tribe from which the President came was favored. The Chewa, as Banda called them, came basically from central part of the country. There were people from the south who were somewhat different, many of them were Muslims. And, in the north they were still other people, many whom were distantly related to the Zulu, a branch which had migrated northward from South Africa in the 19th century. So, there were tribal splits and the people who were not from Banda's tribal group were disfavored in terms of education, economic development, career opportunities, etc.

Q: You left there in 1969 to where?

SHOSTAL: To FSI to study Russian for a year and then go to Moscow.

Q: What caused this move? Did you apply for this?

SHOSTAL: Actually no. It came as a surprise. At that time, the Embassy in Moscow had an Africa watcher. The job was created in the mid-'60s because of concern that the large numbers of African students coming to Moscow to study that they would be brainwashed and would have no American input into their thinking. So, a position was created in the Embassy to maintain contact with students and African diplomats.

Q: Before we get to Moscow and your Russian training, I know I've been through some sense of language training before and often you pick up quite a bit from your, not just the language, but also the culture and the outlook from your teachers. What was your impression of this?

SHOSTAL: Well, I was very fortunate and had a remarkable Russian teacher. By the way, it was a very, very small class, only three of us.

Q: Who were the three?

SHOSTAL: Peter Swiers and Jim Schollaert. Peter has been working for the Atlantic Council for several years and Jim Schollaert is still in the Department.

Q: Were you picking up anything about, I mean sort of what was your attitude about going into the Soviet Union at this particular time?

SHOSTAL: Well, it was an interesting problem, let's put it this way. At that time the Russian teachers at FSI that I had were people who had left Russia many years before. The principal teacher was really excellent, Nina Dela Cruz, left in the early 1920s when she was a small child. 1920s, in the early '20s anyhow. Her family was a member of the aristocracy. So, the view of Russian society, Russian culture that she gave us was of course, an old one that did not have the Soviet overlay. The other teachers had come out, both of them, during World War II. So, it was not an up-to-date view of Russia that we had. And, that was a problem that existed for several years until the first Soviet emigres started coming out in the late '60s, early '70s when you started getting people who had a contemporary view and experience of Russian society.

Q: What was the attitude, we're talking about '69, '70 about the Russian speciality? Obviously, in the '40s and '50s and early '60s anyway, this is where the top stars, the Kennans, the Bohlens, the Thompsons and there was a lot of competition to go to Russia. Had things changed by this time, do you think?

SHOSTAL: To a certain extent there was still some of that esprit about it. We did have some really outstanding officers serving at the Embassy at that time. Stape Roy who was there; Mark Palmer as well. So, the Soviet career track was attracting some very fine talent. On the other hand, I discovered pretty quickly that the Administration at that time was not interested in having a strong Embassy and a strong Ambassador. This was the period when Henry Kissinger was National Security Advisor and was dealing directly with the Soviets, the back channel was of course the principal channel and most of what happened in policy

terms was going on in Washington between Kissinger and Soviet Ambassador Dobrynin.

Q: I'm told at one point that Kissinger went to Moscow but the Ambassador didn't know he was there, or something like that?

SHOSTAL: I was there when that happened and that was really, perhaps the biggest shock that I had as a professional Foreign Service Officer. It was a shock of humiliation for the Embassy and for the Ambassador that Kissinger came and met with the Soviet leadership and the Ambassador didn't learn about it until later. I think that is just about the ultimate humiliation an Ambassador can suffer.

Q: You served in Moscow from '70 until when?
SHOSTAL: To '72.

Q: What was your job?

SHOSTAL: Well, there was some confusion about that. I had been told before I left that I was to be the Africa watcher, the liaison with African diplomats and students. When I got there I discovered that the Embassy was not particularly interested in my doing that. They wanted me rather to do other things. The other things being to monitor what the Soviet press was saying in terms of the United States, the theme of anti-American propaganda and trying to discern in trends there. That was a particular interest of the Ambassador and DCM. Another area of interest was Latin America. This was the period when you had Allende in Chile; you had a leftist military regime in Peru and it looked like the Soviets might be on the march in terms of influence in Latin America.

Q: That's when Cuba was there?

SHOSTAL: And Cuba was there of course. So, there was a lot of interest in the Embassy in coverage of that and in maintaining contact with the Latin American Embassies and getting to know Soviet specialists in the Latin American field. So, I found myself really kind of torn during the two years that I was there between, what on the one hand I had been told the African Bureau was expecting me to do and what the Embassy was expecting me to do. So, I tried to balance those things, but because there was an awful lot happening on the bilateral U.S.-Soviet track, as well as in Latin America, I found myself spending more time on those issues than on Africa.

Q: Let's talk about the African students and Lumumba University. What was your impression of the students at the University and I suppose other technical schools too?

SHOSTAL: Well, they were a very mixed bunch. There were some people who were very bright and talented, also trying to work hard to get a good education. But, that was by no means the rule. And, what I certainly learned very quickly was that most of the students there felt that they were in the minor league by being in Moscow. Had they had the choice, would have much rather been studying in the United States or in Western Europe where, they felt, the quality of education was higher, living conditions better, climate better. To

me the big surprise was their view that interracial relations were better. I'd heard over and over again that African students were very badly treated by Russians on the street.

Q: They use the term "black monkeys?"

SHOSTAL: Yes, that kind of thing was very widespread.

Q: I heard that in Yugoslavia and talking to African students who came through when I was there. And, Bulgaria was particularly bad.

SHOSTAL: That was rough and of course, anything like African students going out with Russian girls exposed them to a lot of abuse.

Q: Did they have a little more money than the normal Russians?

SHOSTAL: In some cases, yes, but not in all of them. The stipend they got from the Soviets was very meager, but some of them had money from home.

Q: In a way, was it the sort of general feeling that this effort on the part of the Russians to create a new Soviet African man was pretty much on the way out and what had been done and being done at that time?

SHOSTAL: That period, 1970-72, I think marked a low point in Soviet interest in Africa. There was, a few years later, a revival of interest when the Soviets thought they saw opportunities to make strategic gains in Southern Africa, in Angola and eventually in South Africa, but that came several years later. That came when they started using the Cubans as surrogates.

Q: Let's turn to the other part of this international watch you had. What were you getting from the Latin Americans?

SHOSTAL: On the whole, an anti-Soviet attitude with rather mixed feelings about the United States. Here, I have to add that I've never served in Latin America and didn't speak Spanish, which was a handicap in dealing with the Latin Americans. My own contacts with them revealed that there were some Latin Americans who were really very friendly toward the United States, admired our country, but others that had degrees of skepticism and even antagonism which I felt pretty quickly in my contacts with them. But, I did have a number of very good contacts and even friends among the Latin American diplomats. Although it took some time to kind of develop those relationships, I'd say by the second year that I was there that it was really very productive in terms of reporting and in terms of my own understanding of what was going on. So, it was really valuable from the educational viewpoint.

Q: What about the situation in Chile? I'm not clear on my dates. When did Allende come in and when was he overthrown?

SHOSTAL: He came in, let me see, I believe it was late '69, or it may have been early '70. He'd just recently come to power when I arrived in Moscow. I can't remember when he was overthrown. I think it was '73.

Q: So, the whole time you were there, Allende was in power? So, you didn't have the repercussion afterward?

SHOSTAL: That's correct, yes.

Q: Was he the darling of the Soviet press? How was he playing in the Soviet press?

SHOSTAL: He was very much the darling of the Soviet press. Not portrayed as a Communist, because I think that the Soviets recognized that portraying him as a Communist would have negative repercussions in the United States. People who were hostile to Allende would say, "The Soviets, his friends, are embracing him as a Communist." So, they were careful to call him a progressive nationalist and somebody who was leading the struggle for liberation from Yankees Imperialism and that kind of thing.

Q: Were you getting cables from Chile and from other places, sort of keeping up on Latin American affairs?

SHOSTAL: To a certain extent. It wasn't frequent enough. I think this point that you're getting at is a very good one and that is that there was, and I think perhaps there still is a certain degree of bureau parochialism in the State Department. The natural tendency when a reporting officer does a cable, is to think in terms of sending copies to the posts that he most frequently deals with or that are really on his mental horizon. I think that showed itself, for example, in reporting from Latin America. They didn't include us as much as I think would have been useful for me to be well informed about Latin American affairs. I wouldn't say that it was entirely bad, but it wasn't as good as it might have been. I think it was symptomatic of a fundamental problem.

Q: What was the feeling that you were getting, both from the Embassy of the offices that had been dealing with this problem for a long time and from the Soviet press and your various contacts with the Soviets about Cuba?

SHOSTAL: On the official level for the Soviets, everything was hunky dory. Fidel Castro was a great patriot, a true Communist, etc. etc. Though, in talking, for example, to a Soviet journalist that I got to know there was definitely an undercurrent suspicion about Castro, that he was a kind of a cannon that might go off and do things that would embarrass the Soviet Union. He wasn't as disciplined in his approach to communism as they would have liked it, too impulsive in launching initiatives that didn't have follow-up and that kind of thing. So, there was among Soviet experts on Latin America quite a lot of skepticism. And, I think there was a worry that Cuba might also turn out to be an economic drain which to a certain extent it was. Let me just add to that. I think that the Soviet suspicions were overridden by the attraction of having a toehold right next to the United States, even though it was a tenuous one, which a few years before had led to possible conflict. So, the Soviets

I suspect at that time were also suspicious of Castro's ability to drag them into a new confrontation with the United States.

Q: What was the Soviet government like and how did we view it from the Embassy during this period?

SHOSTAL: It was a very slow-moving, bureaucratic, uninspired operation. There was certainly nothing in the way of charismatic leadership from Brezhnev or Kosygin. You also sensed that any kind of impulse for reform that had existed with Khrushchev had really petered out. I think here the real turning point in all of this that produced a very defensive attitude and policy by the Soviets of putting down the government in Czechoslovakia.

Q: And this was when?
SHOSTAL: 1968, and I got to Moscow two years later. I think that what I perceived as the big fear internally of the Soviet leadership was that any real experimentation, any loosening up would produce a momentum that could end up in something like the Prague Spring. Now, what they tried to do, I think at that time was to very gradually improve the supply of consumer goods. During that period if you kind of looked at it from a two year time span, you could say, at least in Moscow and the major cities, that life seemed to be getting a little bit better. There seemed to be a few more consumer goods available, more variety of clothes, a little bit more variety in way of food, especially things like fruits and vegetables, exotic fruits and vegetables. But, it was still pretty miserable as compared with Western standards. Externally, I think that regime was beginning to really kind of feel its oats, it seemed to have recovered some self-confidence from the Cuban missile crisis.

Q: Of 1962?

SHOSTAL: That's right. The Cuban missile crisis of '62 produced a real shock in the Soviet leadership and they vowed never again to be in a position of such military inferiority that they would have to back down. They then embarked on a very intensive military buildup, which by the period of '70-'72 was giving them increased self- confidence. They were beginning to produce MIRVed intercontinental ballistic missiles and the Soviet Navy had been built up.

Q: Blue Ocean they called it.

SHOSTAL: Their Blue Ocean navy was perhaps not at the level of the United States', but was still considered by the American military as an increasing threat. And, of course, the Soviet conventional land forces looked pretty threatening at that time as well.

Q: As you're sitting there in Moscow, what was the feeling of what the Soviets are going to do with all this military might. Are they going to go through the Fulda Gap in Germany or what's going to happen?

SHOSTAL: I think there wasn't a very clear view at that time. There was a concern about what could they do, why were they building all of this. One area where there was obvious

concern was the Middle East and whether the buildup would mean increased capability for foreign intervention.

Q: Air borne?

SHOSTAL: Air borne and that kind of thing. Well, not just air borne, but building a big transport plane for example, combined with the increasingly close relationships that they had with governments like Syria and, up until a certain point, Egypt. Remember Sadat only threw the Soviets out, I think in '71, or '72, but the Soviet relationship with radical regimes in the Middle East was very strong. There was certainly a concern about how Soviet military power could translate itself in the power balance in the Middle East. We had seen how in the 1971 India-Pakistan War Soviet military equipment helped tip the balance in favor of India. So, I think the principal concern was not so much tanks rolling through the Fulda Gap, but how the Soviets might use their military capability to tip the international balance in other parts of the world.

Q: What was the feeling, I'd like to take a temperature of people who served there. I've never served there. The closest I've gotten is Yugoslavia. Here you are, you've served in various places including Malawi, but to go to the Soviet Union, our great rival and you take a look and see people in lines for food and all that and other things. How were you looking at this great military strength and this obviously, terribly poor delivery system for the people?

SHOSTAL: There was a definitely, as we would say today, a disconnect between those two. Very quickly after most of us arrived there, I think we became very skeptical towards and even hostile toward the Soviet system. I think virtually everybody who served there departed much more hostile to the whole Soviet system, the propaganda, the system of controls, than when they arrived. I think this was the product of seeing how badly the system treated its own citizens coupled with the propaganda which of course painted everything in rosy colors. There was thus the hypocrisy and duplicity involved in it. It was very clear from even the limited contacts that we were able to have that the privileged lived much better than the average person.

Q: Special stores?

SHOSTAL: Special stores and all the rest of it. Sort of golden ghettos for privileged people, large dachas, hunting lodges, all those kind of things which the well-connected in the party were able to have while the rest of people lived in misery. This added to the hostility I think that we felt toward the Soviet ruling class.

In foreign policy it was for me a very interesting period in terms of changing official attitudes between the two countries. And, a real turning point in not just the attitudes, but in the substance of policy. When I arrived in 1970, that Fall, you had one of the real low points in U.S.-Soviet relations, occasioned by a Middle East crisis, the Black September events in Jordan.

Q: Could you explain what the Black September was?

SHOSTAL: These were radical Palestinians living in Jordan which appeared to be ready to overthrow the regime of King Hussein and to install a radical leftist Palestine regime. The King with considerable logistical and other help from the U.S., put down that budding rebellion. But, it looked at that time as if there might be a Soviet move with more direct involvement.

Q: The Syrians actually sent troops on the way and they turned back, I think after the Israelis set a few rules, you know what I mean?

SHOSTAL: That's right, yes. There was real concern that the Soviets might get pretty directly involved as well. You could have had a very nasty situation. So, that was a kind of low point. For the first year or so of my Moscow tour, relations were really very bad, because of that, because of Vietnam. But, beginning I would say in late '71, to early '72, Soviet attitudes began to change. I think that they felt that they had an opportunity to reach an understanding with the United States that would grant them recognition as kind of an equal partner, an international partner with the United States. Something which I think was a driving motivation for Soviet policy was to be recognized by the United States, by the rest of the world, as the other great power and co-equal in influence. That desire produced a policy that was very strongly debated, very stiffly debated within the Soviet government. At the time of the party congress in early '72, Brezhnev wanted better relations with the United States as well as arms control agreements, which I think he also probably wanted to achieve. Here I am speculating, but he probably wanted to achieve arms control agreements because he recognized that if he wanted to improve the standard living of the people, an all-out drive for military hardware and spending on the armed forces would make that impossible. So, he wanted, I think, to have the arms control agreements that would produce, first of all, greater stability strategically, but secondly also would at least restrain the arms race and allow the Soviets to do more on the domestic front.

The opposition to this course was ideological as well as prompted by the Vietnam War and there was a big debate in the Soviet leadership which Brezhnev won in the Politburo. We were able to track really the improvement of the relationship by things like talks between the Soviet and American Navies on ways to avoid dangerous incidents at sea.

Q: They'd been playing chicken with each other.

SHOSTAL: They'd been playing chicken with each other, they'd been a number of really dangerous incidents that could have gotten out of control and both sides recognized and it made sense to try to have some rules. But, these talks were also symptomatic of a desire of both sides to improve the overall relationship. The Administration at that time also was developing its triangular relationship diplomacy with China, which meant that to be influential in both countries we had to have improved relations with the Soviets to play off against the Chinese. So, it became a very complicated chess game, leading up to Nixon's first visit to China, and his visit to Moscow in the late Spring of '72, only a few weeks after he had first visited China. This of course was a very bitter pill for the Soviets to swallow.

They had seen Nixon go first to China and then come to Moscow, but they still swallowed it. There was a final stumbling block, which was the Vietnam War and our bombing of Haiphong Harbor just a few weeks before the visit.

Q: As it was a Christmas bombing, I think it was?

SHOSTAL: It was in the Spring of '72 and touched off a new debate in the Kremlin about whether the visit should go ahead. The Soviets went through with the visit because Brezhnev felt that he had a strong commitment to go ahead.

Q: You were there when the news that we were opening up to China. First place, how did that hit the Embassy and then what was the reaction you were getting, both official and sort of unofficial?

SHOSTAL: It really hit like a bombshell in the Embassy. The first hint of it was picked up by our China hand, Stape Roy, who saw the first opening with the so-called ping pong diplomacy. He saw this as really the opening of a very significant change. The visit to Beijing by Nixon produced a lot of excitement at our Embassy, although we weren't quite clear as yet what the strategic framework for all of this was. It was one that did pay dividends, I think, in our relations with the Soviets because it gave the Soviets an incentive, along with the economic incentives to want to improve their relations with us so we wouldn't be completely wrapped up in the arms of the Chinese against the Soviets.

Q: What was the Soviet reaction that you were getting when this first happened? Were they sort of upset or how was the newspapers handling it?

SHOSTAL: The newspapers, as I recall, were hardly talking about it. That was their way of dealing with something they didn't like or that they found unpleasant, it wouldn't be mentioned. My reporting beat was not that area so much, so I really can't say or I don't recall what Stape and others were saying about what the Soviet Asia specialists were saying.

Q: Who was our Ambassador or Ambassadors within the '70, '72 period?

SHOSTAL: Jake Beam was the only Ambassador that I had while I was there.

Q: Can you talk a bit more about how in the political section it was perceived and who was the DCM by the way?

SHOSTAL: Boris Klosson.

Q: About how this whole thing was perceived with Kissinger, particularly this is before Kissinger became Secretary of State and he was having in many ways, fun. I have to say it, but it sounds like having fun in his earlier days in the Administration doing things on his own and sort of rubbing the nose of his State Department. What was the reaction?

SHOSTAL: Rage and frustration, as it became clear, the extent to which the Embassy and the Department were being cut out of the action. There was really a feeling that we had a lot to contribute to the making of our policy, because we were on the ground and did have contacts on insights that could be helpful. But we also recognized that the people who were making decisions which really mattered weren't paying any attention to what we were doing. So, among the people who were motivated, very bright and ambitious, there was a lot of unhappiness. To what degree the Department was cut out, became evident during the Nixon visit itself, in the plans for what the Secretary of State should do.

Q: Secretary Rogers?

SHOSTAL: Secretary Rogers at that time. I remember being in one of the planning sessions with the White House party when somebody said, "Well, we don't have this particular afternoon anything for the Secretary of State to do." And, somebody said, "Well, we could send him to the puppet theater, there's an excellent puppet theater in Moscow." I remember saying, "You must be nuts. Can you imagine what the American press would do with a story on Rogers going to the puppet theater while Kissinger is negotiating all of these agreements." So, finally a job was found for Secretary Rogers which was to negotiate the agricultural trade agreement, the delivery of wheat to the Soviet Union.

Q: The Nixon visit. What was the impression of the Embassy of how it went?

SHOSTAL: It went very well. I think from the point of view of producing agreements, which was really kind of a yardstick. You had after all, SALT I signed at that visit and a whole range of others, bilateral cultural, agricultural, science and technology agreements. So, from that viewpoint it went very well. There was no question about it, both sides wanted to achieve significant results. There were, however, a couple of things that troubled us and really became a problem. One of them was the fact that we hadn't really consulted other allies, and I remember the day after the summit ended, as usual somebody went to NATO to brief the allies. They were outraged that they had not been consulted at all on what was obviously a major turning point in East-West relations. And, in particular that the United States and the Soviet Union at the summit had signed a joint statement in which the Administration had agreed to a lot of the Soviet vocabulary on how the relationship should be conducted, including the term, "peaceful consistence." This was a very ideological loaded term which really meant that we were to stop confronting each other, but that ideologically competition could continue. And many of us in the embassy felt that that was a bad concession to have made to the Soviets because it seemed to legitimize this political trouble-making in the Third World.

Q: You said there were two things that didn't go well.

SHOSTAL: One was the content of that joint declaration and the other was the lack of any consultation at all with the allies. That was part of the secretive diplomacy that Kissinger was conducting.

Q: Was there any feeling at that time about this combination of Richard Nixon and Henry

Kissinger, both of whom came to be very suspicious of their own bureaucracy and also this joy at kind of doing things on their own and feeling very much in charge. Did you get that feeling at that time?

SHOSTAL: Oh, yes. There was definitely an arrogance about the White House party that was there that was palpable and difficult to stomach. I must say among the top people in that group, the only one who I thought was really interested in what was going and interested in talking to people was Brent Scowcroft. But, the others in the White House staff totally focused on the President and anything that made him look good was what mattered.

To me it was also a very interesting moment, because in thinking back about it, what I was able to see at that summit was both Richard Nixon and Brezhnev at the peak of their power. Everything went downhill from there for both of them. The Watergate break-in took place a month after that summit meeting, so it was an interesting moment historically.

Q: What was our impression from the Embassy of Brezhnev at that time? What type of person was he and what motivated him and how much in control was he?

SHOSTAL: Very much a person interested in power who knew how to exercise it at that point. He had fought his way up the ranks. One of the interesting parts of that visit was that I had several opportunities to see him up close. He was somebody who had the aura of exercising power and was dominating, in a physical sense almost, the people around him. Very different from the feeble Brezhnev of few years later. I don't think that at that time he had much of an idea of what to do with power. He certainly did not have any thought-out strategic vision. He was more I would say a tactician in the sense that he knew he needed some breathing space in the arms race, for example, with the United States to keep things under control at home. During the time I was there he certainly had achieved ascendance and you could see that just by the way he was talked about in the Soviet press, over the other people in what had originally been called a Troika. When I first got to Moscow there was quite a lot a talk about Kosygin, the Prime Minister, being something of a reformer. The President, Podgorny, being something of an old Stalinist. Brezhnev was seen as somehow being between them. But, as time went on it was really very clear that Brezhnev was the dominant personality and the other two tended to fade.

Q: In dealing with the Soviets, were you able to make any contacts and all?
SHOSTAL: Some, but only limited ones. Some of the contacts that I had were among journalists, a few Soviet diplomats, a few people that we met on the street literally, but with whom I felt we needed to be very careful so as to protect them, not expose them or endanger them. And, there were some dissidents and people on the dissident fringe. But, it was a relatively small circle of contacts given the size of the city and the importance of the country. There were a lot of people who simply shied away and who really discouraged contact with us.

Q: What about trips? Did you take many trips and if you did, was the KGB presence there?

SHOSTAL: I took quite a number of trips and the KGB presence was almost always around and quite visibly so. They didn't really make much effort to hide that they were shadowing us. In fact, I think that they tried to make it quite obvious that they were as a way of intimidating us and of trying to limit contact with people. I think they figured that if we knew or we saw that they were following us we would be more reluctant to have contact with Soviets for fear of getting them in trouble. I tried to strike a balance between, on the one hand, doing my job and talking to people, but tried to do it in a way that wouldn't be provocative and cause trouble for the people that I was talking to. But, I did get to the Baltic, did get to Kiev a couple of times, to Georgia a couple of times. One big regret was I wanted to get to Central Asia, but that trip got canceled because of Nixon's summit. With trips outside of Moscow, I'm sure you've heard this from other people, there was always a problem of getting permission from the authorities. You never knew until the evening before you were going to depart whether you had permission. They would always keep us kind of dangling before we learned whether or not we would get permission to go to a certain place.

Q: Did you ever have any provocation by the KGB or anything like that?

SHOSTAL: Yes, one in particular I can think of. One weekend, a Saturday or Sunday, my wife and I went to one of the outskirts of Moscow and were walking around the street. I think we asked for directions from a woman who had a couple of children and we struck up a conversation. This woman invited us to her place, I think for a week or two later. So, on the appointed day, my wife and I and our two children got in our car and we drove to the area where they lived, on the outskirts of Moscow. On the way there we had to go over a great poorly paved road. As we were going along very slowly trying to avoid pot holes, a Russian car bumped into us from behind. It didn't do any serious damage, but enough that I got out and looked at what had happened and went over and started to talk to the people in the car behind us. Well, it was very clear that these were KGB people and were along for the ride really to harass us. So, we got to the house of the people who had invited us, I told them, "Look, maybe it's not such a good idea for us to spend a lot of time with you, because the police, the KGB is after us." So, we had a rather brief visit with them. I really was concerned about not getting them into trouble. The woman's husband was an Aeroflot pilot and was very uncomfortable during the whole time. I just felt that this wouldn't be fair to them. They were vulnerable and might get in trouble. I've thought often about that incident and I think, were something like that to happen today with my perspective, I think that I would not have cut off the contact as quickly as I did, because I think the point needed to be made, or should have been made that this was a problem of their government, not ours. In a sense I fell into the trap, played the game that the Soviet government wanted us to play, rather than standing firm which I think I should have done.

Q: But, it's very difficult, because you know how vulnerable these people are and is the game worth the candle? When you left in '72 what impression did you come away with from the Soviet Union?

SHOSTAL: I was revolted by the society, by the system that organized it, and on the other hand, very much taken by the Russian people that I had met. I really loved the language and

the culture. I found that in the cases where we were able to make friends that these were really people of depth who cared about our friendship. So, it was really a very mixed feeling and I think a lot of Americans came away with that view, almost a schizophrenic view. The Russians as a people had our sympathy for their plight and at the same time we felt disgust for the system that they lived under.

Q: Where did you go from there?

SHOSTAL: From there I went back to Africa to Rwanda as DCM.

Q: You were in Rwanda from '72 until?

SHOSTAL: To '74.

Q: What was the situation in Rwanda during the '74 period?

SHOSTAL: I arrived in what was quite a tense situation, because there had just been terrible massacres in next-door Burundi. This is the problem of the Hutu and Tutsis which we're all very familiar with. What had happened in Burundi was what appeared to be an incipient revolt by Hutus was put down very brutally by the Tutsi government of Burundi with mass slaughter with hundreds of thousands of people being killed. Of course this heightened tensions in Rwanda, which at that time had a Hutu majority government and a Tutsi minority. There was fear that somehow there would be a spill- over. Well, a direct spill-over didn't occur immediately, but in my judgement there was an indirect spill-over in that within less than a year the Hutu government of Rwanda, which was not a particularly strong one and was kind of flailing around with a lot of economic difficulties, decided that the best way to try to maintain itself in power and to re-establish a degree of support was to play the ethnic card and to whip up Hutu sentiment against the Tutsi minority. In early '73 the Hutu government started to use the radio to whip up hysteria and antagonism toward the Tutsi, with pretty prompt results. There were several hundred Tutsis who were killed, Tutsi houses burned, and there was a real unease about whether you could have a major explosion. That didn't happen, because a few months later there was a military coup that settled things down and a somewhat more competent military government came in. This was the government of Juvenal Habyarimana. You had at first relatively honest, hard working and efficient government that tried to do something about development and initially tried to play down ethnic tensions. You may recall in the Spring of '94, Habyarimana, the general who came to power in a coup when I was there, was assassinated as his plane was shot down and that touched off the genocidal slaughter in Rwanda in the Spring of '94.

Q: In the analysis of the Embassy why did the Hutu and Tutsi seem to be going at each other?

SHOSTAL: I think it has to do with both ancient history and modern history. Ancient history in a sense of the relationship between the Tutsi and the Hutu. The Tutsi arrived in Rwanda during what we consider our late middle ages. They came into that region and

established domination over the Hutu and really ran the area under very tightly controlled kingdoms in which the Hutu were the serfs. Now, in more modern times, there was a certain amount of intermarriage and there was some blurring of the tribal lines, but still the fundamental problem of domination existed for centuries. In Rwanda you had a revolution in the early '60s in which the Tutsis were driven from power in a very brutal and violent way. Thousands of them were killed and many of them went to neighboring countries, particularly Uganda where they established themselves. Later there was the bloody episode that I mentioned in Burundi in '72. So, in addition to the violent revolution of throwing Tutsis out of Rwanda, there was then major genocide in Burundi in the early '70s and then periodic episodes of violence between the two tribes in Rwanda. In addition, there was, what I would call the Malthusian factor. Rwanda and Burundi are heavily populated in African terms. When I was in Rwanda, 25 years ago, there were probably four or five million people. Today there are about double that. So, what you're getting there is the doubling of the population every 20 or 25 years and land is getting divided up in ever small parcels. So, in addition to that resentment, there is the struggle over the control of land. I think that produced the ingredients for this powder keg that exploded in Rwanda in the Spring of '94.

In 1994, however, you had the attempt of Hutu extremists who used the assassination of President Habyarimana to try to settle the ethnic question in Rwanda on their own terms, by exterminating the Tutsis.

Q: When you were in there who was the Ambassador?

SHOSTAL: The first year that I was there was Bob Corrigan. He left in the summer of '73, shortly after the coup.

Q: He was the Latin American one?

SHOSTAL: He had served in Latin America. For the next nine or ten months I was Charge; and then in the Spring of '74, I think probably April, the new Ambassador, Bob Fritts arrived.

Q: Was there any difference between the way both of, this is obviously a small Embassy, but how Bob Corrigan coming sort of from outside the area, Bob Fritts was more an African hand?

SHOSTAL: No. I think that Fritts, although we worked together only briefly in Rwanda was much more knowledgeable about Africa and had a broader strategic view. I think Corrigan had a more parochial view. He had a small Embassy and in his first job in the Foreign Service he wanted to build up the Embassy. But I felt he wanted this without really linking it to anything like a strategic view. Fritts, I think, had a more realistic appreciation for the rather minor priority that Rwanda had in American interest, but was also interested in trying to promote sound development. I think he recognized that there was a time bomb in Rwanda and the only way that you could try to defuse it was through economic development, through trying to introduce population control programs, that kind of thing.

Q: Were you Charge at the time of the coup?

SHOSTAL: No. When the coup took place in the Summer of '73, Corrigan was still there and I happened to be on vacation in Kenya, but I came back a few days later.

Q: Was there a feeling sort of a relief at the time?

SHOSTAL: Yes, definitely. The relief in a sense that, it looked as it the potential for major ethnic violence was defused and also that the people in the new government were more competent, as well as more realistic in terms of economic policy. The old government had been one of the socialistic-leaning government. While not very radical, it still believed in a lot of central planning and generous aid programs from other countries, but really didn't have much of a clue on how to put it all together.

Q: Were there any American interest there?

SHOSTAL: At that time, our interest was principally trying to keep Rwanda as a favorable U.N. vote and we had quite a lot of success in lining up the Rwandans to vote with us on a few issues. We were also trying to blunt any expanding North Korean or Chinese influence. For example, there was a rather active South Korean Embassy there to try and block North Korea. The Chinese came in with a rather large presence and aid program, but at that same time we were also improving our own relations with China.
Q: I get the feeling that the Communist Chinese aid missions, they would come in, but they didn't seem to be much of a spreading out effect. They'd stay in the compound, they'd do their job, but it just didn't seem to translate there. Did you get that feeling?

SHOSTAL: I think so, yes. They had a rather large group of people, because they were building a road, but you're right, they were pretty much isolated and the concerns that some people had that the whole country would suddenly be carrying little red Mao books and that kind of thing were pretty much unfounded. For one thing, the culture was so different that it was hard to relate to each other. I think the Chinese had something of an attitude of cultural superiority, and it didn't go over very well.

Q: Did any other country have a strong influence in that?

SHOSTAL: Yes. One thing that was very interesting to watch in that respect was French policy. The French began at that time a buildup in their aid program, including military assistance. This continued in subsequent years up until the events of '94. They became the major backers of the Hutu government and its arm supplier. I remember once asking the French Ambassador at that time, "Why are you doing this?" And his answer was, "Because they speak our language." The French were seeing this very much as a kind of cultural strategic initiative to consolidate an area of Africa where French was spoken. On the frontier, as they saw it, with English-speaking Africa.

Q: Were we during this time under any mandate to make sure that the Hutu and Tutsis

didn't go after each other or was this a time when this just wasn't really part of our mandate?

SHOSTAL: This was not really part of our mandate as I interpreted it. These were still the Nixon and Kissinger years. Washington was basically not interested in that part of Africa. It was later that they became very interested in Southern Africa, especially Angola, but at that point Rwanda and Burundi were far removed from most radar screens in Washington. There was some short-level concern about the Burundi massacres in early 1972. The desire to try to do something in Rwanda to avoid a repetition of the disasters in Burundi, helped create a climate that was favorable toward starting a modest AID program. This meant Peace Corps volunteers and an agricultural development scheme, which actually turned out to be quite successful, and also, encouragement of private American investment.

Q: I know in some places there has been a tie to land grant colleges in the United States with countries abroad. Any contact with them?

SHOSTAL: No, that wasn't a factor there. There was one university, but that had very tough close ties with Canadian Universities and with the Canadian government.

Q: So, in a way we could safely just say, go ahead.

SHOSTAL: That's right. There was certainly no sense of competition among aid programs.

Q: When you left there in '74 how sanguine were you about the situation?

SHOSTAL: In the short term, I felt pretty good. I felt that the government was doing quite a good job in the economic development field; had realistic policies. In the longer term, I was pessimistic and I remember writing a report in which I looked at the future of Rwanda in Malthusian terms and concluded that probably there were going to be future explosions. Unfortunately that's what happened.

Q: From your experience there, do you think there's any way to bring about a certain peace without either one or the other dominating the other? Do you think that the agricultural idea would help?

SHOSTAL: Well, I think the key to any kind of reconciliation has to be economic and give people a stake in working together, rather than trying to kill each other over land. But, the environment for doing that is an awful tough one. The country is landlocked, has very poor communications to the outside world, no natural resources that anybody is interested in. It might have some potential for tourism, because it's a very lovely country and has a beautiful lake, but people are not going to want to swim there. Some of the best beach in that country is exactly where a Hutu refugee camp was for two years. Hundreds of thousands of people lived and died there. I have a hard time seeing that come back as a tourist area anytime soon.

Q: I can't remember, was it in Rwanda or was it Burundi where the gorillas were?

SHOSTAL: That was in Rwanda, and very surprisingly, the gorillas survived the fighting. But, they too are threatened by the demographic situation, because with the growing population, the fight over land is encroaching on their habitat. They live high up on mountainsides and they need a lot of space to roam; they need a lot of vegetation to eat, and that is gradually being destroyed. When you talk about tourism there is some potential. In fact, the Habyarimana government, I think skillfully tried to develop this potential after Diane Fossey's death. She was the person who studied the gorillas and tried to protect them. The government tried to develop a policy of balanced development. On the one hand, preserving the habitat of the gorillas; on the other hand, allowing a controlled amount of tourism so that the people in the area would benefit from the tourism and feel that they had something to defend in preserving the habitat. That, I'm afraid has probably been very badly set back, because the lack of tourists for the last couple of years destroyed the incentive to preserve the gorillas habitat.
Q: You left there in '74 and where did you go then?

SHOSTAL: That's right yes. I went to Brussels, to NATO.

Q: This might be a good place to quit. Because, I'd like to spend some time and so we'll pick this up next time. In 1974 and you're off to NATO Brussels.

SHOSTAL: That's correct, yes.

Q: Today is the 8th of July, 1997. You were in Brussels with NATO from '74 to when?

SHOSTAL: '77.

Q: How did the assignment come about?

SHOSTAL: I'm really frankly not quite sure. Two possibilities at that point were either to come back to the Department, and the African Bureau was interested in having me. The other possibility was as Political Officer at our NATO Mission. I preferred the latter. I'd spent quite a lot of time in African affairs at that point and wanted to have a somewhat new field and I felt that my Moscow experience gave me good preparation for that.

Q: What was the situation in NATO in '74 when you got there?

SHOSTAL: There were a number of problems. The immediate one was the Cyprus situation. I arrived there in the midst of the 1974 crisis between Turkey and Greece.

Q: Which should have been about the 14th or 15th of July, 1974?

SHOSTAL: That's correct. What had happened was the Greek government had decided to declare unification between Cyprus and Greece. That was too much for the Turkish government and they sent in troops at that point. There was fighting and when I arrived there, there were desperate efforts being made to achieve a cease-fire and to pull the forces

apart.

Q: Why don't we talk about this first. My experience, I served in Greece for four years and had the good sense to leave there on the 1st of July, 1974. Later I served in Naples where I knew the NATO Commander South. I wonder if you could talk about how within your job and other people, how they viewed the Turkish, Greek commitment to NATO and their relationship. Because, this has always been the stepchild.

SHOSTAL: Well, I can't claim to be a real expert on this, because I happened to arrive at NATO as the crisis peaked. I didn't really work on those issues subsequently, but in a nutshell, my impression was that you had a very incompetent military regime in Athens at that time, whether trying to conduct domestic or foreign policy. They totally misjudged Turkish reactions. I think they saw this move of uniting Cyprus with Greece as something that might shore up their popularity, but it backfired. This led to the collapse of the military regime shortly afterwards.

Q: What about your colleagues? Did they go around swearing about the damn Turks and the damn Greeks? I mean, sort of upsetting the rather more sophisticated Western European group or not?

SHOSTAL: Well, there was quite a lot of frustration over the Greek-Turkish problem and Cyprus problem. You're right, this was seen as a distraction from NATO's main business, which was maintaining the solid Western front against the Soviets. Once the cease-fire was achieved and the U.N. presence was re-established and also, with the end of the Greek military junta, the problem really tended to subside. People at NATO were too happy to forget about the Cyprus bombing.

Q: You mentioned that there was a broader issue concerning the NATO Southern flank. Could you talk about that during the '74-'77 period?

SHOSTAL: Right. There were during that period a number of important changes that were taking place in Southern Europe that made some people very concerned about a sense of erosion in the position and influence of the United States in Southern Europe. That had to do with, first of all, the what was seen as the challenge of Eurocommunism at that time.

Q: Could you explain what Eurocommunism meant?

SHOSTAL: This was the brand of communism in individual countries, particularly in Southern European countries, in which the Communist parties distanced themselves from Moscow, appealing to national feelings and resentment against governments in power. Quite a few people felt that this movement, particularly in Italy and then later in Spain and Portugal were very dangerous to the alliance, because at best it might promote neutralism and infiltration of governments by Communist agents.

Q: What was your job when you were at NATO?

SHOSTAL: One of the briefs that I had was dealing with Spain and Portugal, which was a very interesting one, because both countries were undergoing the transition from dictatorship to democracy. Franco died during that period, I think it was in 1975. Already in '74 you also had a military coup in Portugal by generally leftist officers that overthrew the old right wing dictatorship. In both countries there was among Americans a concern that you might have a lot more Communist influence in the governments than you would like.

Q: I'd like you to get the NATO perspective. I think one of the great moments in American diplomacy is how our Ambassador, Frank Carlucci, dealt with the problem in Portugal. I've interviewed him on this subject, but I was wondering if you could give me the perspective that you saw. How things developed, not how it came out, we'll move to that, but how you saw it at first, how we felt about it and then what reflections were you getting from Washington from Secretary Henry Kissinger?

SHOSTAL: As Frank Carlucci has probably told you, in Washington there was a lot of skepticism about Portugal at that time and the direction it was heading in. There was an inclination to write Portugal off, even exclude or quarantine from NATO. I think there was a lot of that feeling at our mission in NATO at that time. Carlucci came up from Lisbon on his way to Washington to try to persuade the Administration, particularly Henry Kissinger, that there were elements in the Portuguese establishment with whom we could work. Carlucci thought there were people who were basically democrats and who should be encouraged to keep Portugal out of Communist domination and, rather, develop a democratic system. Carlucci's approach was to work with these people, to give them some backing. One issue that involved NATO was to figure out what to do with the Portuguese armed forces to get them out of politics, to get them focused on military tasks. Carlucci proposed a package we worked on during his visit of practical steps that would help ensure that outcome. I think it was a really very impressive success on Carlucci's part. First, to identify people we could work with; second, to come up with a practical program that would move things toward his goal; and then to sell it in Washington, which he did.

Q: Can you remember any parts of the package that you were dealing with to bring the officers to keep them professional and out of the politics?
SHOSTAL: It was essentially a military program of reorienting, retraining, and re-equipping the Portuguese forces. There were two basic parts to it. One was the Navy which had long been a rather minor, but still useful NATO partner, but which needed to be upgraded. But, more important were the Army and the Air Force whose focus had been on fighting colonial wars and on being an internal security force. So, it was focusing on them, providing them with the equipment and training programs that would give them a NATO role, and a greater sense of professionalism. In a sense, what was accomplished with Portugal and later Spain in developing professional armed forces for emerging democracies is what we're trying to do in Central Europe today.

Q: We're talking about the great debate over whether to bring some Central European countries, Poland, the Czech Republic and Hungary into NATO. We're talking about it today.

SHOSTAL: Exactly. The strong parallel here is with the military in those countries. We're trying to reorient and restructure their professional approach, and recast the relationship to civilian authority.

Q: I think one of the things often forgotten is that a major effect of NATO has been to professionalize the military forces and make sure that they keep to their professional tasks, rather than dabbling in politics.

SHOSTAL: Exactly. That was the key element, perhaps the central element of the Carlucci package.

Q: How was this received? I assume when Carlucci came he was talking first to the United States and then they'd go out beyond that?

SHOSTAL: That's correct. I don't recall that we sent the Carlucci package to other posts for comment because it was too sensitive.

Q: It doesn't sound like this sort of thing you could until we had the American ducks in line, because it was apparently he told Kissinger, get off my back and let me play. He happened to have had just left subcabinet rank and so he was not somebody Kissinger could sit on, although somebody else might have been. In the first place, who was the head, who was your Ambassador to NATO and the DCM and let's talk about how they reacted to this.

SHOSTAL: I'm trying to recall, because I had an almost bewildering succession with Ambassadors when I was there. My first few weeks, was under Don Rumsfeld, but within a month of my arrival he left to become Chief of Staff in the Ford White House. That particularly turbulent summer also included the Nixon resignation and Rumsfeld was succeeded by David Bruce who had as his DCM Ed Streator who was the DCM for most of my time. He was there when I left in 1977. So, Bruce was there for, I think about a year, roughly 1975, but I can't remember exactly.

Q: So, during this Portuguese crisis who was the Ambassador then?

SHOSTAL: I think that Bruce was the Ambassador.

Q: What was the reaction within your delegation to this thrust of Carlucci? I mean prior to it and when he came. Were there changes?

SHOSTAL: That I don't recall precisely. I think that there was a tendency in the delegation to take the Kissinger view up until Carlucci visited. But, I do remember particularly one evening meeting with Carlucci where he really made the case extremely well for trying to help the moderate democratic politicians and military people in Portugal.

Q: Let me throw a little thesis at you on the subject and if you want to play with it you can. Sometimes I have the feeling that with Henry Kissinger, particularly when he was backed

by Richard Nixon, tended to be of the old European School, very sophisticated, not very optimistic, worse comes to worst, that type of thing. Whereas, there is a certain amount of American can do, maybe you can work within the thing and sort of never say die. This seems to be a place almost where these two principles came to a clash. Where we were seeing a European communism maybe beginning to take over, how you cut your losses and all that. This is from the Kissinger thing and Carlucci and others are saying, to hell with this, we can do something.

SHOSTAL: I think I would agree with that. I don't think that I had that feeling at that time, mostly because I hadn't read as much of Kissinger's work at that time as I have since. But, I think that would certainly fit with his book on Metternich and I think his effort to kind of equate himself with Metternich trying to constantly shore up the old order that was crumbling away. I also had that feeling with respect to another issue that was very prominent at that time and that was Central Africa, particularly Angola, and the Cuban offensive there. I did attend a meeting with Kissinger during the height of some of the fighting in Angola where he'd expressed himself to be very pessimistic. He felt the Congress in particularly was undercutting him and making it impossible for him to conduct a policy that was in the national interest. But, I would agree with you that there seemed to be in Kissinger at the time a sense of pessimism, believing the United States to be on the defensive in the face of a dynamic and a really aggressive Soviet Union.

Q: *Yes. It's a theory that I think that's important to try to recapture, because looking at it from our perspective now, we realize that the Soviet Union had feet of clay and wasn't going to last very long. But at that time we felt that they were on the march and we were on the defensive.*

SHOSTAL: I think that was true with respect to another issue that I worked on and that was the CSCE.

Q: Could you explain what that is?

SHOSTAL: CSCE stands for the Conference on Security and Cooperation in Europe. It had originally been a Soviet idea. I think the Soviet goal was to achieve the recognition of the postwar borders and of Soviet influence in Europe by having a document that would be signed by all of the countries in Europe, as well as the United States. The United States Government was initially very skeptical toward the CSCE idea, because it suspected it to be a ploy by the Soviets to consolidate their influence. But, as the discussion process went on, at least some Americans saw some opportunities to try to achieve a greater political breathing space for the countries of Eastern Europe that were under Soviet domination. That eventually proved to be the package that was agreed on at Helsinki in 1975 in which, along with recognition that current borders can only be changed by peaceful means. There was a series of provisions on other issues such as human rights. These provisions incorporated a lot of Western ideas about political freedom. It was those Western ideas, which at that time were known as Basket III of the CSCE document that proved to be tremendously potent in the 1980s and very much contributed to the collapse of the Soviet empire.

Q: You were involved in this. As this thing developed, what was the initial reaction toward this event? The analysis coming out?

SHOSTAL: I think that CSCE generally was more popular among European governments and NATO delegations than it was within. I think there was quite a lot of American skepticism that very much could be accomplished with the Basket III measures, because the feeling was that the Soviets really wouldn't apply these measures to their own country or allow them to be applied in Eastern Europe. There was somewhat more confidence that a separate set of provisions of CSCE called military confidence building measures could help defuse a certain amount of East-West military tension. The idea was to build confidence and transparency through measures like observing each other's military exercises, exchanging information about military budgets and those kind of things.

Q: What was the feeling toward the Soviet threat? The military threat and then the political threat?

SHOSTAL: There was a definite change during the period I was at NATO. The military threat had become a kind of routine thing for much of that period. The military balance between NATO and the Warsaw Pact seemed to be very stable. What changed things was the decision of the Soviets, I believe in late '76 or early '77 to deploy the SS 20 intermediate range missile. That seemed to be an effort to change the military equation, to change the balance in the Soviet's favor by deploying a weapon that could reach anywhere in Western Europe and for which the West didn't have a counter.

Q: What was the analysis that was coming from your mission and from the others? Why were the Soviets doing this?

SHOSTAL: I think it was a view that the Soviets appeared to have achieved, technologically, parity in the whole range of weapon systems including the intercontinental range. By deploying this new set of weapons, the SS-20, they seemed to be trying to achieve a means of pressure and intimidation against Western Europe that could be used for trying to extract political concessions.

Q: What was the reaction within both, first the American delegation? How was this news received, was this one of the satellite information things or did the Soviets announce it and then what was the reaction?

SHOSTAL: I can't remember exactly how the first intelligence reports came through. I think more significant was the political reaction. As I recall it, Washington feared that this kind of initiative would further still European tendencies toward accommodating the Soviets. One of the favorite terms at that time was Finlandization. In other words, Europe making itself more neutralistic, more compliant toward the Soviet Union. So, there was a great deal of alarm about the SS-20. But, the turning point, was a speech that the German Chancellor, Helmut Schmidt gave in early 1977 in which he pointed out the acute political and military danger presented by the SS-20 and pleaded for a strong Western response.

That was the beginning of the America-led effort to deploy intermediate range missiles in Europe.

Q: Was there the feeling at that time that, I mean we had missiles that could be deployed, we just hadn't put them in to Western Europe. Was the feeling in a way almost a shrug or something saying, well, if they want to play that game we can really count on that, or not?

SHOSTAL: No. I think that there was, well within the Administration and here I can't speak with any authority, but my impression was that...

Q: Now we're talking about the Carter Administration?

SHOSTAL: We're talking about Carter, the new Carter Administration.

Q: Which was, I mean in the view of a lot of people a bit shakier on confrontation with the Soviet Union. I mean Carter early on wanted to do business; he was not in favor of confrontation.

SHOSTAL: No. I think that's right. Taking military steps to counter the SS-20, the deployment, my impression is that this was not something that Carter would do instinctively. But, he did get a lot of pressure, particularly from Germany to do just that. There was also at that time, and this extends far beyond my time at NATO (I left in the Summer of '77) there was quite a lot of talking about countering Soviet deployment through the Enhanced Radiation Weapons known as the Neutron bomb. I think that was the Carter's Administration preference, because it would cause less destruction. But, later Carter abandoned that.

Q: You weren't there at the time he abandoned it?

SHOSTAL: No, I had already left.

Q: I can't remember who it was, but I interviewed somebody who was there at that time and said they could hardly wait to get home and vote against Carter and there was his turnaround on the Neutron bomb that undermined Helmut Schmidt.

SHOSTAL: Well, I had an opportunity to talk with Schmidt many years later, in early 1989, and he was still very bitter at Carter for having abandoned him.

Q: I think at the time it was talked that his young daughter, Amy, had said it was not a good idea and he then changed his mind. I don't know. What about Spain while you were there? This was part of your bailiwick.

SHOSTAL: That was really a very interesting problem with some similarity with the situation in Portugal. The similarities were that Spain at that time was trying to make a difficult transition from dictatorship to democracy. One difference was, that you didn't have the threat of a left wing dictatorship as you did in Portugal. You had essentially

conservative politicians taking over from Franco trying to make that transition. Also, unlike Kissinger's view of Portugal, you simply couldn't write off Spain. Spain was too important. We had significant bases there and it occupies an important piece of real estate, so you had to deal with Spain. I think pretty quickly between the Mission at NATO and our Embassy in Madrid, there was a consensus that trying to work toward Spanish entry to NATO was the way to help stabilize the transition.

Q: This was in the same line as with Portugal to neutralize politically the military by making a military force and not a political force.

SHOSTAL: Exactly. The Spanish army was quite a large army, but devoted essentially toward policing the country. They really didn't have either missions or training or equipment that allowed them to be significant players in NATO strategy, so there was definitely a benefit seen in trying to restructure the special forces.

Q: Within the NATO ranks in the military, the fact that they were all professional officers and they were all kind of working together that this sort of kept the military from running off and trying to do things, I mean was there a sort of spirit that you just don't mess around with political events?

SHOSTAL: I don't think so. I think that we had first of all some encouragement with the Portuguese experience which had already started a bit earlier and that seemed to be pretty well on track. Within the American establishment, diplomatic and in military, I felt that there was quite a lot of support for the idea of moving Spain toward NATO, but we all recognized that this would be a big job. Portugal had been already in NATO right from the beginning, but Spain was a relatively large country and we recognized it would be a process that would take a number of years. Among the reasons that we thought it would be a rather long process was, first of all that there was no consensus within Spain in favor of NATO membership. The political left, which had not yet had a chance to govern, seemed to be very opposed and they were certainly a very significant factor. Also, among a number of European governments, there was a strong feeling that military steps weren't necessarily the most productive ones for linking Spain more closely with Western Europe. For them, EU membership was the higher priority. Also, Spain at that point was still a relatively poor country and it was felt by a lot of Europeans and some Americans that the economic benefits of joining the European Community really had precedence.

Q: What was your job? Did you have sort of a watching brief on Spain and Portugal and Italy and elsewhere, or would you go down and visit? How did you work?

SHOSTAL: I did have a brief for both Spain and Portugal. In the case of Spain I spent several days working in Madrid with our Embassy on developing a package of steps for moving Spain along. So, that was really more than just a watching brief, it was really a very interesting sort of operational challenge to see what we could do as practical steps. There wasn't the same kind of policy level resistance to working closely with Spain from Washington as there had been earlier for Portugal. The problems were more budgetary ones. With Spain being a large country, the amounts of assistance or equipment that would

be involved would be considerable, so it was more those kinds of problems and resistance that we met. But, most important, was really the question of the political complexion of Spain itself. Spain clearly wasn't ready for several years after those initial steps for NATO membership, though finally it did join.

Q: What were you getting when you looked at Spain? This is the period where Juan Carlos became King after Franco died. At first it had a hand-picked Franco government I believe and then it moved to a socialist government, didn't it?
SHOSTAL: That was somewhat later. During my time it was still a conservative government. I believe they had elections already during the time I was there, which brought in a right-of-center government.

Q: Within this right-of-center government, how did you find they reacted?

SHOSTAL: I'd say in lukewarm fashion generally. I think that their concerns were that NATO membership first of all was not very popular in Spain as an idea; secondly that it would be expensive, because it would mean re-equipping their armed forces. So, there wasn't a great deal of enthusiasm, although certainly there was interest.

Q: So, in effect, we and we're talking about the United States, but also parts of NATO were more looking towards recruiting Spain than Spain was pounding on the door to get in NATO. Is that correct?

SHOSTAL: That's correct. At that point that's right. One of the things that we had in mind was to shore up the southern flank of NATO by bringing Spain in.

Q: What about Italy? Italy, during that period and since 1948 has persistently had about a third of its voters vote for the Communist party and it was sort of the center of "Euro-communism." What was the feeling toward Italy?

SHOSTAL: Well, let me first say, Italy was not one of the countries that I had a brief for, but of course you couldn't avoid looking at Italy, because it was important. I think there was a mixture of concern very much along the lines that you described, because of the possibility that Euro-communism could really achieve a strong position of influence there. There was nervousness about the revolving door nature of Italian governments and a sense or at least a fear that the linchpin of the traditional political system in Italy, the Christian Democrat Party, was becoming more corrupt and that this process of erosion in time could lead to the Communists coming to power.

Q: You had what in your brief case, you had Spain, Portugal and what else?

SHOSTAL: CSCE. The CSCE issues which included preparations for and follow-up to the 1975 Helsinki Summit. This included a lot of work on the military confidence- building measures.

Q: Did you get involved in the CSCE negotiations?

SHOSTAL: Yes. I was involved in the NATO negotiations of trying to achieve common allied positions on the key issues in the CSCE. That was really a lot of fun to do.

Q: Let's talk a bit about some of the other major NATO countries. How about Great Britain in the CSCE business? Where were they coming down?

SHOSTAL: I think that generally Great Britain played a rather low profile role in all of this. It tended to be very supportive of the United States. I think that Britain by that time still was trying to use the special relationship with us as a means of maintaining its status as an important power, and we had agreement on issues with Great Britain. But, as far as CSCE itself is concerned, I don't think that the British were all that keen or excited about it.

Q: Of course the Germans had the greatest stake, because we're talking about boundaries, which were German boundaries essentially. What were you getting from the Germans?

SHOSTAL: I think that there was a schizophrenic view coming from Germany. On the one hand, on the question of boundaries no German government at that time would want to be in a position of formally accepting forever and ever the borders as they were at that time. This would have meant giving up any claim to territories that had been German for many years before that.

Q: And, they had a significant population that were looking toward other places as their real home?

SHOSTAL: That's right. So, for the Germans, I think very important in the CSCE was a provision that borders could be changed by peaceful agreement, even if at that time it didn't look as if this could happen for a long time. On the other hand, the Germans, being on the front lines of the Cold War were very interested in measures that decreased tension and the possibility of conflict. They were also interested in doing whatever was possible to improve relations with Moscow so as to improve the lot of East German citizens. That time was a period when you already had several years of so-called Ostpolitik which was one of trying to improve relations with Moscow and with the other East European countries as a way of improving the lives of East Germans through more visits and that kind of thing. So, the Germans were generally in favor of things that seemed to improve East-West relations and were very supportive of CSCE, because they saw that as an instrument for doing it.

Q: France, I'm not even sure what we call France. Was it in out or what was its role on this particular thing?

SHOSTAL: France was a member of NATO and still is, but not a member of the integrated military structure. Hadn't been since '66-'67. On CSCE, France did not tend to play a really major role. I don't think that they saw CSCE as an instrument that advanced their interests very much. I think what they were much more interested in was to play a kind of double track role. On the one hand, being within the alliance in a partial sense and, on the other hand, continuing to pursue the Gaullist dream of being the interlocutor between East

and West, between Moscow and Washington. This usually translated itself into difficult and somewhat obstructive behavior within NATO. There were at that time, as there have of course been since then, lots of friction and irritation.

Q: I have to say this. I interviewed somebody who was later one of the Deputy Secretaries in NATO, Phil Meriel, who was saying that while he was there that his children use to think that it was one word, the God damn French, which he would say almost every day when he came home. Did you find within the American military and the other military, German, British particularly and others. How did they view the CSCE?

SHOSTAL: I can't recall any real discussion. I think among the American military there was quite a bit of skepticism about whether or not it would bring any real results, but they saluted and carried on. One thing that I mention about the French angle is relevant here and that is, one of the reasons I think that Washington tried to avoid direct collisions with the French during that period, we were finding them to be very useful to us in Africa. This was the time that a lot of turbulence in Zaire for example. There were two instances, one in '77 and one later in '78, of secessionist movements in Zaire, which the French had the major hand in sending troops in to put an end to. So, there was a kind of a balancing feature in our relationship.

Q: Was that the time when there were problems in Chad too or was that somewhat later?

SHOSTAL: That was somewhat later.

Q: In the early '80s?

SHOSTAL: That's right. The French role in Africa was something that during this period (in the '70s and certainly in the '80s) was one that we considered to be of value in blunting Soviet, Cuban, and later Libyan thrusts.

Q? Well now, you having come out of Africa, were you sort of the African hand in the NATO mission?

SHOSTAL: Well, as they say in the Hertz commercial, "not exactly." There really wasn't much interest in Africa, except for Angola.

Q: But, Angola at that time was considered to be part of a major indicator of Soviet expansion wasn't it?

SHOSTAL: That's right. Southern Africa, especially South Africa because of the sea lanes, was the main focus of interest.

Q: What was your impression of, from what you would see of our intelligence about Soviet intentions and Soviet capabilities?

SHOSTAL: The capabilities issue was less of a problem because we had, thanks to

satellites, a pretty accurate picture, at least of the hardware side of their capabilities. What we were less good at, I think that subsequent events really showed this, was in being able to access the effectiveness of the fighting forces from the point of view of morale, discipline and leadership. When it came to missile deployments we knew very quickly what was going on or if divisions were being moved around we knew that too. Intentions was a very different matter. There was really a lot of debate already beginning at that time about whether the Soviets might be trying on the back of their military modernization and build-up program of the '70s to achieve strategic breakthrough. For example, already at that time, the mid-'70s, there was a lot of worry about whether the Soviets might be embarking on a big civil defense program. Now why's that important? Because, that would have suggested that their strategy might involve a possible first strike with the expectation that they could survive or ride out a counter strike by the United States. That would be the kind of things that intelligence people and strategists would worry about as an indicator of a change in Soviet intentions. There were at least some indications that the Soviets might be moving in that direction. So, there was a lot of worry about their intentions in that respect. I don't think that there was too much worry that they would try an attack through the Fulda Gap, that area of Germany which would be the most likely invasion route.

Q: David Bruce was the Ambassador most of the time you were there?

SHOSTAL: He was there I think about a year, I think the year of 1975. I don't remember the exact date. He was followed sometime I think in '76 by Robert Strausz-Hupé, a conservative university professor.

Q: Did you get any feel for David Bruce while you were there?

SHOSTAL: Yes. Really a man of great distinction with an amazing ability to analyze problems very clearly and cleanly in a few words. He reached conclusions in a way that was sometimes witty, but always done with a sense for the broader picture. Just listening to him in staff meetings was a real education.

Q: What about Strausz-Hupé, because as you say, he came out of the conservative wing and sort of an odd appointment to have during the Carter Administration?

SHOSTAL: I believe he was still appointed by Ford, but still around, I think, for the early months of '77.

Q: Yes, that would make sense. Did you find that he came in with what we would call a conservative viewpoint that we've got to get tougher and that sort of thing or what of a change?

SHOSTAL: Something of that kind of rhetoric, but I would not call him somebody who was interested only in confrontation with the Soviets. Very honestly, I was never quite sure what he was trying to accomplish, but I think that he was trying to get his voice heard in Washington. I do remember a NATO Defense Ministers meeting in London, probably in '76. He asked me and a military officer on the staff one evening to write a paper to be given

to the Secretary of Defense for the next day in which we recommended a total revision of NATO defense strategy and to base it on a kind of Swiss-style militia defense system where you have an automatic rifle under every haystack. In the event of a Soviet invasion, he thought that the Soviets probably could break through with their tanks and that these militias would be able to so harass the Soviet columns that this would be an effective defense. Well, we gave our paper to the Ambassador and I think he gave it to the Secretary of Defense, but we never heard anything more about it.

Q: Well, actually there was a certain type of thing, wasn't it the Gladiolus operation which one heard about much later about the CIA having arms caches around so that if the Soviets broke through they could distribute arms.

SHOSTAL: That's right. I think that was, however an earlier operation. I think that was in the '50s.

Q: Yes. But, I think the arms were still around, because of the trouble in Italy I believe, if I recall.

SHOSTAL: Italy and I think Austria too. No, I think that idea did not find much favor.

Q: Obviously, you were a good soldier, but did this thing sort of raise some eyebrows?

SHOSTAL: It raised my eyebrows I must say. Although, I approached it with great modesty and a certain amount of excitement. It was sort of fun to try and rewrite NATO strategy overnight.

Q: Well, after turning NATO around in '77 where did you go?

SHOSTAL: I came back to Washington. I had been out of Washington for seven years which was quite a long stretch and had just been promoted and decided that I wanted to try to do something different.

Q: What rank were you then?

SHOSTAL: I was then a three. That's equivalent of one today. I really decided I wanted a break. Just before I left NATO I ran into Tex Harris who's the AFSA President and he was working at the Environmental Protection Agency and loving it. He was working on a NATO program for enhancing the environment called CCMS. He said, "Listen, there's a great job available at EPA to manage the U.S.-Soviet Environmental Protection Agreement." This was an agreement that had been signed at the '72 Summit in Moscow. He said, "Look, they're looking for somebody for that job, are you interested? Do you speak Russian?" I said, "yes." So, I went there and it really was a fun job. I did a lot of traveling in the Soviet Union during the period I was there and had a very different relationship with Soviet officials from the one I'd had five or so years earlier while at Moscow. Because, this was a program in which the Soviets were really interested. They thought that they would get some benefit, so that meant that access to officials, access to

parts of the country which had been very difficult to achieve was much easier.

Q: This was from '77 till when?
SHOSTAL: Till late '78. I was there only a little over a year.

Q: Can we talk about this event? You were presiding over the relationship. What was the agreement that had been reached?

SHOSTAL: It was an agreement that was signed at the Nixon-Brezhnev 1972 Summit. I think there were ten or so of these agreements in various fields, like energy cooperation, housing, science and technology, that were part of a Kissinger concept of building a web of relationships with the Soviet Union. The idea was that if you could develop these relationships in a variety of fields you would see evolve in the Soviet Union a cadre of senior people with a commitment to cooperation with the United States. And, that with this commitment future confrontations would be less likely. When I came into the picture at EPA, this agreement had already been functioning for about five years.

Q: What were you doing?

SHOSTAL: Managing a series of projects that involved several U.S. agencies: the EPA, the Interior Department's Fish and Wildlife Service, the Agriculture Department, the Department of Energy, NOAP, and the Commerce Department in cooperative projects with Soviet counterparts. For example, to work on water treatment plants and improving air quality. A lot of this was scientists-to-scientists work. Some of it, in fact the most productive area that still continues to be very active, is in wildlife protection. The Soviets had done some very useful work, had some very good scientists in this field and that activity was very successful and got the enthusiastic cooperation of American scientists. In other projects where it was felt that the Soviets were getting more than we were out of this cooperation, it was more difficult to generate much enthusiasm. So, scientifically it was a kind of mixed picture.

Q: How did you find the EPA? Even with the Soviets were getting more out of it than we were, technically in the mega picture, if they could do a better job in the environment, everybody was better off. Was EPA sort of more willing to go along and the other agencies a bit reluctant or how did you find it?

SHOSTAL: It was very much a mixed picture. In EPA there was quite a lot of resistance to spending much time or money on these projects, because in a lot of fields they felt that they weren't getting much out of it, especially when it came to trying to meet their priorities with a limited budget, which I certainly understand. However, things were better at the Administrator level, the EPA Administrator was the American Chairman of this joint commission.

Q: Who was he?

SHOSTAL: This was Doug Costle. He was very supportive, because he saw this as

advancing a policy of engagement with the Soviets. That's something that President Carter was very much in favor of and so he supported it and gave it his enthusiastic backing. But, farther down the line I did run into some resistance. Not from everyone. There were some people who were genuinely interested, but others would say, "Look, EPA is a domestic agency, what are we doing wasting our time with the Russians?"

Q: This is about the time when we were beginning to go through a series of oil shocks and all this. Was this on the EPA register?

SHOSTAL: Not directly. The oil shocks didn't directly enter into the picture. One area though which I didn't mention in which actually there was quite good cooperation was with the Coast Guard. The Coast Guard was part of this agreement. They were very much interested in finding out what the Russians were doing in combating marine pollution, especially oil spills, because they were very much concerned with this. These problems were beginning to emerge. So, in that respect at least, oil problems were a part of the picture.

Q: What about when you were traveling around. One of the great disasters ecologically probably has been the overproduction of cotton and the drying up of the Caspian Sea. This is still sort of the end of the Brezhnev era, but they were sort of a disaster.

SHOSTAL: Well, when I talk about openness on the Soviet side that's a relative term and certainly one of the issues that they did not want to discuss, although it was already well known and well documented in the United States, was exactly what you're talking about--the diversion of water supplies for irrigation and the drying up of the Aral Sea, which was a huge ecologically disaster. But, they wouldn't talk about it and they certainly didn't invite American scientists to go and study the problem with them at that time. The denial psychology was still very strong and when something was embarrassing for them they simply didn't want to show it or talk about it. They would show us the things that did well and they did do a number of things well.

Q: What did you do on your trips?

SHOSTAL: I would visit particularly these nature preserves, which were very well run. In some instances these would be VIP trips. We would take senior Americans to consult with their Soviet counterparts in Moscow and Leningrad. There was a certain amount of governmental and scientific tourism involved, but that was almost a necessary ingredient if you wanted to enlist the interest of these senior people.

Q: What was your impression of the Soviet, technical and scientific level? Were they interested in what the Americans or the Westerners were doing and how good were they?

SHOSTAL: Generally, I had a favorable impression of the scientific people that we worked with. Although I'm not a scientist myself, the American scientists who worked with them generally had a high regard for their professional training and background, technical competence and all that. But, they recognized also that the Soviets were working

under very difficult budgetary conditions. For example: there was no equivalent really to EPA as a regulatory and enforcement agency in the Soviet system. The comparable Soviet lead agency to EPA was the Hydrometeorological Service, which did the weather predicting and which had a mandate to monitor problems, but had no mandate to do anything about them. And, this really ran into the fundamental structural problem of the Soviets which was that the whole economic system was geared to quantitative production targets. It had no way of handling ecological problems that resulted from sheer production.

Q: Also, were you running across the equivalent of local powers? Was this something that you were aware of the division, sort of these petty communist rulers?

SHOSTAL: I didn't encounter it directly. In fact, during the trips that I took for example, to Georgia, I tried to be alert to any signs of local resistance to the Russians or dissatisfaction. It was kept very well disguised I must say.

Q: How was your relationship with the State Department? Were you just off their radar?

SHOSTAL: No, I tried to stay in touch. First of all for obvious career reasons, but also operationally because we needed the support and cooperation, particularly of the Soviet desk to run an effective program. I did stay in touch with them and I knew a number of the people there from my earlier time in Moscow, so it was quite a good relationship.

Q: You left this in '78?

SHOSTAL: That's right. I came back to the Department to work for Tom Pickering when he was the Assistant Secretary for the OES Bureau. The Ocean and Environmental Science Bureau.

Q: And you were there from '78 to when?

SHOSTAL: Late '78 until late '80. It was a very good fit in many respects with what I had been doing in EPA, because it was dealing again with scientific cooperation, but with quite a few different countries, including the Soviets. This was just at the time that we began to normalize relations with China, and we were developing a science and technology relationship with China. In fact, the first project that I worked on when I got to OES was the bilateral S&T agreement with China.

Q: Can you talk first about Tom Pickering who's back in the State Department now? How did he operate?

SHOSTAL: First of all he had a very difficult job. It's a Bureau that covered a wide variety of issues from fisheries, which of course is a highly political issue, to environmental issues, which obviously have a big political component. I was mostly involved in science and technology cooperation, which was not quite so controversial, at least at the start of my tour. In addition, he had the job of kind of being a referee in the nuclear nonproliferation field and he spent an awful lot of his time doing that. So, being the activist that he is, he had

his fingers in many different pies, but thanks to his hard work, his discipline, intelligence and also bureaucratic smarts, he made the OES Bureau a significant player in the bureaucracy.

Q: During this '78 to '80 period what were your main tasks? What were your events or tasks?

SHOSTAL: Managing and developing a number of bilateral agreements with other countries on science cooperation. One was the U.S.-Soviet Science and Technology cooperation agreement that had also been signed in '72; another was the new China relationship. Then, there were several agreements with countries using leftover PL 480 funds that had been generated by the sale of the U.S. agricultural commodities to various countries. We had such funds available with Poland and with Yugoslavia, and had fairly substantial cooperative science programs with those countries. We also had a substantial one with Spain, which was funded under the military bases agreement that had been signed in the '50s. Finally, during the time I was there we had a very activist presidential Science Advisor who was interested in using our science and technology resources as a tool for enhancing relationships with a lot of countries.

Q: Who was this?

SHOSTAL: That was Frank Press, who was a geophysicist by training and who later became the President of the National Academy of Sciences. He was interested in expanding his own office's international activities. In addition to managing existing bilateral science programs we provided staff support to Frank Press' activities. It was quite a busy place.

Q: I guess either in the middle of this time or anyway, during the Carter Administration we had normalized relations with China. Did you find yourself involved with China very much?

SHOSTAL: Very much, yes. Especially the first six months or so that I was there was perhaps the busiest activity, because we were negotiating a science and technology agreement with China. A lot of work went into it. The American side was chaired by Frank Press, the Science Advisor.

Q: Did you run across problems with the Pentagon? I know in technology transfer, Pentagon gets very dubious about the Soviets or the Chinese having equipment that can have military purpose and I would imagine, sort of general scientific exchanges could be interpreted to benefit their military machines. Did you run across this?

SHOSTAL: We did run into the problem and I think it was toward the end of my time in the OES Bureau with attendance at scientific conferences. Some people in the Pentagon felt that the Soviets and, possibly the Chinese, would have excess of information that was relevant to American defense programs even though the conferences themselves were unclassified. There was an attempt to screen attendance at these conferences. This

produced a tremendous protest on the part of American scientists who said, "Science by its nature has to have totally free exchange of information and data. And, if you try to start restricting it, you begin then to stifle science." So, in that sense, yes there was concern about certain types of international scientific meetings, but with respect to the actual content of bilateral cooperative work there wasn't a significant problem, because that was well screened in advance to be sure that it wouldn't get into any sensitive areas.

Q: When you were on this job at the beginning of what is now known as the Information Revolution, computers and all that. Was this beginning to have an effect on what you were doing at this time?

SHOSTAL: Not directly. The one technology that we were talking a great deal about at that point was robots and how they had the potential of revolutionizing production. I was aware from my visits to Moscow that the Soviets were very much behind in information technology. Their computers were already a couple of generations behind ours and this was the '70s. In very small ways you could see how far behind they were. For example, in preparing documents for meetings. We already had primitive word processing machines which didn't require, if you made one mistake, re-typing the whole page. The Soviets were still working with manual typewriters and multiple carbons. So, in that sense, yes. But, the information age as we know it today was just beginning to dawn at that stage and it wasn't a major factor.

Q: Were there any issues that particularly grabbed you while you were doing this?

SHOSTAL: Yes. I think one was that certain types of science activities, certain types of scientific projects were really becoming so big in terms of budget and scale that it was becoming difficult to see how individual national budgets would be able to fund them. Pressure seemed to be growing for a lot of international cooperation on funding and in conducting these big projects. The most obvious one that we know about today is the International Space Station which may be realized only because a great many countries are pooling their resources to accomplish it. But, I think also this is obvious in today's International Genome project.

Q: Well, the Carter Administration we've already mentioned the oil shocks which meant a shortage of oil for the United States and we were the world's greediest- (End of tape)

-because of the oil shocks that the Carter Administration had felt and is a real political problem, as well as one for everyone. Did you get involved in alternate ways of developing energy? Was this part of your mandate?

SHOSTAL: Yes, there was a lot of talk about that at that time. The area which as I recall the most being done was in a science agreement that we had with Mexico, which we saw some real possibilities for wind energy developing at that time.

Q: Well, science was very much in the air.

SHOSTAL: That's right. Carter, having been trained as an engineer himself, was very interested in science, very interested in the environment, so the kind of issues that I was working on had quite a high profile in Washington. You speak about shocks and let me mention one that I think is very important. A different kind of shock which occurred during that period and that is the Soviet invasion of Afghanistan.

Q: This is December, 1979?

SHOSTAL: December, 1979. That profoundly changed the relationship that we were having with the Soviets in these scientific fields. There was a policy decision made at that time that we should, by way of punishing the Soviets and showing disapproval, that we should sharply restrict the amount of science cooperation that we were doing with the Soviets at that time. I remember being at an interagency meeting to review possible steps. George Kennan happened to be visiting the State Department that day and sat in on that meeting and he listened to this debate about what we could do to kick the Soviets in the shin. His face got very long, and at the end of the meeting, after several decisions had been taken to restrict activities with the Soviets, he said, "I think we are overreacting to what's going on and this is not going to have any impact on the way the Soviets behave."

Q: Was your program cut down considerably?

SHOSTAL: With the Soviets, that's right. The science and technology agreement was kind of the umbrella agreement for a whole range of cooperative programs. That was pretty much shut down, because it was chaired by the President's Science Advisor. To show disapproval we stopped any senior meetings. There was some lower level technical work, particularly work that was seen to be of some value to the United States, that was allowed to continue. But, senior meetings, high profile meetings were stopped.

Q: What about the nuclear equation, concern about Pakistan, South Africa, Israel having nuclear capacity? Did this have any effect on other things you were doing?
SHOSTAL: Not on me directly. There was a lot of concern, particularly about Pakistan at that time and I know Tom Pickering was very much involved in it, but it didn't have a direct impact on my work.

Q: You left there in 1980?

SHOSTAL: That's correct, late 1980.

Q: To where?

SHOSTAL: To the Foreign Service Institute to be Dean of the Language School.

Q: And you did that from 1980 until when?

SHOSTAL: Until '83.

Q: How did you look upon that assignment?

SHOSTAL: I loved it. I like languages and I feel that is a core skill for the Foreign Service. Therefore to me, the Foreign Service Language School was really a very important place to be and one where I thought I could make a contribution.

Q: What was the state of language training when you arrived in late 1980?

SHOSTAL: Well, FSI had built up over the years a very impressive, a very important role in language teaching. Not only for the U.S. government, but for the whole language teaching profession. It really had pioneered back in the early days of FSI in the late '40s and early '50s a practical approach to language learning that was meant to help people function in other societies using a language, while also having an understanding for the culture.

Q: I'm not sure about this time, because we're talking about 15 years ago or so. There's been considerable research on language ability and how people learn and all. I don't know what the state of it was, but back when you were doing this in '83, were you plugged into whatever passed for the leading edge in language learning?

SHOSTAL: I can't pretend that I was fully plugged in, because I don't have an academic background in applied linguistics which is really essential if you're going to understand all of the intricacies. But, I had some very good people on my staff who were well trained in that field. Earl Stevick, who was the senior linguist on the staff and really a brilliant thinker in this field. Also, Doug Jones, a Foreign Service Officer was on the FSI Staff and had a degree in linguistics. He was a key person in trying to do some of the things that we did during that time at FSI.

Q: One of the things during this time just before you arrived, I know at the age of 53 or so, I was up for about my fifth or sixth time of intensive language training, none of which seemed to take terribly well, but I was taking Italian and I wonder at the problem of age, what was the feeling towards putting somebody in his or her '50s up to learning a language?

SHOSTAL: Well, I think there was a general recognition that people when they're younger learn a language more easily. They retain information more quickly. But, there was also a feeling of a view that age definitely was not an insuperable barrier to language learning. One group that really had a definite problem were military people from two categories. One was jet pilots and the other was artillery officers, because most of them had substantial hearing loss. And, when it came to particularly learning Asian languages where you have tones in the language which are very important to meaning, those people often had serious problems.

Q: What would you do? I have the feeling that the language training facility more or less takes whoever is sent to them and goes ahead and does its thing and uses its personnel and all to do the best they can, but there's not much in the way of talking to the people who are

doing the assignments and all saying, "I don't think it's a good idea to do this with this particular person or not." Did you find any?

SHOSTAL: Well, we did quite a lot of discussing with the personnel people about lots of different problems and certainly that was one of them. If it came down to a choice, and that's usually the way the problem was posed, a choice between several candidates for a job, particularly for a job in which you needed so-called hard language training, you would do better if you select the person with a better language learning record and a better language aptitude testing score.

Let me mention one thing which I found was really the most interesting issue about language learning at the time. Just before I arrived, FSI had done a field survey among Ambassadors to determine how satisfied they were with the quality of language competence among the people on their staffs. It was quite a shock that a large number of Ambassadors were very dissatisfied with the language-use ability of the people that they were getting. That prompted FSI under the then-Director, Paul Boecker, the first Foreign Service Officer to be the FSI Director, to think a lot about what was going on in our language training effort. What we were doing right and what we were doing wrong. One of the constant refrains that we were getting from this survey was that people were not trained in the kind of language skills that they need on the job. For example: to conduct a diplomatic demarche with a foreign government official; or to negotiate; or in listening to somebody else in foreign language to be able to distill information into a reporting telegram. Those kind of skills were not the kind of skills that were being stressed by FSI. So, Boecker said that what he wanted me to try and do was to close this gap between the world of language teaching at FSI and the world of real professional needs in the field. He cautioned, however, that we didn't have much money to do this. So, it was really a challenge to try to figure out how we could bridge those gaps. As I said, I had the great advantage of having some very good people on the staff who came up with creative ideas. They certainly didn't solve the problem entirely, but I think we took some useful steps which are still being used to try to bring closer together the world of diplomacy, as it is practiced with languages, and the world of teaching at FSI.

Q: What sort of things were these?

SHOSTAL: The main thing was a series of exercises which we called "bridges" in which people would use the language in simulated tasks like those they would do in the field. For example, interviewing somebody for information; negotiating; trying to explain an American policy position and defend it. Those are the kinds of things and these became packaged exercises which each language department developed for itself.

Q: How did you find recruiting for your language teachers? Was there a problem with that?

SHOSTAL: On the whole I don't think so. We had specific problems, however, in some languages. One for example is Japanese. I don't speak Japanese, but I understand that the kind of language spoken depends very much on the gender, as well as social position of the

speaker.

Q: Korean is the same way too.

SHOSTAL: We had only women on the staff teaching in Japanese and a mostly male student body. It was definitely a problem trying to find Japanese men who would accept the rather humble salaries paid by FSI. We had another kind of problem with Russian. There we had a cadre of old-timers who had left Russia after the Bolshevik Revolution and others who had left during World War II. These people were usually strongly anti- Soviet and rejected Russian expressions and customs that had developed under the communists. Then, just at that time the first Soviet immigrates began to join the Department. They were invaluable, because they were speaking contemporary Russian, but the cultural clash and political clashes between them and the old-timers were pretty strong at times.

Q: How about the problem of plateaus? I've been through this process a number of times myself and in my non-professional experience you reach a certain point where probably it's a good idea to get you out and start using a language, rather than continue the drills. The drills often go on beyond that point and this may be wrong, but others have felt the same thing. Did you find this a problem?

SHOSTAL: Yes, in that it was an expression of the problem that I mentioned earlier of the gap between the classroom and the real world. I think most people want to be using a language the way it would be used in the real world. I think what is critical in all of this is to build up a sufficient degree of self-confidence in a student who knows that he or she can handle linguistically anything that comes along. You may not know all of the vocabulary, or all of the most intricate grammatical structures, but you know how to, for example, redirect the conversation in ways that allow you to understand. For example, how to ask somebody who said something that you don't understand to explain it in other ways. This kind of skill helps to develop the self- confidence and the desire to continue to improve in the language. With the budgetary and time restraints that FSI had and continues to have, you're not going to get somebody by the end of the training period who is able to operate at a very sophisticated level That can only be accomplished with further training on the job by using the language and by having a very open attitude.

Q: Did the issue come up of training here in the United States and training abroad in each country? I recently visited a retired British Foreign Service Officer who said that the British don't have the equivalent to the FSI, because if they need somebody to learn Arabic off they go to Beirut or wherever. If they do it in China or if they were in German they're in Bonn or the equivalent. It's easier for them at least for European languages. Was this anything you ever wrestled with?

SHOSTAL: Oh, yes. We had a lot of discussion about that issue. Of course, we do have a number of overseas schools for advanced training in Arabic, Japanese and Chinese. And, during my time we also set one up in Korea. So, we were doing that for the most difficult of languages. But, there were others who made exactly the same point that you did, that it would be more effective for people to be immediately plunged into the atmosphere and

have the language around them at all times. In the best of all possible worlds, you should be able to do that. The problem is really a budgetary one. That's a very costly way of doing it and, given the kind of resources that FSI has, you're not going to be able to train the number of people that we need for language designated positions by training them overseas. We just don't have money for it. Therefore, training them here is the best alternative.

Q: *What about the case that I run across again and again and again in my oral histories and then after going for six months to language school for French I was sent to Johannesburg. I got that yesterday. I mean, the personnel system often seems to designate somebody for language training, but then they really throw this resource away by putting them in a place where they'll never use the language. This just doesn't seem to be putting things together very well. Did you play any role in that sort of thing?*

SHOSTAL: Well, yes. I'm not sure how successfully. The number of cases like the one that you mentioned of somebody being trained in French but then going to South Africa in my experience at FSI did not happen all that often, with one exception. The exception was Junior Officers, who have to get off language probation. You have to keep a certain level of competence in a language in order to achieve tenure. Languages like French and Spanish are viewed as the most generally useful and Junior Officers are often put into one of these languages and then sent to a post where this language is not spoken.

I think that the device of having what are called language designated positions at posts has helped to reduce the kind of problem that you are talking about, because it links language training with a specific assignment. In theory at least, you only get language training for an assignment to a job in which you'll need the language. The system obviously doesn't work perfectly and there are slips and unpredictabilities in the way the system works.

I was more concerned, however, and am still more concerned about the inefficient use of the people that we train, particularly in the difficult languages which are expensive to train in. There is less of an effort I think today than in earlier years to build up a cadre of people who are really experts in a particular country who not only know the language, culture and history, but also know the players. I think that effort, that desire of goal to create cadres of people, has collided with the effort to achieve greater transparency in assignments, equitability and meet such goals as assigning tandem couples (people who are both in the Service). The challenge is to build cadres of officers with "deep" area expertise while maintaining an atmosphere of frankness and openness in assignments.

Q: Well, something that you were just getting started during your watch at the FSI was the new Foreign Service Act, which put an awful lot of emphasis on management. So, you have people running around and trying to be a manager, which means they'll go anywhere to be a Deputy Chief of Mission when really they should be learning more and more Portuguese in order to be experts on Brazil.

SHOSTAL: No. That's exactly right and that problem was definitely emerging at about that same time. Interestingly enough, there was quite a lot of pressure in connection with the Foreign Service Act to really improve language training.

Q: This was the Foreign Service Act of 1981?

SHOSTAL: Yes. Along with this little emphasis on management, you had pressure from the Congress, which actually wrote into the Act that the Department should do a better job on language training. The person behind this was Senator Paul Simon who was very interested in language training.

Q: Of Illinois.

SHOSTAL: Of Illinois. He specified in the Act that there should be so-called model language posts at which everybody should be able to use the language. We worked on setting up a couple of these posts at that time. I don't think that effort has really gone very far, the idea of training people so that everybody at the post is proficient in the language. Its been really the victim of lack of resources to do that.

Q: We always end up talking about officers, but what about staff? I mean, we're talking about secretaries, communicators and all this?

SHOSTAL: Well, at that time this was also part of the effort. I think one of the ideas in the 1980 Act was to democratize the Service more and by lessening the distinction between officers and support staff and trying to make sure that everybody belonged to the Foreign Service. That had consequences in at least making an effort to provide more training to people who really had a need for it, who weren't necessarily officers. In practical terms it generally meant secretaries. Over and over again we would get complaints from Ambassadors and DCMs that their secretaries simply couldn't answer the telephone in the language, and that the Ambassador would have to get on the phone because the secretary couldn't handle it. So, we tried to do as much as we could in the area of providing language training for secretaries and for spouses. It was a reflection of that effort that FSI started at that time the so-called FAST courses. These are shorter language courses which are designed to give people basic skills for day-to-day living and work situations, even if they don't need sophisticated competence. They would not be able to discuss international economics, let's say, but, they need to be able to get a toilet repaired or be able to go shopping.

Q: Did you find any difference in language abilities or response to languages from our effort in trying to recruit minorities? Did this make any difference at all?

SHOSTAL: No.

Q: I wouldn't have thought so, but I wanted to ask the question.

SHOSTAL: The effort to recruit minorities during the Carter Administration was certainly underway. I don't think it has shown much in the way of results as yet. Also, there was certainly an effort to recruit more women, but that too was not showing up as yet in significant changes in the makeup of the student population.

Q: Probably, my guess would be, the problems there wouldn't show themselves in language. I mean, language ability is something you either have or you don't.

SHOSTAL: I've never been aware of anybody claiming a particular ethnic background, or if it makes any difference whatsoever in learning languages.

Q: Why don't we end this session at this point now and we'll pick it up in 1983 where you're leaving the FSI and where are you off to?
SHOSTAL: I went to the African Bureau.

Q: Alright, we'll pick it up there.

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Today is the 15th of July, 1997. Pierre, we're now in 1983 and you're going to the African Bureau, is that right?

SHOSTAL: That's right. I became the Office Director for the Office of Central African Affairs. That's an area that covered from Chad in the North to Zaire in the South and included countries like Cameroon, Gabon, and Congo, Brazzaville.

Q: You were doing this in '83 to?

SHOSTAL: To '85.

Q: Who was the head of the AF Bureau?

SHOSTAL: Chet Crocker was the Assistant Secretary.

Q: What were the major issues that you had to deal with during this time?

SHOSTAL: There were two major ones. One was Chad. Just as I came on the desk the Libyan effort to take over Chad was becoming quite clear. The other was the perennial issue of Zaire and trying to assure that Mobutu reformed his finances and played a credible economic role.

Q: Well, let's take an easy one first, Chad. Could you explain some of the developments in Chad? I mean how did we see the situation internally in Chad and then what was Qadhafi, the ruler of Libya, up to when he was messing around?

SHOSTAL: Well, Chad had been for decades already, a very difficult political problem, one that primarily concerned the French, because this had been a former colony of theirs and one where they retained some strategic and economic interests. But, it was also a difficult country because of its ethnic diversity, a Muslim and Arabized North with tribes who had a way of life which was almost a constant warfare with one another. Those kinds

of things made for a very politically unstable situation. In the South you had people who were Black African and Christian or animist in religion. So you had the kind of tension there that you see for example still today in Sudan. For much of the post-war period, the South had been the dominant political part of the country. The French had found that working through the Southerners was much easier. They were more amenable to cooperation with France, whereas the tribes of the North were very difficult and unruly. However, a few years before the government had been taken over by Northerners who brought their clan rivalries to national politics, rather than just staying in the North with them. There had been a number of coups and counter coups leading up to the period of '83 when Libya was trying to subvert the government and assert its claim to much of Chad.

Q: We were talking about Qadhafi. How did we consider Qadhafi at that time? What did we think of him?

SHOSTAL: Maybe before I answer that question let me go back a little bit to the historical background which is important in understanding what happened. The instability that I was talking about led the French periodically to intervene militarily in Chad. This usually resulted in quieting the situation for awhile, but it never really solved the problem. This was during the Gaullist governments of the '60s and '70s. By '83 though, you had a socialist government under Mitterrand, which was more reluctant to intervene militarily than earlier Gaullist governments had been. Now, on the question of our attitude toward Qadhafi in Libya, we saw Qadhafi at that time as a major strategic problem for the United States. We were concerned that, unless his efforts to subvert neighboring governments was countered very firmly, you could have growing instability in Africa and a weakened Western position. Qadhafi had considerable financial resources and we feared he could rearrange the map of Africa to our disfavor. So, that was our strategic concern.

Q: While you were there were you getting particularly good information about what Libya was up to or was this sort of saying, well, he's a bad guy so he's probably doing this?

SHOSTAL: We really did not have very good intelligence on what Libya was up to. I think the periodic purges in Libya made it difficult to establish the kind of intelligence network that would have given us a good picture of what was going on. Plus, Qadhafi had a very egocentric decision-making style which made that problem more difficult. We did have good physical intelligence in the sense that, given the desert type of climate, it was quite easy to see if there were any major military moves by Libya.

Q: You're talking about overhead photography?

SHOSTAL: Yes.

Q: Yes. What about with the French? They had Mitterrand and we had Ronald Reagan as the President. How were relations with France vis-a-vis Africa at this particular time?

SHOSTAL: In the '70s we had good political and military cooperation with France in dealing with the problems in Zaire, and we supported French interventions a couple of

times there. So, from military to military we had a pretty good relationship, but there was still, as there had been for many years, areas of conflict and rivalry. I think the French, both under the Gaullist governments as well as with Mitterrand, were concerned that somehow we might be trying to push them aside and reduce their influence in Africa.

Q: When we were dealing with Chad, were you keeping in mind almost two foreign policy rules. One, to keep the Libyans out and two, to make sure that the French almost stayed in and that we were not trying to brush them aside. Were those both in your mind?

SHOSTAL: Yes. That description is a very adequate one of our concerns. We had no intention of taking over from the French. We made it very clear over and over again that we felt that they had the lead with respect to Chad. But, our greater concern was that the French wouldn't act quickly and decisively enough and that the result would be that Libya would expand its influence.

Q: Was there a concern about the early Mitterrand socialist government? A normal socialist government obviously doesn't want to be seen as acting as an imperial colonial power, but at the same time this is kind of what was required.

SHOSTAL: I think there were elements in the Mitterrand government that were less than enthusiastic about the old style policies in Africa. But, I think by '83 French policy was beginning more and more to resemble that of Mitterrand's predecessor.

Q: How did we respond to, I mean during this '83 to '85 period, what were our responses on Chad?

SHOSTAL: Essentially, it was to try to get the French to act militarily. This became an acute issue once the Libyan offensive started in the summer of '83. It involved an attack on a fortified oasis in the North of Chad, a place called Faya Largeau. A place that looks like it was taken straight out of Foreign Legion films of the 1930s.

What happened there was that the Libyans overran that outpost of the Chadian government. We thought at first that the Chadian forces had been pretty much destroyed. It turned out that most of them had escaped through the desert toward the South, so they were able to regroup. But, it was with that defeat of the Chadian forces that Libyan- supported Chadian forces, continued their offensive southward and eastward toward the Sudanese border that prompted the French, I think it was in August of '83, to send in a limited numbers of troops and trainers. We provided them with Stinger missiles, because we were very concerned about the Libyans possibly using air strikes. I think this may have been the first use that we allowed foreign forces to use Stinger missiles.

Q: Stinger missiles being?

SHOSTAL: Hand-held anti-aircraft missiles which later became very effective in Afghanistan.

Q: What was the outcome during this '83 to '85 period?

SHOSTAL: Well, the intervention resulted in victories by the Chadian forces and their taking back within several months most of the territory that they had lost to the Libyans. It temporarily also stabilized the government of the Chadian president.

Q: Who was the President?

SHOSTAL: His name was Hissen Habre. He was a Northerner, but one that we felt was an effective military leader, someone who claimed that he was trying to bring about reconciliation between Northerners and Southerners.

Q: Did we get involved at all outside of allowing some Stingers to go there? I mean, often we were giving airlift support or something like that?

SHOSTAL: No. We didn't do anything directly. We provided some military equipment, including a couple of C-130 aircraft, which were rather old, and we started a military assistance program, but we tried very carefully to make sure that the French had the main burden, the main responsibility, both in terms of any active troops and in terms of military assistance.

Q: I'm looking at this as a bureaucrat. You got Africa where you're dealing with us. You got a country up in European affairs that you want to get involved. Now who was talking to whom and did you end up talking to the French desk or how did this work out?

SHOSTAL: We had very close ties with the French desk. I would say close and productive ties with the French desk and with our Embassy in Paris. Although, I think that both on the French desk on the European Bureau and at Embassy Paris, there was a feeling that the African Bureau was to be a little bit too shrill in trying to push the French into the lead and that some of that, as they saw it, would prove counter productive.

Q: Normally, AF, the African Bureau, would have their man or woman in Paris. Did you?

SHOSTAL: The main person that I dealt with was Marty Cheshes, who I think later became Ambassador to Djibouti if I'm not mistaken. He was the Africa person and was very effective.

Q: I can see almost the normal bureaucratic thing of people in the European Bureau. I mean they want to deal with Europe and all of a sudden, something is happening in your back yard and you really don't want to get involved. Do you think that was kind of it?

SHOSTAL: Only partly. As I say, there was some unease on the part of the Embassy in Paris over what I described as the shrillness of AF's trying to push the French. But, on the basic policy that we needed to do something effective to stop Qadhafi, there was no disagreement.

Q: Well, Chad was on the front pages of the papers every day?

SHOSTAL: That's right. It was the issue of that summer.

Q: The issue of that summer. Was this before the Americans bombed Qadhafi?

SHOSTAL: Yes. I think that took place in 1986. That, I think, proved to be a very effective deterrent. We haven't heard very much in a way of military activities by Libya directed against countries since then.

On the other hand, Qadhafi did retaliate, as bullies do, through the bombing of the PanAm flight over Scotland, as well as the bombing of a French airliner in North Africa. He did try to get back at us.

Q: Outside of concern about Qadhafi expanding, did we have any other concerns, were there any other interests in Chad or was it just we didn't want Qadhafi to do something?

SHOSTAL: Well, it was primarily that we didn't want Qadhafi to do something. Late during my time in working on Chad, in about '85, American companies discovered oil in the South of Chad. That event gave Chad a somewhat higher profile in our priorities. But, it was overwhelmingly an anti-Libyan concern that drove our policy prior to that.

Q: How about the Sudan? I realize the Sudan was not in your area, but the Sudan at that point and maybe today still is, a state that supports terrorism. We don't have a comfortable relationship with Sudan. Was that a factor at all?

SHOSTAL: No. At that time you didn't have the same degree of Muslin activism in Sudan that you have today. But, there was naturally a concern that Qadhafi could establish a degree of influence over Sudan and it would be very troublesome.

Q: Within the African Bureau you have Chet Crocker who is particularly noted for his work on dealing with South Africa. As far as AF was concerned and Crocker, this was sort of a side show and a sort of "Pierre you take care of this?"

SHOSTAL: Crocker was really consumed with problems with Southern Africa, so he delegated the Chad issue to one of his Deputies, Jim Bishop. I worked with Bishop in managing that. But, in the other major account that I was responsible for, Zaire, Crocker was very interested because of the importance of Zaire to his Southern African diplomacy and game plan.

Q: Let's talk about Zaire. Could you explain what the situation was in Zaire during this '83 to '85 period and what were our concerns?

SHOSTAL: Our concerns strategically were maintaining stability in Zaire. One, because Zaire was playing a significant behind the scenes role with respect to Southern Africa, but also because we wanted to avoid the kind of turbulence that had hit Zaire in earlier decades, in the '60s and again in the late '70s when the country looked like it might fall apart and be

divided up among its neighbors. Or, that could again tempt the Soviets during a time of weakness and turbulence. So, what we tried to do was, primarily through economic reform, to help Mobutu establish a greater degree of stability by working with the IMF on a stabilization package.

Q: Today, we are talking about the Spring of 1997, Mobutu has left Zaire, a somewhat problematic type of replacement government, but one of the major charges against American foreign policy for really many years, has been our support of Mobutu. It was called the Kleptocracy. Here is probably the richest state in Africa and it has been almost entirely in a state of chaos. Maybe this is not the right word and maybe there was stability, but nothing was happening to develop the country in any way. From your period of dealing with Mobutu, what were your marching orders and how did you feel about it and what were we doing?

SHOSTAL: The marching orders were to do as much as possible in working with the IMF, with congressional staffers and with the Zairean government to move Zaire along the path of economic reform and to live up to the standards of the IMF stabilization agreement. That was a very tough job. I must say I had considerable reservations about the realism of this approach. I had served in Zaire and had been observing Mobutu for a long time and was never convinced that Mobutu was carrying out or planned to carry out reform. I think he felt that he had to do something to appear to be doing that, just to keep us reasonably happy so that we wouldn't pull support out from under him. But, he was walking a line between, on the one hand, paying lip service and making at least token efforts at reform and not wanting to change a system that benefited him personally.

Q: Were we aware of what he was doing?

SHOSTAL: Oh, I think so. I certainly was. Chet Crocker was very cagey or very careful about how he talked about those things, but I think we all pretty well knew what was involved. And, I certainly recognized the strategic framework that Crocker was trying to construct, of which Zaire was an important part.

Q: We'll come to the framework later. Let's stick to Zaire itself. What about the International Organizations, IMF and other organizations? Were we pushing them to say that you have to do more for Zaire? Because, from what I gather, almost everything went to Mobutu and ended up in Swiss bank accounts. What was your impression?

SHOSTAL: We tried to work closely with the IMF to get them, for example, to have effective people on the ground in Zaire to both monitor as well as influence Zaire's economic performance. Given, the type of institution that it is, the IMF is not one that we could simply dictate to. We didn't have that degree of influence there. I think that trying to do that would have been counterproductive, so we were trying to enlist them to encourage and pressure Mobutu in trying to do the right thing.

Q: Was Mobutu at all concerned about the fact that he had this huge country and essentially nothing was happening? I mean, from what I gather, very little. The government

wasn't delivering much and the military was undisciplined?

SHOSTAL: No. I think Mobutu basically was not concerned about that. What concerned him was his own political survival, and financial well-being, and that also of his own family and clan. He comes from a region up in the North of Zaire. He built a palace for himself in that area and employed people who were his relatives or kindred clansmen. That really, I think was the extent of his interest. He would certainly pay lip service to Zaire's being a great power in Africa, but the reality of this policy, and the reality of the country's evolution was such that it had largely ground to a halt, as you said.

Q: Was there any debate within the African Bureau or the Embassy? Again, we're sticking to this '83 to '85 period, about Mobutu?
SHOSTAL: No. I think none of us looking around saw any viable alternatives to Mobutu that looked as if we could build on them. One political figure was Tshisedeki, who presented himself as a kind of democratic alternative to Mobutu and was periodically being put in the slammer by Mobutu for doing that.

Q: Slammer meaning jail?

SHOSTAL: That's right, in jail. Tshisedeki remains a political actor today and has tried to challenge [Laurent] Kabila, the present President, to create a more open and democratic system. But, the people whom I talked to, who knew Tshisedeki, were very skeptical that he had the political and personal strength to be able to be more effective than Mobutu. Now, there was however, quite a bit of unease within my office about the degree to which we were overselling what Mobutu was accomplishing in the way of economic reform. Overselling it to the Congress and to the public, because we didn't really think that our rhetoric about Mobutu's reforms matched reality.

Q: This is always a problem isn't it? It's almost impossible to limit oneself to very faint praise or the equivalent of the devil we know. You have to sell it in a different way, otherwise it won't fly.

SHOSTAL: I think that's exactly right. We thought we had to maintain an economic and military assistance program that would help ensure stability, as well as ensure our influence with Mobutu. So, in order to have such a program you have to sell the Congress a rather prettier picture of what Mobutu was doing than the reality actually was.

Q: Did you have any strong skeptics or opponents of our policy in Congress or in the Congressional Staff?

SHOSTAL: Yes. The Chairman of the House Africa Subcommittee, Howard Wolpe. who was a college professor and a specialist in African Affairs, was very skeptical about Mobutu and our policy towards him.

Q: How did you deal with him?

SHOSTAL: Well, it was difficult. We tried to deal with his staff and we would talk to them quite regularly, but there was a lot of resistance to the Administration. So, what the Administration tried to do was to work around Wolpe and deal particularly with Republican members of Congress and their staffs.

Q: You had been with the FSI. Coming back to the African Bureau, did you see a real change in the African Bureau with the Reagan Administration?

SHOSTAL: Yes, definitely. Previously, when I had worked at African posts under Democratic Administrations there was a rather more liberal, anti-colonialist atmosphere in the African Bureau. Under Reagan, you had a man in Crocker who was basically a moderate conservative who thought very much in strategic terms with respect to the Cold War and tailored his policy as part of a broader strategy to forward Western aims there and to counter possible Soviet initiatives.

Q: We'll come to the South African thing which is tied to this, but let's talk about the "Soviet Threat" during this '83 to '85 period in the areas that you were dealing with.

SHOSTAL: This really translates into the Soviet support for Cuban military intervention in Angola. There had been going on for a number of years a civil war in Angola, following its independence with Portugal, with the government at that point being dominated by a group called the MPLA, which owed its position to a considerable extent to support from the Soviet Union and Cuban troops. Opposed to them was a group called UNITA, headed by a man named Jonas Savimbi whose support was mostly tribally based, but who had become an ally of South Africa and enjoyed South African support. Because of our concern over the possible increase of Soviet influence in Africa, we were backing Savimbi, at least behind the scenes.

Q: What was your feeling and maybe that of your colleagues in the African Bureau about Angola, Cuba, the Soviets, and our support for Savimbi?

SHOSTAL: I think there was quite a lot of support for that policy. We really were concerned about expansion of Soviet influence and Cuban trouble-making. So, I think basically there was a widespread agreement about that being a correct policy, but some of us were skeptical about the ability of Crocker to bring about a political solution to the problem. He kept repeating, with respect to Angola, there was no such thing as a military solution; you couldn't achieve that, because both sides had support that would allow them to keep fighting. So, what he was mostly striving for was creating conditions that would lead to a political settlement in Angola that would pave the way for one eventually in South Africa.

Q: One thing I forgot to ask about Zaire. Did particularly Belgium, but other commercial interests play much of a role in our policy as you saw it in Zaire at this particular time?

SHOSTAL: At this particular point, no. In the '60s, yes. In the early '60s, definitely, but by that point Belgium really had lost interest in Zaire economically. Belgium investment had

fallen off. So, that wasn't much of a factor.

Q: Back to this. We've talked about Angola. What was the role of Zaire that Crocker et al were playing and how was it presented to you about what you were supposed to be doing with Zaire?
SHOSTAL: My brief was to help keep things stable and quiet in Zaire and Mobutu as much as possible on the straight and narrow in terms of economic policy. I think what that really translated into was first of all to try to ensure that Zaire would not come apart at the seams and present an opportunity for the Angolans and for the Cubans and Soviets to cause trouble in Zaire. That was one dimension. The other dimension was that, and this I only learned fairly late in my time in AF, Zaire was also serving as a conduit for weapons deliveries to Savimbi as a way of maintaining military balance in Angola. So, Zaire played a part in a larger jigsaw puzzle.

Q: It was in a way a new policy for the United States. The Soviets had what amounted to almost a free hand for a while. They could stir up trouble somewhere and we would just worry about the government at hand and now we were sort of on the counteroffensive. You had the Contras in Nicaragua against the communist Sandinistas; you had our support of the Afghan mujahideen in Afghanistan and then this. In other words, you know, if you're going to cause trouble, we'll cause trouble in your backyard.

SHOSTAL: I think that's exactly right. What the Reagan Administration was trying to do was to work around a Democratic-controlled Congress that was very skeptical about that kind of strategy. So, by necessity as the Reagan Administration saw it, if you're going to do anything effective encountering Soviet-inspired encouragement, then you'd have to do it by covert means.

Q: Again, what was the feeling of the professional officers dealing with this. I'll state my prejudice right out here that I was very dubious about this whole Reagan Administration, these particular policies, yet they seemed to be rather effective.

SHOSTAL: I would say that, I had mixed feelings and I think many of my colleagues had mixed feelings about it. We were very skeptical and hostile toward the policy in Nicaragua where we really saw the people that we were supporting as being very unsavory, particularly violent and not committed to anything like democracy. In the case of Angola and Central Africa, I would say that there's a question of alternatives and that we really did not see any particularly good alternatives to the policy.

Q: Did South Africa come across your area at all, a policy toward South Africa? Was that pretty much settled?

SHOSTAL: I did not become directly involved in that. But, South Africa was really very much in the background. That was the big enchilada and the goal of Crocker's diplomacy to help create the conditions that could eventually bring about a political settlement there. So, from that viewpoint, we were very much aware of South Africa. South Africa was constantly being discussed in staff meetings. My office was next door to the Southern

African office, and we were talking a great deal with our colleagues there.

Q: How did Crocker run the African Bureau?

SHOSTAL: He reserved for himself and his Deputy Frank Wisner the big portfolios of Southern Africa and spent an enormous amount of time on them. He was quite reluctant to get too deeply involved in other issues unless he really had to and he tended to delegate a great deal to Frank Wisner and to Jim Bishop, his two Deputies for political affairs. Princeton Lyman was the Deputy for economic issues. It was a strong team in the AF office with Wisner and Bishop really running things from a day-to-day viewpoint.

Q: How about some of the other places? Did you have Burundi and Rwanda?

SHOSTAL: I did. During my period on the desk they were quiet.

Q: They weren't slaughtering each other were they?

SHOSTAL: They weren't slaughtering each other. Rwanda was even doing fairly well in terms of economic development and we were building up for a country of that size, a relatively large economic program. The other two countries I would say of some significance were Cameroon and Gabon. Cameroon, because of its size and also because it bordered on Chad and was one of those countries in Africa where the division between the Muslin North and the Christian/Animist South is present. So, we were concerned about Cameroon also, because it looked like a possible Libya target given that makeup. Gabon was of interest because of its sizeable oil reserves.

Q: Any problems particularly at that time?

SHOSTAL: At that time things in those countries were relatively quiet. They were in Cameroon even some fairly encouraging political developments, a transition in power from the President who had run the country for decades, a man named Ahidjo to an elected President named Paul Biya who, at least at first, looked as if he was a man who could modernize the country and bring in a certain degree of democracy. Unfortunately, since then those hopes have rather petered out.

Q: What about Congo Brazzaville? Do you have relations with the country at that point?

SHOSTAL: At that time we did. We had an Ambassador over there and things were fairly quiet there. Also, Central African Republic was part of that and that continued not to be a major issue.

Q: You'd left the African Bureau in '85?

SHOSTAL: That's right. In summer of '85.

Q: And where to?

SHOSTAL: I went to Hamburg, Germany as Consul General.

Q: You were there from '85 to?

SHOSTAL: To '87.

Q: How did you break back into the European Bureau? I mean, did they still feel that you were one of theirs?

SHOSTAL: I did know some people still in the European Bureau and learned in the Winter of '84-'85 that the position in Hamburg was coming up. I was asked if I was interested, and I told them that I was. So that's how it came about.

Q: At one point back in the '40s and '50s a third of our Foreign Service Officers served in Germany. Germany in many ways no longer has the same prominence. As seen by a Consul General in Germany in this '85 to '87 period, what was the situation from your perspective in Germany at that point?

SHOSTAL: Overall, it was a strong relationship that we had with Germany. We had been the protecting power for Germany for three decades at that point, four decades really, since the war. We had fostered an economic revival and a well deeply rooted democracy. Germany really was very much a success story. At the same time, by the mid-'80s there were definite elements of malaise that had crept into the relationship that had a lot to do with developments both in Germany itself and the United States. First in Germany, Germany had for some time been uncomfortable with its role as a front line state, that would be overrun and probably destroyed if there were a World War. At the same time that you had, beginning in the late '60s the rise, or let's say the return, of a considerable amount of pacifist and anti-military feeling, which was part of the generational politics of that time. Another factor that contributed to malaise was the really bruising political fight that had just recently concluded in '83 over deployment of Pershing missiles and cruise missiles to Germany as a counter to the Soviet deployment of the SS-20s that we talked about some time ago. That period had been characterized by violent street demonstrations, and much of the political left and even some of the political center in Germany were disaffected by what they saw as an overmilitarization of American policy. This, combined with some of the rather harsh anti-Soviet rhetoric of the Reagan Administration added to this feeling of disenchantment on the part of a considerable part of the German political elite and intellectual establishment.

Q: Who was your Ambassador when you were there?

SHOSTAL: It was Ambassador Arthur Burns, the former Head of the Fed and, before that, Chairman of the Council of Economic Advisors.

Q: Did you, either from him, from the desk, did you have any particular agenda when you went to Hamburg or was it just sort of go there and do your own business?

SHOSTAL: Well, I think there were a couple of things that the desk and the Embassy were hoping I would be able to do. One obviously was to report on what was going on in the northern part of Germany, because we were responsible for three of the then ten German states. During the time I was there we also picked up a fourth, Bremen. So, there was quite a bit of territory to cover and also what they hoped that I would be able to do would be to engage in dialogue with some of the political elite and journalists, Hamburg being a big publishing center, to try to explain American policy and to foster a greater degree of its understanding for American policy.

Q: How did you find the German press, the media, during your time there? Were there problems?

SHOSTAL: There were quite a few problems, because many of the publications whose staffs I was in contact with were skeptical about American policy. They saw too much emphasis on the military; not enough emphasis on trying to dialogue with the Soviets. Keep in mind that a further factor that came on the scene at about that time was Gorbachev's reform program in the Soviet Union. He came to power in 1985, the year I arrived in Hamburg. As his reform efforts gathered steam, there was more and more pressure, more and more appeals on the part of the many Germans that I dealt with to take him at his word, to try to work with him on political dialogue, rather than rely so much on military responses.

Q: During this time were you finding that the American response was beginning to change as Reagan warmed up to Gorbachev?

SHOSTAL: Yes, very definitely. The 1985 meeting in Geneva between Gorbachev and Reagan seemed to change at least the psychological atmosphere quite a bit. Remember that this was followed by the meeting in Reykjavik, Iceland, in which it appeared as if the United States and the Soviet Union had come very close to an agreement to abolish nuclear weapons. Some Germans blamed primarily the United States for the failure because of Reagan's refusal to give up the Strategic Defense Initiative. This was the kind of thing that these critics saw as an overmilitarized American response to the Gorbachev phenomenon.

Q: The Strategic Defense Initiative, SDI, also known as Star Wars, was greeted with an awful lot of skepticism in the United States. The experts said it can't be done. This was centrally an anti missile system. But, how did you view it and how did you deal with it when you were talking to the Germans?

SHOSTAL: Well, I saw a fundamental contradiction in the Soviet response to SDI. On the one hand they would argue that it couldn't work. I remember going to a lecture by a very prominent Soviet physicist, Roald Sagdoyev, in which he said at the University of Hamburg that SDI would never work. That was part one of his presentation. Part two of his presentation was how this was destabilizing to the relationship between the United States and the Soviet Union and would lead to political tensions. When I heard that it seemed to me that something is strange here and there certainly was a contradiction. That sense of contradiction converted me from having been initially very critical of SDI, to recognizing

that the Soviets were worried about it for other reasons that they really weren't stating. I think those reasons had much to do with the pressure and challenge that SDI represented to their economic system, to their scientific establishment and their fear that they simply wouldn't be able to keep up with American technology development that might result from the SDI.

Q: This brings up a question and I think I would like to sample. During this period, we're talking about '85 to '87. Within five years we saw the dissolution of the Soviet Empire. Did you have any feeling that things were beginning to click in the United States, because we had talked about previously that there was this feeling that maybe the Soviets were on the move and all that. Were you seeing a real earth change or not or was this not apparent?

SHOSTAL: Not at that stage. I think that the mental picture that I at least had of the situation in the United States was that we really had not yet overcome some of our internal structural problems, for example with the economy. The weakness and fragility of the Soviet system certainly was not apparent at that stage. In fact, I must say that I felt that Gorbachev's arrival on the scene might really result in a revival of Soviet economic strength and their ability to compete with us.

Q: What about the German temperament? We talked about the media before. Did you sense the reporters, many of the media types tend to come out of the same basket almost in a lot of countries. One into being investigative reporters and the other one being of a fairly liberal persuasion and having kind of fun being anti-American.

SHOSTAL: To a certain extent. Investigated reporting, with only one or two exceptions, is not highly developed in Germany. It wasn't then and I think still isn't. There was a group of journalists who were trendy, anti-American, and increasingly infatuated with Gorbachev. Now, that wasn't universally true. There were certain publications, certain individual journalists, who were quite conservative, and who had really very friendly and understanding feelings towards the United States. Keep in mind that some of this generation lived through the period of American help to rebuild Germany and had feelings of real gratitude. Others, who also lived through that period seemed to have more of what I would call the kind of disappointed lover attitude towards the United States. For them, the United States, because of the Vietnam War, because of the domestic problems that emerged in the '60s and '70s, really no longer had the appeal that it once had. You saw with some of them a kind of overreaction and tendency to see overwhelmingly a negative picture of the United States.

Q: How about President Ronald Reagan, who had been a movie star and considered by many to be, certainly when he first came in, an extreme right wing President, and rather a lightweight because of the movie connection. Close to the end of his second term what were you getting from your Germans?

SHOSTAL: Well, there was quite a bit of the kind of view that you were just describing. On the other hand, some journalists and thoughtful Germans, particularly more conservative ones, said that Reagan had performed a very important role in restoring to

America its self-confidence after the Vietnam War. So, there was a kind of a split image view of Reagan.

Q: What about the intellectual community? First, let's talk about the students. I must say I'm always impressed when I see German students somewhere. They seem to take their politics much more seriously than we seem to in the United States, but maybe this is the group that always turns up in front of the T.V. camera. Were you able to deal with the German students?

SHOSTAL: As with much of Germany you get contradictory pictures. On the one hand you get what you're suggesting. I think that German young people had absorbed an enormous amount of influence from the United States. In their dress, the music they listen to, life styles, and travel. They love to travel in the United States, where they saw a freer society less bound by regulations and taboos. In terms of life styles a view of the Americans is a very appealing place to them. On the other hand, during this period I observed also a rather strongly critical element in what they were saying about American policy. So, on the one hand a positive view of American society, but a critical one of American policy. That characterized students mostly at that point on the left. Now, you also had during that period, '85-'87, what I would call the Boris Becker phenomenon. In 1985, Boris Becker at the age of 17 won a Wimbledon for his first time and he came to symbolize a generation of young people, younger than the ones I was just describing, who were more conservative, and more attracted to the idea of economic and other personal accomplishment and less ready to accept a view of the United States as being too militaristic. It's of course a phenomenon you begin to see about the same time in the United States of younger people becoming more conservative. So, as time went on, younger people became more sympathetic toward United States policies.

Q: What about the faculty and in the area you were talking about then, The Northern part of Germany? Was there a strong sort of Marxist type faculty? Has that developed as it had really in the United States and, to some extent, other places- (End of tape)

SHOSTAL: There was quite a bit of the phenomenon of intellectuals and university professors being influenced by Marxists theories and Marxists critiques of the United States. Perhaps less so in places like Hamburg and Kiel; more so in Bremen, which had quite a leftist faculty as well as student body. People who came of age in the late '60s to early '70s, younger faculty, tended to have those views more than older people who tended to be more conservative.

Q: Did you get into dialogues with them?

SHOSTAL: I had quite a few meetings with student groups and with professors which I found sometimes stimulating, other times frustrating, because it was difficult with some of the more strident critics to have much in the way of dialogue.

Q: With the Germans did you find a difference between say, the Germans and the French? I mean, one thinks of the French, particularly when you get into the intelligentsia of going

in for theory, as opposed to the practical side of the Americans. Did you find theory versus practicality?

SHOSTAL: In the German environment it took a slightly different form. The Germans like to talk about what they call an overall concept, a Gesamtkonzept. I would often run into German journalists who would be dismissive of American policy because, as they saw it, it didn't have this over-arching concept to guide it. I think that they were wrong, but that was often the critique that they would see American policy moves as improvised and responsive to domestic pressure, not part of a grand strategy. You had about that same period in France a very important shift, intellectually. That was from the earlier love affair with Marxism, to a sharp reaction, by the late '70s, and it certainly continued into the '80s against Marxism and moving toward a more positive view of the United States. Although, it was less pronounced in Germany, I think there was something of that same shift going on in the mid to late '80s in Germany, as well.

Q: Did you find there was a good understanding of the United States, you know, history and politics and all from or brought about by visitors, by exchanges of professors and all that or was there still a pretty much of a, the United States was viewed by either the evening news or by the movies?

SHOSTAL: Again, with Germany you get a very mixed picture. There were certain people, certain journalists, policy thinkers, politicians, professors who knew the United States very well. They had spent a lot of time studying and working here, had a very good grasp. If I could just interject here, I think this was one of the major benefits of the exchange programs, particularly the educational exchange programs that we had, that we build up a cadre of Germans who really, not only spoke our language in a literal sense, but also understood our way of thinking, understood our domestic politics and how it reflected itself in our foreign policy. Now, on the other hand you had by the '80s a lot of other German students and others who had traveled to the United States, but had spent shorter amounts of time here and gathered some superficial impressions, many of which were critical, some of which were of course fed by young Americans whom they would meet and who would feed their rather negative picture of America. So, you had a somewhat contradictory picture of all that.

Q: Was there a feeling with German students, faculty, that the American students weren't serious?

SHOSTAL: I think to a certain extent there was that. But, increasingly I think in the '80s and certainly now through the '90s there has been a recognition that, whereas some aspects of the German educational system are very good (secondary school education, vocational training, technical training), universities are really in very bad shape for a variety of reasons. Many well-informed Germans think the American university system, particularly private universities, are superior in many respects: in scholarship, superior in many kinds of education that American students at that level get. So, increasingly I have seen a growing respect for the American educational system, especially at the university and post graduate level.

Q: How about the America Hause, had they reduced their role or were they still important?

SHOSTAL: Well, the number had been reduced considerably and has since then continued to decline. That was certainly a net loss in terms of our ability to establish contact and influence Germans, particularly younger Germans. But, keep in mind during the early postwar years, which I think you're familiar with, we were trying to get Germany back on its feet and build a democracy. By the '80s Germany had done those things and the need for a very large information and cultural presence was not so great.

Q: Were you sort of keeping a watching brief on concerns about racism and this sort of thing?

SHOSTAL: Well, yes. But, interestingly enough that wasn't a major concern of the Germans that I was in touch with. What came up more often was a sense that the American society was unfair to the poor and favored the rich. This, I think was partly a reflection of very different social systems, welfare systems, also a reflection of some of the rhetoric and policy decisions of the Reagan Administration. So, you got more of that kind of criticism of America as an unfair society than a racist society.

Q: How about the side that used to be the predominant one. I'm talking about back in the 19th century and that's a commercial side. What were your commercial responsibilities and problems and doing this in this very wealthy and busy area?

SHOSTAL: The basic problem that we had, at least in the mid-'80s was an over-valued dollar, which made selling in Europe and in Germany very difficult. There was also, at that time, a somewhat negative view of the quality of American products and especially toward the attitude of American companies toward after-sales service. Over and over again I would hear from the German businessmen that American companies really weren't serious, weren't committed to exports to Germany. They allegedly would show up once in a while when they thought they needed some extra sales, but they really weren't committed for the long run, and that Americans didn't have a long term strategic approach, a strategic concept to do business in Germany. It was on a bit of a parallel of the critique of our foreign policy.

Q: I was somewhat earlier in the '70s getting the same complaint in South Korea, because the United States is a huge market and it obviously had priority. I mean, for many firms they wiggle up to Europe as a place to take care of it. They wanted to make short term gains, but they weren't willing to make that full commitment.

SHOSTAL: I think that one thing to recognize about our economic relationship with Germany is that the major American companies, big corporations, have been established in Germany for many, many years. General Motors, Ford, IBM, Dow Chemical, they've all been in Germany and really increasingly, this was an interesting development for me to watch, had become German firms. The executives of the companies were Germans, there were very few Americans in top positions any more.

Q: What was your role on the commercial side?

SHOSTAL: We had a commercial section that I worked with and it was primarily for me to be kind of a spokesman for American products. I would frequently go to Trade Fairs. For example, in Hanover which is a major Trade Fair. It was within our Consulate District and I spent a lot of time going to Trade Fairs and talking to German businessmen and giving speeches. So, rather than being a salesman in direct sense, I would try to be a spokesman for American companies, give speeches talking about the American economy to try to correct some of the misconceptions that Germans had.

Q: You were sort of doing this at the beginning of the information explosion. We are talking about the word processor computer. Did you find that the United States had a, I mean was this a market we were trying to develop and how were the Germans responding?

SHOSTAL: Very definitely we were trying to develop it. In fact, we were to a large extent dominating already at that point the computer market in both hardware and increasingly in software, as well. There was only one relatively successful German computer company which later went broke.

Q: Were there any other developments in Hamburg in this '85 to '87 period?

SHOSTAL: Well, I think the big change was the beginning of an improved U.S.-Soviet relationship and the influence that was beginning to exercise on our relations with Germany.

Q: One last question on this. By this time was it pretty well the idea that the Soviet Union was a threat to Germany, had that pretty well dissipated?

SHOSTAL: To a very large extent it had because of the conviction that Gorbachev was interested in peace and that he might really be able to reform the Soviet Union and make it a very different place.

Q: How about NATO? Was that being challenged at all from your perspective within Germany?

SHOSTAL: Not as an institution, with some exceptions on the far left. But, the public opinion polls at that time and the bulk of the journalist establishment really all favored the existence of NATO. They were critical, as I said, of certain aspects of American policy, but were not challenging the need for NATO.

Q: Were you able to deal with the communist party of Germany?

SHOSTAL: No, we didn't have any contact.

Q: Was it of any...?

SHOSTAL: That's what I was trying to say. It was of no significance and was even considered a subversive organization by the German government and closely watched by the German Security Services.

Q: How about the unification of Germany? Was there any thought, I mean, we're talking about three or four or a couple of years down the road that Germany was unified. But, was this even a gleam in anyone's eye?

SHOSTAL: It was something, I think, that many Germans would think about, but wouldn't talk about. When anybody would talk about it, notably Ronald Reagan in a speech that he gave in Berlin in June of '87 where he appealed to Mr. Gorbachev to tear down the Wall, the Germans largely felt that this was not helpful, that this was provocative toward the Soviets and would not promote the kind of quiet, step-by-step very gradual sort of improvement of the situation in East Germany that they were hoping to see.

Q: Were you getting any reflections about the East German economy or the society there or the feelings of the people?
SHOSTAL: I think there was a view on the part of many Germans that even though the East German economy was much weaker than that of West Germany, still these were Germans and that they were doing the best they could with a not very good political and economic system. In other words, there was definitely a tendency to overestimate the strength and vitality of the East Germany government among some intellectuals who, for example, wrote for the German weekly Die Zeit, which is headquartered in Hamburg. Some of their senior people spent several weeks touring East Germany and came back and wrote articles about how they had discovered in East Germany, the true Germany. They saw it as an older type of Germany, one that had not been subject to American influences. There was a certain strain of anti-Americanism in that feeling that East German society was probably a pretty good place, because it was really much more German.

Q: We might leave Hamburg in '87 and where did you go?

SHOSTAL: Came back to Washington to be Director of the Office of Central European Affairs in the European Bureau.

Q: And you were there from '87 to?

SHOSTAL: To '90.

Q: That was a momentous period.

SHOSTAL: It was a very interesting period.

Q: I can't think of a more fascinating time to be the Director of Central European Affairs, which had been rather stagnant really for what, nothing more than about 30 years, but every once in a while a flare up. Could you describe the European Bureau and then Central European Affairs, what your duties were?

SHOSTAL: This was a period during which George Shultz was the Secretary of State. The Assistant Secretary for Europe was Roz Ridgway, who had been Ambassador to East Germany and that had quite an impact on some of the work that I was doing. It was a period also when the Gorbachev phenomenon, as far as Germany was concerned, really began to catch fire. It was literally a love affair on the part of many Germans, with Gorbachev, a feeling that he could do nothing wrong; that he was being incredibly clever and statesmanlike in his approach to trying to restructure Europe and rearrange East-West relations. The American Administration was seen by many Germans as being too cautious, too defensive, too reactive to the Gorbachev phenomenon.

Q: What did Central European Affairs consist of?

SHOSTAL: The German-speaking countries, which meant West Germany and East Germany, Austria and Switzerland.

Q: We moved out of the perspective of Hamburg. What were you getting about East Germany then? You said you had, Roz Ridgway had just come back from there. What were you getting from her? I mean, you're looking at this in a much broader sense than you would from Hamburg. What were you getting?

SHOSTAL: Several different pictures. One, the policy level, the East German government at that point was becoming more and more resistant to Gorbachev's influence. The Honecker regime was digging in its heels, even for example, not permitting certain Soviet publications to be sold in East Germany, because they were seen as too disruptive, too liberal. So, you had that phenomenon. But, there was definitely a growing feeling beginning in '87 when I joined the desk that things were moving. What Gorbachev was doing was moving things in new directions and we didn't know what their destination would be. But, it was clear that things would never be the same again. We had a feeling that we needed to establish perhaps closer ties with East German society; to get an increased degree of influence in East Germany. The relationship that we had since the opening of our relations with the GDR in the mid-'70s had been a really very low level one in which not much was going on. There were particular problems that Roz Ridgway was concerned about, that she hoped that we might be able to resolve in establishing a degree of dialogue. These had to do, on the one hand, with trying to encourage the East Germans to resolve claims by American citizens against the GDR. These were people who had owned property in Germany before the war and whose property had been nationalized and seized by the East German government. So, there was that set of claims, plus there was the fact that the East German government had never made any reparations to Holocaust survivors. They had taken the position that West Germany was the successor regime to the Third Reich and that East Germany had nothing to do with the crimes of Nazi Germany and, therefore, didn't have any responsibility. Roz was also very interested in trying to get the East Germans to provide some compensation to Holocaust survivors. The strategy she developed to move toward both of those goals, settlement of the American claims and the Holocaust victims' claims, was to try to create some incentives for the East German regime to do the right thing. This involved holding out at least a possibility of improved trade

status for East Germany.

Q: Most Favored Nation.

SHOSTAL: Most Favored Nation treatment, which she recognized would initially be politically a nonstarter and, also in terms of negotiating tactics, not a good idea. But, to start with offering a more limited set of incentives in trade that would hopefully lead the East Germans to concluding that settling the claims issues was in their interest. We worked very hard on those issues, working with, for example, some of the Jewish groups representing Holocaust victims. But, interestingly within our own government we weren't able to achieve a consensus on the policy. There were government departments which were strongly opposed to this idea, which felt that the only way to deal with East Germany was to quarantine it. One agency representative described East Germany as the Doberman pinscher's of the East Bloc. The GDR was seen as the worst of the lot, and that even offering any kind of hope that they would get improved trade benefits would be not wise, because they were just unreformable.

Q: Well, to some extent, the security apparatus and police control of many of the nonaligned countries were run by East Germans. The East Germans were effective and nasty as far as their exports.

SHOSTAL: That's right. That was certainly a factor, that was in the minds of some of the opponents of Ridgway's policy. As it turned out we were never able to move forward with that policy, because we couldn't achieve the consensus within the American government.

Q: Was this sort of the Richard Pearl group on one side? I think of them as being the very tough anti-Soviet, anti-Communist group.

SHOSTAL: Well, the Pentagon was not a very big player in this issue. They didn't have any assets or equities that were directly involved. More important were the NSC Staff and the Commerce Department. There was very strong resistance to the policy in both those quarters. I don't know to what extent, Bob Gates, who was at the NSC at that time, was involved in orchestrating NSC's opposition, but it kind of ran counter to his thinking and there really were some very hostile attitudes in the Commerce Department.

Q: Why Commerce?

SHOSTAL: I think it was a matter really of sort of personal conviction on the part of some of the senior people at Commerce.

Q: Because, normally Commerce plays such a minor role in foreign policy.

SHOSTAL: On this issue we needed Commerce's support in going to the Hill. If you were going to change the trade status of East Germany, you needed support from the Commerce Department in lobbying the Hill, which in any case would have been a tough sell. The big incentive or the big asset that would be brought to the table would be that if you could settle

the claims issues, American citizens would benefit. But, the other part of the equation was that Honecker, the East German leader, who was directly involved and I think really calling the shots on these issues, really was not showing any serious willingness to deal with the claims issues. Any statements that he or others in East Germany had made on the subject were very cautious and not at all forthcoming. In other words, not anything that we could take to try to persuade the critics of the policy that we could make progress. I think that Honecker was holding out for a U.S. commitment to invite him for a visit to Washington before agreeing to a claims settlement. This was something we were not prepared to do.

Q: Well, did you have the feeling that the Honecker regime was sort of going into a bunker mentality?

SHOSTAL: I think that's right. I think that was really a try to sit it out kind of mentality.

Q: How about the East German Embassy? What was your impression of that?

SHOSTAL: It was a funny place. The Ambassador was very much in the old apparatchik mold, rather unimaginative, certainly not very interested in American society. There was the Stasi, the state security service representative who was obviously very powerful in the Embassy. The DCM though, who came midway through my time on the desk, was much more open, much more sympathetic toward dealing with the United States and American society than the old guard. I could detect something of a split within the East German Embassy between some of the younger people who were interested in more contact and the old guard.

Q: Did you get any support as you were working on this policy from the West German government, your contacts or not, or was this just an American thing?

SHOSTAL: Well, there was a sort of quiet support. What we were trying to do did run somewhat in parallel with what the West Germans had been doing for years under what they called Ostpolitik, which was a policy of trying to improve relations with both Moscow and with East Germany with the goal of trying to improve the lot of East Germans.

Q: When you arrived in 1987, was there anybody saying, let's plan for what happens when Germany reunites?

SHOSTAL: No, no. The big focus at that point, and here I'm talking about the European Bureau, and I think Secretary Shultz's thinking was what the big game was dealing with the Soviets, trying to move that relationship along in the arms control field to take advantage of Gorbachev's reforms and changed attitudes, to make that kind of the engine of improvement of general East-West relations. At that point, Germany was not seen as something where you would really get a lot of action going.

Q: How about Berlin? Was Berlin a problem at that point?

SHOSTAL: I think that it was. It was sort of emerging as a problem, because of the

somewhat different views that you had in Washington and in Bonn about how far and how quickly you could improve relations with the Soviet Union. There was also, I think at that time a growing sense that the old regime, the old way of doing business in Berlin was artificial and somewhat obsolete and that some Germans, some more nationalistic Germans felt that West Germany should take an increasing role in Berlin. Keep in mind that the status of Berlin was one in which the four occupying powers, the Soviet Union and the three Western powers, basically had responsibility for it. But, this was for some Germans, an increasingly uncomfortable situation and one that they wanted to change by exercising more German influence in Berlin. So, that desire on the part of the Western Germans to erode and change over time the situation in Berlin to try that way to overcome the division of the city was troublesome for us, because our ability to claim a role in Berlin depended as we saw it on a strict observance of the status of Berlin and our rights and responsibilities in Berlin.

Q: Was this a subject of frank discussion with the West Germans or was this within the Bureau?

SHOSTAL: It was something that we did discuss quietly with the Germans, particularly in Berlin. For example, the Mayor of West Berlin was one of the people who, without trying to push the United States out completely, was pushing the envelope a bit on the German role and German responsibilities and his own city administration's responsibilities in Berlin. Reaching out for example, to the East Berlin city government. So, those kind of things were troublesome and we did talk to the people in Germany, particularly in Berlin, about the need--if they wanted us to be there in the event of some kind of crunch or crisis--not tamper with the fundamental elements of American and Western status in Berlin.

Q: Were the East Germans, the East Berlin government, trying to take advantage of the situation?

SHOSTAL: Oh, yes. They would try to build up their role, their visibility as a way of undermining the Western position. But, more importantly, I think it was building up their own role. Keep in mind that this was really a very insecure government. So, they would seize any opportunity that they could to build up their status.

Q: What was your impression that you were getting from sources of the attitude of the East Germans towards their own government?

SHOSTAL: That was really very difficult to assess. We weren't, I think, getting very good intelligence. What we were seeing was that there was in some elements of East German society increasing resistance, but it certainly had not begun in any way to approach what the Poles had been doing for years through solidarity. It took the form of trying to achieve a greater degree of civil liberty, using particularly concern about the environment as a way of at least indirectly criticizing and protesting against the regime's policies. We began to see also, a growing role on the part of the East German churches to provide a kind of umbrella for these emerging civil liberties and environmental groups. But, it was still very

modest, compared to what we saw in Poland.

Q: While you were dealing with this, was Poland the one place where there really seemed to be major change going on?

SHOSTAL: Well, keep in mind that at this stage, '87, '88, Poland was still under pretty strong Communist control. Solidarity had not yet come to power, although it had, I think around that time, begun to again achieve a degree of recognition. It was becoming a potential power. I think rather that the image that was in people's minds was the danger that if protest against the East German regime went too far too fast that you could again get in a military crackdown. Poland had come very close to that a few years before with the establishment of martial law. And, of course in Berlin in East Germany, there had been in 1953 a worker uprising that had been put down by the Soviets.

Q: Turning you back to West Germany, what were you getting about the evaluation of Helmut Kohl?

SHOSTAL: I think most Germans, and I think Americans too, felt that he was a competent sort of domestic, even provincial politician. Somebody who knew how to maintain his hold of his own political party and use that as the instrument for maintaining himself as Chancellor. He was not seen in either country, I think, as a statesman, as someone with really much foreign policy vision. That was true particularly in Germany, where he was seen as a bit of a bumpkin. You know he speaks German with a marked regional accent. A lot of Germans look down on him because he can't speak any foreign languages.

Q: Can we then talk about events? Can you talk about how these events that came on your watch affected you?

SHOSTAL: Well, in hindsight of course, the critical event that set everything in motion was the decision by the Hungarian government in the Spring, I think it was May of 1989, to open the border between Hungary and Austria. This was important. It provided an avenue for East Germans to be able to get out to the West. A lot of East Germans vacationed in Hungary and Romania and Czechoslovakia and the presence of an opening in that border provided those who wanted to with an opportunity to go West. Within weeks, what began as a trickle then became a flood of people departing East Germany for the West. This was, in a sense a recurrence of what had happened in the late '50s and early '60s and had led to the building of the Wall. This was seen as a mortal danger by the East German regime because those who were leaving were among the youngest, most dynamic elements of society.

Q: When this hemorrhage started to come, how was it viewed by the desk? As, isn't this great, or my God, what's going to happen now?

SHOSTAL: Well, with a bit of both. As human beings we saw this as wonderful for the people who were able to take advantage of being able to go West. As people involved in the policy process we really wondered where this would lead to. But, initially I think we were optimistic that perhaps this meant a kind of break in the dam, the first break in the dam that might lead to fundamental change in East Germany.

Q: Were you looking or somebody looking at a worst case scenario saying, this may mean that the East Germans will have to react, the Soviets may have to react, and you know, sort of looking towards what might happen and if so, what worst case scenario?

SHOSTAL: Absolutely. The worst case scenario that we all had in mind at that point was of course, Tiananmen Square, which took place that same early summer, June of '89, because the Soviets in the past had used force to put down.

Q: Tiananmen Square was a slaughter of demonstrators in China and Beijing?

SHOSTAL: That's right. That seemed to be a very real possibility, given what the Soviets had done in the past. Now, what changed all of that was obviously a decision by Gorbachev at some point around that time that he was not going to use military force. He was not going to use Soviet troops to crack-down. My guess is at that point he felt that he so desperately needed economic support and assistance from the West and he recognized it, that if the Soviet Union were to take that kind of action, that would kill any chance of economic support from the West and thereby dooming his reform program. So, I think at some point and it would be very interesting to find out in the future when Gorbachev actually made that decision. But, at some time during that summer or fall of '89 he apparently made a decision not to use force against unrest in Eastern Europe.

Q: Was this evident? At some point was it evident beyond the crumbling walls that this was?

SHOSTAL: It became evident in the Fall of that year, in the Fall of '89. At that point, the desire of East Germans to be able to travel in the West, to be able to enjoy greater freedom became very visible in the ever-growing demonstrations in East German cities. The Soviets didn't intervene. I personally experienced evidence of that later in the process, in early November of '89 a few days before the Wall actually fell. I was in Berlin. I think it was November the 4th and I attended a rally in East Berlin that was for greater citizens freedom. What you saw there were East German troops sort of in the background, police and military forces without any heavy equipment, and no Soviet troops were in evidence at all. The East Berlin people who came there obviously were not worried about a crackdown, because they brought small children. When I saw that I knew that they were convinced that there would not be a crackdown. In talking to East Germans following that, it seems that many of them became convinced that the Soviets would not intervene by October of '89. I think the date was October 7th which was the 40th anniversary of the East German regime. There had been very large celebrations and Gorbachev came to East Berlin and it was clear from a rather critical statement that he made that he was telling Honecker that unless Honecker reformed, unless the East Germany regime followed the same path that the Soviet Union was following, that it was on its own if it had any trouble. Following that, I think the East Germans population realized that the Soviet tanks were not going to crush them.

Q: At the desk or the Bureau, as these events were proceeding, were we trying to, I mean was it a matter of sort of dealing with each thing a day at a time or was somebody in policy planning and all, looking at what would happen if the Wall comes down and all?

SHOSTAL: I think that events really moved much more quickly than our policy thinking about it. Those events were accelerating during the Fall of '89. Some of us, at least I, felt that what you might get would be a democratization of East Germany, but that unification was probably quite a long way away. There were debates and disagreements among ourselves as to what degree of East German nationalism or consciousness had developed during the 40 years of communist rule. Some people felt that the GDR was completely artificial; others felt that the East Germans left East German because of very different experiences from West Germans.

Q: And you were saying?

SHOSTAL: Very quickly after the fall of the Wall, the desire to rejoin the rest of Germany developed in East Germany. I think this was largely fueled by, first of all, rejection of the communist system, and secondly, by a desire to begin to live decently. So, unification within a very short amount of time suddenly became the dominant topic. When that started to emerge we certainly were thinking about what do we do, what were implications of this? The most obvious and really dominant one was, what kind of status would a unified Germany have and what kind of role would a unified Germany have in NATO. From our viewpoint that was really the critical issue. But, I think in the late weeks of '89 after the fall of the Wall, the early weeks of '90, there was still a view that a separate East German state would continue to exist for a while. That was also, I think, the view of Kohl who very shortly after the fall of the Wall offered a ten year plan for unification.

Q: What about as the action moved towards Czechoslovakia wasn't it where the East Germans were moving into?

SHOSTAL: It was the East Germans going to the West German Embassy in Prague. That took place during the summer of '89. In other words, prior to the fall of the Wall. The East Germans wanting to go to the West took refuge in the West German Embassy in Prague and there was a stand-off that occurred for several days until they were finally allowed to go West, but had to go back to East Germany and then were put on trains from East Germany to West Germany. Those trains, so called freedom trains, helped to inspire, really ignite the protest demonstrations in East Germany that eventually brought the regime down.

Q: Were we trying to identify opposition successor groups to Honecker at all? I mean, it was such a fluid situation, but you were trying to keep ahead of the game.

SHOSTAL: We were. We had been for quite some time already, trying to identify possible successors or alternates to Honecker while the East German regime was still in power. In fact, one of those people did succeed Honecker - a man named Hans Modrow, who was a transitional communist figure. Then, of course as soon as things really shifted into fast forward, we were trying to see who might emerge as a political leadership. The problem was that, an awful lot of the people who might be considered were somewhat tainted and even compromised by their collaboration with the East German regime.

Q: As this situation was getting looser and looser and moving faster and faster, were there concerns about what this might do as far as the military balance and all? Although, Gorbachev had said he wouldn't intervene. I mean, you had a lot of Soviet troops. The main armies of the Soviet Union were sitting on East German soil. Was this a concern how these people would play out and were we trying to send messages to the Soviets that we're not going to mess around?

SHOSTAL: Well, there was a concern, a most immediate concern in late '89 after the fall of the Wall. With things moving very rapidly that you could have a degree of turbulence which could end up in chaos, or total unpredictability. As a result, we decided to, and this was to a large extent the idea of our Ambassador at that time in East Germany, Dick Barkley, who convinced Secretary Baker who was visiting Berlin in December of '89 that a degree of support for the transitional Modrow regime in East Germany would help stabilize the situation, win us some time so that we could assess what was going on. We assured the Soviets that we weren't going to try to take advantage of the situation and try to avoid therefore, any risks that there might be clashes between Western and Soviet troops.

Q: When I was in Frankfurt in 1955 and from there on until '89, one of the most probable causes of World War III seemed to be something would happen probably in East Berlin or it could be somewhere in East Germany and the West Germans would join an uprising and just go in. This seemed to be the place were it to happen without a planned invasion by the Soviets of NATO or something like that and yet here you were confronted with this thing. I would imagine that these nightmare scenarios of starting a war, had they dissipated by this time?

SHOSTAL: I think to a certain extent they had dissipated because of Gorbachev's policies. But, there was concern about going into a totally unpredictable situation and I don't know frankly whether there were any signals or messages sent by the top levels of government back and forth. But, at least at the level that I was aware of, there was a desire to set up a process that would ensure that East Germany would in effect join West Germany and be part of NATO. Now, all of this time we were also very concerned about doing this in a way that allowed the Soviets to retreat with dignity. I remember working closely with my counterpart, the head of the Soviet Desk, in recommending steps that we could take to reassure the Soviets so that they would not become so nervous as to possibly react in an irrational way.

Q: Could you tell me about, what were the observations and how the Berlin Wall, which was the symbol of everything, and when we talk about the Berlin Wall we're really talking about the whole border apparatus came down. How did it happen and what was the reaction within your area?

SHOSTAL: Well, the most visible place for it happening was in Berlin itself where the Wall literally took the form of concrete. It was an amazing sight to see Germans on both sides of the Wall chipping away at the Wall and making great big holes in it so that over time it virtually disappeared. That was something that we watched with amazement,

because when I started that job in ‘87 I assumed that when I left in ‘90 and for many years thereafter, the Wall would simply be there. It was a kind of intellectual earthquake for us to be witnessing the beginning of the end of the East-West confrontation that we had grown up with and had been operating within.

Q: How about James Baker: I mean, he was fairly new on the job and what was your impression of how he was dealing with it and his interaction with the German desk?

SHOSTAL: Well, it was very interesting. He came in at the beginning of ‘89 and he was faced with a German crisis even before the fall of the Wall. It was an issue that involved the modernization of nuclear weapons stationed in Germany, which appeared to the U.S. government, and particularly the Pentagon, but also the State Department, as really a very important one. At that point the Army was telling us that the tactical nuclear weapons that we had in the field were becoming obsolete and unreliable. If you wanted to maintain a credible full spectrum of nuclear weapons against a very possible Soviet attack, these had to be modernized. So, we had the beginnings of what might have been a replay of the transatlantic debate over deployment of intermediate range nuclear missiles in the mid-‘80s. The political atmosphere in Germany by 1989 was very different because of the love affair with Gorbachev had made tremendous progress and the sense had grown in Germany that the Soviet Union was no longer a military threat. Many Germans felt that modernizing nuclear weapons would weaken this improvement of East- West relations and lead possibly to new confrontation. So, there was very strong resistance on the part of the West German public to modernization of these weapons. This view also had reached the policy making level in the German government, particularly in the person of the Foreign Minister, Hans Dietrich Genscher. Genscher was the champion in the German government of taking advantage of Gorbachev's presence to improve relations with Russia. So, we were very much at loggerheads with the German government at this point, particularly with Genscher over the modernization issue. What Baker did as this problem was emerging was to take a decision at the June '89 NATO Ministerial meeting, simply to defer the issue and let things cool down so as not to create a crisis of confidence between Germany and United States. In hindsight, of course, it was a very good decision, and the problem went away.

Q: From the Pentagon what were you getting?

SHOSTAL: The Pentagon wanted very much to go ahead with the modernization, because they believed that if they were going to be responsible for a short range nuclear defense, they needed to have the weapons to do the job.

Q: Did you feel there was a retooling of thinking in the State Department or were things happening so fast that there really wasn’t time to sit back and intellectualize what might be coming on?

SHOSTAL: At least among the people that I was in contact with and working with, it was really much more of a case of trying to keep up with events and trying to deal with events as they occurred. I talked to people who were working in the NSC Staff at that time and who claimed that they were working really on a kind of grand strategy of trying to create

inducements for the Soviets to become partners of the United States in creating a new political structure in the middle of Europe. I'm really not in a position to judge to what extent that they really had developed full-fledged policy concepts of that kind. I think that the U.S. government as a whole during that period, did a very good job in creating an agenda with the Soviet Union of practical steps that could be taken in the arms control field and in managing the transition in Germany.

Q: When did you leave the German desk? Well, we'll talk about Austria after this.

SHOSTAL: Okay. I left the desk in August of 1990.

Q: What had happened between the fall of the Wall which was?

SHOSTAL: November of '89.

Q: November of '89 and till the time you left?

SHOSTAL: Well, the main thing that we were involved with was the diplomatic negotiations, providing the staff support for the negotiations. They were known as the Two plus Four talks to deal with the changed status of Germany. Two plus Four referred to having the two German states negotiate with the four World War II victors on a new status for Germany. In effect, that turned out to be a kind of much-delayed treaty ending World War II. What was very much on people's minds was to avoid the situation that you had in the treaty ending World War I in which the Germans were excluded from the negotiations. This time it was felt that you had to include everybody if you were going to achieve a stable and lasting kind of solution.

Q: I would imagine that there would have been difficulty in dealing with the East Germans, because they really were sort of amorphous, weren't they?

SHOSTAL: You're right. The East Germans were interested in the not so surprisingly, the most difficult, the most obstructionist party in the negotiations, because they were the ones with the most to lose. Their job was to extinguish their own state. In the early stages of the Two plus Four discussions, which took place over several months beginning in the Spring of '90, the Soviets initially were taking a very hard line. There were some old guard people in the Soviet Foreign Ministry who were in charge, but gradually it became clear that Gorbachev and his Foreign Minister, Shevardnadze, were really calling the shots and shoving aside the old guard in the Foreign Ministry and progress later became increasingly rapid.

Q: I would have thought that looking at East Germany when the Wall went down, meant that East Germans were going backwards and West Germans were going backwards and forwards and the thing was so fluid that it would be almost impossible for them to govern.

SHOSTAL: That was kind of the nightmare that was in everybody's mind, that you could have a collapse of East German society, that millions of East Germans would come

streaming Westward. The image that the West Germans used was that of the East Germans all sitting on their packed suitcases waiting to move West. And, that kind of thinking really prompted the decisions that the West German government took that Spring, to introduce the West German Mark into East Germany, even before unification. The phrase they used was that, to prevent the East Germans from coming West to get the D-mark, the D-mark would go East so that the East Germans could stay home. And, it's a decision which has had a lot of consequences since then. Many of the economic problems that East Germany has today, I think, was the result of the monetary decisions in '90, particularly the decision to have an artificially high exchange rate for the two.

Q: Did the State Department play any role in this or had things almost moved beyond the State Department and the United States? I mean, did you have a feeling that the whole East German, Berlin, West German thing had moved beyond our control?

SHOSTAL: No. I think there were two sides to it. One was the decision-making in Bonn about the economic management of East Germany and the decision to achieve monetary union several months ahead of political union. Those were decisions that were really basically made in Germany. Where we felt that we had a very important and critical role to play was in managing the external aspects of unification. In other words, in formulating an international framework which would allow East Germany to rejoin West Germany and to do it in a stable way which the Soviets would agree to. So, the role that we played, the State Department, was to provide the staff work for those negotiations, to allow for that transition. The policy formulation took place to a very large extent between the NSC Staff and Baker's Office. Baker and his immediate staff played things, many issues very close to their chest. They used the European Bureau and our office for support on legal and technical questions of for example the status of Berlin. The broader policy issues were run very much by Baker and his people.

Q: Did you have the feeling about the Baker staff that it was a very tight circle and there was not much of a connect between it and the rest of the Department?

SHOSTAL: That's true. It was sometime difficult to find out what we felt was important for us to know in terms of operating in an informed atmosphere. That was a constant problem.

Q: What about the role of the French, particularly they're one of the occupying powers and all and the French have always in so many things, seemed to take a different route than say the British and the Americans do. How did the French and the British fit in?

SHOSTAL: Well, initially it was very clear that both of those governments were unenthusiastic about the prospect of unification. This was a historical reflex that I think anybody could understand. The French probably went further than the British in terms of being reluctant to accept the new reality. An example of that was, within a few weeks of the fall of the Wall Mitterrand paid a state visit to East Germany, which could only be interpreted as a sign of support for the existence of a divided Germany. But, as the Two plus Four process went on, I found that the British were fairly pragmatic and flexible and

recognized that they weren't going to be able to prevent history from taking its course. They were not over-joyed about the prospect of a larger Germany but they worked pretty well with us. The French initially were more reluctant and really very defensive about what was going on. But, again with them as time went on they recognized that they had to accept the inevitable and, I think recognize too that they had an awful lot invested in their relationship with West Germany. Open opposition and troublemaking in the unification process would have very heavy penalties for them in their relationship with Germany. So, they went along with things so that the difficult partners then became the Soviets, to a certain extent, but most importantly the East German government.

Q: I think it's almost a truism that the United States, we like things to be tidy and we don't have a common border with Germany, so we've always thought about unification of Germany as being a good thing, whereas those that were neighbors of Germany have a different view of a revived Germany.

SHOSTAL: Yes, that's right, and I think Margaret Thatcher did, too. Some of her statements were very unenthusiastic.

Q: What were you getting about West Germans, about their view of this? Did you find as the process grew that there were elements within West Germany that really were not overly enthused?

SHOSTAL: There were. They were mostly on the left. In fact, I would say exclusively on the left, some intellectuals for a variety of reasons. Some were committed to the idea of having a German state with a socialist ideology. Others, and sometimes they were the same people, were deeply mistrustful of what reunification might mean in terms of a return of German nationalism. So, on the left there was quite a lot of even hostility to reunification. And, even the Social Democratic party in 1990, the year of unification was also election year in Germany, had as its candidate a man named Oscar LaFontaine who made remarks that were quite skeptical about rapid unification. As it turned out that position by LaFontaine was a plus for Kohl in the election, because the overwhelmingly majority of the West German population was for rapid unification and Kohl was seen as the hero of unification. That perception, I think, very clearly won the election for him.

Q: Was there any point where you and maybe your colleagues saw that German unification is inevitable and this is what's going to happen and there it is?

SHOSTAL: Oh, yes. I think by the early weeks of 1990 you could see that was happening. It's hard to say exactly when that realization came up, but I think probably around February, maybe March, but was probably around February of 1990.

Q: Were we adjusting our thinking at that point would you say?

SHOSTAL: Oh, yes. We were thinking very hard about what all of this would be. But, the most important goal was achieving in the Two plus Four talks, acceptance of a unified Germany in NATO.

Q: Was it sort of agreed upon beforehand that NATO or Germany might come in, but we're not going to thrust major divisions into East Germany?

SHOSTAL: That's right. This is one of the things that we and the West Germans considered a necessary price to pay in order to get Soviet acquiescence to unification. So, yes I think that was recognized as one of the gestures that you would have to make for the Soviets.

Q: Was anybody from the Economic Bureau assigned to the European Bureau sitting back with his calculator and figuring out what unification was going to cost or had that not really reached the surface yet?

SHOSTAL: We were wondering about what it would cost. We would ask West Germany visitors what their estimates were. In fact, I remember a visit by a prominent West German who's now a Prime Minister of one of the states in East Germany, and a well- known economics professor. He said it wouldn't be a big problem: "We'll float some bonds, and that will take care of it." So, if a man of that expertise who had already been working in East Germany underestimated the problem, most of us did as well.

Q: I want to go to Austria and Switzerland in a minute, but have we pretty well covered by the time you left, Germany was coming together?

SHOSTAL: I think that's right. When I left in August of '90, the end of the Two plus Four talks was just a few weeks away. They concluded in September, and at the September talks the date of October 3, 1990 for unification was agreed. So, it was very clear then what the outcome was going to be. The Soviets had already made the basic concessions and the most important one was to withdraw their troops and accept all of Germany in NATO. Maybe I should stop right here.

Q: Alright. We'll pick this up the next time where we will be talking about this '87 to '90 period and we'll pick up the other parts of your responsibility, Switzerland and Austria, and what you did there and then we'll move beyond.

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Today is the 25th of July, 1997. Pierre, we've talked about German unification, but you then had other responsibilities which were?

SHOSTAL: For Austria and Switzerland. Switzerland was actually a rather quiet account during the time I was there. Of course, in the last few months that has changed, but the issues that are now being discussed with Switzerland, mainly the Nazi gold and all that, really had not surfaced at that point. There had been some problems earlier on, involving law enforcement responsibilities, particularly the problem of money laundering through Swiss banks. But, by the time I arrived on the scene in EUR in '87, those issues had largely been resolved or at least ways of dealing with them had been worked out between the two

governments.

Q: Well did, because today, really about the last, well maybe a year, maybe a little less than a year, a front page item has been the Swiss bank's treatment of, particularly Jewish, but some other investments during World War II and just prior to World War II. And, the fact or the concern that they may have hidden them away and profited by this. Was there any group or anybody working on this at all?

SHOSTAL: At that point, no. It really had not surfaced at all as an issue. Maybe this is a way of leading into the Austrian dimension, because that was quite active and one of the issues with Austria at that time, was how that country dealt with its World War II and Holocaust legacy. That was a very active, at times a very emotional issue.

Q: Before we move to Austria, a little more about Switzerland. Did the importance, as far as the Americans were concerned of Switzerland, could you see a change regarding it with the Cold War, sort of collapsing and Switzerland was a handy state for spying for all sorts of other things. A sort of in-between state. Did this make any change in the American relationship with Switzerland?

SHOSTAL: I don't think so really. The intelligence listening post functions were really more characteristic during the World War II period. By the end of the Cold War, Switzerland really was a rather quiet little place. The big issue there was how to adjust to the changes in Europe, particularly the growth and the importance of the European Union and what should Switzerland's relationship to that be, as well as the broader question of what Switzerland's role should be in the international context. There was quite a lot of debate in Switzerland, but it was not an issue that really intruded so much on U.S.-Swiss relations.

Q: The United States was certainly the godfather of the European Community. It was a major goal to bring peace to Western Europe. Get them all in under one tent. From your perspective with dealing with Swiss affairs, were we at all interested one way or the other in whether Switzerland went in, as far as the economic union was concerned?

SHOSTAL: No. I think we really felt that was an issue for the Swiss. We naturally were interested in how it came out, but we didn't feel that we had any major interests involved in that decision.

Q: Also, what was the feeling towards the Swiss banks? I'm not talking about the Jewish accounts, but more about a place where people hid their money, laundered their money, that sort of thing. Did we feel that we had a pretty good handle on it?

SHOSTAL: By that time it was an improved situation as compared with the one a few years earlier where we had very serious problems with the Swiss banks and the Swiss law enforcement system's inability and reluctance to cooperate with us on transnational issues. During this period I think we did make quite a lot of progress in working out ways in which the combating of criminal activity could be handled with the Swiss. They proved really

quite cooperative.

Q: Well then turning to Austria. What were the issues? We're talking about '87 to '90?

SHOSTAL: That's right, '87 to '90. This is the period when Austria finally began to come to grips with its past in the Third Reich, and the role that it played in World War II and the role that it played in persecution, particularly of Jews. And, you will recall in 1986 or a year before I came on the desk, there was the decision by the U.S. government to deny a visa to Kurt Waldheim, the Austrian President who had been previously the U.N. Secretary General. This followed revelations that he had not been honest about his personal past during the war. It came out that he had in fact served in a German military intelligence unit in the Balkans, one which was implicated in atrocities. Based on American legislation, he was put on the so-called watch list, which meant that he would not be eligible for a Visa if he applied. This led to a very strong groundswell of protest among many people in Austria, particularly the political right. Many people felt that this was an unfair decision, one that singled out Austria in some fashion. And, it made for really quite a difficult bilateral relationship for most of the time that I was there. In 1988, you had a very important kind of milestone in this process of Austria coming to grips with its past. It was the 50th anniversary of the German takeover of Austria. And, that anniversary date prompted a great deal of debate and soul searching regarding what Austria had done, what Austrians had done during the war. I think that this was, although it was painful and difficult for the Austrians, helpful in the relationship with us, because it made thoughtful Austrians begin to realize that a great deal of what had happened had been covered up by the Austria public. Facing what had happened, really discussing it, over time started also to heal some of the damage that had been done in the U.S.-Austria relationship.

Q: Did you find in dealing with the Austrian Embassy that you were able to have a frank, meaningful, sort of dialogue on how we approached it and how they approached it and all?

SHOSTAL: Yes. With the Austrian Embassy we always had very good relations. They would try to refer to the issue somewhat indirectly. But, we really had no difficulties in working with the Embassy here which certainly understood and was exposed to a lot of the very strong American feelings about Austria's role during the Second World War. More difficult, I think was our dealings in Vienna. Our Embassy in Austria had a difficult time.
Q: Could you explain more about how that was?

SHOSTAL: They of course were on the front lines of that issue and on the receiving end of a great deal of criticism, much of it very emotional. I think that the Embassy's role really became critical, particularly after the arrival in either late '87 or early '88 of the new Ambassador to Austria, Henry Grunwald. Grunwald was really an inspired choice for that job, because he was born Austrian of Jewish parents and had left Austria shortly after the Anschluss. He came to America as an immigrant, and worked his way up from being a copy boy at Time Magazine to becoming its editor-in-chief. So, he represented first of all a real American success story, and somebody who was highly respected for his professional accomplishments by Austrians. And, he had the advantage of being someone who had personally experienced the persecution of the Jews of Austria. He dealt with these issues in

a way which allowed him to have great credibility, both with the Austrians and with Americans. Through his intelligence, I would even say wisdom, he was able really to calm things down, and try to steer the relationship back into channels where we really were talking to each other, not so much shouting at each other.

Q: Did Austria figure at all, I mean was there any change in Austria as the Hungarians decided to let their border be open? This was really the beginning of the opening of the dike, but as events proceeded, did Austria in our perspective change at all?

SHOSTAL: I think it did. Much of the heat over the Waldheim watch list decision had subsided already by early '89. The 1988 discussion of the 50th anniversary of Anschluss was really quite helpful in that respect. By early '89 everyone was really mesmerized by the changes taking place in the Soviet Union and of course, as you say, the turning point represented by the Hungarians opening their border to Austria and allowing large numbers, particularly of East Germans, to be able to get out of Eastern Europe and go to the West. That really became the story and the issue by the Spring of '89.

Q: How did the Austrians react to this?

SHOSTAL: At first, I think they were delighted with the additional business that they got from that. That had already started back in '88 as thousands of Hungarians were allowed to come and shop in Vienna. There was of course, as in most of Western Europe as the first openings came in the Iron Curtain, quite a lot of euphoria was prompted by visions of a peaceful, undivided Europe. I think as time went on though, the very large numbers of Hungarians in the shopping streets of Vienna began to wear on people's patience. So, there was a certain amount of resentment because they seemed to disturb people's peace and quiet.

Q: From the time you went to the desk in '87, did Austria play any part in the NATO contacts over there? It obviously was not a member of NATO, by treaty it was neutral, but was Austria at all a calculation when people in NATO were looking at these developments?

SHOSTAL: Yes, it was. If you look at a map of Europe and you look at what the historical invasion routes have been, the most often used invasion route from the East and from the South into the Danube Valley, and that of course means Austria. So, NATO was very much concerned about what would happen if the Soviets did attack through Austria. But, we've learned since then, that the way the Warsaw Pact was structured, the forces directly facing Austria, Hungary's forces, were really quite weak and kept by the Soviets in a rather low state of readiness. They had only second or third-hand equipment. So, the danger of a Warsaw Pact invasion through Austria probably was not all that great.

Q: When NATO was thinking about it, do you have any feel for what was the kind of role that they thought Austria might play if something happened?

SHOSTAL: I think there was a hope that the Austrians might be able to slow down the Soviets, but only slightly. Austria's military capability was very weak, and remains quite

weak and I don't think there was much expectation that the Austrians would be able to do very much.

Q: What about Austria's role diplomatically in the world? Being a neutral power, Austrian diplomats normally had considerable caliber, Metternich and all that.

SHOSTAL: Who was not an Austrian by the way.

Q: What was he?

SHOSTAL: Metternich came from the Rhineland originally. He just worked for the Austrians.

Q: Anyway, did we find Austria during the time you are looking at or even going back a bit, at all a useful instrument in world diplomacy anywhere?

SHOSTAL: Well, there are different phases to that question. In the '70s, under a Socialist chancellor named Bruno Kreisky, Austria had a view of being a leader in the nonaligned movement. He had close ties with some of the Arab regimes for example and tried to play a kind of a go-between role between East and West. That changed though in subsequent years after he left office, I think in the early '80s, Austria then assumed a more modest kind of role, but did build on one of Kreisky's legacies which was to establish a substantial U.N. presence in Austria. After Geneva, Vienna is the most important European U.N. center. The location of a number of U.N. offices, also the Atomic Energy Commission in Vienna at least gave it something of a role as a stage for diplomatic activity. Also, the MBFR talks, and then later the Conventional Forces talks made Vienna very useful for our diplomatic purposes. But, that had not a great deal to do with Austria's importance as a country per se.

Q: Did you find that Austria played much of a role from our perspective in dealing with Czechoslovakia, Hungary, Yugoslavia at all?

SHOSTAL: The Austrians started to develop ideas like that in the late '80s during the Gorbachev period. They saw some scope for a larger role for themselves in the countries that formerly had been part of the Austrian Monarchy. For example, Austria worked very hard in the late '80s to try to get international acceptance for an international exposition that would be jointly hosted by Vienna and Budapest. This was obviously an effort to use some of the old ties, the symbolism of those old ties as a way of overcoming the East- West split. I think to a certain extent they had some success. Some of the meetings that they had with Czech, Hungarian and Slovak leaders at that time were helped by a certain amount of common culture and background. But, how much did it really increase Austrian influence on the big power issues? I think that there was a recognition in those countries that Austria's role was really still pretty limited and that if they wanted to get closer to the West, they would have to deal with the big Western powers, the U.S. and Germany in particular.

Q: What was Austria's position with the European Union, I'm not sure if it was called the European Union then or not?

SHOSTAL: I think the name changed in '95, so it was still the European Community at that time. That's an interesting point, because it was at that time that the decision was made by Austria to join the European Union. That happened really quite quickly, but the debate really started in '86- '87 and within a couple of years there was a national consensus in Austria. Once it became clear that the Cold War was pretty much over by 1990, Austria had already put in its application for membership in the EU. So, the debate on that issue happened very quickly, considering the importance of the decision for Austria and was much easier and much more trouble free than a similar debate in Switzerland where the Swiss in a referendum about that time, turned down even a much more modest relationship with the EU than full membership.

Q: How unified did we view Austria at that time, because you know all of those countries in Central Europe had splits up and down the line. Was Austria pretty much a unity did you feel?

SHOSTAL: Yes. Austria, unlike some of the countries in Central Europe, was very much a unity. One of the results of the World War I settlement was to change Austria from a large multinational empire to a small, essentially German-speaking country. Today there are very small Hungarian and Slovene minorities and a fairly large number of guest workers. But, the Austrian citizenry is mostly made up of German-speakers who have some regional differences and disagreements but essentially, I think, form a pretty united country. Also, in the past during the inter-war period between World War I and World War II, the issue was not so much one of ethnic divisions within Austria, but of political splits. You had then virtually a Civil War between the right and the left, between the Socialists and the right wing conservatives. That experience, which helped pave the way, by the way, for Hitler's takeover of a weakened Austria, led to a decision after World War II that this kind of polarization should never be allowed to happen again. The postwar political system the Austrians developed was one characterized much more by cooperation between the major parties, a constant process of consultation among all of what the Austrians call social partners (labor and management and professional associations, etc. etc.). So, you had on the whole, until a very recent period, a rather placid political landscape. I say until recently, because a change has occurred in the last roughly 10 years with the emergence of Joerg Haider, who's a populist politician who spouts anti-foreigner and anti-European Union ideas very similar to those of Le Pen in France, although, he is younger and more photogenic than Le Pen. His popularity with these themes has increased so dramatically that his party, which used to be a fairly small party is now almost as big in voter count as the two traditional conservative and socialist parties. That has changed Austrian politics, changed the very placid political style, but is the product really more of end of the Cold War, than of older historical tensions.

Q: What about the Austrian minority in Italy around the Brenner Pass? Did that play any role during the time you were there?

SHOSTAL: No. That's what the Austrians call the South Tirol problem and the Italians call it the Alto Adige. That's a province with a large German-speaking population that was

given to Italy after World War I. By the '80s, Austria and Italy had worked out understandings on how to deal with that, which included giving the German-speakers in Italy minority protections and that kind of thing. So, it really didn't play a significant role. There was a small movement in Austrian politics that claimed to protect the rights of the German-speakers in Italy, but it really wasn't very significant.

Q: I can't remember, did you have Luxemburg or Liechtenstein?

SHOSTAL: Luxemburg, no. Liechtenstein, yes.

Q: I was going to say, one never hears of Liechtenstein.

SHOSTAL: Well, desk officers are thankful that they have a country or two that they don't hear from.

Q: Hear from, alright. Well, I think we've probably covered this time fairly well. You can always add when you see the transcript. Where did you go from this? This is 1990.

SHOSTAL: This is the summer of 1990. I went from there to Frankfurt as Consul General, arriving there at the end of the summer. That was a particularly interesting and active period.

Q: You were there from 1990 until when?

SHOSTAL: Until the summer of '93. The reason I say it was a particularly active and interesting period was that two major events coincided, both of which had a significant impact on Germany and particularly us at the Consulate. One was of course, German unification. That took place October 3, 1990, a few weeks after I arrived. But, at the same time you had the military buildup for our deployment to the Persian Gulf, the Desert Storm operation and a large number of the troops and the equipment that went to the Gulf came out of Germany and particularly came out of the Frankfurt area.

Q: Which was the center of the old American zone?

SHOSTAL: That's right. The center of the old American occupation zone. In fact, the American Army Headquarters in Frankfurt was located in the building that had been formerly occupied by a German chemical concern.

Q: The I.G. Farben Building.

SHOSTAL: The I.G. Farben Building, that's right. So, the connection between the United States Army and Germany was very visible during this period.

Q: Let's talk about the post just for a minute. I started out my career, in fact I took my Foreign Service exam when I was in the Air Force (I was an enlisted man in Frankfurt) at the Consulate General and then my first posting abroad was Frankfurt, which was at one

point probably one of the major entry points for new officers, because we had a very large contingent in Germany and I think Frankfurt was one of our big posts. Did you find Frankfurt was getting a significant number of Junior Officers or not?

SHOSTAL: Well, we had some Junior Officers, but what characterized Frankfurt at the time I was there was rather that this was very much a multiagency operation. In terms of numbers, the State contingent was really not all that large. We had a small political section, a couple of economic officers, and probably about a dozen Consular Officers. So, it was sort of a medium size State representation. But, you had very large representations from, for example, the FAA (Federal Aviation Administration), which had a large presence because of regional responsibilities covering Europe, Africa, Middle East. Also the General Accounting Office and DEA. These various agencies used Frankfurt for a couple of reasons. One, because of the airport, was ease of travel in and out of Frankfurt. The second was the fact that we owned a housing area where they had largely free housing. So, it proved to be an almost irresistible magnet for these other agencies. A substantial part of my problem was trying to make sure that people were not working at cross purposes that what they were doing would not upset the relationship with our German hosts. Particularly important at that particular time was our relationship with the military and I set that as a kind of personal priority, working with the Commander of the Army Fifth Corps, which was the one headquartered in Frankfurt, as well as with the Commander of the Rhine Main Air Base. I wanted to do what we could do to make things as smooth as possible for the deployment and for supporting the troops. For example, dealing with local and regional German authorities and trying to get as much support from them as we could. Also, working with the Germans to try to help take care of the family members of the soldiers who were deployed. I spent a great deal of time working, for example, with the U.S.O., the organization that takes care of soldiers and their families welfare, as a way of being supportive to the deployment.

Q: How did the Gulf War, we're talking about the 1990-'91 actions when Iraq invaded Kuwait and we sent a mass of troops down to Saudi Arabia eventually to fight there. How did this play in your part of Germany?

SHOSTAL: We covered essentially three German states, Hesse, Rhineland Palatinate and Saarland. That was very interesting to observe. You recall that after World War II, the United States tried to help reeducate Germany so that it wouldn't become a militaristic power again. And, in a sense we succeeded, I think almost too well. What existed in Germany by the late '80s or 1990, was a rather strong and wide instinct toward pacifism or at least an allergy toward military action. That spread pretty wide across the political spectrum and, once the combat phase of the Gulf War began, you had a large number of demonstrations protesting against the war, condemning the United States for taking military action against Iraq. That phase lasted for several days and then suddenly it stopped in very dramatic fashion. What happened was, that several days into the war, after we had started our aerial bombing, Iraq retaliated by shooting Scud missiles against Israel. The big fear at that time was that they might have poison gas that would cause a large numbers of losses. But, it was the image of Iraqi Scuds possibly carrying poison gas which mobilized German opinion, this time in favor of what we were doing, because it touched a very raw

nerve. One of the most interesting days I've ever spent was the day that the Scud attack began. Frankfurt has a rather small Jewish community and many of them now are East Europeans, particularly Russian Jews. They organized a demonstration on the day that the Scuds started to attack Israel, supporting Israel and supporting the United States. It began as a rather small demonstration. As it approached the Consulate, which was the destination for the demonstration, other people, Germans, began to join the demonstration. So what started out as a very small demonstration, became within a couple of hours a very large event and really changed German attitudes on the Gulf War.

Q: Did you find within the, you might say the more professional ranks of people, any change, because the war went well and it looked like we knew what we were doing?

SHOSTAL: I certainly did. That was also something that you could see in different ways across the political spectrum in Germany. On the Right there was a renewed respect for American military capability. But, even more interesting was the reaction that you could see on the Left where people who had been very prominent a few years earlier in the anti-Vietnam and the so-called peace movement in Germany, began to wrestle with the problem of pacifism in the face of evil. In the case of Iraq you're faced with an evil regime which was trying to subjugate its neighbors. I think more intelligent and reflective members of the Left who observed this, recognized that if you gave no military response that would abet what an evil regime was doing and contradict some of their basic principles of human rights and human dignity. So, some of these people, who had been very critical of our efforts in Vietnam, swung behind us and were in favor of our military action. Many have come around, for example, to supporting NATO as something which is a necessary institution in a world which is still far from peaceful.

Q; Was there any concern, as we moved our major forces out of Germany, that they weren't coming back? Was there any either dislocation or joy or what have you about that?

SHOSTAL: Well, there was very little joy. It's ironic, because a few years earlier before the end of the Cold War, in the mid to late '80s there had been quite a lot of friction involving things like, low level flights by American jet fighters training in Germany or damage done by tanks in field exercises, those kind of things. Especially, firing exercises at night. The Germans liked their peace and quiet, especially at night and on Sundays. So, there had been a lot of tension over those kind of things. Interestingly enough, during the Gulf War we were able to tell our German friends: look, our troops performed so well precisely because they had been able to train in your country, firing at night for example. Much of the combat in the Gulf took place at night. So, that helped neutralize that kind of friction, but more important was the fact that many troops never came back. With a sharp drop in the number of troops, there was less training and less interference with German life. There was another side effect which was interesting and that was the economic fact that areas, particularly west of Frankfurt in the Rhineland which are in German terms relatively poor areas were very dependent on the American bases for their economic prosperity. When these troops did not come back there was a lot of anxiety about how to adjust. We tried at the Consulate and in the Department, working with the Pentagon, to be helpful and

find ways in which to help cushion the impact of the troop departure. For example, in the city Main, there was a large U.S. Army facility whose job was to repair and maintain large vehicles, tanks and army personnel carriers and things like that. Well, the need for that facility disappeared when the troops didn't come back. But, we were able to work out an arrangement whereby the German contractor was able to take over some of the equipment that base had so as to work on civilian vehicles. It was done in a way which was at no cost to the U.S. taxpayer and just made good sense. We also worked with one of the state governments on the conversion of a U.S. military air base to a civilian air field. Through those kinds of things I think we played a helpful role.

Q: What was the political situation in Hesse and Rhineland Palatinate and Saarland?

SHOSTAL: Well, through much of the 1980s the Social Democrats, which were an opposition party for most of that period in Bonn, achieved power in all of these states or had control of the state governments of all of these states. This represented a peculiar German phenomenon of divided government with the federal government being controlled by the Christian Democrats and their Free Democratic partners, but most of the state governments, including the ones we were responsible for, were controlled by the Social Democrats. In some cases working with the Green party, in other cases working with the Free Democrats in different kinds of coalitions. Particularly interesting were some of the people that I dealt with during that period. Perhaps the most interesting one was the leader of the Greens, the Green party in Hesse, a man named Joschka Fischer who is now the national leader of the Greens in Bonn and an extremely bright, articulate and intelligent politician. He is in many respects perhaps the most creative politician on the German scene today, one who accomplished the impressive feat of turning the Greens from a protest movement in German politics to an almost mainstream party which today is seriously talked about as a candidate for being a partner in a governing coalition in Bonn. I think to a large extent that's the result of his work. I also got to know the man who became the challenger to Helmut Kohl in the 1994 Federal election, Rudolph Sharping. He was the Prime Minister of the state of Rhineland Palatinate. He was a sort of staid, hard working politician, not terribly imaginative who turned out not to be a very successful rival to Kohl in the elections.

Q: How did you find, you'd been in and out of Germany over a period of time, the attitude toward the United States by this time?

SHOSTAL: Well, that's a very complex question. It depends really at what level, what level of society or even what issue you're looking at, because attitudes vary. Overall though, I would say that there was very little really harsh anti-Americanism in the population, but there were mixed feelings. For example, during the period when we were having a lot of military exercises and little level jet flights, a lot of irritation. Also, among business people at that time, and this sounds strange today in the late '90s, but at that time in the late '80s early '90s there was a rather condescending view of American economic capability and effectiveness. There was a view that Germany really had all the answers or most of the answers on how to manage an economy and the feeling that the United States was somewhat lax, for example, in dealing with inflation, that American firms were not

very good at strategic planning and that they really had quite a lot to learn from Germany. It was an attitude, by the way, which I think was reflected even as late as 1992 in Bill Clinton, who held Germany up as a kind of example or model.
Q: Well, both Germany and Japan seemed to be on a roll and we were feeling a little bit, as if we ought to do something.

SHOSTAL: That somewhat condescending view of American economic performance really began to change around 1992, as Germany entered a recession, it's most serious post-war recession. We were emerging from our somewhat milder recession, and the American economy began to show impressive gains in productivity, ability to keep inflation down, the kind of things that we see today. I find that German attitudes toward specific aspects of American society tend to be characterized by sharp swings of the pendulum between admiration, sometimes overdrawn, and condescension and condemnation, again overdrawn. There's a kind of emotional component in the way that many Germans look at the United States.

Q: Were you, particularly your economic officers, looking at the German economy and the way that it was put together? I came back around '93 and spent one night, and it happened to be a Saturday night, in Frankfurt staying with some German friends. I was sort of amused to see that if you go down to the main part of town, the place was still shut on a Saturday night. Some people were wandering around, no shops were open, and I thought, my God, if the German business people can't respond to obvious demands there's a problem. Could you talk about your view of the German economy at that point?

SHOSTAL: I think that was a very perceptive insight on your part. Very much a part of the German economic dilemma was the overregulation of the economy. They weren't open because it was the law: they couldn't be open. There are a lot of historical and sociological reasons for this, even an economic interest involved in keeping things that way. But, we certainly were looking at that kind of problem, the overregulation of the economy. We were working on this with the American Chamber of Commerce in Germany to look at why it was that American firms were increasingly finding Germany an unattractive place in which to invest. Many of the reasons were overregulation, high taxes, difficulty of starting up ventures because of the inflexibility of the capital market. All those kinds of things we were very much aware of and analyzing and I think that Germans today are very aware of those kinds of problems. In the Spring of this year, April 1997, the German President, whose office is ceremonial, but who acts as a kind of spokesman for the country and national gadfly gave a speech in which he really raked the country over the coals for precisely these kinds of problems. In addition to the things that we've just talked about, he criticized the educational system, comparing all of these rigidities in Germany unfavorably with the flexibility that you find in the American system. I think too there's in Germany a pendulum swing phenomenon in which when the Germans get down on themselves, they really get down on themselves and when they're up, they're really up.

Q: What about the students and all? It all seems to me, and not only the students, but sort of the hangers on around the students. I think we've talked about this before, but at this point in time they all seemed to be able to get to demonstrations out on ideological reasons and

all that you never could get in the United States. I mean it's just different. What was your contact with the students and what was your impression of them?

SHOSTAL: We did quite a bit with students. For example, at the America House, and I would visit the Frankfurt University, which had by the way a tradition of being a radical left institution, but also some of the other universities and business schools. I think that the 1990s generation of students, and already beginning in the late '80s is much more pragmatic, more conservative, less ideological than the students of the so-called 1968 generation. Americans often have an image of German students which is really a kind of relic of the 1968 period, rather than a reflection of today's realities. I think you can see the same kind of swing toward more conservative attitudes, more focus on building a career. After all, Germany is a country of high unemployment. Those kinds of concerns are very much on young Germans' minds.

Q: What about the extreme Right? This is of course something that all of us coming out of the World War II generation look at with probably a closer eye than anything else. What was your impression about this?

SHOSTAL: I think this is one of the reasons why I'm fundamentally optimistic about the success of democracy in Germany. Germany, I think less than any other Western European country today, has a far Right political movement. The far Right is almost invisible, almost insignificant in German politics today. Unlike Austria, as I mentioned before; unlike France, unlike Belgium, unlike Italy, all of which have powerful far Right movements. You did have beginning in late '80s something of an upsurge in far Right political activity, which was encapsulated in a party called the Republicans, in German, Die Republikaner. I think that they were a reflection of a number of things that were going on at that time. First of all, a very large influx of foreigners, many of them coming from Eastern Europe. Some of them also coming from the Third World, which increased anti-foreigner feelings with the German population. Then, in the early '90s with the recession that I mentioned, the Republikaner were able to exploit people's fears and anxieties and resentments against the EU and against foreigners. But, they never achieved what in German politics is critical mass, namely five percent of the vote, to get into the federal parliament. They did get into some local and state legislators, but even there since then, their totals have declined. So, I think that's, for me, an encouragement to think that the anti-extremist inoculation of Germany has been pretty successful.

Q: What about the universities, you know so often, and this includes the United States, but in Europe even more Marxist professors seemed to dominate the universities, particularly in the fields of literature, political thought and all that. Was that true then?

SHOSTAL: I think there's quite a bit of truth to that in Germany, at particular universities especially. Frankfurt, I mentioned; Bremen was another example. But I think there's a bit of the same kind of divide as in this country as well, that the 1968 generation, which is now sort of at its academic peak, has one set of attitudes. But the younger generation, their students, don't accept a lot of those same ideas. So, the worries that people had a few years ago that this 1968 generation would somehow indoctrinate students for many generations,

this hasn't really happened.

Q: How about with the local Frankfurt government? Any problems getting people out of jail? Any consular problems or anything of that nature?

SHOSTAL: No. We had very good relations with them. In fact, one of the people whom we found most helpful to deal with in the Frankfurt government was a man who had been very prominent in the anti-Vietnam War movement and who had also achieved a degree of fame as a student in Paris who was one of the leaders of the anti-de Gaulle street demonstrations in 1968 in France.

Q: Was this Red Rudy or something?

SHOSTAL: This was Daniel Cohn-Bendit.

Q: Oh, yes. Who was Red Danny?

SHOSTAL: Red Danny because he has red hair, but that also referred to his political ideas at the time. Red Danny, Daniel Cohn-Bendit, has mellowed since then. By the time I got to know him he had become very much an America fan. He was one of the people that I was referring to, for example, who felt that the United States had definitely done the right thing in the Gulf. But, he also was trying to persuade other Germans that Germany should become a multicultural society like the United States by having a controlled immigration policy, a policy of naturalizing immigrants, which Germany is only now beginning to grope toward.

A policy of controlled immigration and naturalization which Germany is only beginning now to take timid steps toward. The traditional German attitude has been that people of German ancestry, even if they have not lived in Germany for many generations are the only Germans. You can't become a German by just being born in the country. Naturalization, if you are a foreigner, has been very difficult to achieve.

Q: I know. One of my first jobs was baby birth officer and I would find children, because our law is either by place of birth or by relationship and sometimes they wouldn't meet the relationship requirement and they didn't have German blood and so you would have a stateless baby. And, trying to explain this to the Germans is very difficult.

SHOSTAL: Well, the Germans are beginning to move more in our direction, but that's going to be a long and difficult process.

Q: Did you find at the University level and elsewhere, an interest in how the United States works good and bad?

SHOSTAL: Yes and no, interestingly enough. At the student level, there's a lot of interest in the United States. After all, an awful lot of young Germans have traveled to the United States and have had some experience, some contact. Also, there was a lot of influence

through the American presence, especially American military presence. The impact, for example of Armed Forces Radio, AFN. I never appreciated it until I got to Germany, especially to the Frankfurt area. It has really affected German's musical taste and spawned a desire to have a more relaxed lifestyle, a more American lifestyle among younger people. I think there is a real, widely held attraction toward American popular culture. At the same time, sometimes even with the same people, there can be a seemingly contradictory, condescending attitude toward the United States. In the early '90s, when I was last in Germany, the positive elements in the relationship and the positive feelings about the United States, really outweighed the negative ones.

Q: How did you operate as a Consul General? I mean, I won't say give me a typical day, but just to give a feel for it. Here is a major consular post and how would you operate?

SHOSTAL: It was a varied and complex job--that was one of the interesting things about it. Germany, having a very decentralized political system, meant that an awful lot of responsibility, power and economic activity took place not in Bonn, but at the regional level, the state level and even at the local level. This meant that you really had a whole menu of possible activities. You could start the day or start the week and ask, "well what am I going to do this week? It turned out for me to be a really fascinating mixture of maintaining political contacts, contact with journalists, bankers, businessmen and university people. For example, a couple of the most important newspapers are headquartered in Frankfurt. In Mainz you have one of the national T.V. networks headquartered. You have, of course the banking industry which dominates Frankfurt. You have a certain amount of industry that has its headquarters there. You had at that time also, a very large American military presence. All of those activities meant that I could be doing something useful and interesting practically every hour of the day. What I did, how I used my time depended obviously on what the hot issues were. For example, if there was an election going on--and we had in 1990 a particularly interesting period of national elections and state elections--so we spent a lot of time following those. In what was of concern to the Bonn Embassy and to Washington, we tried to be supporting in our reporting and coordinate very closely with the Embassy. On the whole that relationship was a good one. I would consult very often with the DCM, the Deputy Chief of Mission in Bonn, or the political counselor, economic counselor on what we were doing.

There was one problem that I think is worth noting, and I think it continues to be a problem--and that was with the Treasury Department. I regret to say it. I think that this is a relationship that has been a difficult one between the two departments here in Washington, because of different views of who was responsible for what. And, it manifested itself very much in my work in Frankfurt, which is a banking center, particularly being headquarters of the German equivalent of the Fed, the Bundesbank. The Treasury representative who was located, at that time, in Bonn, felt that the Bundesbank and the banking community generally were his exclusive domain. His view was that the consulate, although we had economic officers and I was interested in financial issues, really had no business at all butting into that business. That created quite a lot of tension which I felt was unnecessary, because I thought that we could really help each other, but that was not the view from the Treasury perspective.

Q: How would this manifest itself?

SHOSTAL: It manifested itself, for example, in the Treasury Attache's coming to Frankfurt and not informing me. I would hear about it later and that was at times embarrassing, because I would be talking to someone from the German banking community and he would say, "Oh, I told your Treasury colleague about this a week ago, didn't he tell you?" It would be that kind of thing. And, there were constant complaints from the Treasury Attache when I did some reporting on financial developments, which I felt that we were in a good position to do because we were in contact with these people. So, rather than what should have been a mutually supportive reporting and contact effort, resulted in a substantial amount of tension.

Q: Is there anything else we should cover do you think on the Frankfurt thing?

SHOSTAL: On Frankfurt, I think that really covers the main things.

Q: Okay. I just realized there's a really very important question that I forgot to ask. During this '90 to '93 period, what was your view and the attitude and response of your area to the German unification?

SHOSTAL: That is an important issue of course. Well, it changed. And, it changed really quite rapidly during the time that I was there. When I arrived, and for the first few weeks after that, there was quite a lot of euphoria about unification and Germans all being together finally again in one country. But that feeling dissipated really quite quickly for a variety of reasons. One, it became clear that the process of real unification, not just political unification, but of knitting the country together socially, economically, was going to be a very long drawn out and expensive process. Since that time, and already beginning in the early '90s, Germany has been spending about a hundred billion dollars a year on completing unification. That's a lot of money. And, of course it's been the West German taxpayer that's been paying this. So, it's not surprising that within a relatively short time that resentment started to surface. A resentment, which has by way, its mirror image in Eastern Germany. I found in talking to East Germans that they often feel that the West Germans are know-it-alls, arrogant and overbearing and all those kinds of things. So, there was quite a lot of stereotyping among the public at large. Among business people, the attitude varied quite a bit. There were a few people, particularly those who had come from Eastern Germany in the early postwar period and then settled in the West and had done well, who felt a strong moral obligation to do something to help rebuild the Eastern part of the country. Others, and this was the more typical attitude in the business community, felt that they did have some moral obligation to help, but at some point that the obligation had to cease and business calculations really would have to predominate. I could really watch that process go on. Within a year or two, more and more businessmen were saying, we can't continue to sacrifice in the East if it's going to cost the company in business terms now. There were also variations with regard to the sector of business that you are talking about. The banks, for example, and some of the light consumer industries were quite happy to go into the East and found quickly that it was a money making proposition for them. But others, particularly large industrial companies, found that the market was too small and

production costs too high to make it an attractive place for major investments.

Q: Was it at all a shock to realize how badly off East Germany was at that time? Because you know, we kind of played up East Germany in our own minds as being the most efficient sector of the whole Soviet empire.

SHOSTAL: That's right, and those same kinds of attitudes and views of East Germany existed in West Germany as well. I think there may have been even a certain feeling of national pride in the view that if anybody could make a central plan economy work, it would be Germans. But, when they lifted the roof and looked inside they discovered really what a catastrophe the economy was. There had been very little real investment throughout the communist period. They were kind of still living on the capital plant of the '20s and '30s that survived the war and survived Soviet reparations. So, it was very grim and that an attitude of shock and disillusionment set in pretty quickly.

Q: Did you find yourself either personally or sort of under instructions from the Embassy or Washington to play up that it's a great thing that Germany is together again, or did we just have sort of a watching brief?

SHOSTAL: I think the main idea that we had was to try to encourage the rebuilding of the East and to do this in a couple of sectors in particular. One, was to try, using rather limited budgetary means, to establish as much contact as possible with the East Germans. West Germans, as you pointed out had 40 to 50 years of very intense contact with the United States with Americans, whereas East Germans hadn't. We felt that there was a very important role for us to play in doing that. What that meant in practical terms was that resources, particularly USIA resources, were diverted from the Western part of the country to the Eastern part of the country. Exchange programs for example. A large share of them went to, understandably and I think correctly, to the Eastern part of the country. The other aspect of our approach or strategy was to try to encourage American businesses and German businesses to invest in the Eastern part of the country. There, I think that we've had limited success, because both American and German businesses of course have to look at the bottom line. Early on in 1990, even before political unification was completed, there was a political decision taken by the West German government to try to raise living standards and salaries in the Eastern part of the country as quickly as possible to West Germany's level. This was done essentially to try to stabilize things in the Eastern part of the country so that people would stay there rather than come flooding massively to the West. But, the downside of that was that it raised production costs in East Germany very quickly, making it an unattractive place to invest, because you had the double disadvantages of high salaries and still inefficient productive capacity, which hadn't been upgraded yet. And, that continues to be a big problem.

Q: Were you watching how Germany was responding to the opening up of Eastern Europe as far as investment and all. Because, in a way one of the concerns and it still remains has been that if Germany reaches out its got the natural borders and the instincts to go to Eastern Europe. This may make France less of a partner and Britain less of a partner, and all of a sudden you've got a big booming Germany which dominates Eastern Europe. Was

this something we were kind of looking at this time?

SHOSTAL: Personally, and I think generally people in the State Department who knew Germany, were not particularly worried about it. Our bigger concern was there wouldn't be enough German investment in places like Poland or the Czech Republic, because we knew that the needs were so great. I think if you look at today's debate on enlarging Europe through NATO enlargement, through EU enlargement, that really is the best answer to avoiding the creation of a Central and Eastern Europe that's dominated by Germany. If they're all part of the Western Club, integrated, politically, militarily, economically in the West, then there really shouldn't be a worry about Germany dominating part of Europe which somehow might drift off from the West and be troublesome. If enlargement of democratic Europe succeeds, then I think there really isn't a problem like that to worry about.

Q: Yes. Well, I think this of course, in a way, has been our traditional policy is to make sure that a Germany doesn't sail off on its own again. It's been up to now a very successful one.

SHOSTAL: So far it has been a very successful one. I think that, and here we are talking about current issues, the effort to achieve a common currency is of course a part of the strategy of involving Germany as much as possible with the rest of Europe. If there is a failure with that and a negative fallout in Germany and other countries, there might again be some worries about Germany sailing off by itself, but we'll have to wait and see on that issue.

Q: In 1993 you finished in Frankfurt and what?

SHOSTAL: Came back to Washington, worked for a few weeks in Personnel and then went off on a teaching detail at the Joint Military Intelligence College which is here in Washington at Bolling Air force Base. I gave courses in European issues there and also started teaching German area studies at the Foreign Service Institute.

Q: Well, let's talk about the Joint Military Intelligence College. Whom were you teaching and what were the interests in what you were teaching?

SHOSTAL: This is an institution that grants a masters degree in intelligence studies. A lot of intelligence studies revolves around technical issues of data collection and evaluation, evaluating foreign military hardware, that kind of thing. But, the part that I was involved in is what we call area studies in a broader sense, trying to give students a sense of the overall strategic context for the issues that the U.S., including the U.S. military, deals with in Europe. The students are junior to middle grade, from Lieutenant to Major, from all the services who spend a year getting their Masters Degree.

Q: Do we have any State Department people?

SHOSTAL: Yes, there have been somewhere between four and six State Department Officers, most of them Security Officers who have gone there for degrees.

Q: Shouldn't there also be intelligence and research officers?

SHOSTAL: Well, that's right. I think this reflects some of the placement problems that the security function, the RSO function in diplomatic security has had in recent years. They really have had not enough jobs for people. So, a year of training has been convenient. But, I agree with you, I think the kind of people who should be going there are exactly in the research and intelligence skill from State so that they can better interact with military colleagues.

Q: Did you have any particular thrusts about what you were teaching?

SHOSTAL: If you do a one-semester course on Europe you have to be selective. The way I approached it was to try and deal with the big issues as I saw them. The big issues being, Russia, where's it going; what kind of Russia will we be dealing with; Germany; NATO; European Union; and then some of the new security issues, including economic competitiveness and migration; cross border pollution issues; and crime. The transnational or global agenda that the Department had is very much involved.

Q: You're talking to military people for the most part, did you find as you were gathering your data and talking to people any problem with the rationale for NATO at that point? We're talking about you were there from '93 to when?

SHOSTAL: Well, in my active Foreign Service career till '95 and I am continuing to teach there now. I think in '93 still there were some echoes about "do we really need NATO?" After all, NATO supposedly is just a military alliance, the threat is gone, should we do something else or get out altogether. Within a year or two though, by '94 and certainly '95, there was much less of that kind of view that I encountered, either among students or among my colleagues on the faculty there. I think there is more and more recognition that NATO in some form is very important and is an essential vehicle for our influence, and our ability to project our own national interest. It is also the only game in town for solving security issues and resolving conflicts.

Q: Did you find coming up against the young military intelligence officer, were they coming at this with a different viewpoint? One different from a State Department viewpoint or not?

SHOSTAL: That varied. I would occasionally run into pretty close to outright isolationists or unilateralists. Not so much isolationists, but unilateralists who said, we're the only remaining super power and whatever we need to do we ought to do ourselves. But that has changed even during this period. I think that the military's emphasis on what they call coalition operations and recognition that the down-sizing of our military puts limits on operational capabilities and increases the importance of allies. And, of course they're seeing this directly in Bosnia, but we already saw in the Gulf that our allies are not only important, but in some cases even necessary. I think this trend increasingly has made the kind of course that I teach attractive and interesting to these officers.

Q: You left there in '95 and what?

SHOSTAL: I retired from the Department in '95, but I've continued teaching there on a contract basis, so I've now been there three and one-half years, close to four years.

Q: Has there been any particular change? How did Bosnia fit in, I mean the whole Yugoslavia thing?
SHOSTAL: Well, I think at first there was a lot of skepticism and nervousness about getting involved in Bosnia. A lot of it was prompted by the experience in Somalia and a reluctance to get involved in a situation that, at that time a lot of military people said they didn't see any direct American interest involved, and in a situation that they felt they didn't understand. To many military people, it was a situation that seemed to be in conflict with what became known as the Powell doctrine, that if you get involved militarily you do so with overwhelming force and a clear exit strategy. Well, that didn't apply in Bosnia so those factors made a lot of the military officers, including the younger ones, nervous and apprehensive. I think that the U.S. military's performance in Bosnia in the last two years has given them a sense of pride in what they've been able to accomplish. But, also the lack of a clear exit point still makes them nervous and there is a feeling that perhaps they could still be dragged into a quagmire.

Q: Had Vietnam sort of passed from the scene as far as a scenario or was this all that was there?

SHOSTAL: I think it's still in the background. The quagmire nightmare is in peoples mind. The people who were junior and mid-grade officers in Vietnam of course, are either retired or very senior now. But, the folklore, you can put it that way, continues in terms of a fear of being dragged in piecemeal without a clear strategy.

Q: Something that I should have asked when you were in Frankfurt. Did you have any impression of the German Army at that time? How it was perceived, particularly the officer corps?

SHOSTAL: Well, I had a great deal of respect for the German Army. I think that the Germans do a number of things very well and one of them is the military. But, it is also a very different military from the traditional one, World War II or World War I vintage. I think it really is a democratic military. The democratic education that the German military has undergone, as well as given to their soldiers, is first class. Now, it is a force though with some problems. Public acceptance of the military is still relatively low. It takes the form of soldiers often being reluctant to wear their uniform in public. And, its not being viewed as a very attractive career, in terms at least of prestige and respect in society as a whole. But, even with those problems, the caliber of career military people that I met was very high.

Q: Basically, from '95, this is when you retired, but you've kept doing this and teaching at the FSI?

SHOSTAL: That's right.

Q: Have you noticed any change in the type of student that you're getting at the FSI from those of yesteryear or when you were going because they change in the Foreign Service?

SHOSTAL: Well, I think that the quality of people remains impressively high. I'm encouraged that, despite all of the problems that are constantly discussed in the Foreign Service about morale, we're still attracting very capable young people to fill the ranks. What I am concerned about, perhaps primarily, in terms of what the Foreign Service does, is whether we are developing the kinds of officers we need, once they're in. The kinds of officers who can provide the best possible contribution to American foreign policy. The reason I say that is that I think that the main thing that the Foreign Service has to offer is the foreign affairs expertise that comes with really knowing issues and countries and regions. For example, the outstanding Russian experts that we had, especially during the early Cold War period, many of the China hands, the German experts. They served at these posts several times and got to know, not only the issues, but the personalities and had relationships with those people. They also became expert in many cases in managing the foreign affairs process in Washington, in part because they had the kind of expertise that others in the foreign affairs community respected. I think that deep expertise is particularly important, if the Foreign Service is going to make an important contribution to American foreign policy. It has to be more than ever capable of analyzing and seeing a big picture of American interests and their interaction with what is going on internationally. After all, CNN reports the breaking news, and the Foreign Service really should be out of that business to a large extent, except in the areas that CNN doesn't cover. What it should be doing is trying to interpret what all of that means. And, a policy of discouraging deep expertise in the interests of promoting so-called equity in assignments conflicts with what I think should be the Foreign Service's main role.

Q: I agree. I hope we're going through one of these difficult patches where we're putting too much emphasis on concerns about both diversity and about management experience, all of which are important, but that's not the main job.

SHOSTAL: Yes. You know, I don't want to sound like a troglodyte on this, because openness and fair access to important assignments are important. In fact, you need them to attract the best talent. But I'm afraid today there's too much emphasis on sharing the so-called plums, in terms of the hardship of more difficult posts versus the supposed luxury of the easier posts. That kind of attitude really does undermine expertise.

Q: Yes. Well, it puts you might say, the career and fairness which are a sort of interest to the general American public, but not of the essence. I mean, what they really want are the best people at the best place.

SHOSTAL: And there, I think we do need to open the doors as wide as possible to make this an attractive career for the best of America's young people.

Q: Well, I guess, should we end at this point?

SHOSTAL: Okay. I've enjoyed it very much.

End of interview