VENEZUELA

COUNTRY READER
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HENRY S. VILLARD
Second Secretary
Caracas (1936-1937)

Henry S. Villard was born in New York on March 30, 1900. He obtained a bachelor's degree from Harvard University and did post-graduate work at Magdalen College and Oxford University. He served in Tehran, Rio de Janeiro, Caracas, Oslo, Libya, Senegal, and Mauritania. He also served in Washington, DC at the Persian desk, Near Eastern Affairs, Policy Planning, and was special assistant to the Secretary of State. Villard was a delegate to the United Nations and also a representative to Geneva. He was deputy commandant at the National War College. He was interviewed by Dimitri Villard, his son, on July 18, 1991.

Q: *In 1935 you were assigned to Rio de Janeiro and subsequently to Caracas, Venezuela. What were your positions and what did you do at that time?*

VILLARD: The assignment to Rio turned out to be an unfortunate one. I was sent there as consul particularly to make a study of foreign exchange problems which were causing a good bit of difficulty at the time. Unfortunately my chief, the consul general, did not see fit to give me time to make such a study and assigned me instead to issuing passports, visas, performing notarial services, duties which any clerk could have done. It was the way he happened to run his office. I thought I was being assigned to the embassy, but such was not the case. I spent some time as consul, but I did not feel that I was serving any useful purpose for the Department or the embassy either. The embassy had put in a request that I be transferred to it, but the Department turned it down. I then decided that I would try to extricate myself from a situation that was not in accord with what I had expected. I felt that after four years of political work in the State Department I was qualified to do more than the jobs that I was doing. So through friends of mine in the Department I obtained a transfer to Caracas. Caracas turned out to be a very different post.

Q: *What were the concerns of the United States in that region at that time?*

VILLARD: The main concern was what would happen to Venezuela after the death of the

dictator, General Gomez, who had ruled the country for twenty years with an iron hand. The Department expected that the streets would run with blood in a revolution after his death and they particularly wanted reports on the political situation. This was an extremely interesting period, but instead of riots and bloodshed, the transition proved to be an easy one, led by General Lopez Contreras, who was an astute general of the army and guided the country through a delicate and difficult period. The main reason for our concern was the presence of American oil companies, in particular Standard Oil of New Jersey, the leader among the group of large companies and smaller independent companies. But the oil interests were our main American concern.

Q: *How was the embassy in Venezuela run, Meredith Nicholson was the ambassador?*

VILLARD: Meredith Nicholson was another political appointee under whom it was my good fortune to serve. He was a distinguished author who wrote novels such as, *The House of a Thousand Candles*, and *Port of Missing Men* and other popular stories of the time. He had been very successful as an author. He was advanced in his years. When I arrived at the legation, he said to me "You are in charge of the work here. If you want me to sign a despatch you will find me on the porch with a whisky and soda in my hand admiring the beautiful scenery. Otherwise you are in charge." That suited me very well.

Q: *Would you say the Department was obsessed with Latin America during that period?*

VILLARD: Well, it is difficult for me to judge at just how the Department looked at Latin America since I was in the field and not in the Department, but my impression was that an enormous amount of attention was being paid to Pan American Airways. It was in the early days of expansion of that airline through Latin America and we were giving it all kinds of support. The Assistant Secretary for Latin America, Francis White, was promoting Latin America assiduously and it is quite possible there was an imbalance there, but not being in Washington at the time I would not know exactly.

JOHN F. MELBY
Political/Military Officer
Caracas (1939-1941)

John F. Melby was born in Portland, Oregon in 1913. He did his graduate work at the University of Chicago in international relations. He took the Foreign Service Exam in 1937, attending the first class of the Foreign Service. He served overseas in Mexico, Venezuela, Moscow, and China. In 1953, he was dismissed from the Foreign Service because of an affair he had with Lillian Hellman, an alleged communist. He taught at the University of Pennsylvania and then at the University of Guelph, from which he retired in 1978. He was interviewed by Charles Stuart Kennedy in 1989.

MELBY: After the Foreign Service school, I was then assigned to Caracas, Venezuela. And I

was there for two years.

Q: *What type of work were you doing then?*

MELBY: Well, unfortunately the embassy in Caracas was a little bit over-staffed. There wasn't a great deal to do. The main problems involved the Venezuelan oil industry, with a great deal of American investment. Obviously, Dr. Corrigan, the ambassador, handled most of the negotiations involved there, along with Ted Scott, who was Counselor.

As it happened, not long after I arrived, war broke out. This would be in 1939 -- I said I stayed in the Foreign Service School until early '38. It was early '39 -- some clown in the White House had a bright idea, with the outbreak of war, one Foreign Service officer should be assigned to keep track of and watch every German ship in the world. And it so happened there was one in Puerto Cabello, down on the coast of Venezuela. And I, as low man on the totem pole, drew that assignment to go to Puerto Cabello and sit there and look at that German ship! [Laughter]

Now it was in the inner harbor in Puerto Cabello, so it had a great deal of difficulty getting out. In addition to that, the engine had been taken out of it! So it couldn't move, anyway. But it took six months to get that order countermanded from the White House. So for six months, I sat there. [Laughter]

Q: *Perfecting your Spanish, I assume?*

MELBY: Well, my Spanish was all right. I knew Spanish. But one advantage to me was that I had not really completed my work on my doctoral dissertation. I had all the research done, but I still had the writing to do. Well, I had six months there to do nothing but sit there with that ship. The Skavatrid was the name of it. And I sat there, overlooking the harbor, where I could look out and see the ship from the Hotel de los Banos, and I wrote my doctoral dissertation. That's the way I got my degree.

WILLIAM L. BLUE
Consular Officer
Ciudad Bolivar (1942-1944)

William L. Blue was born in Memphis, Tennessee in 1914. He attended Southwestern College, Vanderbilt University, and the Fletcher School before entering the Foreign Service in 1941. His career has included positions in countries such as Canada, Venezuela, Malaysia, India, France, Switzerland, and Portugal. He was interviewed by Charles Stuart Kennedy on April 11, 1991.

Q: Then your next post was in Latin America, is that correct?

BLUE: Yes. Apparently Sumner Wells, this is the story I was told, decided that we should have someone in the interior of Venezuela watching the Venezuelans of German origin who were

interned in the interior of Venezuela mostly down below this little town Ciudad Bolivar. So I was sent down there. It was a silly idea. I didn't know any Spanish. I learned some Spanish and it was a very good experience because the town had about 2,000 people and I soon knew everybody of any importance there. There were lots of people from Corsica. The major figures financially in this little town were from Corsica.

Q: For one thing when I saw on your list that you were in Ciudad Bolivar, I couldn't figure out where this was. I had never heard of it before.

BLUE: There is no reason why you should have. It is fairly far up the Orinoco and was called Angostura originally because it is at the very narrowest part of the river which is about 300 ft. deep there. Angostura bitters were first made there.

Q: I was going to say that Angostura bitters was a well known ingredient of Manhattan cocktails.

BLUE: Yes. As a matter of fact they were first made there and then they moved to Trinidad. Frank Morgan, who was a comedian in the movies, his family's name was Wupperman, the family which still owns Angostura Bitters.

Q: Frank Morgan played the wizard in the "Wizard of Oz."

BLUE: Yes.

Q: Were you doing anything there?

BLUE: Well, I picked up a bit of information from people, but the amusing thing was...I got to be a very good friend of one of the Spaniards there. He was giving information to the military attaché, and the naval attaché and they were both paying him--and he gave me information, probably the same information, but I didn't have anything to pay him with. The attachés wouldn't spend the night there. They were stationed in Caracas which they found much more interesting. There were nice young women up there and they went to dances and had a great time.

Q: You were a single man then?

BLUE: I was single, yes. It was pretty dull. The single girls there were pretty hopeless.

Q: You must have been rather restless because the war was going on, it was an exciting period and here you are sitting in the center of Venezuela.

BLUE: I did travel further into the interior several times. There was no picking up of any information.

None of the information I sent back was earth shaking. We didn't even have a code I could use. I used the navy code. I was only there from September '42 until May of '44. Then I was transferred to Naples.

MAURICE BERNBAUM
Vice Consul
Caracas (1942-1943)

Ambassador Maurice Bernbaum was born in Illinois on February 15, 1910. He graduated from Harvard University in 1931. He did graduate work at the University of Chicago. He joined the Foreign Service in 1936. He served as a Vice Consul in Vancouver and then Venezuela. He served in Nicaragua as a Chargé d'Affaires. He served in Argentina as DCM and as ambassador to Ecuador and Venezuela. He was interviewed by Charles Stuart Kennedy on January 13, 1988.

BERNBAUM: This was--I returned from Singapore just before Pearl Harbor. And we were in the war shortly afterwards. I was slated to go to Algiers, but because I got married, apparently there were second thoughts in Personnel, and they sent me to Caracas, Venezuela instead.

Q: So, it was more by happenstance that you were assigned to Latin America--had you had any Spanish?

BERNBAUM: No. I spoke pretty good French, pretty good German, and as a matter of fact, when I left Vancouver I made a bet with one of the non-career vice consuls that I would not go to Latin America. I won the bet, and then I had to pay him back after I went to Caracas.

Q: Well, in Caracas, what would a foreign service officer be doing in a post like that during the war? You must have had duties other than just the normal peace time duties.

BERNBAUM: Yes. I started there as a vice consul. The Consulate and the embassy were separate. And then because of my interest in economics, and my background in economics, I was assigned to the embassy as third secretary, where I did primarily economic work. And part of that was the blacklist.

Q: This was prohibiting exports to the Axis countries, is that right?

BERNBAUM: That's right. We collaborated with the Venezuelan government in preventing that, and also putting restrictions on the activities of Germans in Venezuela, German firms in Venezuela.

Q: Did Venezuela enter the Allied cause during the war?

BERNBAUM: No, no. It supported us. It was with us, but it was not a participant in the war.

EDWARD WARREN HOLMES
Consular Officer
Caracas (1947-1950)

Edward Warren Holmes was born in 1923, in Beverly, Massachusetts. He earned a B.A. at Brown University and an M.A. in international law from the Fletcher School of Law and Diplomacy. He joined the Foreign Service in 1946. He served in Managua, Caracas, Tel Aviv, Johannesburg / Pretoria, Addis Ababa, Blantyre, Malawi (Nyasaland), Rhodesia, Durban, and Accra. He attended one year of training in labor work at the University of Wisconsin. He worked for INR for Southern Africa. He was the Deputy Director for Africa at USIS. He retired in 1980. He was interviewed by Charles Stuart Kennedy in March 1993.

Q: *Well, in 1947, you moved to Caracas.*

HOLMES: Right, right. It was like going to heaven, because Caracas is up in the mountains, it was cool, flowers were blooming when we arrived there, all over the place. It was like a reprieve. Caracas was great.

Q: *What were you doing there? You were there from '47 to '50.*

HOLMES: Yes, that was a regular three-year tour. That's when I transferred, when the doctor said basically this officer should not go back to Nicaragua, which was not uncommon either; a lot of people cut short their tours. And I remember the ambassador even issued an edict: No families with children would be permitted to come there, because there was so much disease and illness.

It was like going to heaven, because Caracas is up in the mountains, it was cool, flowers were blooming when we arrived there, all over the place. It was like a reprieve.

I mean, I liked Nicaragua, and the Nicaraguan people were terribly friendly. We took Spanish lessons, and so we got into learning some Spanish and these parties. And it was such a small community that we knew all the others. The diplomatic community was very small and very closely knit. So from that viewpoint, it was excellent. But the heat and the disease were sort of overpowering, in a way. So Caracas was great.

I went into the Consular Section, to begin with, for one year. The consulate was separate in those days. It was headed by a consul general, but it was separate from the embassy. So I was, in fact, under the consul general and worked in a separate building, doing consular work.

Q: *What were the main types of work you were doing?*

HOLMES: I can't remember precisely. I think it was the full range of consular duties, once again. It was and is still a small post. I think I did American citizens, the protection, passports, visas, immigration, and MIDs, the usual.

Q: *This was still not the time of a lot of American visitors.*

HOLMES: No, not really.

Q: *You weren't having Americans in jail and things like that.*

HOLMES: No, no, just very rarely. I would have been the junior consular officer. As I recall, there was one other officer. In fact, he was an American citizen who had been out of the United States for something like thirty years, which was in those days not uncommon. He had, I think, eight or ten children and couldn't afford to get home leave, and was more like a Venezuelan than an American, although technically he was an American citizen. It was one of those situations that I don't think happens anymore. But he'd been there forever, and he was my boss, you might say. And then there was a consul general, overall.

I worked under him, as I recall, one year, and then the ambassador transferred me into the Political Section of the embassy, which I was very happy about, really, because the consular work was pretty much routine work. I had had a smattering of it in Nicaragua, and I was keen, like most young officers, I think, to stay in that political cone. We didn't have cones in those days, but I wanted to get into the Political Section; that's what I really wanted. I'd had a taste of that in Managua for about six months, as I recall, the last six months, I think. So I was very glad. And so I moved over. Actually, at first I was in the Econ. Section for a while, and then, when an opening came in the Political Section, as the ambassador had promised would happen and it did happen, I moved over to the Political Section. That's what I wanted most of all.

Q: *What was the political/economic situation in Venezuela in this '47 to '50 period?*

HOLMES: Once again, there was threats of coups and attempted coups rather frequently.

Q: *What was the system?*

HOLMES: I think it was Pérez Jiménez, as I recall, who came in while we were there, or Aguelo, I've forgotten exactly. But there was a successful coup and rather some bitter fighting. We had some escapades, as I remember. We were playing cards one night in Caracas, and the tanks rolled by and machine gun fire came right through the house. So we all dived under the card table and yanked out the cord for the lamp. That particular coup was successful, and I think it was Aguelo who came in (one forgets the names). ['35-'41 Eleazar Lopez Contreras, president; '41-'45 Isaias Medina Angarita, president; Oct. '45-Dec. '47 Rómulo Betancourt, headed civilian-military junta; Dec. '47-Nov. '48 Rómulo Gallegos, president; Nov. '48 Lt. Col. Carlos Delgado Chalbaud and Maj. Marcos Pérez Jiménez, headed military junta; two years later Chalbaud was assassinated; '51-'57 Jiménez, dictator.] So there was a lot of political reporting to do at that time.

Q: *What was the attitude toward the situation there? Had it been a coup from a democratically elected to a non-democratic, or was it just one...*

HOLMES: There had been a dictator in Venezuela for many years, dating way back, and this coup successfully threw him out and changed regimes. So I think we were very hopeful that it

was a more encouraging democratic-type regime, some fresh air, at least.

Q: *Did you have the feeling that we were particularly involved, or was this just something we sort of sat back and reported on?*

HOLMES: I have to say, really, I think if we were involved, it was on a level that I perhaps didn't even know about myself.

Q: *But you didn't have the feeling that we were...*

HOLMES: We were not openly involved, certainly, no, no. No, I think restraint was the general sort of rule, although we, in little ways, may have hoped that there would be a change. I don't think we were directly involved, not in Nicaragua nor in Venezuela, as far as I recall. I think, since that time, we've become more involved in situations. But it was sort of hands off in those days, that's my impression, other than giving student visas to people whom we thought were perhaps the opposition groups, or their families were, and hoping to help spread democracy in a very indirect and long-range type of way.

Q: *How did you find the Venezuelans as far as the people you would get to know in order to do your political or economic reporting?*

HOLMES: Not quite as friendly as compared to Nicaragua, let's say, because there were a lot of Americans in Venezuela. The oil companies were, of course, very active in Venezuela, and as a result, as I recall, even when we were there, there were ten thousand Americans in Caracas and the environs. And so I think there were so many that the Venezuelans were turned off -- just one more American. Well, there were lots of Americans and lots of wealthy Americans, and they lived in the country club set sort of thing, in a sense, more than we could afford as a junior officer. These were well-paid oil executives. And so there was a whole group of wealthy Americans who spoiled the market, in a sense. Whereas in Nicaragua, there weren't many; there were very few Americans. There were a few missionaries and a few businessmen and the embassy. So I think we were welcomed as more of a curiosity. But, as I recall very strongly, Venezuelans were much less interested in us. So it was harder to get into their homes, let's say, to be entertained by them, to get to know them as friends. It was more difficult. They were more standoffish, I think, as I recall our feelings. So from that viewpoint, we weren't as happy, in a sense, although the whole ambiente, the climate, the living conditions were much, much, much better than in Nicaragua.

Q: *Who was the ambassador during your time?*

HOLMES: Ambassador Donnelly.

Q: *Was he a career officer?*

HOLMES: I think so. This was a bigger post, and I didn't have at all the same intimate relationship with the ambassador. I would see him at staff meetings; occasionally we'd be invited to the residence. But it was a much larger post. My feeling is that he was a very able career

officer, but I didn't really know him as I knew Ambassador Warren. It was quite a different situation. I was a junior officer, after all, I'd only been in the Service a year and a half, one post, an FSO Eight, I guess, unclassified C, right then maybe unclassified A or something.

My first salary, I remember very vividly, was $2,500 a year. That was my initial salary in the Foreign Service. This was before the Foreign Service Act of 1946.

Q: *At that time, and really for not too long, a top salary in government was $10,000.*

HOLMES: Was it that low, top salaries? I know mine was $2,500; I remember that very vividly. And then the Foreign Service Act came into effect, and that raised it a bit. Then there was a restructuring of the FSO grade system, and so it went up. So it kept going up, but the first year or two... and we had college debts to pay off.

We didn't have an automobile at first. My first automobile was a surplus Jeep that we got from Panama. The Army declared a whole lot of Jeeps surplus at the end of the war. I arrived down there on the air attaché's plane and picked out this Jeep, and I think it was $200, as I recall. We somehow got it back to Nicaragua, and it was our first car. We were delighted to have wheels, because originally we had to depend on friends to take us to parties; weekends to get out of town, always with a friend, and that was not an ideal situation.

We left Caracas for Tel Aviv with our first baby in 1950.

JOSEPH McEVOY
Public Affairs Officer, USIS
Caracas (1951-1954)

Joseph McEvoy was born in Trenton, New Jersey on December 8, 1910. His career with USIA has included positions in countries such as Venezuela and Spain. He was interviewed by Lew Schmidt on January 23, 1990.

McEVOY: In '51 I was recruited by the U.S. Information Agency, by a fellow named Forney Rankin. In effect he asked Ambassador Norman Armour, whom I knew quite well, to recommend me. My first post for the USIS was in mid-1951, in Caracas, Venezuela, where Mr. Armour was then Ambassador. I remained three years as Public Affairs Officer.

Q: I'll ask a few questions about the program as we go along.

McEVOY: In Venezuela? Well, the program in Venezuela was coming to life quite well by the time I arrived there.

Venezuela provided a very favorable atmosphere for USIA activities at that time. We operated two strong binational centers, Caracas and Maracaibo. English language teaching was very, very big because of the presence there, principally, of the U.S.-owned oil companies and the emerging

U.S. iron ore companies.

We did have another built-in factor. The American companies and others did a great deal of rather intelligent treatment of their employees and supporting things that were of general interest to Venezuelans. And the USIA program was supported indirectly by a great number of Venezuelans who had been educated in the United States. They ran their own show. We didn't interfere with it, but it was a big help. And of course the press there was generally friendly. The United States was regarded as a pretty good ally. There were from time to time anti-American outbreaks at the Central University, but they did not disturb any of our programs. Of course if you scratch the surface anytime in Latin America, you can always stir up something against the United States. Actually we had no great problems in my 1951-54 stay there.

Q: You had full access to the Venezuelan press then, and other media?

McEVOY: Oh, yes, press and radio. Absolutely. We had a small staff. To replace John Reid who had doubled as PAO and Cultural Attaché, we got a very good cultural attaché, Al Harkness. He had had more experience than I had had, having served in Central America. We made a good effort to establish solid relations with opinion leaders, many of whom had had a great deal of exposure to the United States, either studying in the United States or by traveling frequently to the United States.

Q: When was it that Harry Kendall came on? Was that in 1951 or a little later? Was he there when you arrived?

McEVOY: No. Kendall came within a year after my arrival. I arrived in the middle of '51, Kendall came in, and he did a variety of things, many of them in the informational and cultural fields. And he had quite a lot of natural ability in making people like him. Harry followed the course that I always think is a very good one--if you want something done, do it yourself. Personal contact I think is terribly important, much more so than inundating people under a lot of press releases. We had very good cooperation from the radio stations down there.

Q: You had full access to them also then?

McEVOY: Oh, yes. There was some American, or Venezuelan-American ownership in radio.

Q: Television really hadn't started at that time?

McEVOY: Television started before I left there, but not to a point of great influence.

HARRY HAVEN KENDALL
Information Officer, Public Affair Assistant, USIS
Caracas (1951-1955)

Harry Haven Kendall was born in Louisiana on December 1,

1919. He served dutifully in the Army overseas from 1940 to 1945. He graduated from Louisiana University with a degree in journalism and political science in 1948. He got an M.A. in international relations from Yale University. He served in Caracas, Madrid, Takamatsu, Panama, Santiago, Saigon, and Bangkok. In 1961, he was the USIS liaison officer to NASA in Washington, DC. He was the Policy Officer for East Asia and Pacific area in Washington, DC. He retired in 1979 and joined the Institute of East Asian Studies at the University of California at Berkeley. He was interviewed by G. Lewis Schmidt on December 27, 1988.

KENDALL: So I went to Caracas, and a year later, in December 1951, I went back to Chapel Hill to claim my bride. Margaret has been with me ever since.

Q: Did you have any Spanish language at that time or did that come later?

KENDALL: Yes, I had studied Spanish as well as French as an undergraduate at LSU, and I had done relatively well. I have a curious facility for languages. But I had taken Far Eastern studies too and was interested in Asia because of my wartime experience. Stan Moss had concentrated on Latin American studies. So, as it wound up, Stan went to the Far East, to the Philippines, and I went to Latin America. Eventually I got to the Far East, including Saigon, but that comes later. But with my training and experience in journalism and my experience with Spanish at LSU's Pan American House I had no qualms about going to Latin America.

I got no additional training such as given to our present day junior officer trainees. State was expanding its information services abroad and they needed us badly. IIE gave me a 30 day orientation course at the Department of State and then sent me off to Caracas. There, John Turner Reid was my public affairs officer and a dear lady named Alice Stone was the cultural affairs officer. It was a three man post, and I came in as an information assistant.

Q: What year was this now?

KENDALL: I arrived in Venezuela on George Washington's birthday, February 22, 1951, and learned my first lesson in the Foreign Service. Never arrive at a new post on a holiday. I landed at the Maiquetia airport on the coast. Caracas is some 20-25 miles away in a valley at an altitude of 2,500 feet and access at that time was along a narrow winding road through the mountains. Heavy rains the night before had caused a landslide, so I had to take a shuttle plane from Maiquetia up to the La Carlota airport in the Caracas Valley. Of course there was no one there to meet me but there was a message telling me where to go.

I spent four years -- two tours of duty -- in Caracas, one too many for a first post. In December of that year I took two weeks leave and went back to Chapel Hill, N.C. to be married. I tell people I didn't get a Ph.D. at Chapel Hill but I did get an MRS. That was 37 years ago today. Margaret and I have been together ever since and she has accompanied me to every post except Saigon, during the Vietnam War when families were not permitted. We had our honeymoon in Haiti

where I spent my last cent and had to borrow money to wire my post to have a driver meet us when we arrived back in Maiquetia.

My objectives in Caracas were to be a good Foreign Service officer. I went in, not as a FSO but as Foreign Service Staff. However, in 1952 I took the Foreign Service exam and passed it. Just about that time John Foster Dulles let it be known that USIS would be separated from the Department of State. Since I saw my career as being more oriented toward the information and cultural rather than the political, administrative and economic side of the Foreign Service, I set aside my opportunity to become a State FSO and stayed with USIS. I have never regretted the decision and thoroughly enjoyed my 29 years as a Foreign Service Information Officer.

My first assignment in Caracas, as information assistant, was to handle radio and motion picture activities. Later I also assumed responsibility for the press function. This was before the days of television, and we had a fairly large film program with several mobile units roving the countryside giving outdoor showings of USIS documentaries in working class neighborhoods. In retrospect, it seems the ultimate luxury, but it was effective in its way. We also serviced a number of radio stations with VOA supplied programs recorded on huge 16-inch platters as well as locally produced news documentaries based on materials drawn from our wireless file. I am uncertain what the term "wireless file" means to today's information officers, but for us at that time it was a news and commentary bulletin transmitted from Washington via Morse code. I felt close to it because of my five years as a radio operator in the U.S. Air Force. However, I didn't copy it myself. We hired a local employee to do that.

Q: Let me ask at this time. I've forgotten exactly when it was that Pérez Jimenez came to power. Was he in power at the time that you were there? And if he was not, did you have full access to the radio stations? Were they willing to take USIS material or did you have any obstacles to overcome in trying to place yours?

KENDALL: Yes, while I was there he took over power in a rigged election and remained in power until he was overthrown several years after I left. Although the Pérez Jimenez government watched the news media carefully, its censorship focused primarily on news that might affect its exercise of control. We had full access to the press. They accepted our materials and used the international news items extensively. This was the time of the Cold War and Venezuela was very much on the American side. Pérez Jiménez was a military man and strongly anti-communist, so the anti-communist materials which came out of IPS and IBS found a ready market with the Venezuelan news media which were encouraged by their government to use it. As a matter of fact, some of the packaged, anti-communist materials was so hard-line it sometimes made me gag.

Besides finding a ready market for our media materials, we had full access to the media operatives themselves. I was on a first name basis with practically every press and radio journalist in Caracas. The Radio Broadcasters Association of Venezuela invited me to their annual meetings, and I met with individual members frequently, both officially and socially.

I started to tell you about a radio program we had called Revista Internacional, or International News Magazine. We produced and recorded it weekly for distribution throughout Venezuela. In

looking for a personality to do the program, I chose a young man named Renny Ottolina. He was just getting a start, but partly through this program and, I guess, largely through his own ability and ambition, he developed into the number one radio and television broadcaster of Venezuela and remained in that position for many years. Eventually he ran for president of the country. I would like to think that I helped him get started. Unfortunately, during his campaign for the presidency, he was killed in an airplane accident. It was a great tragedy. He was a very fine person of strong moral character and great ability.

But back to USIS in Caracas. We were housed in a very small building, an old residence next to the Embassy in a section of town called San Bernardino, adjacent to the old town of Caracas. John Turner Reid was succeeded by Joseph McEvoy who had been an AP correspondent in Latin America for many years. He was very well known and liked and was fluent in Spanish, but spoke with a pronounced Irish-American accent. He is now retired and lives in Fort Lauderdale. Both he and his wife Ann were wonderful persons with great senses of humor. We got along splendidly.

Q: *Was he the PAO or was he the information officer at that time?*

KENDALL: He was the PAO. I was by then the information officer. As I said earlier, I stayed in Caracas for four years, which is unusual for a young man just starting out his foreign service career. I'm glad that policy has changed because it didn't do me any good to stay on that long. From a career standpoint, I should have moved on to another post after two years. Yet, because of my long experience at the post I became quite valuable to the program. I knew everybody and everybody knew me. I had three PAOs while I was there -- John Turner Reid, Joe McEvoy, and then George Butler. Butler was a former ICA (International Cooperation Agency, later AID) officer who had transferred to USIS.

Q: *Now before we leave Caracas, however, you said that some of the anti-communist material that was being delivered by the media units from the USIS headquarters was pretty heavy stuff. Do you feel that any of this was counterproductive in your programming there or did you cut out the stuff that you thought was so strong that it really would be ridiculous to put it out?*

KENDALL: We tended to use most of it because the market was good. I recall particularly the VOA dramatic programs. The Venezuelan radio stations loved those dramas. They were done quite professionally by the VOA Spanish language service and their quality was several cuts above anything available in Venezuela. The radio stations liked them, partly because they were free and partly because their public called in and asked for more. We also arranged a number of direct VOA Spanish language news broadcast feeds. I don't recall how many, but there was a significant number. We used the IPS press materials with discretion, but with 20/20 hindsight I can't really say we were as discreet as we might have been because we, too, were imbued with Cold War mentality. One might even say victimized by it. In retrospect I should certainly have eliminated some of the things that I used rather freely at that time.

Q: *Did you think that there was in the population of Caracas and Venezuela, generally, people that were oriented toward an anti-communist viewpoint, so that you were talking to a very substantial portion of the population at that time which was skeptical about this kind of*

approach to information activities? Did you have any kind of communist element active or submerged within the country itself?

KENDALL: I would say that we had a receptive audience. There was not a strong communist movement. The Pérez Jiménez government would have made you believe that there was. But not in Venezuela. They were a relatively unsophisticated audience. We tended to take a broad, mass audience approach to programming rather than the selective approach that we adopted later on. For example, at the time we had mobile film units which would go out into the countryside for a couple of weeks at a time with one or two operators and a good supply of USIS documentary films. These programs were very well received.

Q: *Did they deal extensively with things that you felt would help the Venezuelans understand the American culture and the American educational background and, generally, what the Americans were like? Was that your prime goal there in Venezuela?*

KENDALL: We had two goals. One was to help our audience understand what the Americans are like. The other was to educate them, because the literacy level, the educational level in general, was really quite low. We designed most of our programs for public education on non-controversial topics such as health and culture with only a minor emphasis on political topics. In an evening's program, for example, one could insert a brief political documentary film but if you did more than that you would lose half your audience. As I was saying before, we aimed at a broad audience rather than selected targeted audience groups that became the programmatic approach of USIS later on. We had quite ample resources at the time. In retrospect, I think we were probably given more than we could use intelligently. But when we began shifting to a more targeted approach, we did so at the expense of the mass educational type of program.

Q: *Did you feel that the program of an educational nature that you were putting out did help to orient the Venezuelans more in the direction of the United States? And did you encounter any anti-American feeling to speak of. If so was there anything that this might have countered or did you just take what there was and find a receptive audience to help you in presenting a point of view that perhaps got the Venezuelans more acclimated to an American viewpoint?*

KENDALL: Let's say they were strongly pro-American to begin with. We did not have an antagonistic audience. This was in the early '50s. The United States was very powerful world wide. We had just recently come out of the second world war as a very strong nation.

Venezuela was benefiting enormously from the American oil companies operating there. The national income was on the rise and people were feeling good about their future. The audience was generally very receptive. We did not have a strong anti-American audience to contend with. In a sense, on the educated level, we were speaking to the converted. On the lower level we were attempting to elevate the educational level of the masses.

Actually, we were doing what the national government should have been doing and we were helping them out. In another sense, we were doing what ICA, the International Cooperation Agency, did later when they became part of the Alliance for Progress program under Kennedy and Johnson. We were doing a lot of that work from the resources that we had.

Q: *I asked you about this possible anti-Americanism and possible communist influence because not too long ago we interviewed Bob Amerson who came to Venezuela shortly after you left. At that time the communist influence was growing and there was a certain amount of anti-Americanism which, based on his experiences, was beginning, he felt was beginning, to arise. He was there during the fall of Pérez Jiménez. I wondered if that had existed when you first came and from what you say it apparently didn't, but it arose later?*

KENDALL: Bob succeeded me in my job. Let's say there were occasional articles in the press, occasional radio programs which indicated communist influences at work. I recall one incident. I can speak rather freely because this old gentleman involved has gone to his reward. His name was Ricardo Andreotti who was our local press chief. Wonderful Italian gentleman he was and a prolific writer. He was good at black hand letters. If he spotted an article in the press or heard a radio program which he thought was communist tainted, he would send an anonymous letter to that particular radio station or that newspaper saying "We know what you're about. We listen to that program. We read that article. Here are the facts." And he would follow up with a point by point refutation of the item in question.

These were anonymous letters. They achieved their purpose. He was quite good at it. And, as I said, a wonderful person to work with.

So there was some of this, yes, but we didn't find anti-Americanism to be a great problem while I was there. As Bob Amerson told you, the anti-Americanism did grow out of reaction to the Pérez Jiménez government because the United States was seen to be supporting the dictator. So the U.S. took part of that blame. The communists, of course, took advantage of this anti-government sentiment to gain popular support.

Bob experienced this problem more than I because he was in Venezuela later on during the reign of the dictator. I was there during the early stages while the authoritarian government of Pérez Jiménez was bringing some order out of the previous government's chaos and enjoyed a certain amount of popular favor. Later, governmental abuses increased and that favor dwindled and changed into outright antagonism.

Q: *You indicated that you had another little episode about Caracas that you would like to talk about before we go onto the Japanese experience.*

KENDALL: Yes, it had to do with the binational center, the Centro Venezolano- Americano. It was located in the center of old Caracas, right next to the Plaza Bolivar, and was run by Fred Drew who was at that time a binational center grantee. Fred had desperately needed a new location for his center and was encountering problems finding a place to relocate. Finally he decided to choose a suitable area, select an appropriate building, and then negotiate a price for it. There were a number of old colonial homes in the city center so he selected several possibilities and went around knocking on doors. At one door he asked the lady of the house if the place was for sale, and she replied, "Yes, how did you know? We just decided this evening."

The house had a large patio after the fashion of traditional Venezuelan homes and this served as

a stage for public programs. The Centro had a sizable clientele of young Venezuelans who came there to study English. Working with Fred, I developed an interamerican folk dance program which drew on the many Latin American ethnic groups from around the continent resident in Caracas. We would invite the various cultural groups from around Caracas -- Argentines, Chileans, Brazilians, Peruvians, Mexicans, and even Spaniards from the Canary Islands. All seemed to have their own folk dance groups and all were happy to participate in our program. Renny Ottolina, whom I mentioned earlier, served as master of ceremonies. He had a way of animating groups that brought everyone in the audience into the program. Initially we thought it would be just a small program for our own entertainment, but it turned out to be big- ger than the Centro could handle, and we found ourselves renting the Teatro Nacional, the biggest theater in town, which filled to overflowing with enthusiastic audiences. It was an interesting and exciting experience for me.

I also belonged to an organization called The International House which served as co-sponsor. It consisted of a small group of Columbia University alumni who had lived in the International House at that university. I hadn't, but they adopted me. So this International House group, the Centro Venezolano-Americano, and various other cultural groups around the city were involved. We had a tremendous time and brought quite a bit of credit and popularity to the binational center and our own International House group. Now, what good we did in terms of inter-American relations, I can only guess. One can't evaluate these things, but I know they generated a lot of good will and were fun to put on. I thoroughly enjoyed them.

Q: *As a matter of fact, I feel, that if you have an American institution which is producing this kind of thing and it becomes highly popular and the USIS program is identified with it, I feel it's a great plus because I don't look upon the information program as just simply informational media oriented. I look upon it as a combined, interacting program. If you developed something that was of high value to the people in the country, entertainment, which to them was a demonstration of their cultural ability, and yet which they associated with American sponsorship, I think that's all to the good. I don't think you have to go out and beat the bushes all the time with a strong, pro-American or anti-communist theme. I think it does a lot of good.*

KENDALL: Yes, this one did promote a strong sense of inter-Americanism, the sense that the people of all of the Americas, both North and South were brothers and sisters under the skin. The cultural differences were there to be appreciated, but they didn't divide, they sort of brought us together. That was one program I was very fond of. I guess it did take away from some of my other duties, but we had a great time. Fred Drew spoke of the programs as the Centro's best during his term as director.

Q: *When you have what was basically a pro-American or at least a non anti-American population to deal with in those times, something like this which did promote a feeling of interrelationship among the American peoples, I think was no loss to devote a bit of your time to what otherwise would have gone to some more stringent and virulent anti-communist activity.*

KENDALL: Or writing reports to Washington.

We, Margaret and I and our then two-and-a-half year old daughter Betsy, left Caracas in May,

1955, for home leave and transfer to Japan. We traveled surface all the way, by ship from the port of La Guaira to Mobile, Alabama, thence by rail and car to New Orleans.

ROY R. RUBOTTOM, JR.
Venezuelan Trade Negotiations
Caracas (1952-1953)

Roy R. Rubottom, Jr. was born in Texas and studied at the Southern Methodist University and earned a Master's degree there in 1932. He was studying for his Ph.D. in Latin American Studies when World War II broke out. In 1941, he received a naval commission in the Office of Naval Intelligence. He entered the Foreign Service in 1947. He served in Colombia, Mexico, Venezuela, Spain. In 1956, he served as the Deputy Assistant Secretary for Inter-American Affairs. In 1960, he was appointed ambassador to Argentina. This interview was conducted by Charles Stuart Kennedy in February of 1990.

RUBOTTOM: ....In January of '52 -- by that time I'd been in Washington two years and I'd completed these two negotiations with Mexico in the second year, '51 -- I was called in by the Assistant Secretary, Ed Miller, and told that they were going to pull me off Middle American and Mexican Affairs and ask me to head a U.S. team to negotiate a trade agreement with Venezuela. I said I'd never been near Venezuela. They said you'll have a chance to go near it and we want you to do this job. So, the first thing I had to do of course was to go before the trade agreement committee and learn the lingo, learn the issues from that standpoint, because that had commerce, treasury, as well as all the various economic bureaus, individuals involved, and the State Department. A wonderful man was chairman of it, named Win Brown. I'll never forget, I think he's dead now, Winfield Brown. He had a very distinguished career. And a man whom I knew in ARA, named Ed Cale, was on that committee. Then I had to learn what the issues were on the political side. I went off with a team of five people and we were joined by a man from the Embassy in Caracas, the First Secretary of Embassy. I don't want to prolong the story. My opposite number was the Under Secretary for Economic Affairs in the Venezuelan Foreign Ministry, named Manuel Reyna. Reyna was an attorney. He was not a career diplomat. He had studied for the priesthood in Spain to be a Jesuit priest earlier, but he'd never entered the priesthood. He was married and had two children. I was married and at that time I had two children. In fact, toward the end of the negotiations our third child was born. My wife has always fussed at me because I was gone during a good part of the time when she was awaiting that third child. Well, in a setting of that kind, with the enormous petroleum and the other investments of the United States there was an awful lot of entertaining that went on. Both the delegations were invited out to cocktail parties and receptions and occasionally dinners. We didn't get along too well with the top Government people because this was during the Pérez Jiménez regime in Venezuela and it was already taking on some rather ugly aspects as a hard-nosed military dictatorship. But it didn't interfere with these trade agreements negotiations. Well, Reyna and I would meet, five or six Americans on one side of the table, five or six people across from us on the Venezuelan side, and we'd meet two or three days a week. Then we'd go back to the government and get whatever instruction we'd need, and then we would meet again. We weren't

making too much progress although we were holding the line. Later on we found out that our back-up position was already known to the Venezuelans. So that made it a little bit silly for us to be going through this charade of trying to hold the original, but I finally got the permission of the trade agreements committee to go to the back-up position and we got that one eventually accepted. But Reyna and I got tired of cocktail party routines and he and I would get off in the corner and sit down and talk, over maybe one drink and then a couple of coca-colas or something like that. Reyna was extremely interested in me because both of my grandfathers were Baptist preachers. One had come to Texas from Mississippi and the other had come to Texas from Missouri. And I was interested in him because he had studied for the Jesuit priesthood in Spain. Little did know that I was going to go to Spain in about a year. I became personally interested and friendly with Reyna and he with me. I am convinced we speeded up the successful negotiation of that trade agreement. There were only two items they were shipping to us, oil and iron ore. We had about 75 or 100 items and they were mostly food stuffs. We were exporting a tremendous amount of prepared food. In those days Venezuela didn't have much food production of its own and it was the most expensive place in the world to live. Incidentally, we couldn't stay in the best hotel because our per diem didn't permit it. We had to stay in a second-rate hotel. The personal factor, the rapport factor between negotiators, that has to be sound also in addition to whatever your political and intellectual positions are.

Q: *Going back to Mexican side where you negotiated this I'm interested in the -- looking at the period -- how you found the Mexican Foreign Ministry officials that you dealt with. Both their competence and also their attitudes towards the United States.*

RUBOTTOM: Well, to begin with, I found that Mexicans were extremely competent. And I found that they knew the United States in general much better than we knew Mexico. In those days one was dealing with quite a number of Mexicans who had lived in the United States in exile as children. This happened during the most terrible part of the Mexican modern revolution, which began about 1911. There was fighting, crisscrossing north and south and east and west, across the country which lasted up till 1919 and 1920. Certainly until the constitution of 1917. That would have been a period of six to eight or nine years. Many Mexicans who could afford it left Mexico and lived in Brooklyn. I know of two families who lived in Brooklyn. Anywhere to get out of Mexico during those violent years. So these people who were my opposite numbers had gone to American schools and some of them spoke English very well. Not all of them. Fortunately, I had learned my Spanish, my practical Spanish, after the book learning, in Manzanillo. So, later on, when I was in Spain I remember Ambassador Lodge, John Davis Lodge, who was fluent in French would use my help as interpreter. He quickly became fluent in Spanish. But he would introduce me, as Mr. Rubottom, "a Texan who speaks Spanish with a Mexican accent."

Let me finish up a little bit more on Mexico. I think we were on that subject as I recall. Anyone who knows the history of U.S.-Mexico relations has to understand at the very outset why every Mexican has some feeling of resentment towards the United States of America. They lost almost half of their territory in the so-called U.S.-Mexico War. Then came the "Porfiriato," the 35-year regime of Porfirio Diaz, which lasted until 1910. Americans owned ranches of large acreage which were expropriated. The American oil companies were expropriated in 1938. The United States and Mexico might have had another major incident if it hadn't been for the fact that we

were on the verge of World War II. I think that Roosevelt found it in his interest to negotiate a settlement in 1941 of the expropriation or nationalization of oil. But then I'm skipping over the fact that during the Woodrow Wilson period in 1914-15, we landed Marines in Tampico and Veracruz. Here you had one of the most idealistic of our Presidents who nevertheless rationalized completely the sending of Marines right at the height of the Mexican Revolution. So anyway, they feel first and foremost that they've got to make any American understand that they want to be respected, they want to be dealt with as equals. They tend to hold on as long as they can to defend whatever the Mexican position is. I always found that Mexicans after pushing and feinting in whatever the negotiation was, knew where to stop, knew where to draw the line short of going so far that it would be adverse to their interest. I think they were not really trying to achieve any quote victories in negotiations. I think they were satisfied, as I think we Americans should be with what is a "fair deal." So that both sides get something out of an agreement, a negotiation that they can feel is beneficial, and supportive of their interest. I don't need to tell you that when an agreement results in quote victory for one side or the other you're simply laying the groundwork for problems to come up later. Because the loser never forgives or forgets.

Q: *Two things I learned in early diplomacy. One, there's no such thing as a diplomatic victory because, as you say, the problem doesn't go away. And the other thing is that you don't lie.*

RUBOTTOM: Right.

Q: *How did you find our Embassy at the time? Again, there have often been complaints that our Embassy in Mexico City has problems that are sometimes of its own making or not, or they're not as finely tuned in or they get too many problems. Did you find that at the time or not or did you feel that we had a strong Embassy in Mexico City?*

RUBOTTOM: Well, interestingly enough, just before I took over the Mexican desk, in January, I had been up here in December and they wanted me to get on the job as quickly as possible so they worked out an arrangement with the Embassy for me to go to Mexico City to be briefed by the Ambassador and the head of the political section, as well as some of the other people there because obviously they needed to know me, and I needed to know them. I went, I guess, between Christmas and New Year's and spent all that week. Walter Thurston was then the Ambassador. He was a very highly regarded career ambassador, a bachelor, a man of certainly -- how would I describe him -- good personality but not the least bit aggressive. On the contrary he was polite, punctiliously polite, proper, but I was to work with him for the next year, at least, and I found him to be an outstanding representative. Chuck Burrows, Ambassador Charles Burrows, later, was then the head of the political section. Shortly after that he was promoted to Class I. I think that at that time he was the youngest Class I Foreign Service Officer in the Service. So I had a lot of respect for him. I was still Class IV, trying to work out of the low category I found myself in after first coming in the Service. The Embassy at that time didn't have the place they are in now, which they've already outgrown long since. In fact it was the negotiation for the settlement of the Lend-Lease Agreement that I did in 1951 that led to that present structure and the residence that they're now in. What we did was to, in effect, get possession of enough pesos, to do that, because they said they wanted the money paid back from the railroad retirement debt which was somewhere in the neighborhood of 16 million dollars. We said they owed us around 23 million dollars on Lend-Lease for the airplanes they used in the Philippines at the tail end of the war. I

think they were P-40 airplanes. We were getting absolutely nowhere in either one of these negotiations and suddenly I had the idea, that the difference was seven million dollars. I said, why don't we take the seven million dollars in pesos and build a new Embassy and a new residence down there and keep on negotiating and if we don't ever reach a settlement then we'll just consider those two items canceled out. The United States will have this and Mexico will have the benefit of our having a proper place to work and live. And that was the way it was settled.

Q: *Well, I take it you thought we had a strong Embassy at that time.*

RUBOTTOM: Yes, we did.

Q: *Well, shall we move on to your next assignment do you think? Or is there anything else we might cover? You had Middle American Affairs which I guess included Central America too? Were there any major problems at this time? This is during a period of the Truman Administration. The Truman Administration was ending and the Eisenhower Administration was coming in at the time.*

RUBOTTOM: That's right.

Q: *Was that, in ARA terms, a hostile take over did you find? Or did that particular transition in ARA work smoothly?*

RUBOTTOM: At my level, and I was an office Director by that time, I didn't feel it. I'm sure of course, that Eddie Miller felt it. He was then the Assistant Secretary and those under him didn't know what their future would be. Miller was replaced by Jack Cabot. Cabot stayed only a relatively short time and then he was replaced eventually by Henry Holland. I do remember though in "New" State, as it was called, was only on Virginia Avenue and all the rest of that building had not been built. I remember very well that cold January day when we went out on the back parking lot and there two, three, or four hundred people assembled and listened to John Foster Dulles take over. Were you there then?

Q: *No, but I've heard the scene described again and again. What struck in your mind particularly that he said?*

RUBOTTOM: Nothing of major significance to me. I don't remember. I got to know him very well later.

Q: *Because many of the people quote again and again that as far as the Foreign Service was concerned the fact that he called for positive loyalty at that speech out in the back thing, sent not only cold shivers, but emotional shivers up and down the spine because they didn't know what this meant. It sound like thought control or what have you. The McCarthy period was just cranking up.*

RUBOTTOM: Those were very difficult days. No, the McCarthy period was already in.

Q: *Oh yes, that's right. It was.*

RUBOTTOM: In fact, I was on the Security Committee of the State Department in that first tour of duty. I was one of ten officers, or fifteen who I had to spend hours every week reading over files. I participated in two or three hearings. Most cases never got to the hearing stage. All this started before Dulles came in. At that time, frankly, Dulles did not say anything that alienated me or frightened me. I guess it's a matter of personality, a matter of temperament, a matter of judgment. I made the transition from Acheson-Truman to Dulles-Eisenhower and then to Rusk-Kennedy. Then Johnson came in and I took early retirement in 1964. Dean Rusk became a very loyal supporter of mine and I've gotten to know him far better since he was Secretary than I knew him then. I was Ambassador in Argentina for a relatively short time and then I was at the Naval War College. So I decided on early retirement. I was offered two Deanships. One was here at George Washington. Then the Vice presidency at SMU was offered. And I decided to take it. I said to myself, I have time now -- I was 52 years old -- to pursue another career and rear one of my three children in the United States. I took early retirement. I've had another full career since.

Q: *I would like to talk a little more about the McCarthy hearings, the security hearings. We were trying to deal with the problem on our own, rather than have outside influence coming in. How did you find these accusations? Was there a major, minor, what sort of problem was it? From your observation?*

RUBOTTOM: I think I was aware that we had a lot of misguided idealists, and a lot of people whose loyalty came into question. But I never did feel we had very many, if any, in the State Department. I first became aware of the role of journalism and movies in influencing the thinking of the American public when I was a younger man, before I got into the Foreign Service, during the Spanish Civil War. Then later on I lived in Spain and I've heard both sides of it over there. I have never seen such lop-sided journalism as there was in Time magazine and some other publications at that time. Because there was no question in my mind but what the Spanish Republic was Red, Communist, Soviet-supported Red. As brutal, mean, repressive as the Franco Dictatorship was. Nevertheless, I'm sure we would have had a Communist government in Spain, if the Republican forces had won. Now this happened to me when I was in my 20's, I mean these impressions. I didn't know anything about Spain, except what I read. But I had a Masters Degree in International Relations. I read good literature whenever I could. And I had the feeling that I was being brainwashed and that the American public was being brainwashed. So I came in with that presumption -- came into my Foreign Service career. These files were pages and pages and pages thick. They were based on answers to questions in most cases, and they were based on rumors in other cases. And I'd say that 99 cases out of 100 never came to a hearing. Whatever the rumor was, whatever the allegation was, was disproved and the person was cleared. I can realize for those who had lived in Washington and had been involved in political things, and whose curiosity had taken them into a library that later turned out was run by a Soviet or communist related, group that they had problems.

Q: *These are the famous 57 or 78 or whatever it is list that McCarthy waved around with Communists in the State Department. Well I would like to talk more about that but I think we had better move on. You went to Madrid in 1953 and you were there until 1956 I have.*

RUBOTTOM: Yes.

Q: *You were what, the Economic Counselor? Then you had several jobs.*

RUBOTTOM: Yes, very interesting. Sometime in the mid-Spring of 1953 I received a phone call from Homer Byington who was Director of WE, Western European Affairs. And at that time I was Director of Middle American Affairs. I didn't know Byington very well, hardly at all. And of course WE was sort of the elite political bureau anyway, regional bureau. After a couple of exchanges, he said, Dick how would you like to go to Madrid? Well I nearly fell out of my chair. I said, I'd love to go to Madrid. I said, here I've been studying Spanish and Latin American culture all my life, literally speaking, and I would like to go to the Madre Patria, Mother Country. He said, well, we've got a post open as Commercial Attaché and I'd be happy to recommend you for that. I said, I've never been a Commercial Attaché. I've been more of a political officer. He said, Well, you negotiated the Venezuelan-U.S. Trade agreements and you've negotiated with Mexico. I think you could handle the Commercial Attaché job if you want it. I said, OKAY, I'll take it. So about a month or six weeks later, I had a phone call from Bob Woodward, who was then Director of Foreign Service Personnel, and a good friend of mine. He called me over to his office and closed the door and he said, "I just found out that you committed yourself to Byington to go to Spain as Commercial Attaché." I said, "That's right." He said, "Well, I've been holding two Deputy Chief Of Mission jobs open for you at small missions in Latin America." He said, "They're still open if you want to go." Do you think you can get out of this? I said, Unless you tell me I have to, I would rather go to Spain. He shook his head. I said, "Bob, I've been here over three years, and everybody knew that I was in my last period of duty here, and I'm sorry if this is a problem." He said, "It's not a problem, I'm concerned about an opportunity for you." So, I went to Spain. And got there in July of 53. I never will forget I wrote the whole third quarter economic report myself sitting at the typewriter, with the help of two or three Spanish locals. It was a really tough job. I don't know what kind of grade it got but in the meantime they were opening up the Bases agreement that had just been signed. We set up a U.S. Operations mission there.

Q: *This is the beginning of the bases in Spain.*

RUBOTTOM: I got there in July and the base agreements were signed in Sept. 1953. The Operations Mission was set up and a man named Ed Williams was brought over as a political appointee to be Director of the U.S. Operations Mission. It was a combined mission right from the beginning. They decided they didn't want to have a separate mission of AID people -- nowadays it's called AID, but in those days it was called something else -- and a separate Embassy economic section. They merged the two. So I found myself working under Williams and I got to know him quite well. In the summer of 1954 I was called in by Ambassador Dunn whom I had gotten to know quite well, and he said, I've been talking to Williams and we're going to move you up to Economic Counselor. The Economic Counselor is going to be transferred and you're going to become the Deputy Director of the Mission. And I said well that's wonderful news. Thank you very much. So in the fall of 1954 Harold Stassen, who was then Director of FOA, what we call AID today, came over and stayed for three or four days. Williams was taking a firm position that the second increment of economic assistance that went to the Spanish Government because of the base agreements should all be in the form of a grant. Stassen had

already instructed Williams to try to negotiate about 80% of it as a loan. Williams was determined not to do this. He had been a successful insurance attorney. He had all kinds of arguments as to why it wasn't fair to Spain to do it this way. "They were entitled to an all-grant second year assistance program just as they had gotten in the first year." Well, I went with Williams and Stassen to all the negotiations that were going on. I did half of the interpreting. I guess I did the interpreting from Spanish to English, and the Under Secretary of Foreign Affairs did the interpreting from English to Spanish. It was a very busy three days. Stassen left. He had with him the Director of the European Assistance Program, a fellow named Charles Urschel, who happened to be from Texas. I'd never known him before, never heard of him before. Two days after they left Spain I had a phone call from Paris telling me they were going to get rid of Williams and they were going to promote me to be Director of the Operations Mission. I said this is going to be a terrible blow to Williams. He's a very close friend of mine and I said I appreciate the confidence that you're showing in me, but I said I feel very badly about Williams. Well, he Said, He's just refused to follow our instructions and we feel that you could do the job. So, sure enough the telegram came in and Williams was out, and I was promoted to be Director of USOM, one of three members of the country team, which meant that in the space of three or four months I had moved from Commercial Attaché to Economic Counselor to Deputy Director to Director of the Economic Mission. I stayed in that job for about a year and a half until May of 1956 when I came back to be Assistant Secretary. It was an incredible set of developments.

Q: *Could you describe how we saw Spain and Franco at this period of time? This was not that long-ten years after the war -- Here was the one fascist dictatorship still at least I'm not sure that is the right term.*

RUBOTTOM: I wish I had brought my book with me. I am co-author of a book entitled United States and Spain since World War II that was published in 1984.

Q: *Who published it? This will go in the record.*

RUBOTTOM: It was published by Praeger, later bought by Houghton Mifflin. In that, I go into a great deal of detail, of course. I wrote all the political part of it and my colleague at SMU, Carter Murphy, wrote the economic part of it, and there are alternating chapters. It was an extremely pragmatic arrangement that led Acheson and Truman to finally overcome their revulsion against Franco. The pragmatic consideration was frankly, security. I think that in the light of what was happening in the rest of Europe, the problem of dealing with France was borne out later by their pulling out of NATO, that we needed a security anchor in southwestern Europe. We were also having problems with Morocco where we also had bases. And we had problems with Libya. This became a paramount consideration overcoming the political stigma. And there's no question that a political stigma was attached to that agreement in 1952. It was made at the time that Admiral Sherman was sent over and he died a week after he left. But the negotiations had started then during the Acheson-Truman period and then they were completed in the Dulles-Eisenhower period in 1953. I always felt it was a fair deal on both sides because security was a top consideration. Spain at that time was absolutely destitute, the result of its own three years of terrible civil war, deprivation and isolation in World War II. You wouldn't believe some of the scenes in Spain then. For example, shortly after I arrived, my wife and I were invited by Ambassador Dunn to go to the annual celebration in southwestern Spain at a place called Los

Palos, where Columbus took off on his discovery voyage. It was an extraordinary experience, all these Christopher Colombus scholars were there, some political people as well. As we were driving down the highway -- I had only been in Spain a couple of months at that time -- I saw a dark spot on the highway ahead and I wondered what in the world it was. Finally when we got close we had to slow down. It turned out to be a group of fifteen to twenty women dressed in black dresses with black bonnets covering their heads. Their arms were all covered too, and they were using old fashioned picks, trying to break big rocks into small rocks to repair the highway. They literally did not have any kind of highway equipment. So the U.S. assistance program was an enormous injection of modernization in to a destitute economy and society. The Program included the highways, the railroads, down to and including the ties and the steel for the tracks, electric power equipment, the steel mills, agriculture, technical assistance for some of their cottage industries, and so on right up to the atomic nuclear field. The last two years I was there I traveled all over Spain and saw what was being done. There's not the slightest question in my mind, and the point is made in this book we ultimately wrote, that Spain probably could not have made the economic transition, and it might not have been able to make the political transition from the harsh dictatorship of Franco to a Socialist Democracy, which occurred within less than two years after his death, had it not been for the injection of U.S. economic assistance. We poured one billion one hundred million dollars into Spain in about eight years. Most of it was in loans, but the first little bit was in grants. The Spanish people are hard-working, resourceful, technically competent people. But they had no resources at that time. As I said, the country was destitute.

Q: *How did we deal at the Embassy with the Spanish Officials? After all we were dealing with a dictatorship very much like the type we had been fighting in the Wars so it must have seemed like having very strange bedfellows. How did we deal with these people on the personal and professional level?*

RUBOTTOM: I dealt with them just like the Mexicans or anybody else. I was in Franco's Office one time in the three years I was in Spain. That was the time John Davis Lodge presented his credentials after he replaced Ambassador James Dunn. The people in the Foreign Office and the Economic Ministry, because they had established a special section, (later the man who headed that section became the Spanish Ambassador to the United States) to deal with the U.S. Operation Mission on the economic part of our relationship. They were competent people. They were sensitive people. They at times could be difficult but we always managed to come to agreement in the time that I was there.

Q: *Did we have any, I'm not sure the term is right, hidden agenda? In other words, we were giving aid for bases, but did we look upon aid, trying to direct it or doing something that we felt would eventually turn Spain around and make it something more palatable?*

RUBOTTOM: You've touched on an extremely important and a sensitive subject and something which takes us off into the realm of conjecture to some extent. I think you'd get a different answer from almost any person you talked to. No American can be reared in school, family, church, etc. without having a commitment to the democratic process, without being offended by a cruel dictatorship when he or she sees it. I've always felt that you, in addition to the words you use in diplomatic negotiations, also have certain facial language, you have certain personality,

you have certain things you say and do. There is the way you treat subordinates including chauffeurs and janitors that shows what your attitude is. It's not just what we say, it's what we do. It's the example you set in your personal life. And if you're in a country three years and if you occupy a position of any importance they're going to know about you. You stand out. I think these are the things that really count. You rarely ever get into a position where you can lecture an official about the advantage of democracy over dictatorship. Although you may at times have to carry out some fairly tough worded instructions. You then ought to send back what you say. I never will forget dealing with one Ambassador in Central America when later I was Assistant Secretary. Every telegram that would come back in response to instruction, he'd tell us what the Foreign Minister or President said. I finally had to send him a telegram and say, What did you say that led the Foreign Minister and the President to say that? Because its a dialogue -- it's not a one sided conversation. So it's a combination of all these things. An American, when he goes abroad in a diplomatic status, if he doesn't reflect the democratic traditions of his country and the values of his country, then he ought not to be there. And frankly, I'm afraid that there have been a few who have not done that very well. I think you make a whole lot more progress that way, than you do by trying to lecture. I never will forget that Fletcher Warren, a colleague and contemporary of Beaulac's, still living at 92 in Greenville, Texas, came home one time from Nicaragua. It was his first Ambassadorial post and he came home under instructions. We were intending to send a message to President Somoza that the U.S. disapproved of his removing from office the man who'd been elected President of Nicaragua. We sent him back after six months. This was when I was involved in Middle American Affairs. We found out that Tacho Somoza, not Tachito, (this was in the early 1950's), was far more repressive, far less respectful of the rights of his opponents, when we had withdrawn our Ambassador, than he was when the Ambassador was present. Now this is hard to sell to the press sometimes. I'm not saying that there aren't times when we shouldn't bring people home. Obviously we should.

Q: *It has always struck me that there is something a little bit crazy about diplomatic practice. When relations get poor you will remove the top man and sometimes keep moving on down to supposedly the least powerful person. It is considered an indication of diplomatic displeasure. But to take your senior person and remove him from the scene just when the going gets tough strikes me as being a bit idiotic. Is there anything else we should cover in Spain before we move on?*

RUBOTTOM: We've been at this for almost two hours and we haven't even gotten to what might be the most crucial points, and I don't know if I'm going to have time.

Q: *All right, you call it quits. Let's move on whenever you're ready.*

RUBOTTOM: I think we ought to quit as far as Spain is concerned. I came home from Spain to be Assistant Secretary for Latin American Affairs. I got a phone call in March or April of 1956 and I came home in May. I became Deputy Assistant Secretary under Henry Holland. At the time I didn't realize that Holland had plans to resign. He resigned in September, and I found myself Acting Assistant Secretary until the following June of 1957. If I had known I would be left Acting that long I think I would have asked for an assignment to the field. Finally, in April, Dulles, one day when we were going to visit the President of Costa Rica who was staying at the Blair House, said, "Dick I'm going to recommend that you become Assistant Secretary." I said,

"Well, Mr. Secretary, I'm very honored that you would think that. I've been Acting Assistant Secretary now for about six months. There are at least two or three other people who are very well known politically who would like to have the job." He interrupted me and said "Dick, are you telling me that you don't want the job?" I said, "No, Sir." He said, "I've just told you that I'm going to recommend today to the President that you be appointed Assistant Secretary." I said, "I'd Be very honored. Thank you very much." So then I had to wait another 90 days for confirmation because Wayne Morse, who was Chairman of the Foreign Relations Subcommittee for Latin America, thought that because I was from Texas that I probably was involved in the oil business, or that I might be involved in something that was not to his liking. He was the great conscience of the Senate. Finally my hearing came up in June and there are 92 pages of fine print testimony of questions and answers between Wayne Morse and myself before he finally reached over the stand and shook hands, and said, "Mr. Rubottom, I'm delighted to see that you do not have any connections with the oil business that might adversely affect your dealings with Mexico. As far as I'm concerned, I'm going to recommend and vote for your confirmation." So it took me that long to become Assistant Secretary, but it was a fascinating period and there were lots of things that happened during that time. You could spend all the time of course, talking about Castro, but I don't want to.

Q: *Well, all right, Let's don't talk about Castro. Lets talk about some of the other problems that you...*

RUBOTTOM: Well, I lectured to a law class this last week in Dallas, a graduate law class, on the constitutional foundation of foreign policy, and I was remembering some of the things that happened in those days. This goes back to the chartering of the OAS in 1948. Here you have at that time a man who was a very junior officer, now in charge of U.S. Latin American Affairs in the Department of State. There was a lot of commitment, a lot of belief, that the charter of the OAS meant something. The RIO Treaty was incorporated in the Charter. Mutual security, non intervention, not in the absolute, but obviously if you had a security interest that was threatened and that required that you, you could. This was pretty well spelled out. There was one time when the OAS worked to a charm. Many people have forgotten about this. There was a long standing border dispute that broke out in 1957 into an outright shooting war between El Salvador and Nicaragua. In those days the map of Central America had a little pie shaped area that was painted grey, and it was always called "territory in dispute." It's no longer that way because it was settled eventually. I remember getting a phone call from the Ambassador, Whiting Willauer, in Tegucigalpa, telling me that shooting and fighting had broken out between the two countries. So we called a special meeting of the OAS Council and they acted for the Foreign Ministers under the terms of the Rio Treaty and the OAS Charter and within 24, maybe 36 hours, there was a special committee representing the foreign ministers who were in turn represented by the OAS Council, that flew down there. We provided the plane. Ambassador Dryer was one of the members. He was our representative on the OAS Council at the time. Within about 48 hours they had a cease-fire. Eventually after long negotiations the combatants withdrew and the border dispute was submitted to the World Court. In a year or two the World Court came back with a decision favoring Honduras. No one thought the Nicaraguans would accept it but they did. By that time old Papa Somoza was dead and I think his son, Luis, was President. Unfortunately, Luis later died of a heart attack, and was replaced by Tachito who didn't have quite the experience and the gumption and the commitment to provide his people with a good government. I don't think he

was as honest either as his older brother would have been. Those were the kinds of things the OAS in its halcyon days in the 50's was able to accomplish. I think it has been very unfortunate that it has fallen on hard times. I happen to have been all through these years a supporter of American policy in El Salvador and supporter of American policy towards the contras in Nicaragua. I want to tell you why. In my dealings with Cuba while I was Assistant Secretary, and I don't want to go into too much detail, I was the No. 2 man at the Foreign Ministers meeting in Santiago in 1959 under Secretary Herter. Where the Cuban threat was a problem. And then I was the #2 man in the delegation at the two Foreign Ministers meeting in 1960. The first one dealt with the Dominican Republic and the second one dealt with Castro. I saw the United States try to make the point under all the terms of the OAS Charter that its security was genuinely threatened by what was going on in Cuba. By that time one of the leading Soviet ministers had entered into military agreements with Castro.

Q: *Was it Mikoyan? I think he was one of the first to go over there.*

RUBOTTOM: Yes, I believe it was Mikoyan. But we could never get the Latin Americans to admit that we had a security threat. It was a one-way ticket for them. "If our security is threatened, we'd like you to help us but your security is not threatened so we are not going to vote to do the things that you would like us to do," and this always bothered me. It also underlines the fact that there is a two pronged or double edged approach to Latin American dictatorships. I find this is true in the United States as well. If the people who have been concerned about the military and the government regime of El Salvador were equally concerned about the threat from the leftist side, I wouldn't be so concerned about them. There's a tendency always to be fearful of the rightist dictatorships but to be understanding, if not outright sympathetic, to the leftist dictatorships, and this has always bothered me.

Q: *I have the same problem. I'm not a Latin American specialist, so I'm showing my ignorance, Peurifoy was before your...*

RUBOTTOM: Actually you're talking about the intervention through the CIA of the Castillo Armas invasion or entry into Guatemala to overthrow the Arbenz regime in 1954.

Q: *Now was that before your time?*

RUBOTTOM: No, I was not Assistant Secretary and I was already in Spain and that was not on the books when I left to go to Spain. That happened later. I will say this though. Arevalo, who was the President before Arbenz, always called himself the "Spiritualist Socialist" and he opened the door for Arbenz to come in. If you go back and read some of the material released at the time there's absolutely no question but that Arbenz turned his country into a Communist regime, whether or not he was a Communist. I have the same sort of pragmatic approach to Castro. It didn't make any difference whether Castro was a Communist or not. He was so obsessed in his hatred for the United States and his policies toward the United States were so negative and adverse to our interests that we had to take some steps to try to deal with him.

Q: *You mentioned that you have been interviewed before, and I assume there was considerable concentration on the Castro business. Where would a person go to see what you have to say on*

that? I ask because of the time constraints now.

RUBOTTOM: I guess the one at Columbia University.

Q: *The Colombia collection. I'm concerned about keeping you too long. Can we cover Argentina? How did you get the job and what was the situation?*

RUBOTTOM: Remember now, I was a career officer. By the summer of 1960 I'd been Assistant Secretary for four years, longer than anybody else.

Q: *Yes, particularly ARA, I notice from having interviewed some people, that it was like a revolving door. It sounded as if you were the only person really to hold it for a decade.*

RUBOTTOM: That's right. Loy Henderson called me up one day and said, "Dick" -- He was Deputy Under Secretary for Management, and I was Assistant Secretary -- "We're thinking about replacing Beaulac and sending him to the War College and we'd like to recommend you for the Embassy in Buenos Aires." I said, "That would be wonderful, Thank you very much." It was just that simple. I had worked out a very good arrangement with Dante Fascell over in the House Committee, who was the leading Latin Americanist, and with Wayne Morse, who was the leading Latin Americanist on the Foreign Relations Committee. So my confirmation was actually carried out while I was out of the country at the Foreign Ministers meeting at San Jose and I was sworn in as Ambassador in San Jose at that Embassy. I had gotten to know Argentina fairly well. I had traveled there several times after the overthrow of Peron in 1955. A lot of my attention as Assistant Secretary was devoted to Argentina coming out of that Peron period. In 1958 I had attended the inauguration of Frondizi as President, along with Vice President Nixon. I didn't know Frondizi well, but I had met him. I was happy to go there but I found the Argentines to be difficult to work with. Individually they are among the most charming people in the world but as a country they're difficult. I think that way back in their golden era from about 1880-1930, they saw themselves as rivals to the United States in the southern hemisphere. By this time they had come upon very hard times. Frankly, I didn't find it easy to forgive that they had been pro-Axis during World War II. I spent five years in the Navy, and during one of those years I was down there very close by and I knew some of the things that had been going on. Frondizi was a great hope for Argentina. He was second generation Italian, and about 40% of the population is Italian and 40% is Spanish in Argentina. He always had a problem though, and that was "Gris Eminente," his Grey Eminence, a man named Frigerio. Frigerio was not admired by most Argentines, particularly not trusted by the military because it was always thought that he had gone to Venezuela where Peron was living at the time of the election prior to May of 1958 and made a deal to deliver the Peronist vote to Frondizi. This undermined Frondizi's position in the minds of many of the knowledgeable people and it made Frigerio, who was seen as the instrument of this deal, even more suspect. So, I did not have any dealings with Frigerio and this hurt my relations with Frondizi. I think he expected the American Ambassador to deal with him as sort of an alter ego. I didn't do it.

Information Staff Officer
Maracaibo (1952-1955)

Deputy Chief of Mission
Caracas (1977-1980)

John J. Crowley, Jr. was born in New Mexico on February 10, 1928. He got his undergraduate degree from the University of West Virginia and his Master's degree from Columbia University. He joined the Foreign Service in 1952. He served in Maracaibo, Lima, Brussels, and Washington, DC where he was the desk officer to Venezuela. Later on, he served in Quito, Santo Domingo, and was Director of Northern European Affairs. He went back to Caracas as DCM and finally served as ambassador to Suriname. He was interviewed by Charles Stuart Kennedy on June 27, 1989.

Q: *What sort of work were you doing there in Maracaibo?*

CROWLEY: Another fellow and I opened the place. We received a shipment of about 3,000 books. We found a suitable site, and we went through the leasing procedure. We put the furniture in, and we went into business as the Biblioteca Bolivar Washington, which was open for about three years. Unfortunately, in a budget crunch it was decided to close it when I was leaving. But the books were all donated to the local university, and we felt that we'd gotten a good bit of mileage for the taxpayer out of our operation.

Q: *Had you had any sort of training at all, or did you just sort of drop into this?*

CROWLEY: In my Army service I had worked in public affairs and I was a writer for a magazine. That, combined with the fact that I had been teaching in a Spanish-speaking country in Puerto Rico, I think, is what convinced the people in the State Department to give me a chance as a public affairs assistant.

Q: *We're going to sort of move ahead, but did you get any impressions in how the United States was seen in Venezuela at the time?*

CROWLEY: One of the things that impressed me most in Venezuela was the fact that my first residence abroad, not counting Puerto Rico, which, of course, is part of the United States, was in a country which had quite a repressive dictatorship. And for the first time I realized in the flesh, so to speak, what it was like not to be able to have sources of information in a free press. We couldn't buy Time magazine, radio was censored, people were arrested arbitrarily, and it was a pretty tough regime.

We were blamed to some extent for that, because right in the midst of this dictatorship, the U.S. Government awarded a medal to the dictator, Marcos Pérez Jiménez, against the advice of some of the people in ARA. But nevertheless, it was done.

Q: *Do you have any idea what was behind this?*

CROWLEY: Well, it had to do with the feeling that he was a staunch opponent of communism, and I think also because we had then about three and a half billion dollars' worth of U.S. investment in the country.

Q: *We're talking about you were in Maracaibo from 1952 to 1954.*

CROWLEY: To '55. Well, this was my second experience with Venezuela. I was the desk officer for Venezuela for two years.

Q: *Was Pérez Jiménez still the ruler, or had he been ousted?*

CROWLEY: No. He had been ousted in '58. There had already been the presidency of Rómulo Bétancourt, and there was the second president of that same AD party, Raul Leoni. But it was the second democratically elected term. For the first time in the history of Venezuela, they had ever managed to have two democratic elections in a row.

Q: *One to another.*

CROWLEY: That's right. It was the same party, but then, of course, the next election they transitioned to the opposition party, which was the real test of whether democracy was going to stick there, and it did.

But the problems we had at that time had to do mainly with the oil market. The fact that we had at that point the program called the oil import program. We had oil imports limited on national security grounds that we should have more incentives to discover oil in this country. You could also make the other argument, of course, which was that we were draining out all of our reserves and not buying the foreign oil, but at that point, the administration came down on the first.

Q: *Was this a philosophic argument, or was this one of the local Texas interests and all this?*

CROWLEY: It was mainly the local interests, I think.

Q: *Was this time when the Venezuelans were told they couldn't send as much, yet Canada was getting a better deal. You know, it didn't make much sense.*

CROWLEY: You have a very good memory.

Q: *Well, I think it was Ambassador Bernbaum, or somebody who at one point was talking about this, and attributed it to Senator Humphrey and company.*

CROWLEY: Well, reportedly on national security grounds, they made an exception for both Canada and Mexico. It was called the overland exemption, and the rationale was that since both of these countries were contiguous to the U.S., they were more certain suppliers and, therefore, we should let their oil in without any quota. However, the thing that was laughable about it was that Mexico at that point had no oil to export. So we used to ship some Texas oil down there and

transship it back up so there would be some record of barrels of oil coming in.

Q: *Am I correct in saying this was a rationalization in order to allow our people along the northern upper tier of states, particularly Hubert Humphrey's Minnesota, to get their oil from Canada?*

CROWLEY: Sure. That was certainly a strong motive.

Q: *It was a political decision, internal one, but had major repercussions. Now, did the Venezuelans buy this at all?*

CROWLEY: They said, after all, they had been just as reliable suppliers as Canada, why should they be penalized? I must say, I was hard put to find argument.

Q: *This was one of the times you have to sort of learn a line and just keep repeating it, isn't it?*

CROWLEY: Yes, I'm afraid so.

That was one of our main areas of interest. The other was that they had an insurgency going on in Venezuela that was fomented by Castro, there was the great find of a large arms cache on the beach down there, which served as the basis for condemning Cuba for the first time in the OAS, and then later, for their suspension, when they ceased to be members. So that was a time-consuming and important activity.

Q: *Well, what did you do? I mean, here you are the desk officer for Venezuela. You saw Cuba seeing Venezuela as being a possible target, a possible weak spot, in which you could work. What did you do as the desk officer? I mean, was this just reporting, or were there things one could work with to try to stop this?*

CROWLEY: Well, one of the things we did at that point was, with the cooperation of the U.S. Navy, we did some aerial patrolling in the area off the Venezuelan coast, and suspicious vessels were reported and the information was given to the Venezuelans. I don't know that they ever caught anybody, but at least this was something we did.

It was difficult because the coast is, particularly between the Dutch Antilles and Venezuela, the waters are full of small boats, mostly smugglers, and it's the kind of boat you might use if you were going to haul in arms, you know. So it was very tough from the air for anyone to say what it might be. But anyway, the sightings were reported.

We also beefed up their military assistance. And, in fact, after I left the desk, the program that we started resulted in the formation of several ranger units in Venezuela, who were the ones who put the final coup de grâce to the insurgency.

Q: *At the time we obviously had a policy, but how did you personally see the Cuban threat? Did you feel that Venezuela was vulnerable, that Cuba might be able to do something, or not?*

CROWLEY: Well, in those days, we weren't too far from '58, which was the overthrow of Pérez Jiménez, it revealed a tremendous increase in the influence of the left wing there. They were never satisfied with the electoral process, and that's why a number of them decided to go into the bush and become guerrillas. It was widely known, for example, that we had many weekend guerrillas there. During the week, they were at the Central University, and the weekend, they put on their camisas and went out to fight -- yes, really -- so that we felt it didn't have any legitimate base. After all, it was one of the countries with the highest standard of living in Latin America, and you had a democratic government, you had a land reform program going on.

In fact, I remember one short anecdote where the guerrillas came into a mountain village and they came into recruit people, and they asked this campesino there if he would join them, and he said, "No."

And they said, "Why not?" And he showed them his little house. He had a big picture of Bétancourt, you know, Rómulo.

And he said, "Because we have Don Rómulo and we have the agrarian reform, that's why I'm not going with you."

But it not only failed because it was repressed, but it also failed because it didn't have roots in the country. It was mainly a kind of intellectual, radical program, of the stripe of the Tupamaros in Uruguay or revolutionaries in Argentina, but down there, of course, there was a tremendous discontent already which they were able to take advantage of which didn't exist in Venezuela. So I went to Caracas.

Q: *Pete Vaky is one of the well-known ambassadors. What was his operating style?*

CROWLEY: Well, Pete is a very scholarly kind of person, but I don't mean to limit him in that way. He, as you know, as far as I know, still doesn't have a Ph.D., but his ability has been recognized to the point that he teaches courses here in Georgetown and he's at the Carnegie Endowment. So he is a scholarly person.

He is also a surprisingly public kind of person. In other words, if you talk to him, you get the impression of someone who's rather reserved. But on the other hand, in a public setting, he is a marvelous speaker. I heard him give a speech in Spanish that I was -- you could have recorded it, and you would have thought you had a native speaker speaking, and I mean Latin oratory. You know, not carried to the absurdity, but moving, very, moving.

So he is a person of many talents, I think, who doesn't flaunt them as much as some other people. He's not flamboyant. He's very detailed. He was a faster typist than almost any secretary in the embassy. He would come in early in the morning and you would hear him tick, tick, tick, and he was typing up his schedule and notes for the day. He's not a person of very many hobbies. I think the only thing he likes to do besides work is the garden. He had nice flower beds around the residence there. His Spanish, as I say, is bilingual. He had good rapport with all the Latins, and he had good rapport with his staff.

Q: What role did you play as DCM? How were you used?

CROWLEY: Well, once again, I was mainly an insider. He told me again, as in Santo Domingo, to cultivate the senior people in the foreign office. Not the minister, of course, but the vice minister, and that turned out to be a pretty useful thing to have done, because this vice minister was one of these people who got his hands on the way things operated in the foreign ministry pretty fast.

I did some representation for him. You know, speaking engagements and things that he couldn't do, but it was mainly, again, inside work. We didn't have an AID mission, but we had several other agencies. We had the FBI there and we had the permanent IRS mission. We had the DEA, and we had a lot of kind of personnel turbulence, morale problems, because of the high crime rate there. We had a location that was when we put it there 20 years ago, out in the country, but Caracas has grown so fast that it's now on a big, heavily traveled street surrounded by shopping centers. Not a good area for security. We had a lot of muggings, purse snatchings, house-breakings and that kind of problem.

Q: *What do you do in a case like this?*

CROWLEY: Well, one thing we did, you know, we didn't have any hardship allowance there, and we doubted that we could justify it because the elements of hardship just weren't there. However, it seemed to me that people were sent into Caracas, some of them for three years without any leave, into a very expensive place, a place that had practically no recreational opportunities for kids. They had the most horrendous traffic outside of Calcutta, plus the security problem. It seemed to me they really needed to get out of there for a change.

So the security officer and I got together and, with his statistics, I wrote a telegram to the Department including all the problems we were having, water shortages, and all the things that contributed to bad morale, and then a listing of the number of incidents that affected our people in terms of being mugged, robbed and so on. And I sent it in and said that although -- with the ambassador's approval, of course -- although we were not applying for a hardship allowance, we were applying for authority for rest and recuperation (R&R), and lo and behold, the Department accepted it. So, where there had been no R&R before, that meant people on a three-year tour, at the end of a year and a half got their way paid home to Washington with their families. A single person could probably have done it on his own, but somebody with children could never. So that was one of the things that I took some satisfaction in, and it improved the morale.

Q: *You were saying you had contact at the foreign ministry at the vice ministerial level, and this was very profitable. How was this profitable?*

CROWLEY: For example, this is another inside case, but one of the children -- well, he was a young teenager -- of an employee of the embassy came down from the States and didn't realize that the culture was different down there and he wore long hair and looked a bit like what we would call a hippie. And he was picked up one night on suspicion of having drugs. I don't think he had drugs, but he had long hair, which was definitely not looked kindly on by the police.

So they locked him up, and when we tried to get him out the next day, this police chief was adamant. He wasn't going to let him out, and he didn't recognize his diplomatic immunity or anything. And so it was rapidly becoming a crisis because the employee's wife was frantic and he was saying, "If something isn't done, I'm calling my congressman." So we got the Vienna Convention out and showed the Venezuelans that it said in there that even though this -- of course, he was a dependent -- that he was immune from arrest. In other words, he didn't have total diplomatic immunity, but he was immune from being put in jail.

So I went over to the foreign office, and the vice minister then called in the head of the legal department, and he was shilly-shallying around, but I pointed out to him that they had actually incorporated the Vienna Convention into their own legislation and I asked if they were going to break their own laws? And the vice minister said, "Yeah, are we going to break our own law?" [Laughter] So the legal eagle guy said, "Well, I guess we'll have to do something." So they finally read the riot act to this police chief and got the boy out. That's a minor thing, but those are the little crises a DCM is often faced with.

Q: *Because something like this could get played up. How were relations with Venezuela during this period you were there?*

CROWLEY: Well, our relations were good, particularly with the party that's back in power now, the Acción Democrática. The main issue we had with them was that they nationalized all the U.S. oil company holdings there in '75 and had made only partial payment in compensation. And so we were under pressure from -- and it was reasonable -- to try to get the government to finally settle, because, you know as the lawyers say, justice delayed is justice denied, and so we pressed them on that quite a bit.

After the AD Party was defeated in the election of '78, then we didn't have such good relations....I was just saying that the Christian Democratic Party in Venezuela has always been more oriented toward that type of party in Europe, the French, the Italians, the Germans, the Belgians and so on, and they don't have the relations with the Republican Party in the U.S. that the AD has with the Democratic Party. And so, therefore, you could tell when they came in there was a slight distancing. We didn't have the same rapport with them.

But it was satisfactory. There weren't any great problems. I suppose the biggest problem that we had was that we, frankly, didn't really know much about what was happening at the end of Carlos Andrés Perez's term (that would have been through '77 and into '78) concerning the fact that he and Torrijos in Panama and the president of Costa Rica, whose name I forget, and a few others, were conspiring to send arms to the Sandinistas. And every time we got a report that this might be happening, we would go in and all these people denied it. "Oh, we'd never do that." Finally, some of these arms were actually observed in Panama, and one of our people there got some serial numbers and it was pretty clear that they had come out of things that we had sent earlier, many years earlier, to Venezuela.

I think that, in retrospect, we felt that we'd been had to some degree, and I think now, you know, Carlos Andres has shown in recent years that his faith in the Sandinistas was rather misplaced, because, when they had their first elections, he refused to go to the inauguration of the president

there because he said the elections were not fair. And now he's president of Venezuela again, Carlos Andrés Perez. He has also held them pretty much in arms length. But at the time, these people were so anti-Somoza that they were somewhat blinded to what was going to happen once Somoza fell and there was a vacuum. There was only one group that was going to come in and take over, and it did.

Q: *How about the Panama Canal business at that time? Did that give us a shot in the arm as far as relations in that part of Latin America? This was during the time when President Carter had -- we gave up our control over the Panama Canal.*

CROWLEY: It raised our stock, I think, all over Latin America -- I saw in Venezuela that they were very pleased. In fact, I remember President Pérez saying one time, "If you keep doing this, there won't be any issues for the leftists to come out and riot about." [Laughter] "Your behavior will become too perfect."

Q: *How about the oil problem? Had that been pretty well solved?*

CROWLEY: That's been solved since then, yes. The other major experience I had there was, you know, as they say, if you ask an ambassador what are the worst things that could happen to him, one of the stock answers is if you had an attack on your embassy and some of your people were injured, that would be terrible. Second, if Washington suddenly did a big flip-flop in policy and left you hanging in the end of the limb, and the third thing is if you have a presidential visit. Well, that's a disaster, also.

I was the control officer for the Carter visit which took place there in -- what was it -- '79. And I must say, that was a rather traumatic experience dealing with the hordes of advance people who came down, the Secret Service, who didn't care about anybody except the president and his immediate family, and the rest of the arrangements, they couldn't care less about, the local officials who thought they were being pushed around by these Americans. It was a major undertaking. And after we got them through that, in a few more months then Vice President Mondale decided to come with his wife. So we had more than the usual exposure. [Laughter]

Q: *There's a Foreign Service saying, "One presidential visit is the equivalent to two earthquakes." [Laughter]*

CROWLEY: I would endorse that.

WALTER J. SILVA
Vice Consul
Maracaibo (1955-1957)

Walter J. Silva was born in Plymouth, Massachusetts in 1925. He served in the US Army in World War II and attended Harvard University. His career has included positions in countries such as Panama, West Africa, Venezuela,

Lebanon, Greece, and Italy. He was interviewed by Charles Stuart Kennedy on January 23, 1995.

SILVA: After we were married I was informed that I was being transferred to Venezuela. I complained that it might interfere with my taking the Exam only to be told that the exam was not being given overseas that year, that I could try getting it next time in Venezuela. So I went off to Maracaibo, with the understanding that since I was intent on taking the exam anyway, I would be given an appointment as a staff vice consul, which was then rather common, nowadays very uncommon. I've still got the document, signed by John Foster Dulles. I was the vice consul there, no training, issued visas and passports, looked after dead Americans, the rare tourist, did everything. It was a three-man consulate, a Consul, me and Mary, and, oh yes, two CIA types. Mary was the secretary, code clerk, file clerk, she was the entire staff except for the Venezuelans. There were, again, one or two bits of excitement in my two and a half years at the post, murders...

Q: How did you deal with these things, say on a murder, with the Venezuelan government?

SILVA: It was very difficult to deal with the Venezuelan government on anything at the time. This was the period of the dictator Perez Jimenez, Maracaibo was the capital of the state of Zulia and it was run by the military. The governor of the state was a real despot. Once the Consul was going to drive to Caracas, which was an adventurous kind of undertaking, and went though one of the roadblocks outside of town. He didn't stop because there seemed to be no one around. But a soldier stepped from behind a tree and fired a shot through the rear window of the car. He must have been able to see the consular license plate and the American flag on the fender but that may have been a further incentive. It was that kind of a place. The police once informed me that they had in custody (now unfortunately dead) an American tool pusher for one of the oil companies, Creole (which was Standard Oil of Venezuela). His body was in the morgue. According to the police he had been beaten up and robbed in a bar. He was taken to jail and he died in jail. I was called down to the morgue, which was a very primitive place, with the sickening smell of death, to identify the man because he looked like he might be a gringo. (Finally, checking the three locally established oil companies for missing persons and checking the photos in our passport files we were able to identify him. The body was in terrible shape, bruises scrapes and cuts all over. One of the other prisoners in the jail, who was a little flaky, said he had seen the American beaten to death in the cell by the police. They were trying to find out where he hid his money or something. Our complaints went absolutely nowhere. The police would never admit it. I tried to get the Embassy in Caracas to begin with a loud protest and work up from there to working over the Venezuelan Ambassador in Washington. But our Ambassador in Caracas would do nothing though the Embassy agreed it probably was a case of murder by the Venezuelan authorities. The dead American had no relatives in the U.S. to make a fuss on his behalf, his employer was more interested in the untroubled exploitation of its oil concessions and his own government did not want to take on another of the two bit dictatorships we were in bed with. It turned out that this guy owned over a million dollars (this is 1954) in company stock. He had been buying stock in Standard Oil for 20 years. And he probably did have a lot of money on him when the police arrested him, but it was gone.

It was an interesting post. We had a lot of Italians on the visa waiting list because then persons

from Latin America did not need immigration visas to come to the United States. It was looked upon at the time by Italians of a certain level of education, as being a stepping stone to the United States. There were no quotas for Latin Americans. So these Italians assumed that taking up residence in Venezuela conferred some sort of privileged status. As a result we had this enormous waiting list, tens of thousands of Italians had settled in Venezuela, and it seemed most of them were on my waiting list. Many would come in regularly to wheedle, beg, threaten...one once emptied a bag of gold coins on my desk and asked -- "How much do you need?" It was sad but sometimes fun.

There in Maracaibo I took the exam, finally. And, I passed. The Department had announced that oral examinations would be given at selected Embassies abroad. I guessed Paris, London, and Rome if the examiners had a choice. But Caracas was included. It turned out they couldn't do it that year, budgetary problems. So I asked whether I could wait and take orals the following year on home leave. I was told I'd have to take the written exam again the next year. So I said "Well, how do I do it this year?" "Well, you can always come to Washington." So I paid my way from Venezuela to Washington, I passed the orals, and then I went back...

Q: How did you find the orals, by the way.

SILVA: Fascinating, just fascinating. It took a long time, a very distinguished group... Herbert Failes, he was the Department's premier economist at that time... Walter somebody who was Ambassador to the Netherlands, and a third ambassador, all three very distinguished members of the Service who continued distinguished careers afterwards. Unlike what we're doing today, which is dumping unassignables and failures on the Board of Examiners. At any rate the exam was fascinating. I was sure that I had flunked. I was surprised that I had passed, because Failes kept after me on economics--name the cities of the Hanseatic League. I told him I knew what the Hanse was, but I couldn't remember the cities. I said I didn't think it was important anyway because it no longer exists. Then he said, okay, then tell me about the Saint Lawrence seaway, which was then very much in the news. Name the American cities that will benefit most from the opening of the seaway. I said "Is it coming to the States?" He thought I had a certain flippant contempt for economics, which I did at the time, and he was very unhappy, but he was occasionally amused. Anyway, I went back to Maracaibo, a couple of months later we went to the States on home leave and I was informed that I was on the register and would be appointed sometime in the future. They were kind, but unable to be very specific about the appointment. I was to be transferred to Naples to work on the refugee program.

ROBERT C. AMERSON
Press Attaché, USIS
Caracas (1955-1957)

Robert C. Amerson was born in South Dakota on June 12, 1925. He earned a bachelor's degree from Macalester College in 1950. He joined the Foreign Service in 1955. He served in Caracas and Rome as a Press Attaché and then in Bogota, Madrid, and Rome as USIS Director. He was the Public Affair Advisor to

the Latin American Bureau and Assistant Director to USIS for Latin America. He retired in 1979 after 24 years of service. He was interviewed by Allen Hansen.

Q: Caracas was your first assignment. Can you tell us some of your impressions of Caracas in those days and how your new job differed from your old one with General Mills?

AMERSON: Well, there were parallels and there were differences. Some differences, first: My wife, Nancy, and I and our baby Jane, six months old at the time, took ourselves out of Minnesota, came to Washington for two months of training during the hot summer of 1955, got on an airplane; a motor went out and we had to return to New York to repair that. We finally arrived in Caracas at two o'clock in the morning. And long and behold, the man waiting for us at the airport was my new boss, George Butler by name, the PAO in Caracas. That was our introduction, really, to the extended family concept that USIS and the foreign service in general became for us.

So that was the first difference, living overseas in a foreign country. I had been in other foreign countries before but never with a family and never with a job. There were some interesting perspectives in cross-cultural communications, the need to know Spanish. And by the way, I must point out that nobody tested me in Spanish before I took off for this job where Spanish was an absolute requirement. I guess they took my word for it. Perhaps I had an honest face in those days, I don't know. But it's a mark of the early lack of professionalism, I think, in our organization that nobody took the trouble to make sure this guy could communicate in the language he would need to use.

Q: And you hadn't studied Spanish before then.

AMERSON: As it happened I'd minored in Spanish in college and I'd spent a summer in Mexico. Languages have always been a sort of a hobby anyway. And in fact while I was in Venezuela I learned Italian pretty well just because it gave me pleasure, as the saying goes. But that's another story.

There were some interesting experiences getting adjusted to the new life of foreign service. I suppose they're so common to all of us in our experience that they're hardly worth recounting here. But it was pleasurable learning about the new life in a setting that was certainly unique and for us very positive. For one thing the climate, as you well know -- eternal spring every day of the year. That for a mid-westerner was not too hard to take.

Q: I recall, because I was with you in Caracas in those days, that you were amazed at the receptivity of the Venezuelan press, regarding the USIS releases. I guess when you were in private industry the Public Relations Department of General Mills didn't always make the front pages.

AMERSON: That's a fairly accurate statement, all right. We'd send out press releases that would make the business pages of the Minneapolis newspapers and the trade press perhaps. But that's the nature of industrial public relations. So to contrast that with what I found you guys had already established, and which I carried on after arrival in Caracas, was a major jump into a

different league. Because there we were, as you well know, writing political columns, writing cultural columns that appeared under our fictitious bylines, in some of the most prestigious and widest-circulation papers in the country. We were broadcasting political commentary five minutes a day, everyday, five days a week over one of the main radio stations. We had a half hour of international review with a hard-hitting international story line -- a dramatic show, anti-communist for the most part, and pro-U.S. obviously. So we were in the meat and substance of propaganda, if you will, and making quite a difference in what people of Caracas, of Venezuela could read and hear. Television came later.

Q: Right. You and George Butler were very much involved in initiating a television program.

AMERSON: Oh, indeed so. George Butler had many gifts of special abilities. One of the early technological whiz kids, as you know. He already had experience in television, and parenthetically in music -- played the electric guitar like nobody else I'd ever sat next to before. So these talents were parlayed along with his professional USIS interests into exploiting this new medium called television. About late '55 or early '56 we decided to create a USIS television series. He really did the legwork on it; I was his assistant and later took it over. But he conceived the idea: "Venezuela Looks Towards its Future" -- "Venezuela Mira Su Futuro."

We engaged the services of the top star of radio and television entertainment, Renny Ottolina, who also worked for us in that international radio review I was talking about, as the narrator and producer. This was a natural thing for Renny. His friendly attitude regarding the United States was genuine - all television people really were oriented towards the USA because so much of what they had to learn came from the north - his self-taught English included American slang; he didn't mind being called "the Dave Garroway of Venezuela."

So we began this program. The format of it was that Renny, as the narrator and interviewer, would be talking with an invited guest each time. And the purpose of the thing was to demonstrate to the television audiences how much Venezuela and the United States shared in history, in present outlook, in what we had to work for together towards the future, in various fields.

Q: It was a weekly program?

AMERSON: Weekly program Saturday nights. So my weekends were shot. But what was unique about this program was that George, because of his technical capability, was also the first director. When I say director that means he was the guy who sat down initially behind the switches up in the control booth and told the cameras what to do, using English expressions, as in American TV stations: dolly in, dolly back, and so forth. He taught me how to do all this, of course. Fade the images. So he ran the two cameras in the studio in addition to putting the show together. I took over from him when he left the post -- I think that was in '56 -- and it was a good success right up through the revolution, even, which came about two years later.

Q: I want to ask you about that in a minute. George Rylance replaced George Butler?

AMERSON: No, Harry Casler was the man who replaced Butler as PAO. George Rylance came

to his first post also in Venezuela. George and Betty and my wife and I and Harry and Rosemary Casler, became close friends: we really liked each other and we shared so many significant experiences. We were all there through this revolution which we're going to talk about.

Q: When you first arrived it was really the heyday of the Pérez Jiménez regime, wasn't it? Would you comment about the government situation in Venezuela at that time?

AMERSON: Sure. Venezuela was known mainly by North Americans who followed Latin American affairs as the boom country: petroleum was, in a word, the reason for its economically robust condition. There was a very high level of American investment in Venezuela - something close to $3 billion - mostly in the strategically important oil industry. Protecting those oil and U.S. business interests, working for stability in this government, were keystones of U.S. policy towards Venezuela.

Well, I'd never really lived in a military dictatorship before. I'd visited countries under this kind of rule, but to work with local media, as the Information Officer is required to do, to watch government pressure and censorship in action, was by itself quite an education. We observed all of this through '55, '56, '57 as the tensions grew and the frustrations mounted among the journalists. Over that time, naturally, through personal contacts with media people, we built up a lot of friendships and confidences. Others in the Embassy were building similar personal relationships - in labor, the church, political groups. And so when things finally exploded these contacts paid off in a handsome way for us at the Embassy because we were then close to people who were in the opposition and about to take charge.

Q: Was the Nixon visit before Pérez Jiménez left or after?

AMERSON: No, if the Nixon visit had come while Pérez Jiménez was in power there wouldn't have been any problems, because the regime had means to control political demonstrations. Vice President Nixon's "good-will tour" around Latin America came about three months after the revolution, when Venezuela was still coming out of chaos. The police had disappeared when Pérez Jiménez fled the country.

The sequence was something like this: In January of 1958 the people, in effect - specifically, clandestine political movements and dissident elements within the military - rose up against Pérez Jiménez, because of corruption, because of widespread dissatisfaction under a regime where civil rights were restricted, where political prisoners were tortured. Everybody knew of something that they could blame the Pérez Jiménez regime for. He'd been in power, this tubby little colonel, for more than five years, talking about "economic democracy" - his regime was going to make the Venezuelans prosperous and happy by building roads and hotels on top of mountains, stuff like that.

Q: There was a lot going on economically.

AMERSON: No question about it. They had an ambitious building program much of which was impressive, some of which was ill-conceived. The famous superbloques, for instance. These superbloque buildings in the poor areas at the edge of the city were designed to house needy

people in a low-cost but rather flamboyant and showy way, moving them out of the hillside ghettos into big blocks of 12-story apartment buildings. Sometimes this didn't work because many of those people displaced from the hillsides really would have preferred to remain in their little shacks at ground level where they could keep some chickens and grow a garden. And they didn't know what to do about those high-rise apartment buildings where you had running water until the plumbing broke, and were expected to keep things clean. You had to give the regime some credit for trying. But it was not always well conceived.

Q: Before the Nixon visit, then, Pérez Jiménez was overthrown.

AMERSON: He was overthrown, and one of the moments in my own life that I'll never forget was the day he left. Because for nearly three weeks there had been ferment and tensions and people in the streets, riots and buses being burned, airplanes strafing the presidential palace, that kind of thing. And eventually it became clear that even though he'd gotten rid of his hated secret police chief -- remember the smooth, oily, Pedro Estrada? -- and some of the other military people as symbols, this wasn't going to be enough. He would have to leave too. Our house was located, as you'll remember, not very far from a small airport in the city.

Q: La Carlota.

AMERSON: La Carlota, right. Harry Casler, my PAO at the time, called me about 2:00 a.m. to say he'd been informed by some of the politicos that we might soon hear the roar of the DC-4 that is carrying Pérez Jiménez out of this country. Literally at that moment, we listened outside: an airplane was taking off. Goodbye, dictator, never to be seen again - we thought.

So he was gone and there was noisy jubilation in the streets the next morning. The national security secret police headquarters was sacked and burned. And the police disappeared because they were symbols of the hated regime as well. For the two or three days there was tension and potential chaos. But the Boy Scouts ran the traffic and people complied. There was looting of some of the houses of the regime officials, but not widespread violence. They conducted themselves very well, the Venezuelans.

Q: And television now was used, was it not, by the new government headed by Admiral Wolfgang Larrazabal?

AMERSON: Television was probably used but it was not a major tool. Radio probably still had more political impact. In fact I can almost hear those voices now as we're talking, those strident voices we listened to during the first days of the revolution, over the rebel radio. "Venezolanos, a la calle -- let's go out to the street!" You know, the call for revolution. Those sounds remain with one forever. Another sound of the revolution was honking of automobile horns -- in jubilation, and especially symbolic because horns had been forbidden by the Pérez Jiménez regime.

So there was a feeling of great release generally, and considerable satisfaction on my part as well. The day after the revolution one of my press contacts who had been involved with some of the underground political activities came in wearing a beret, bleary eyed after no sleep, with a two-day growth of beard, and said, "See, I told you so! Here's what we've done!" Of course, it

was very important for them that the American government soon recognize the revolutionary forces, and the role of the American Embassy was important. Because there were several journalists involved in this underground movement I found myself involved in political communications for a while more than normal press attaché work.

Q: And Venezuelans have had freely elected governments ever since I think, haven't they?

AMERSON: Venezuela has since that moment indeed maintained a democratic base. I was talking with a couple of former Embassy colleagues the other day about that. We concluded that we the Embassy at that time had a good team of solid people there and maybe contributed something to that base. Certainly we gave encouragement to the right people.

Q: Then some months later Vice President Nixon came, which almost turned into a tragedy.

AMERSON: That's right. The revolution was in January; he came in May. And the reason it became a problem was because of the still-unsettled nature of the country. Of course it's a given in Latin America that there's going to be some general resentment about having to live in the shadow of Uncle Sam, whose every move can make a difference in the lives of his smaller neighbors.

But now there were some specifics as well. Strong nationalist feeling about the United States over the years having cozied up to Pérez Jiménez, having in fact awarded him a few weeks earlier a special official honor. This was part of the Administration's policy -- maintaining stability, keeping the oil flowing, supporting U.S. investments and so forth. But the idea of officially honoring a military dictator was poorly thought through, because the popular resentment against the U.S. thus created was just enormous. That plus the fact that Pérez Jiménez by this time had sought and been awarded exile in Miami. So we were harboring their former dictator as well as Pedro Estrada, his hated secret-police chief. All of these emotional things were causing heated resentment.

But the main factor that produced impact and danger during the Nixon visit was, in a word, agitation -- professional planning and organization led, naturally, by the communist party of Venezuela which had been prohibited under the dictatorship functioned as part of the underground resistance, and had emerged as national heroes, to many. And they had effective anti-American material to work with. Besides the U.S. award and then exile for the dictator, as mentioned a moment ago, there as the matter of a letter written by a former American ambassador -- a professional FSO. He'd been a very good ambassador, but he had indiscreetly written right after Christmas a Holidays greeting to the secret-police chief, something to the effect that, with reference to an abortive revolution attempt, "I see you've had a little problem there, but I expect you boys are taking care of it. . ."

Well, this letter then was discovered by opposition forces when they wrecked secret police headquarters, and they held it as a bit of condemning evidence about American complicity with Pérez Jiménez. It was published in the new Communist newspaper -- the edition just before the Nixon visit, showing a full-page photo of the VP, retouched to give him sharp, animal teeth.

So by the time Nixon arrived there was a good deal of primitive political passion among certain elements, and some doubt within the Embassy as to whether this visit was a wise idea. But the decision was made: we should not back down now, especially in the face of Nixon's problem a few days earlier in Lima, San Marcos University, where he'd had some adversarial and highly publicized confrontations with students.

So he and Mrs. Nixon arrived as scheduled on their special U.S. Air Force plane. What images this recalls, for anyone who was there at the airport! Who can forget the sight of those crowds that had been bused down by the professional agitators and organizers, the banners that had been printed up for it, their stationing themselves in the balcony above where the Nixons and the official party had to pass. This arrangement allowed the demonstrators to throw things down, shout epithets and even spit on the visiting Vice President and his wife. This agitation escalated into a major security problem by the time the motorcade reached the city and could have cost lives -- including those in the Nixon party.

Fortunately, in that mob scene, the cars did not turn over. They were badly beaten upon and dented, windows smashed, spittle all over them. They were a sight to behold! (I was just looking at a Life Magazine of that time a couple of days ago and it brings back the realities.) The official Nixon party finally took refuge in the American Ambassador's residence.

Q: They had to go all through town then.

AMERSON: That's right. They canceled plans to lay a wreath at Simon Bolivar's tomb at the Pantheon; because the assistant naval attaché who'd been sent there with the wreath to give to Nixon had been attacked, in a sense, and the wreath taken from him, torn to shreds. There was such a well-organized mob around the Pantheon, that it was decided on the spot the Nixon party would not stop there but would go directly to the American Ambassador's residence. Well, they made it safely. Some felt concern, even, that the Embassy residence might be attacked, but that was never a real likelihood. There was a question as to whether the VP should give a press conference; this he did, and he conducted himself with great dignity. He's never been higher in my esteem than he was at that moment, speaking with such reserve and calm about it not being easy to see one's wife being spit upon, and that kind of thing. But still statesmanlike in his reaction although he was obviously seething beneath it all. So I gained some respect for the political leadership of Richard M. Nixon that day.

Q: Is there anything else you'd like to comment about with regard to your first assignment in Venezuela?

AMERSON: Well, we could talk for three days about that first assignment in Venezuela -- four years, first post, Venezuela's revolution and the Nixon visit and all the policy implications of that. But I guess we have other lives to live. So we might as well move along.

ROBERT S. DILLON
Consular Officer

Puerto La Cruz (1955-1957)

Robert S. Dillon was born in Chicago but grew up in Washington, DC. He went to Lee University in Lexington, Virginia. After his first year, he went into the Army for eighteen months. After his discharge, he transferred to Duke University where he graduated in 1951. He entered the Foreign Service in February 1956. He served in Venezuela; then Turkey a number of times; Washington, DC; the NATO War College; Malaysia; Egypt; and as ambassador to Lebanon. Finally, in Austria, he became the UNRWA Commissioner General. He retired in 1987. He was interviewed by Charles Stuart Kennedy on May 17, 1990.

DILLON: I was assigned to Puerto La Cruz, Venezuela where we had a small consulate (in Eastern Venezuela). I had never heard of Puerto La Cruz. I remember that when Max Krebs handed out the assignments slips to our class, everyone seemed to get an interesting assignment except me. I asked him where the post was. He admitted he did not know! We soon discovered where it was and off I went. This was a clear case of the "grass being always greener on the other side of the fence"; I was convinced that I had been given the worst assignment. In fact, I accomplished my objectives. In a few months, when I retook the language exam, I passed it and my Spanish was generally acceptable (depending in part on the subject matter).

In the Consulate, which did a lot of the traditional consular work, I did some reporting which was what interested me. People coming to visit the Consulate would probably have thought that I was fluent in Spanish. John Mullin, the other Vice-Consul and I were fluent on some subjects. The trouble was that we would periodically be drawn into discussions on other subjects where our vocabulary was inadequate and then our language weaknesses were exposed. The Consulate officers consisted of John and myself, and the consul Ernie Gutierrez -- an old time and very knowledgeable consular officer who had spent his career in Latin America. His wife was from Ecuador and both were bilingual and very much at home in the Latin culture. Puerto La Cruz was very difficult. It was a hardship post and deserved that designation fully. During the few months I was there with Gutierrez and Mullin, (and after my wife and three children arrived), it was a rather a happy post. Gutierrez was a relaxed and confident officer, who was willing to spend some time with a newcomer to the area, trying to teach him something about Latin America and consular work. John was a wonderful young man whose company I enjoyed thoroughly.

After about three months, Gutierrez was transferred. We had an *interregnum* for probably two months. John Mullin became the acting principal officer -- he had been in the Service six months longer than I. He took hold of the ship in an acceptable fashion under the circumstances. We also had a couple of staff officers at the post; I think we managed to get by all right. We certainly tried very hard.

It was during this period that we were inspected by Henry Stebbins. He was a seasoned officer who later became Ambassador in Nepal and Uganda. Much later he disappeared from a ship in the Atlantic under mysterious circumstances. Stebbins was very bright and very nice. He arrived in Puerto La Cruz, took one look at the appalling living conditions and another look at the work we were trying to do. Instead of conducting a conventional inspection, he rolled up his sleeves and for five days worked along side us trying to improve our operations, both consular and

administrative. He was very supportive; for better or worse, he seemed to have liked John and me. We had dinner together every night and he became a colleague although Henry Stebbins was 25-30 years older. We never discussed the inspection report nor the individual reports on each FSO that inspectors were supposed to write in those days. Later, I was pleased to see glowing reports on John Mullin and myself and on the post in general. That turned out to be every important to me, although I had no way of knowing at the time what importance these reports would have. After the *interregnum* the new Principal Officer arrived. He had come from Germany where he had been a communications supply officer in the military at the end of the War. He had remained in Germany and upon discharge from the Army, had joined the Mission in Berlin as a consular clerk and eventually became integrated into the Foreign Service. He had a German wife. Their first assignment outside Germany was Puerto La Cruz, Venezuela.

I think it is fair to say that he did not like Eastern Venezuela. From Germany to Eastern Venezuela was just too abrupt a change. So he was very unhappy. He resented very much that Mullin and I were typical junior Foreign Service officers; we were positive about everything -- perhaps unrealistically so. We had all the enthusiasm of youth; he was at least ten years older. He had had two years of college and was hoping to become an engineer until the Army took him during World War II. But he always retained some of the qualities of an engineer -- he kept a slide-rule with him at all times, for example. In the Army, he had risen to the rank of Major. So he didn't have a formal education in liberal arts or a practical one in foreign affairs. He was by then an FSO-6. You will recall that once upon a time, FSO-6 was the entrance grade, then it got shifted back to FSO-8. This man who had to work his way back to FSO-6 probably resented that John and I were only one grade below him, but ten years his junior. In plain English, he didn't like us. So there were tremendous tensions in the office, which got so bad that Mullin had to go on TDY to Maracaibo just to get him away from the consul. That may have saved his sanity, but it left me alone with the consul. That association finally culminated in a miserable efficiency report. It was the kind that normally gets officers selected out. I am sure that was his intention because he said quite clearly that I was not suited for the Foreign Service. Had it not been for Stebbins' inspection report that had been placed in my personnel file, I think my career would have been over right then and there.

Q: *That was of course one of the main functions of the Inspection Corps in those days. There were a lot of tensions particularly between those officers who had been promoted from the Staff Corps and those who had entered through the examination route. The two groups had different educational backgrounds, different outlooks, etc. It was endemic to the system.*

DILLON: One of the results of this experience is that throughout my career I have had a positive view of the Inspection Corps. For some reason, I have almost always benefitted from inspections, although nothing like the first one. Stebbins was so good, in terms of intelligence, experience and wisdom, that he gave both Mullin and myself a very positive view of the Foreign Service's senior officers. Today, if you are in a small post, you are most likely to be in constant contact with the Embassy or Washington by telephone or cable. In the 1950s, that was not the case. We had no contact with the outside world. Even Caracas was another world. Occasionally, you might get to Caracas to carry a pouch. Long distance telephone calls were not made; to make one was considered a major event. Classified communications meant laborious encoding on a one time pad for a telegram sent through commercial channels. Occasionally, a member of the

Embassy's Political Section would come through Puerto La Cruz and he would be interested in talking to us about what was going on. We were always impressed with such a political officer; the Embassy seemed so distant. We felt very isolated. The Consul did not encourage any communication with the "outside world". So seeing an Embassy representative, who might drop by every couple of months, and Stebbins, who spent five days with us, was all we saw of the Foreign Service. Fortunately, it was a very positive view because had we seen the Foreign Service only as represented by our Principal Officer, we would have been quite negative.

Q: *How did you, at this stage in your career, view the Bureau of American Republics Affairs (ARA)?*

DILLON: I didn't really like ARA. That was probably very unfair and probably went back to my feeling, tinged heavily with unrealism, that ARA was not in the mainstream and that there were a lot of other places in the world much more important -- Cairo, Beirut, Berlin, etc. I felt we were stuck in another world. A lot of ARA people spent their whole careers in Latin America. I didn't want to follow in their steps. I was alarmed when a well-meaning Embassy political officer said to me one day that he thought that I was doing well and I might be transferred to the Political Section in Caracas after my two years in Puerto La Cruz. I thought that certainly would be an improvement, but not what I wanted really to do. So yes, I was quite negative about the region. I also felt in general that the ARA crowd was politically very conservative. I would say that most of my colleagues -- that is Foreign Service officers of my age -- viewed ourselves as "liberals". "Liberal" in those days meant fairly mainstream politics. We had an essentially liberal orientation despite the Cold War and the strong anti-communist and anti-Soviet views which we all shared. But the ARA people seemed to me very much wedded to the existing power structure in the countries to which they were assigned. They had become accustomed to the chasms in the societies. This was before the days when the Catholic Church took up the "revolution liberation theology" and social activism. The Church was very conservative and very much opposed to change. Within the Venezuelan Church, there was a split between the priests who were of Italian background and those who were natives. In very oversimplified terms, the Italians were rather "liberal" and concerned about social issues while the Venezuelan hierarchy was very much wedded to the existing order. It seemed to us and our worm's eye view that the senior officers in ARA were too supportive of the *status quo*. I didn't really want to be part of that.

You have to remember that these were the days when Pérez Jiménez was the Venezuelan dictator. If there was ever a country in the hands of criminals, it was Venezuela in the Pérez Jiménez period. You could literally say that the good guys were in jail and the crooks were walking the streets.

There was no professional pouch service between Puerto La Cruz and Caracas so that every few months each American officer had the opportunity to escort the pouch. One time, when it was my turn, I took the pouch and spent most of my time with the officer in charge of the consular section. He was a very nice man and was our nominal supervisor. I also made a quick visit to the political section for a brief debriefing. During this time, I was introduced to the Station Chief -- the head of the CIA contingent in the Embassy. He was interested in knowing what was going on in our province. During our conversation, I found out that he had been an FBI agent in Latin America during the war. As opposed to any other part of the world, in Latin American the

Bureau had been given responsibility for intelligence and counter-intelligence -- foreign intelligence work that in other parts of the world had been given to OSS or other agencies. The Station Chief was a man in his mid-40s; he appeared to me to have a "cop" mentality. His job was to run intelligence operations and to collect information for his country, but he sat there talking like a policeman whose job was to keep rowdy folks from doing bad things. I was greatly unimpressed with that approach and it reinforced my view that the bureaucrats assigned to Latin America had their eye on the wrong ball. That may have been unfair to my State Department colleagues and others, but that was my impression at the time.

The Embassy, with the exception of a couple of the political officers, found it difficult to believe that anything would happen to undermine the current Venezuelan regime. The head of the *Securidad Nacional*, Pedro Estrada -- an awful man -- (a very repressive organization run by bright and ruthless man) was widely quoted by the Ambassador as if he were the fountain of all wisdom and the source of all information. He undoubtedly knew a lot, but in the Oriente and I suspect in other parts of Venezuela as well, Estrada was considered a monster and a symbol for most Venezuelans of all that was wrong in the country. I was very uncomfortable with that situation although it would be a great exaggeration to suggest that I predicted that the Pérez Jiménez regime would fall in January 1958.

Before the final blow, there had been periodic small coup attempts by low level military groups, all of which were quickly suppressed. In January 1958, something new and different happened; strong anti-regime feelings developed in the military in the Oriente. The coup in January was closer to a genuine revolution than previous coups. All of a sudden the streets of Puerto La Cruz were filled with machete-waiving peasants; the atmosphere became very tense and dangerous. There were three armed organizations at the time: a) the regular army, b) *La Guardia Nacional*, which was created as sort of a balance to the regular army and c) the *Securidad Nacional.*

The army sat back and watched the peasants assault *Securidad* headquarters. When it was clear that the peasants and the workmen were not about to give up, the army joined them. *La Guardia Nacional* stayed in its barracks and never made a move. *Securidad* headquarters was assaulted; the *Securidad* men fled their building and were torn apart by the crowds in the street. Some were hung on lamp-poles. The hatred and the anger against these men was overwhelming. I am sure similar events have occurred in other places, but we had a personal and close view of the violence and it has always stuck in my memory. There was also a lot of anti-Italian feeling which was ironic, because the Italian immigrants appeared to me to have brought a lot of needed skills and indeed some had brought fairly liberal political concepts. But they were resented, partly because the aristocratic Italian Ambassador had been stupid enough to identify himself very closely with the current regime. So the Italian immigrants became endangered. On the road from Puerto La Cruz to El Tigre, which was 50-60 miles south, an Italian puppet was hung on every telephone pole. It was a very brutal affair.

While all this was going on, the American Consul sat in the vault of the American Consulate and reformed the passport files. In the meantime, Mullin and I were out in the streets, doing what we could because we were very concerned about the safety of American citizens. We had many in our district. There were some nasty incidents in which some American oil workers were seized and beaten with machetes. We did what we could to help those Americans. One reason I have

such a vivid memory of those days is because in the damaging efficiency report to which I referred earlier, the Consul stated that he had asked me to reform the passport files and that I had never gotten around to doing it and that therefore he had to do it himself.

The revolution succeeded and ended ten years of military dictatorship, starting Venezuela down the path of a fairly democratic regime. Romulo Betancourt, who had been ousted ten years earlier and had been exiled to Mexico and Puerto Rico, became President. During his time in P.R., he became well acquainted with and influenced by Muñoz Marin, an American and a leading figure in Puerto Rico who became Betancourt's mentor. I was not present at Betancourt's return, but it must have been quite an event. It had been illegal to even mention his name in Venezuela. He flew into Caracas very shortly after Pérez Jiménez' fall -- the whole government collapsed in a few days after the beginning of the revolution. Half a million people greeted him at the airport. After being a person non-grata for ten years, all of these people showed up at the airport alerted by word-of-mouth.

Q: *What was going on in the American Consulate while all hell was breaking loose on the streets? Were there contacts with the Embassy?*

DILLON: There was no contact with the Embassy. The staff was very busy; the contacts should have been made by the Principal Officer. In fact, he never called; he never sent a telegram; he just sat.

What we did to protect Americans was essentially to go to the *Guardia Nacional* headquarters to demand protection for our citizens. We had no leverage except the prestige of the United States. You put on coat and tie for the occasion, stuff some Vice-Consul calling cards in your pocket, which we dropped on the desk of the Commander of the *Guardia Nacional* unit in Puerto La Cruz. We demanded protection for our citizens and cited various flagrant violations of law and order. We pretended to represent the President of the United States and in fact our bluff worked. The *Guardia* did provide protection to the Americans in our district. There was one oil engineer that concerned me particularly because he had been seized by a group of the revolutionaries and was being held hostage. The *Guardia* effected his release without much of a struggle, as I remember it.

The Americans in the oil installations took whatever protective measures they could and stayed in their homes. We pleaded with all Americans to stay off the streets, which most did. Fortunately, Americans were not a particular target; we were apprehensive, of course, but we didn't have the feeling at the time that the people's anger would be turned against us. Despite the Embassy's closeness to the Pérez Jiménez regime, in Puerto La Cruz, at least, that did not seem to me a major factor. Furthermore, the people's anger against the Italians may have diffused any anti-American feeling. For unknown reasons, the Italian Ambassador, who was a titled individual -- a Count or something -- had very foolishly permitted himself to be publicly associated with Pérez Jiménez and Estrada, in the few weeks before the revolution. So the crowd's fury was very much directed against the Italians, even though a dispassionate analyst might have reached the conclusion that the American government was much more supportive of the military regime than the Italians were. There may have been one or two anti-American incidents in Maracaibo and several in the Oriente -- Americans being beaten -- but there was no

major outbreak. We were of course shocked and troubled even by the few instances, but in retrospect and in light of some of my subsequent experiences, the Venezuela situation was tame particularly since in the Latin American scene it was unusual for the "giant of the North" not to be blamed for all negative situations. But we were not.

Later, when Vice-President Nixon visited Caracas, it was a different ball-game. By that time, a lot of the anti-American feeling had developed and was then directed at Nixon.

Q: *Let me return to the situation at the Consulate. While the revolution was going on the streets, did the Consul issue any orders or instructions?*

DILLON: No. Mullin and I pretty much operated on our own. Nor did we get any instructions from the Embassy.

As how well or poorly we performed as the revolution continued, I don't think anyone knew. I certainly did not know how you went about advertising one's performance. I stayed in Puerto La Cruz until late June 1957 -- my tour in Venezuela lasted about 26 months.

JOHN P. OWENS
Consular Officer
Maracaibo (1956-1958)

John P. Owens was born and raised in Washington, D.C. He received his BA from American University and his MA from Georgetown University. He served in the US Air Force before entering the Foreign Service in 1955, wherein he served in countries including Venezuela, Greece, Finland, Sweden, and Bermuda. He was interviewed by Charles Stuart Kennedy on May 19 and July 14, 1992.

Q: Then you came to a more traditional place. Your next posting from 1956 to about 1958, was where?

OWENS: Maracaibo, Venezuela. That was a more traditional posting. I was the No.2 officer in a 2 or 3 officer post. A small consulate on Lake Maracaibo. There was much more protection and welfare, and American passport duties there. We had a large number of people working in the oil fields around Lake Maracaibo, very little visa issuance. There was another officer, he was a staff officer at the time, as a matter of fact, he was Walt Silva, that you may or may not have known.

Q: Oh yes, he was in Naples as well.

OWENS: He was taking the Foreign Service exam to become an FSO at the time. But he was doing the visa work, and I was doing welfare and protection, and American passports, and then we had a Consul who was in charge. But as luck would have it, after the third position was eventually abolished, and then the Consul went on home leave which was extended for a reason which I don' know, I was in charge of the post for a very long period of time. This would be in

1958, at which point a revolution occurred in Venezuela against the dictatorship of Perez Jimenez. So for the first time in my then three-year-old Foreign Service career, I had a chance of doing some political reporting. We were pretty well cut off from the Embassy in Caracas. It was a rather exciting time because the Perez Jimenez junta had established a curfew, a dawn to dusk curfew. It was rather an exciting time and I enjoyed it immensely.

Q: Tell me, here you are, a relatively junior officer, and you're in charge of a post, and all of a sudden you've got the thing that every Foreign Service Officer dreams of, a coup! I mean, we love coups. What were you doing and how did you operate at this time. What was the situation?

OWENS: Well, one of the problems was of course the large American community there. One of the first issues was to provide for their safety and welfare, which we were not in a particularly strong position to do. The oil companies themselves were very strong institutions. They had their own security forces, and their own infrastructure, but I did meet with the regional managers of the various oil companies to pass on what little I knew, which was not very much. In those days, we used a system of either couriers to take classified traffic up to Caracas, which was then sent up to Washington, or commercial telegrams. In any event, the Embassy was very interested in what was going on, so I sent a couple of reports to Caracas, the very first political reports I had done in my career. They seemed to like them, so I became more and more enthusiastic about that. That was the focus of my activities. I had to, in a number of cases, move at night during the curfew and I was given an identity card, a free pass which enabled me to go through the lines of the troops. On a number of occasions I came across road blocks where the troops were either illiterate and couldn't read Spanish. I would explain--I spoke only fair Spanish--but I would explain that I had a free pass, etc.. I remember the time when I had the first inklings of danger when the troops who stopped me couldn't read and were eyeing me suspiciously and were fingering their rifles. Fortunately, on one occasion, an officer came on and looked at the pass and said: "Go on." These were heady times, and I enjoyed them.

Q: What was the result of this coup. Was Jimenez...?

OWENS: He was ousted, and an interim government came in, Admiral Larasabo, and later there were free elections, and Venezuela was launched on democracy. The previous American Ambassador, Dempster McIntosh, who had been a political appointee, I think he was the head of Westinghouse International, had gone to great lengths in previous years to embrace Jimenez, and say that he didn't see any evidence of corruption, or of despotic tendencies on the part of Jimenez, but Jimenez was very unpopular with the Venezuelan people. It was during that time, when I was in Maracaibo, when Vice President Nixon came to Venezuela and was mobbed and almost didn't make it in one of his motor vans. That did not directly impact us in Maracaibo, that was the far away capital. Road transportation was twelve hours away. Of course, those were the years of piston engine planes, there were no jets.

In any event, as exciting as it was from reading about it in the press, (the Nixon incident) it didn't have any impact on us.

Q: So, what type of protection work, and how did you solve those problems?

OWENS: We had American sailors, since it was a port, a number of the sailors would get into problems. We had to visit them in the jails, that was interesting, and make sure they were treated as a Venezuelan citizen would be, which in fact I would try to get a little better treatment than a citizen of Venezuela would be given, since there were very few civil rights under the dictatorship. In those times, maybe you still do, I don't know, we had to do the inventories of the possessions of people who died without family there. There were a number of Americans who would just sort of wash up on the shores and who lived there for a number of years, older men who were drinking heavily and who had Venezuelan girl friends. On a number of occasions, I remember, people in that category died.

Q: The oil companies would pretty well take care of their own?

OWENS: They did. They did. That was my first identification with our knowledge of the oil companies' operations. They, at that time, were trying to bring Venezuelans into the work force and into the executive work force. I think that was an early affirmative action program. I think they saw the handwriting on the wall, and realized they would have to move to bring Venezuelans into the top management. That was going on at the time.

Q: Was there a problem with the cost of living? If I recall there was a terrible situation.

OWENS: Yes. It was terrible. As you know, from being a consular officer yourself, the Consulate always seemed to get the short end of the stick. Although we felt the cost of living in Maracaibo was higher because there was less choice than there was in Caracas, nevertheless, the per diem rates and the COLA, the cost of living allowance, were much higher in the capital than they were in the provinces. There were a couple of Consulates in Venezuela. There was one other, I should say, in the east, at Pugrito la Cruz. But I think that all of the Consular people felt that we were treated less favorably than the Embassy personnel. So, it was extremely expensive. The allowances were not sufficient, even for the hotels that were there. We were quite unhappy with the financial arrangements. In fact, that was one of the reasons I wanted to get out. I stayed only a year and a half. I was supposed to move to the ... Because I'd got to know the people, the Deputy Chief of Mission and the Political Councilor in Caracas at the time, I was supposed to move to the Political Section of the Embassy. But when I came back on home leave, I found that I'd been detailed to Greek training.

JOHN J. HELBLE
Consular Officer
Puerto La Cruz (1957-1959)

John J. Helble was born on August 4, 1934 in Appleton, Wisconsin. He went to the University of Wisconsin and got a bachelor's degree in international relations. He entered the Foreign Service in August 1956. He served in Puerto la Cruz, Saigon, Hue, Kuala Lumpur, Dacca, and Honolulu. He also worked in Washington, DC with the Vietnam Working Group; in Personnel as special assistant to Assistant Secretary for East Asia, as a country director for Thailand

and Burma, as well as for the Inspector General's Office. He retired on January 3, 1985. He was interviewed by Thomas F. Conlon on April 5, 1996.

HELBLE: I was assigned as a Vice Consul at the Consulate in Puerto La Cruz, Venezuela. I should say, to interject a personal note at this point, that just before I entered Spanish language training at the FSI our first son, Stuart, was born. So I now had an expanded family responsibility.

In any event we went to Puerto La Cruz. There is no longer a U. S. Consulate there. The Consulate was closed down in the early 1960's. During my time there it serviced the very substantial American community -- largely the oil industry and, to some extent, the iron ore mining industry, as well as related American business activity in the Eastern oil fields of Venezuela.

Q: *Puerto La Cruz is North of the Orinoco River?*

HELBLE: It is. The Orinoco River split the consular district. Puerto La Cruz is North of the Orinoco.

Q: *How far was Puerto La Cruz from the Embassy in Caracas?*

HELBLE: I can't put it in miles, but it took more than an hour by air. It is about 150 miles due East of Caracas. It was about a five to six hour drive over some pretty rough roads.

Q: *Did you have much contact with the Embassy?*

HELBLE: No.

Q: *Did Embassy officers ever come down and see you people in the Consulate in Puerto La Cruz?*

HELBLE: I believe that somebody from the Embassy once turned up at the Consulate. In fact, a fellow with whom I work today, Sam Moskowitz, who was Second Secretary in the Political Section, came down for a day. However, they usually came on the morning flight and went back to Caracas on the afternoon flight. That was the extent of the visit.

Q: *Did Consul Garwood have much to do with the Embassy? Did they call him in for meetings or anything like that?*

HELBLE: No. There was none of that. I don't recall any of us ever having been asked to come to Caracas. As I say, visits by Embassy officers were perfunctory. Apparently, the Ambassador, whose name I forget and who had been assigned to Caracas before I arrived, had made a visit to Puerto La Cruz at some point, but we never saw him again. The only "outsiders" I ever saw from the State Department that I recall, with the exception of a couple of very brief visits by Embassy officers, were the Foreign Service Inspectors who came to Puerto La Cruz.

Q: *So you were inspected once?*

HELBLE: Yes. That was my first exposure to Foreign Service Inspectors.

Q: *We can go into this in a minute, but I wondered whether you had a classified courier pouch service.*

HELBLE: We did have a classified courier pouch service. I cannot recall the frequency but I believe that it was once a month. We simply met the courier at the airplane and exchanged pouches. Then he reboarded the plane and returned to Caracas.

Q: *He spent minimum time in Puerto La Cruz. Now, about the Foreign Service inspectors, perhaps you could go into that and then describe some of the things that you did.*

HELBLE: I really don't recall much about this Foreign Service inspection that occurred. Nothing dramatic came out of it. I don't recall who the inspectors were, but it was a "civil" encounter from my point of view. Unlike many inspections, I had no bitter tastes afterwards.

Q: *It did no harm. What did you do at the Consulate, as a regular thing?*

HELBLE: First of all, I was assigned to handle non-immigrant visas, which were regarded as the most "harmless" thing that you could assign somebody to do. Soon afterwards, I acquired responsibility for handling the much smaller but still significant number of immigrant visas. I had had the FSI Consular Course, but that, of course, did not give me much background for what I had to learn. I was able to rely on Bob Dillon the other Vice Consul extensively for counseling and advice. Consul Garwood was very "anti-foreign" and regarded every foreigner who walked into the office as trying to get illegally into the United States. He was not exactly an inspiration for me in performing the job the way the Department intended. I had to learn that job over a period of time. Bob Dillon was much more level-headed and very helpful. He got me through the early stages of that educational process.

I had some interesting experiences. There was an American citizen who had married a French woman. He was working in the oil fields of Eastern Venezuela. He had not yet taken her to the United States. He wanted an immigrant visa for her. When a "negative" police report, or, perhaps, I should say a "positive" police report came back from the French police, it indicated that she had been arrested since she had been what was known in the post-war years as a prostitute, but they used more delicate terminology. I've forgotten the term...

Q: *I think that the French term is "proxenetisme." Proxenetism is a word in the English dictionary which you run across once in a while. It may have been that.*

HELBLE: No, now that I recall it, she had been required to have a health certificate, which prostitutes had to have.

Q: *She "flunked" the exam, did she?*

HELBLE: No. What I mean is that when she was in Paris after the war, under the law she was required to carry a health certificate with her, issued by the French authorities, which supposedly verified that she was "clean" for the utilization of her body for pecuniary reasons. Any woman who had a record of having been issued a health certificate was presumed to have been a prostitute. So there was a terrible uproar as far as the husband was concerned.

Q: *Did he know about this?*

HELBLE: He learned about it after I mentioned it to her in an interview in the Consulate. I said that this would preclude her from entering the United States under the law. This, of course, was something that I had checked out with Bob Dillon before the interview.

The husband came into the office and was absolutely outraged. I had a terrible scene on my hands, but I carefully applied the law. The truth of the matter is that I do not recall how the case finally worked out. However, I very clearly recall the husband saying, "You should understand that my uncle is Senator Johnston from Louisiana." Well, I was a young, naive officer, and that made no impression on me. [Laughter] However, neither my superiors nor I ever heard from Senator Johnston. The last thing I can recall of the case was when the woman was denied an immigrant visa. That was in that day and age. Things like that probably are handled quite differently now.

Q: *Well, the simple reality is that Congress had passed laws, over the years, setting out certain categories of people who are inadmissible to the United States. Prostitutes are among them. Whether this was a reasonable exercise of legislative authority is another matter. You had no alternative to applying the law and the regulations. You may have felt that this was pretty "tough" on somebody. I've had experiences of that kind over the years. There's nothing much that you can do.*

HELBLE: You've sworn to uphold the law. Of course, we had a fair amount of welfare and whereabouts cases.

Q: *Were there many Americans living in the consular district?*

HELBLE: There were 5500 Americans living in the consular district. Most of them worked in the oil industry. A high percentage of them were from Texas and Oklahoma -- many of them "roustabouts" and drillers of various categories. They were a renowned, "rough and ready" crowd, to say the least. So there were problems throughout the consular district. There were routine passport and notarial services to perform because of that large, American community.

We certainly had a number of instances where Americans got into difficulties with the local authorities, trouble over women, and so forth. One of the more interesting aspects of performing these services was that the oil companies, and eventually the iron ore companies, decided that it was far too expensive to give their employees time off to go to Puerto La Cruz and obtain a renewal of their passports or to have notarial services performed. These employees had to do this for reasons related to their own personal circumstances. The iron ore mining companies were subsidiaries of U. S. Steel and Bethlehem Steel, both of which had large mining operations South

of the Orinoco River. For the employees of either the oil or the iron ore companies going to the Consulate involved an overnight stay in Puerto La Cruz and two days' travel time to go from central Venezuela up to Puerto La Cruz, an oil port servicing the eastern oil fields.

So it was arranged that the Vice Consul from Puerto La Cruz would fairly regularly -- about once every three months -- would travel to interior Venezuela, stay at the oil or iron ore company camp, provide passport and notarial services...

Q: *And reports of birth.*

HELBLE: Reports of birth. As the junior Vice Consul, I would have thought that others would have enjoyed the experience of going to the camps. I certainly did. It was strenuous, to a degree.

Q: *How did you travel to these places?*

HELBLE: I would take a Consulate jeep, drive down, and spend the night at stop no. 1 -- maybe 100 or 125 miles South of Puerto La Cruz. After I finished work there, I would go along to another camp and set up shop there.

Q: *How long did one of these trips take?*

HELBLE: They were usually about five day trips. I'd probably stay at three different camps, including the long haul down from Ciudad Bolivar down the Orinoco River a ways and then across it by ferry. Sometimes, I would fly from Ciudad Bolivar down to some of the camps, but most of the time I drove.

Q: *Did you use an oil company plane? How did you travel by air?*

HELBLE: No, I would make the trip according to the airline schedule. There was a flight every few days to a dirt landing strip near one or two of the iron ore operations.

Q: *They knew you were coming and would meet you?*

HELBLE: It was all arranged. They treated me very well.

Q: *Was there a good telephone service?*

HELBLE: No, it was very poor. I made the arrangements more by mail than by telephone. So I got to see some of the wilderness of the northern Amazon area in the process. I travelled by boat, in some cases, for short distances -- an hour or so in a boat provided by the iron ore camp, for example. It was very impressive to see an industrial operation of the magnitude that they were undertaking there. A huge mountain of iron ore was literally being carved off from the top, using the classic, circular pattern of roads around the mountain.

Q: *Open strip mining?*

HELBLE: Yes. So it was a good education, and I met some interesting people. What I also found was that, whether in the oil or the iron ore camps, the Americans working there really had a deadly social environment, which was all rank-oriented. In my official position I had access to the highest levels of the camp, both socially as well as in terms of business. Socially, I would be entertained at the highest levels. I could see that, in effect, the wife of the CEO [Chief Executive Officer] clearly preceded the chief financial officer's wife, who also clearly dominated the next wife down the line.

Q: *So this prepared you for Foreign Service realities.*

HELBLE: Yes. Well, as a matter of fact, even in the Puerto La Cruz context, I understood something about rank, given the nature of my supervisory officer. However, we at least did not live in a tight, little compound as they did in that situation in the camps, which were completely isolated from other influences and contacts.

Q: *Did you live in the town of Puerto La Cruz, did you live under special circumstances -- where did you live?*

HELBLE: My family and I lived in Puerto La Cruz in a small, oil company compound of six houses, owned by Phillips Petroleum, only one of which was occupied by a Phillips employee. He was the manager of the compound and of Phillips operations there. Phillips did not have any exploration or significant marketing operations in Puerto La Cruz. The other houses were occupied by the manager of the local Goodyear establishment and the manager of the Sears, Roebuck store, which opened shortly before we got there and signified a great advance in terms of goods available. A Texaco employee and The Royal Bank of Canada manager also resided in the Philip's compound.

Q: *What was the population of Puerto La Cruz then?*

HELBLE: I forget the exact population but I believe that it was in the neighborhood of 40 or fifty thousand.

Q: *A substantial town.*

HELBLE: Yes, it was.

Q: *I suppose that the whole consular district had a population of several million people.*

HELBLE: I really can't say. I don't recall. As an American consular officer, I was focused on the 5500 American citizens, first and foremost.

Q: *And you dealt with some Venezuelans who wanted to go to the U. S.?*

HELBLE: Yes, as well as many "displaced persons" out of the refugee camps in Europe, including Italians, Hungarians, and so on who, after World War II, were relocated or had chosen to relocate in eastern Venezuela. So there was a subgroup, many of whom wanted ultimately to

go to the United States.

Q: *So you did citizenship and visa work mainly?*

HELBLE: That was in the early days. Then, after a while, I got to know people in Puerto La Cruz who were high in the oil industry. I played "stag bridge" both with them and with other American businessmen. This opened up social opportunities and expanded my horizons in terms of sources of information. I became aware of labor difficulties with Venezuelan workers in the oil industry and growing communist influence, as these American businessmen perceived it, among the trade unions.

We arrived in Puerto La Cruz in October, 1957. You may recall that it was not too long after that time that Castro took over in Cuba.

Q: He took over in Cuba in January, 1959.

HELBLE: This created a major problem when Castro seized power in 1959. Some of the labor strife was related to the Castro takeover in Cuba. These developments reverberated in eastern Venezuela.

In some of these social contacts with refinery personnel and other oil executives I became aware of the labor agitation and problems that the company management was having with trade unions. There was a feeling that there was communist penetration developing.

Q: Did you have any reporting responsibilities?

HELBLE: I had no reporting responsibilities at that time. However, after one particularly interesting discussion with these businessmen I reported it to the Consul. At that point I believe that Garwood had left. The other Vice Consul, Frederick E. Myers, who had replaced Bob Dillon in the summer of 1958, was also a "lateral entrant" from the Foreign Service Staff corps. He became, if you will, "chargé" at the Consulate, when Garwood left and prior to the arrival of Garwood's replacement, who did not turn up for five months. So this left "Fritz" Myers and myself at the Consulate. I asked Myers whether it would be useful if I wrote up the essence of this conversation. He said, "Well, that's up to you. That's not what we're here for, but if you want to waste your time, go ahead."

I found the subject matter interesting, so I wrote an airgram which went at least to the Embassy in Caracas, if not to the Department in Washington. I don't recall that. However, there was some expression of interest in the subject from the Embassy in Caracas after my report was received. From that time on I started to write reports of a labor and political nature. The two were obviously intertwined. I did some economic reporting. There was a required economic report, as I recall. Fritz Myers had no interest whatsoever in doing it. So, responding to a vacuum, I reported on political and labor events and economic issues, as my time permitted, as events dictated, and as information was available. I actually started to call on executives at their offices and talk about these matters.

Q: *So you developed the information this way.*

HELBLE: I developed the information.

Q: *Was there a positive response from the Embassy?*

HELBLE: I certainly had a positive response to that first report but I don't recall if I had any more praise or recognition from the Embassy. However, I was learning something about writing reports, though I certainly had no "teacher" at hand and nobody who was locally interested in it. It was fascinating material for me to deal with, which I handled in any spare time I had. That gave me the first opportunity I had in the Foreign Service to get into the things in the Foreign Service that I was interested in -- increasingly, as the years went on.

Q: *Did you have any administrative responsibilities?*

HELBLE: We had a very small operation. Eventually, the American secretary left, and we hired a Hungarian refugee who was very good and very professional to replace her. From the outset I had been the person whose job description should have read, "Whatever needs to be done." In a small Consulate, with a couple of local employees, and the only other Americans present were senior to me, that gave me the opportunity to deal with a variety of opportunities.

Generally speaking, our driver was also the janitor. He usually swept the Consulate floors each morning. However, he required leave -- sick leave and vacation, from time to time. So his job of sweeping out the Consulate was generously given to me. I didn't see anything wrong with that. The floors needed sweeping.

Q: *So you did a lot of administrative work, John.*

HELBLE: Exactly.

Q: *Are there any other aspects of your time in Puerto La Cruz which you'd like to go into?*

HELBLE: Well, a couple of things happened which, at least for a young Foreign Service Officer, were rather dramatic. I cannot recall the date precisely but I think it was in 1958. There was a very bad fire in Puerto La Cruz. One side of the Phillips Petroleum Company camp, where we lived, was adjacent to the major pipelines running from the oilfields in the interior part of Venezuela to a refinery or directly to the port, where the crude oil was loaded on tankers.

One day there was a tremendous explosion at the refinery, which was less than a quarter of a mile from our house. Huge plumes of black smoke immediately rose into the sky. What had happened was that a 36" diameter pipeline had ruptured and the oil had ignited, affecting smaller, adjacent pipelines as well. The fire threatened to spread to the whole area, as it was in close proximity to the tank farm, as well as to the refinery itself. We were very concerned. The camp where we lived was evacuated, because it was too close to the flames for comfort. Very little of the proper firefighting equipment was available. In fact, it took several days before the fire was extinguished. This was done successfully and without igniting nearby tanks filled with oil or the

other installations at the refinery.

The investigations made after the fire indicated that the fire was due to sabotage. It was presumed that in view of certain leftist influences in the petroleum industry the trade union had arranged to rupture the pipeline and set the fire. This created more concern than had previously existed among the American oil companies. It was a very worrisome development. Fortunately, there were no sequels to that sabotage incident, but it was something that remained in my memory as to how nasty this sort of political encounter could be.

Q: *Did they ever find out who was responsible for the incident?*

HELBLE: No, they were never able to "pin it on anybody," but on the basis of the investigation after the fire was put out, it was clear that some of the safety mechanisms had been tampered with. There was, of course, considerable concern for personal safety and for the safety of our community in the immediate area near where the fire had broken out. It was a dramatic event which has lasted in my memory.

Q: *Refinery fires are very dangerous because there is very little time to react. I visited a couple of American refineries near Le Havre, France, when I was Consul there. I was told that from the time a fire breaks out, they had 45 seconds before the whole refinery would blow up. So they lived 45 seconds from disaster at all times. The guy that said this seemed to be remarkably relaxed about it. I thought, "Well, this is something that you live with and you think about -- and you think about it all the time."*

HELBLE: That's right.

The other event was the fallout from the overthrow of the military dictatorship of Pérez Jiménez, who, as I recall, had ruled Venezuela for about nine years. He was overthrown in 1959. About four months after he was overthrown, an incident occurred in Puerto La Cruz on a Sunday morning which was most impressive, as far as I was concerned. I first became aware of it when I went to the Consulate early one Sunday morning to issue a "Crew List Visa" to a ship -- a matter which I handled on the weekends when the Consulate was closed.

As I arrived at the Consulate, which was on the second floor of a small, shopping center, opposite a Police station, I noticed that there was a great deal of activity in the parking lot area of the shopping center. Truckloads of men armed with machetes and pieces of steel reinforcing bars seemed to be arriving in considerable numbers. The occupants were getting down from the trucks, and there was a sense of agitation prevalent amongst them. I decided that I would move my car to the area behind the building where the Consulate was located. I went up on the roof of this two story building and looked out at the scene. By this time some members of what was clearly a mob were throwing rocks at the Police station, breaking the windows, and so on. The Police station had been secured and was closed up. I could see the roof of the Police station opposite me. A number of Police with rifles were peering over the side of the building, looking at this crowd.

Somebody then "torched" one of the vehicles in the parking lot in front of the shopping mall.

Eventually, all seven of the vehicles that happened to be parked there were "torched" and burned. The mob became uglier and uglier. The Police took no action, other than remaining on the roof of the Police station. The mob got something which served as a "battering ram," proceeded to knock down the door of the Police station, and entered the building. The Police on the roof still did nothing, but within a few minutes someone was dragged out from within the station by the mob. They beat the individual and eventually killed him. They tied a rope around him and tied the other end of the rope to a vehicle and towed his body down the street, with everybody hooting and hollering.

Q: Was this individual in uniform?

HELBLE: He was not in uniform. As it turned out, he had apparently been a member of the dreaded "Securidad Nacional" [National Security Force] of the Pérez Jiménez regime. This was an organization which was blamed for many of the excesses of the Pérez Jiménez government. He was associated, therefore, with the regime then in power. He had been discovered in the town square of Puerto La Cruz on that Sunday morning in a vehicle. Somebody had recognized him. A crowd of people surrounded his vehicle. One of the onlookers jumped up on top of his car and started haranguing the crowd to attack him. The individual panicked, started the car, and "pressed the pedal to the metal." He took off through the crowd and fled to the Police station. The crowd followed him, and that was the reason for the way they behaved toward him at the Police station.

When I realized that this mob might not have finished doing all that it wanted to do, I left from the rear of the Consulate building and drove in my car to our oil company camp, which was less than three blocks away. I found the manager of the camp and explained to him what was going on. We assembled the people living in the six houses and their domestic servants. At this point the mob was, indeed, moving in our general direction. We could see and hear this mob down at the other end of the camp. We were concerned, of course, that this mob intended to enter this American oil company camp. As I mentioned in describing the previous incident, there were certainly concerns about the security of individual Americans and American installations which might turn out to be "targets" of the mob.

However, the mob went right by our camp. We had obtained wire cutters. We had a high, chain-link fence around the camp. There would have been no way to get out of the camp except over or through that fence. The fence was high and had barbed wire on top of it. We planned to cut our way through the fence, if the mob came up the road toward us.

The mob went to the adjacent facility, which was separated from our camp by a small road. That facility was the headquarters of a large trucking and transportation firm called "Transportes Sanchez" [Sanchez Transportation Company] which specialized in hauling oil pipe back and forth, from the port to the oil fields. The mob was angry with the owner of "Transportes Sanchez" because he had allegedly prospered significantly under the Pérez Jiménez regime. This seemed to be true. The mob spent the rest of the day -- about eight hours -- "torching" trucks and buildings. They even got into the trucks and drove them around town, drove them off hillsides, and even...

Q: *Sounds as if these guys were sore about something!*

HELBLE: They were a bunch of "unhappy campers." They even rammed the trucks together. The drivers of each of two trucks would get the vehicles going on a straight street, headed toward each other. At the last moment they would jump and let the vehicles collide.

Meanwhile, less than a quarter of a mile away, was a National Guard unit in its barracks. Perhaps prudently, they didn't move from their barracks during the entire episode. The Police, of course, had already been "neutralized" by their early morning experience. We recognized that there was no security in the town and that no cavalry was going to come to the rescue and bring this foolishness to a stop. However, it was a hot, spring day. Eventually, by about 5:00 PM the crowd had exhausted itself, and everybody went home feeling pretty good about what they had done, celebrating Sunday in this way. There was nothing left of "Transportes Sanchez", of course. This is the kind of thing that you don't expect to run into in Appleton, Wisconsin, but you must be prepared to encounter and cope with in Third World countries.

Q: *When the forces of order break down, they break down completely, and exhaustion is the only real protection that you have. These were really memorable events. They don't happen to everybody, and the fact that they happened so close to where you lived was a matter of concern for you, I'm sure.*

HELBLE: There's one other, personal story that I'll add to my recollections of Puerto La Cruz, and then we can move on to the next assignment.

In June, 1959, a couple of months before I was scheduled to leave Puerto La Cruz, I went with a friend, Charles McKay, a colleague who worked in our office, to pick up a sailboat in Trinidad. He was actually a CIA [Central Intelligence Agency] officer who had been assigned to our Consulate about a year previously. He loved sailing and had been born and raised in Florida. I'm still in touch with him. He's a very successful businessman in Miami now.

As I say, at the time he wanted to buy a sailboat. He bought a 29', Hong Kong built, teak sloop in Trinidad. He needed a crew to sail it from Trinidad to Puerto La Cruz, which was approximately a 48 hour sail. I knew nothing about sailing a boat but I was game to go along. Charley's brother came down from Florida. He didn't know much about sailing, either. Then a Venezuelan friend of ours, who worked for an American company, volunteered to be the fourth crew member. He had done a little bit of sailing, but not much.

Q: Charley McKay, the owner of the boat, had done a good bit of sailing?

HELBLE: The owner of the boat had his Coast Guard Master of Sail papers for anything up to 100 displacement tons. He knew a lot about sailing. The four of us went over to Trinidad and spent a day and a half purchasing supplies, obtaining insurance, and outfitting the boat. Early on a Friday morning we left Port of Spain, Trinidad, and put to sea in what turned out to be very heavy weather. This was not what this somewhat limited crew needed for its first day at sea. I recall that the captain, Charley McKay, judged that the swells were 20'. With a 29' bobbing sailboat, that sort of floored us. It made for an "interesting" first six or eight hours at sea.

We crossed the straits, known as the "Boca del Dragon" [the "Dragon's Mouth"] between Trinidad and the coast of eastern Venezuela. Heavy seas had earned its name for this strait.

Q: *Were the peaks of the swells very far apart or were they close together? It makes a difference, because short, steep swells are much more difficult and dangerous to get through than swells whose peaks are farther apart.*

HELBLE: I had never been in such seas and I couldn't give you a proportionate relationship.

Q: *You didn't measure them.*

HELBLE: I didn't measure them. All I know is that I was looking down into a trough one second, and the next second there was a wall of water right above me. It was a rather unnerving experience. Fortunately, none of us was seasick.

Q: *You couldn't think of anything else except survival. I shouldn't laugh.*

HELBLE: Right. I will omit some of the hour by hour details. In any event, to get to the point of the story, having left on Friday morning, we were along the Venezuelan coast by late Saturday afternoon. As we had done the previous day, it was time to pull away from the coast a bit for night time sailing and stay away from the shoreline. So, as dusk was falling, we started to put out to sea. When it was fully dark, we had two-man watches in rotation. I had the bow watch. I said to the captain, who was at the tiller at the time, "There are some lights over on the starboard side. What are they?" He pulled out his copy of the "West Indian Sailing Directions," looked at it, and then said, "It must be a fishing fleet because there's no land around here." So we continued on. Eventually, I said, "You know, near those lights there's a profile of land. It seems to separate the sea from the sky." He looked at the horizon and said, "I don't think so." Then he said, "I'll look again at the 'West Indian Sailing Directions.'" He did this.

Q: *Was this a chart, or simply a description of the coast?*

HELBLE: The "Sailing Directions" was a big book.

Q: *Did he have a chart?*

HELBLE: He had charts. After looking at all of this, he said, "No, it's a fishing fleet. There's no land in profile there. You know, if you're not a regular sailor, your eyes play tricks on you at night. I'm an experienced sailor, and we're in open ocean."

Around 11:00 PM the watch switched. I went below, and one of the others took over the bow watch. As he was approaching the bow, and I was in the cabin, suddenly there was a grinding noise and a violent lurch of the boat to one side. Everything stopped. Almost instantly, through the deck of the cabin, came a rush of water. Feeling that something was wrong [Laughter], I called out to the captain, who happened to be in the "head" at the moment, "We're taking aboard water." Well, the long and short of it was that we had run up on a reef and had done what turned

out to be "terminal damage" to the boat in terms of its ability to remain afloat. The boat lodged sideways on the reef and rocked rather violently back and forth in the surf...

Q: *Damaging the hull further.*

HELBLE: Damaging it further. An effort to start the auxiliary motor was unsuccessful. We were trying to back off the reef, but that would only have made the boat flood that much faster. The motor was flooded. We had three flares on board. I got them, went to the cockpit, and tried to fire them off. The first two failed to ignite. The third flare ignited, went up about to the top of the mast and immediately came down. It was up no more than three seconds. This was a fruitless effort. It was obvious that nothing was in sight.

Q: *Was the visibility reasonably good?*

HELBLE: Visibility was perfect. The stars were out. The dolphins had been swimming along the side of the boat.

Q: *They left before you hit the reef.*

HELBLE: That's right. They didn't...

Q: *They knew that it was there.*

HELBLE: Right. We realized that we were sinking. We had a small, two-man dinghy lashed to the deck. We had two inflatable tubes, gas operated, which fit around your tummy. We decided that we had to find out whether there was anything above the water level in the vicinity. Since this was a reef, maybe there was a rock that was out of the water. We lashed a line around the Venezuelan, who was a very good swimmer. Meanwhile, the boat was on its side, at an angle, slowly sliding down the reef, with the deck disappearing underneath the waves. We kept moving to the higher side of the deck. The Venezuelan swam off in one direction. We had about 100' of line. He attempted to assess the direction in which the reef seemed to lie. When he got to the end of the 100' of line, he tugged on the line, and we hauled him back. He said that there was nothing there. We decided that we would have to try the other side of the boat. By that time the three of us still on board were sitting on the railing, which was just about all of the boat which remained above the water. The Venezuelan swam off again. We had perhaps 20' of line left when he tugged. We hauled him back. By now we were up to our waists in water. He said, "There's a rock down there." We had loaded the two-man dinghy, which was damaged from having been pinned between the sailboat and the reef and was leaking to some extent. We loaded the dinghy with some emergency supplies -- the little food that we had on board and a blanket.

Q: *Did you have any water?*

HELBLE: We didn't have any water, as such, but we had several cans with juice in them. I remember that we had some canned plums. My Boy Scout training led me to issue to each of us a quantity of matches wrapped in waxed paper, which we tucked into our swimming suits.

We slid into the water at this point and towed the dinghy to the rock, which was about 12' across and about two feet above the water level. We climbed up on the rock, grateful that we had found it. By now the sailboat had sunk.

Q: *You mentioned that the visibility was good, in the sense that it was clear. You had previously mentioned that there seemed to be a light somewhere in the vicinity.*

HELBLE: Well, a long distance away from us was a series of lights. By the time we struck the reef, we had passed that area. Right around us there was nothing but darkness. There was no moon. An hour had passed since we had been in the general vicinity of the lights I mentioned previously.

We considered our situation on the rock, but there wasn't much we could do until dawn, when we would be able to see where we were. Sure enough, when dawn came, we could see the Venezuelan coast off to the West. We estimated that it was about five miles away. Incidentally, the lights to which I earlier referred had been off to the East. In any event, we could see the coast but thought that that would be a long swim. We didn't think that it would be prudent to try to swim five miles or so to land.

So we sat there and opened the can of plums. We each had one plum. I had a can of peanuts. We all had three or four peanuts each. That was breakfast. We had salvaged a can of kerosene, a can of gasoline, and a piece of the sail, in addition to the blanket. As it turned out, our matches had stayed dry, despite our swim to the rock.

We watched the sun come up, maybe an hour or so after first light. Suddenly, in the distance East of us we spotted a small sail, which we thought was a local fishing boat. Well, this was the first sign of activity that we had seen. We immediately took the piece of the sail, poured some gasoline on it to ignite it and kerosene to make smoke. Using these fuels, we lit ourselves a signal fire, which gave off a fairly reasonable, black plume of smoke. The sailboat seemed to come towards us for a few minutes and then seemed to go away. This went on for some time but, as a matter of fact, it was coming closer to us, because it was just "tacking" back and forth into the wind. The four of us held the blanket at each corner and threw it up as high as we could, while still holding onto it. We continued to do this and to pour kerosene on the fire to make smoke, until the fishing vessel was about 100 yards from our rock. The fisherman had obviously seen us a long time before, but we were not taking any chance that he might go away.

So we were rescued, at that point. When we discussed our rescue the following week, it turned out that two of us had been convinced, when the sailboat was sinking and we were out in the blackness of "nothing" that we were "goners." However, two of us were convinced that we would survive. I was among the "pessimists."

Q: You didn't think that you were going to make it.

HELBLE: No. I thought that this was "it." I felt that it was very unfair because Joan, my wife, was back in Puerto La Cruz at a beach party "scavenger hunt" at the very time that I was sinking in the Caribbean Sea. I thought that she was having a great time, while my life was ending here,

and she was totally unaware of it. I didn't feel that that was "fair."

That's a personal story that will remain with me all my life. As a footnote, we were taken by the fishing boat that rescued us to a small island. A Police vessel took us to Isla de Margarita, about 20 miles North of the coast of Venezuela. In fact, that was the very island which we had seen earlier, on the evening that we lost the boat. Due to an erroneous sighting along the coast of Venezuela, late that afternoon and just before dark, we had made a mistake in identifying a certain rock. We were about eight miles to the East of where we thought we were, when the sailboat went up on the reef. Had we been where we were supposed to be, we would not have gone up on the reef.

Q: *This can go under the heading, "The Things That Happen to a Vice Consul."*

HELBLE: Yes, and "Life in the Foreign Service; the Opportunities That You See..."

Q: *And the opportunities for travel. Well, when did you leave Puerto La Cruz?*

HELBLE: We left Puerto La Cruz in August, 1959. I had requested Chinese language training for my next assignment. I was informed by Personnel that there was a surplus of Chinese language officers and applicants for this kind of training. Since I had put down Vietnamese language training as my second choice, I was given that assignment.

OSCAR J. OLSON, JR
Consular Officer/Staff Aide
Caracas (1958-1962)

Mr. Olson was born and raised in Texas and was educated at the University of Texas, Yale University and the Fletcher School of Law and Diplomacy. Primary a Commercial and Economic Officer, Mr. Olson served in Venezuela, Spain, Germany, Mexico, Panama and Ecuador. In his Washington Assignments he dealt with Management issues. Mr. Olson was interviewed by Charles Stuart Kennedy in 2004.

Q: Anyway, you went to Caracas not as an economic officer, but as a commercial officer.

OLSON: By the time I got to Caracas, I found that someone in the consular section was dying to get out of consular work and had moved into that slot. I was put to work in the consular section to replace her.

Q: Oh, so you had gone with the idea that you would be in the economic section?

OLSON: I had gone assigned to the economic section, but that didn't seem to make that much difference. Being assigned to consular work in a first assignment was normal or typical, so I didn't feel as done in as I should have. I was pretty new to the job and naïve at the time. And I

then had an especially good chance to practice my Spanish.

Q: Big consular section in those days?

OLSON: It was a good-sized consular section. The one thing that I remember as a peculiarity of Venezuela was the fact that, of the maybe 23-24 local employees in the consular section, all but one were foreign born. Venezuela was an unusual Latin American country in that it had almost no surviving indigenous population. It was under populated, with rich farm lands, and blessed with oil and minerals, everything. They haven't done too well with it all. The Venezuelan authorities quite wisely were generous in opening the gates wide to immigrants after World War II. They had a very considerable influx of people from southern Europe, eastern Europe, from all over. I sometimes wondered what all the Venezuelans were doing to make a living, because where we lived, all the shops seemed to be owned by eastern Europeans.

Q: So the foreign service national employees in the consular section were mostly from Europe?

OLSON: Yes, as were so many small shop owners and also professional people. And of course there were an awful lot of Americans in Caracas, mostly in the oil industry. Our new Embassy chancery was across the street from the much larger Mobile Oil headquarters. About a week after I left Washington, the E Bureau moved from the Munitions building into the just completed New State structure. And, as I got to Caracas, I found that one week earlier, the embassy had moved from a downtown office building into its own building in the suburbs. We were actually not even in the federal district. It was as if the Venezuelan Embassy was in Arlington or Bethesda. So the timing was very good—I missed both moves.

Q: Did you do visa work throughout your time in Caracas, and again this is from '59 to '61?

OLSON: I started with non-immigrant visas and then was issuing immigrant visas. Again because the Venezuelans had opened the gates to immigration, we found that there were a number of local applicants for U.S. immigrant visas who originally came from Russia and the Ukraine. Often these were two or three generation families that came to Venezuela in the late forties. At that time they applied for immigration visas to the United States and were on the waiting list until the late '50's. Some of those names were coming up. Often the younger generation by that time was well established in business in Venezuela and was going to stay. But the older generation perhaps had other family in the States, and they wanted to immigrate. They would show up for their immigrant visa interview speaking neither English nor Spanish, but speaking Ukrainian.

Q: Or Russian.

OLSON: Or Russian. So I would give a call to Nat Davis, later our ambassador to Chile during the overthrow of Allende. He was number two in the political section, having just arrived from Moscow. I would call him, and he would come down and translate for me, which was fine. The problem was he would be so interested in asking them about the conditions when they left the 'old country' that I couldn't get him out of my office. I would say, "The interview is over. You'll have to continue this on your own outside some place".

In early ’61, President Kennedy appointed Teodoro Moscoso, of Puerto Rico, to be Ambassador to Venezuela. It had been a long time since there had been a political rather than career ambassador at post, and there was no staff aide position. It was determined that having one would be a good idea, and so I was moved up to that position. A very interesting assignment, giving an excellent overview of how the embassy functioned and what was happening with our relations with Venezuela.

Q: You did that for what, six months or so?

OLSON: Yes, it must have been about six months. He left before I did…

Q: Oh.

OLSON: …moving on to Washington to head the Alliance for Progress, so he was there a relatively short time.

Earlier on I was talking about the fact I was assigned to one position and ended up in another. I was therefore accredited as a Vice Consul only. The department had for some time reminded the embassy that any new FSO (Foreign Service Officer) assigned to the embassy was to be accredited both as vice consul and as third secretary (a diplomatic title). But the embassy hadn’t bothered to do that for anyone assigned to the consular section. Therefore I did not have diplomatic status and technically did not have import privileges. The lack of diplomatic status meant that our first child, Michael, born in Caracas, was a Venezuelan citizen under Venezuelan law. We had to get him a Venezuelan passport to enable him to leave the country. According to the Venezuelan law at that time, he and his progeny forever have Venezuelan citizenship without any way of renouncing it. This was a problem for the American oil people whose sons of draft age would usually find refuge in the United States rather than face conscription into the Venezuelan military.

Q: Your son was also a United States citizen?

OLSON: He was also a United States citizen.

Q: From birth.

OLSON: Yes, born of two U.S. citizen parents.

Venezuela at that time was a very expensive place to live. Caracas was said to have the highest cost of living of any city in the world. This was toward the end of the oil boom. My State Department allowances were more than my salary, so we could make do except for medical expenses. As I recall, the normal, uncomplicated birth of our first-born cost us four months salary. At that time the Foreign Service Protective Association, our insurance, had a $250 maximum for maternity benefits because that was what it cost to have a child in the States.

The high cost of living hit especially hard because at that time there was no embassy

commissary. Often overseas the expatriate American business community will be envious of embassy personnel's access to a duty-free commissary and military mail (APO) privileges. In Venezuela then it was just the opposite. The oil companies all had subsidized commissaries for their people. We had neither commissary nor APO. Embassy personnel did send combined orders to Ostermann Peterson in Denmark for potables and caseloads of food stuffs. We consular officers were allowed to participate in these orders unofficially until State Department foreign service inspectors arrived. They were shocked, shocked that the consular section was allowed to be part of an importation under diplomatic privilege. Of course, the Venezuelans could care less.

Q: But this lack of diplomatic status, for you when you moved up to be this ambassador's staff aide. Did that cause you problems in terms of relations with the Foreign Ministry…

OLSON: No,

Q: … in terms of doing your job?

OLSON: No, because it was generally ignored on both sides, by the Venezuelans and us. Being in the consular section and left off the diplomatic list was strangely ironic, however, as we vice consuls were very active in diplomatic social circles. We often got invitations to other embassy receptions and national day celebrations that more senior officers in our embassy on the diplomatic list did not receive. This was because we had a very active consular corps in Caracas, and our consular colleagues connected to other embassies would make sure we were included. Many of the members of this consular corps were rich Venezuelan business men, who acted as honorary consul generals or consuls of smaller countries around the world. They were a very socially active group, and we enjoyed joining in. Typically when a foreign embassy celebrated its national day invitations would go out to our ambassador, the DCM (Deputy Chief of Mission), head of the political section, and head of the economic section. Then the two or three of us vice consuls that were very active in the consular corps would also be invited, from the very lowest end of the protocol list. So there was an interesting dichotomy there.

Let's see what else happened in Venezuela. It was a fascinating time. Romulo Betancourt had just taken office, the first democratically elected president of the modern era. The return to democracy was difficult. Among other things, Venezuela was almost in a state of war with the Dominican Republic and its dictator, Trujillo. Trujillo almost succeeded in blowing up President Betancourt. A car bomb went off in Caracas as Betancourt's car was driving by. Betancourt's bodyguard was killed, and the president was wounded slightly.

The extent of the enmity between the two countries became apparent to the embassy during one arrival of the Santa Paula, a Grace Lines passenger/cargo ship, at the port of La Guaira, close to Caracas. (We, of course, had traveled by Grace Lines from New York to Caracas.) The two ships on this run, the Santa Paula and the Santa Rose, carried about 100 passengers, but the cargo was more important to Grace Lines. As longshoremen began unloading the ship, one noticed bags of potatoes in gunnysacks labeled "Product of the Dominican Republic." And so they immediately stopped unloading the ship.

In effect, the Dominican Republic didn't exist as far as Venezuela was concerned. You could not

telephone between the two countries. If you tried to send something in the Venezuelan mail to the Dominican Republic, it would be returned "addressed unknown." These were very tense "non-relations," and Grace Line's officials were very aware of this problem. They could not understand how such cargo could get aboard one of their ships, which never went near the Dominican Republic. After about a day's negotiation with the longshoremen, it was agreed that if the ship went to Aruba, the nearest non-Venezuelan port, off loaded the offensive material, then it could return and the longshoremen would take off the rest of the cargo. But by the time the ship arrived back at La Guaira, the longshoremen's union had decided that the entire cargo had been 'contaminated' by the offending gunnysacks. They would not allow anything else to be unloaded. So the ship returned to New York without delivering its cargo for Venezuela or taking on new cargo for New York. Grace Lines finally determined that some frugal potato grower in Maine had seen a good deal on used gunnysacks, which happened to say "Product of the Dominican Republic." He put his potatoes in those gunnysacks and caused the Grace Lines a terrible problem.

Trujillo was not the only perceived threat to the Betancourt government from the right. Followers of the recently deposed Venezuelan dictator, Perez Jimenez, were thought to be congregating across the Colombian border in hopes of instigating a military coup. And there was a threat from the left. This was the time that Fidel Castro was taking over Cuba, and he was thought to be sending guerrillas to Venezuela to attack the new government. So there were fairly constant rumors of groups coming across the border from Colombia. They tended to have the same effect as hurricane warnings here. Everybody would head for the little "abastos" (the little stores) and clear the shelves of bread, milk, and other groceries. Some of us finally decided it was probably the owners of the "abastos" that were spreading these rumor. When their inventory got too high, this was a chance to sell everything off. It was an exciting time.

Q: To come back to Venezuela's relations with the Dominican Republic, explain for me at least just a little bit, why were relations so bad? It seems like the Dominican Republic is quite a ways away?

OLSON: It was simply the fact that Trujillo was a dictator, thought to be a twin to the recently overthrown Perez Jimenez. The Venezuelans had just gotten rid of their dictator and were anxious to assist elements in the Dominican Republic that wanted to overthrow Trujillo—to let the Dominicans experience what was happening in Venezuela. Trujillo was not going to take this lying down and determined that he would have a counter offensive, to include the attempt to assassinate the Venezuelan president which came very close to being successful.

Q: Let me ask a little bit about relations with the U.S. I know that Vice President Nixon had big problems on a visit to Caracas in the 1950s.

OLSON: That was the year '58 .

Q: There were demonstrations against him—want to talk a little more about it?

OLSON: Yes, there was residual resentment for our having cozied up to Perez Jimenez, the deposed dictator. President Eisenhower had given him a medal of some kind, a military

decoration. We had what we considered correct diplomatic relations with Venezuela during that time, during the Perez Jimenez regime. We had very strong economic interests there, not just because we were dependent on oil coming out of Venezuela, but because that oil was being pumped by Texaco, Mobil, Standard Oil—American companies that were very much a part of the Venezuelan economy. Some Venezuelans considered it too much a part. This also helped create some of the anti-American feelings that sort of boiled up in the reception for Nixon.

Q: Were the American oil company officials, workers and other Americans mostly in Caracas or were they mainly in the oil fields in Maracaibo?

OLSON: They were all over the country, but a lot of them were in Caracas. Across the street from this new embassy building in La Floresta, in the suburbs, there was the Mobil headquarters, which was twice, three times the size of the embassy. A large presence, and that was just one of several companies. Venezuela has rich mineral resources as well. One mountain peak, Cerro Bolivar, had recently been discovered to be virtually pure iron, not iron ore, but iron. American companies were interested in developing that. So on the one hand there was considerable interest in American investment. But with the exuberance of newly found democratic freedoms, some felt the need to shake off outside 'exploiters' of their natural resources. Venezuela had a history of long term, mostly benign dictators. The new democratic experience had some of the population 'feeling its oats,' to the misfortune of Mr. Nixon at the time of his visit.

Q: Now you mentioned that a new ambassador came early in the Kennedy Administration in 1961. How did your Venezuelan contacts see this change of party in the United States? Was there a lot of expectations for a different policy, a different approach?

OLSON: Yes, because they were caught up in the Kennedy mystique. Here was a young couple that was easy to relate to, to have an interest in following, rather than just another politician. He was Roman Catholic, of particular interest there. I can't recall whether in his campaign he talked about Latin America or not, but there was an expectation more attention would be paid to the South. That was guaranteed by the problems that Castro was causing us by '61. Our embassy was still open in Havana, but soon whatever hopes we had for good relations with the Castro regime were gone. So, of necessity, the U.S. was forced to look south.

Q: The new Ambassador was…

OLSON: Teodoro Moscoso. He had been a Puerto Rican businessman who was active in the economic development board that was attracting investments to Puerto Rico.

Q: Did he bring a new deputy chief of mission, DCM, or did the old one stay on?

OLSON: The old one stayed on, Alan Stuart, who was a former journalist.

Q: Okay, you are talking about Alan Stuart, the DCM (Deputy Chief of Mission).

OLSON: Yes, he had been with AP (Associated Press), so I guess he came into the service with USIS/USIA (U.S. Information Service/U.S. Information Agency). Anyway, he was very

personable, a very good man. Ambassador Moscoso was there for a short time because President Kennedy appointed him head of the new Alliance for Progress, his administration's attempt to make a real difference in supporting economic and political development in Latin America. So after five or six months he was gone. Alan Stuart became Chargé d'Affaires and then was appointed ambassador, which is rather unusual.

Q: To Venezuela.

OLSON: To Venezuela, in other words, remained in place and was appointed ambassador, which is unusual in the Foreign Service for a DCM to move up at the same post.

Q: Did you continue to work with him then as staff assistant?

OLSON: Yes, but not for very long because my two years were soon up, and I was leaving. I talked about just missing the move—timing is everything. I then missed an exciting time in the Embassy. President Kennedy visited within a couple months after I had left, getting a much warmer reception than Nixon had received. I missed that, and then shortly after the Kennedy visit someone managed to smuggle a bomb up to the top floor of the embassy, to the men's room just adjacent to the spot where I would have been sitting if I had been there. And it exploded. There was heightened security at the time, with a Marine Guard sitting in the top floor vestibule by the Ambassador's office. The force of the blast blew him down the stairwell, but he was not badly hurt. No one else was injured. There was no one in the office where I would have been.

Q: You were fortunately gone.

OLSON: I was out of there.

Q: Anything else we should say about two years in Caracas?

OLSON: I mentioned growing up in Corpus Christi. My mother would send me the headlines and articles from the Corpus newspaper about Venezuela and about Caracas. The country got a lot of attention in my home town because of the strong oil connection there. There were regular articles about those rumored coup attempts or when there was some skirmish out in the hinterlands that perhaps I had faintly heard about. Then I would read all about it in my hometown newspaper! There would also be stories about turmoil at the university in Caracas, which at that time was suppose to be off limits to the local police. There were various leftist groups on campus at odds with each other, including Maoists. I recall that one dormitory the students referred to as Stalingrad shot bazooka rockets at another, called Leningrad. Soon after arrival, Ambassador Moscoso (without consulting his staff aide) decided to attend the opening of a modest exhibit that USIA was showing at the edge of the university campus. He arrived in his black, official Fleetwood Cadillac, and the driver made the mistake of parking it on campus. The students soon spotted the U.S. diplomatic plates.

Q: Was the flag flying?

OLSON: And the flag was probably flying on the front fender. They attacked, set fire to the

limousine, and managed to pop the trunk lid. They grabbed the ambassador's briefcase from the trunk of the car. Unfortunately, he had taken along some homework, classified material, which he was not supposed to do. It included a great dispatch, or probably an Airgram, written by Jack Cates, who was the head of the political section at that time and later went on to many years at USUN (United States Mission to the United Nations). He did a wonderful piece on the members of the Venezuelan Cabinet, including their various economic interests, side business dealings, and amorous affairs. Within several weeks it was quoted on the front page of Havana's Granma.

Q: The Havana newspaper?

OLSON: Yes. So that caused us some consternation. But apparently it was not a problem for Ambassador Moscoso, as far as then being promoted to head the Alliance for Progress.

Q: Okay, anything else on Venezuela?

OLSON: Perhaps not—something may come to me.

GERALD J. MONROE
Visa Officer
Caracas (1959-1962)

Gerald J. Monroe was in New York State on October 13, 1933 and received his BA from City College in 1955 before serving in the US Army from 1955 to 1956. He entered the Foreign Service in 1959, wherein he served in countries including Venezuela, the Dominican Republic, Germany, Hong Kong, Switzerland, and Italy. He was interviewed by Raymond Ewing on March 22, 1999.

MONROE: I had an immediate overseas assignment to Caracas where I was the lowest of the low. Actually I was lower than the low because, from my perspective at least, when I arrived at the airport; we weren't very well equipped in those days. Drivers didn't meet you. You were met by some vice consul who came down in a battered old station wagon and hoped he could get it up the hill. Caracas lay about 2000 feet above the airport, and one climbed [steadily] and then you went through the whole city before you got to the embassy quarter. It was a memorable arrival simply for the color and the excitement.

Q: Was this the first time you had traveled abroad?

MONROE: It was the first time I had traveled abroad by myself without some institution responsible.

Q: As opposed to when you went abroad with the army?

MONROE: Briefly, yes. This would have been November or December, the time of the month in 1959. Caracas was still a very volatile, almost ungovernable place. The excitement with the vice

president, Vice President Nixon, had occurred a scant year before. As I said they were experimenting with their first popularly elected government. The government writ for some reason or another hadn't taken hold in the capital city. Things were quieter in the countryside. Later on, I understand, that shifted, but in the time that I was in Caracas, it was volatile. Not only was it crime ridden, but there was considerable political violence.

Q: Political violence directed at the United States?

MONROE: Primarily not fortunately, although the embassy was bombed, almost as an afterthought it seems. Someone threw a bomb in the fish pond. I think that the principal losers were the goldfish. There was considerable conflict among various political groups vying for power, even the more radical groups had split into a pro Cuban and anti Cuban group. So bombings were frequent, as were gunfights. As I mentioned to you before, I met a young lady at a USIA party who was a grantee at the university and an American exchange student at the University of Caracas. She had been, she lived in the neighborhood adjacent to the university. The university at one point was seized by radicals of one stripe or another, and I decided I had to rescue her. I don't think she needed rescuing, but I thought she did. I proceeded across town. Actually by the time I did get there to her apartment, she looked glad to see me. She and the woman with whom she lived. Both of them were having dinner on the floor almost prone as firing went on around them and several bullets had apparently come into the apartment. Not while I was there but earlier, so they were delighted to come be my guests, both this young lady who I subsequently married, I would say within a few months of that event, [and her friend].

Q: In Caracas?

MONROE: In Caracas, yes. I did not see the [landlady], as I guess I called her in those days, the weekend that she stayed with us.

Q: They probably both wondered, they thought you were a hero and had come to rescue them, but they probably also wondered about your sanity coming across the city with all that was going on back then.

MONROE: Well, I thought by this time, when I say I was lower than a visa officer, what happened to me when I first arrived was I was put in the code room because people had the misapprehension that all vice consuls were automatically cleared for cryptography. Not only wasn't I cleared as it turned out, I couldn't do it. In those days one had to type. One had to be a superb typist, and I was not, so the morning traffic was being distributed at about six in the afternoon. There were a number of complaints. What had happened, as I found out later in my career, smaller embassies, small posts generally when someone becomes ill or has to be evacuated for whatever reason, dire things can follow. One of them was Gerry Monroe in the code room attempting to handle a medium sized embassy's traffic. That went on for about three months during which time at least the first month I wasn't paid because they couldn't find me within the embassy. There was a lot of traffic because there was a lot of excitement going on particularly I just lucked when scattered all over the political spectrum. I felt that even though I [had no experience], I could impress everyone if I did keep my hand on the pulse of what was going on. I was quick to take every opportunity to go out and see what was going on without

much regard for my own safety or the safety of my vehicle or anyone else that might possibly have been with me.

Q: Was that mostly in the capital?

MONROE: Mostly in the capital. At one point I decided I wanted to go and visit our consulate, to carry the pouch, which was an excuse for heading out across the country. In those days there were no highways between Caracas and Porta LaCruz which is where we had a little post. It was an oil port. I wondered what an oil port was. Well, the port turned out to be very interesting since you can have a lovely beach with the ships almost out of sight on the horizon as the oil was pumped out to them, eastern Venezuela being the major source of oil. It remains so actually. We did have a lot of adventures driving out. I convinced a colleague who regretted it almost immediately that we should make the trip, and we weren't at all prepared. We found some very kind people along the way who were helpful to us even to the extent of carrying our little vehicle over obstacles. It was fun, and I don't think I recognized any danger.

Q: But after your three months in the code room you did work your way up to the visa section.

MONROE: I worked my way up to the visa mill, yes, which wasn't bad.

Q: And you spent the rest of your time there...

MONROE: I spent the rest of my time there, I finally ended up I suppose doing other forms of consular work, but my memory says that most of my time there was spent issuing visas. It was interesting only to the extent that many Europeans had gone to Venezuela immediately after the war because there were only two countries in the world that welcomed refugees. They were under populated countries and European refugees helped settle the interior. As it turned out, no one wanted to go into the interior because it was frequently hot, sweaty, and dangerous. So, people stayed in the city. The city very quickly was becoming a lovely city with mountains plainly visible through a polluted valley. By the time I left, you could hardly see the hills.

Q: From a visa issuing point of view, did that mean that there were many who had passports other than Venezuelan who wanted...

MONROE: Oh, almost entirely. In those years under the 1952 act, a Venezuelan had very little trouble going to the United States, Latin Americans generally because so few were interested in migrating at that point. Only very wealthy Venezuelans traveled to the United States. On the other hand, most of our applicants were Spaniards, Italians, or other nations, all manner of refugees who had had problems in other posts getting visas anywhere, and ended up in Venezuela where the dictator at the time, Petesonovich, subsidized them. With the collapse of the dictatorship, and the move to a more representative form of government, these people felt no longer welcome, and violence and the lack of leadership discouraged them establishing roots in that society, so there were very many. And as some wise old consular officer had told me, the only ones you remember are the ones you turn down. To this day I remember the odd immigration visa that I had to turn down, and It bothers me in the end.

Q: Forty years later.

MONROE: Yes.

Q: You say that the embassy was a medium sized post. You were, did you have much to do with the ambassador?

MONROE: Now and again, mostly when disaster struck, if someone had some Venezuelan visitor arrested because his papers were not in order or something like that. We had, the first ambassador's name was Sparks. He was a fair man, and he was a hard taskmaster, very difficult in many respects for a young inexperienced, I won't say young inexperienced vice consul, just a young inexperienced person would have had difficulty. But, I think I profited from it. I learned how to hold my tongue; that was certainly something I learned very quickly in the dealing with the ambassador. He was a hands on ambassador. I admired that.

Q: He took interest in consular affairs as well.

MONROE: To the degree that they were impacting on U.S. Venezuelan relations. At various points in my short two years there, it did. As one faction or another decided they wanted to go to Miami for their health; these are things that become quite prominent for day to day diplomacy.

Q: Okay, and you said that you and Angela married.

MONROE: We were married there in Caracas.

Q: We should be sure later on to mention when she became a Foreign Service officer. It didn't happen in Caracas.

MONROE: It didn't happen in Caracas. It was an interest to her. As you recall in those years she couldn't become a Foreign Service officer. This was her intention more or less as she contemplated a career in Latin American studies which is what she had specialized in and went on to get her graduate degree in. The Foreign Service seemed like a very sensible thing. Curiously an old style consular officer, the kind that used to serve in the same country for 20 years had come from outside of Santa Fe, actually from one of the original families in the Spanish settlement of New Mexico. His name was Horizio Da Vaca. Horace was sort of the go between. He sort of acted for her father, the great courtly old world kind of courtship as it turned out.

Q: He was your supervisor?

MONROE: No. He was in another consular line of work. He was in protection and welfare... Is that what you called it then? And passports and so forth. He lived, I think he was a well-to-do man. He had a beautiful estate in what was the country club section of the city, the country club section being the best section of any Latin American city in those years with the servants and the like. He was married to a very wealthy Venezuelan woman. He took it upon himself to act as my wife's father surrogate. The whole thing was done with considerable grace and charm and style.

Q: Okay, anything else we have to say with regard to Caracas?

MONROE: Well, I think the only, one of the more prominent features of my stint there aside from meeting and marrying my wife and then having to leave her within three months.

Q: After the marriage.

MONROE: After the marriage, because at that point, I didn't know much about it but Trujillo was about to be assassinated. We had just about closed our embassy. We had about seven people in the Dominican Republic. It was almost like a Huxley novel. He had tried to have Ramel Avetricor, the first democratic president of Venezuela assassinated. This caused the OAS to invoke sanctions against the Dominican Republic as long as Trujillo was there. Therefore, we had a scaled down embassy and there were no dependents because of the sanctions and because as I later learned, that dictatorship was beginning to crumble. In any case, I was sent there, peremptorily without much notice.

PETER P. LORD
Political Officer
Caracas (1961-1964)

Peter P. Lord was born in Rome, Italy to American parents on September 29, 1929. He attended Harvard University, where he received his AB in 1952, and Columbia University, where he received his MA in 1965. He served in the US Navy from 1952 to 1955. He joined the Foreign Service in 1956, wherein he served in countries including Iran, Venezuela, Peru, Barbados, Zambia, and Cameroon. He was interviewed by Lambert Heyniger on April 13, 1998.

LORD: Well, my next assignment was to Caracas, Venezuela, which was not on my preference list, but certainly sounded better than Khorramshahr did when I was first told about that assignment. I was assigned to Washington for language training before going to Caracas. As I mentioned earlier, I had satisfied the French language requirement, but rather than send me to a French speaking area, the Department assigned me to Caracas. I had a 16 week course. I started in January and ended sometime in May, I think.

This was back in the days when personnel assignments permitted more time between assignments than they do these days. You didn't have to rush from one place to the other so that a post didn't have to suffer a vacancy in the meanwhile. I left Khorramshahr in October and didn't have to start Spanish until January, which gave me about two and a half months for leave along the way. I had a delightful trip from Khorramshahr back via Cairo, a Yugoslav ship from Athens along the Yugoslav coast, to Dubrovnik and Belgrade, visiting friends both in the consulate in Sarajevo and the embassy in Belgrade. I then flew on to Austria and to Madrid, where I visited my sister and her husband, who was also Foreign Service. I flew up to London and boarded the *SS United States* and sailed back to New York first class!

I took the Spanish course in the old FSI in the basement of Arlington Towers. It was, I think, a good course. Spanish, of course, is a pretty easy language if you have a good aptitude. So, I got a 3/3 out of that with no problem. I arrived in Caracas in July, 1961.

Q: What position were you assigned to there?

LORD: I was assigned to the political section as the third person there.

Q: Do you remember who some of your colleagues were?

LORD: Yes. It was an interesting period to be there because Kennedy had just been elected president, took office in January that same year, and appointed as ambassador to Venezuela, Teodoro Moscoso, from Puerto Rico. He was a native Spanish speaker and someone who had been involved in the development of Puerto Rico and was very much a gung-ho, hands on, activist ambassador in Caracas.

Q: Was he a career or political appointee?

LORD: He was involved in the development of Puerto Rico and was a political appointee. He was able to relate well with the president of Venezuela, Romulo Betancourt, as they were both social democrats and on the same political wavelength.

Q: Who was the political counselor when you arrived?

LORD: When I arrived the political counselor was Jack Cates, again one of the more colorful people of the old Foreign Service, and a good mentor. He knew his way around Caracas very well. He left not too long after I arrived and was replaced by Ted Long, another good mentor. Moscoso didn't stay that long either because he was invited back to Washington to head up the Alliance for Progress. When he left the deputy chief of mission, of course, became chargé. That was C. Allan Stewart, who was an old pro in the Foreign Service and someone who had very close ties with Betancourt before he was even elected president.

At that time, probably the fall of 1961, President Kennedy and wife Jackie came for a state visit to Venezuela to show U.S. support for Betancourt and his attempt to reestablish democracy after the dictatorship of Perez Jimenez and to give the Alliance for Progress a boost. That was a very successful visit. I had a role in it being responsible for Jackie Kennedy's part of the visit, its planning and execution and rode in the cavalcade in the car behind her car and was able to see the faces of people lining the street as she drove past. Most were excited, some hostile, but she captivated the populace quite well.

It was a very successful visit after some misgivings over security. It was almost canceled at one point because the U.S. security types were not convinced that the government of Venezuela could guarantee Kennedy's safety because it was a period of some opposition to the U.S., particularly by the several leftist parties which were receiving support from Cuba. That is what made the whole two-year assignment in Venezuela so interesting, that Venezuela was one of the

prime targets of Cuban subversion during this period. U.S. support of Betancourt was the key to making democracy work there. Alan Stewart, after the successful Kennedy visit, was appointed ambassador. This was an unusual case of a chargé being elevated to ambassador.

Q: In 1962.

LORD: Yes.

Q: Peter, there is a three man political section and then probably a bunch of CIA types masquerading as political officers as well, but what were your particular responsibilities in the section?

LORD: I was responsible for maintaining contacts with COPEI, the Social Christian Party, that was in the coalition government with the Democratic Action Party of Betancourt. I was responsible for political input to the WEEKA, the weekly report submitted by the embassy. One of the more enjoyable responsibilities was doing quite a thorough report on the agrarian reform program in Venezuela together with a junior agricultural attaché and another young political officer who joined the office as the fourth person, when we developed into a four person office. The three of us took a trip all around the country visiting agrarian reform sites, which was a great way to see the country and get an understanding of that program. We wrote a lengthy comprehensive report. Agrarian reform was one of the key programs of the Betancourt government and was politically important because the AD party relied to an important extent on the vote of the campesino, the farmer. As in many developing countries, the campesino hasn't always been enfranchised, but can provide important electoral support for democracy, as in not only Venezuela but also Bolivia and Mexico.

Q: This is your second assignment in a developing country. Particularly in Venezuela, it is giving you an opportunity to gain some familiarity with agriculture in developing countries, rural development, etc.

LORD: Particularly the political aspects of that. That was my focus.

Q: Was the United States engaged in trying to foster rural development in Venezuela at this time?

LORD: Oh, sure. There was an AID mission there and we were giving assistance to the agrarian reform program and other programs, too.

Q: Agrarian reform because much of the arable land had been owned by a small number of well-to-do families?

LORD: Some of the land was being redistributed. I can't remember how it worked but, of course, the controversial aspect of land redistribution is whether the original owners were adequately compensated or not. Venezuela being a relatively rich country because of its oil industry was able to fund programs like that better than some other countries. In any case, there were a variety of settlements which were prototypes for agricultural reform and development

where farmers were being given land and needed financing and technological assistance.

Q: Was the Betancourt government, for example, actually seizing land which was owned by well-to-do landowners but wasn't being used, and distributed...?

LORD: I can't remember the details of that. It seems to me it was not a huge controversy.

Q: There wasn't violent rural unrest?

LORD: No. As, I say, I think it was because the government was able to afford to compensate the landowners.

Q: The Castro and Cuban attempts to subvert the government of Venezuela were not focusing on the poor people in the countryside but rather in cities?

LORD: This was one of their first, early attempts at subversion and they were experimenting. A Cuban arms cache was discovered on a peninsular on the coast in western Venezuela, which was a rural area. There was another period when there was some aggressive insurgency along the coast of eastern Venezuela. So, they were trying to develop an insurgency in those rural areas, but as time progressed their real focus was in Caracas, itself, and maybe Maracay. They used the university students wherever they could.

Q: How about the labor unions?

LORD: The labor unions were pretty much controlled by Betancourt's party. Both AD and COPEI had strong labor unions. There was a communist dominated federation, but it was not as strong as AD/COPEI.

Q: Did the embassy have a labor attaché?

LORD: Yes, the embassy had a labor attaché. When I got there, he was Irving Tragen, who later became well known for a variety of positions that he filled later on - AID director in Bolivia and country director for parts of South America later on.

Q: So, the embassy had a pretty good feel for what was going on in the labor field. Is there anything else that you would like to talk about with regards to your tour in Caracas?

LORD: The Cuban supported insurgency grew more and more serious while I was there. One of the highlights was a bomb that actually exploded in the embassy. We had received advance intelligence that a bomb might be exploded in one of the restrooms in the embassy, so all the restrooms were closed except for two on the top floor, and where a Marine guard was placed. Well, somebody, a visitor, somehow was directed to the open restrooms on the top floor. The visitor had no briefcase or anything else in which he could be carrying a bomb. Apparently, he had plastic explosives strapped around his body under his clothes and he apparently wasn't frisked by the Marine. He installed the explosives and left and shortly thereafter a bomb went off in the men's restroom on the top floor and blew a hole in a part of the embassy's external wall

there. Fortunately, nobody was in the restroom at the time. The Marine outside felt the blast and was stunned but not hurt.

One of the military group's members was temporarily kidnaped - I don't recall his name. He was held briefly before he was released. I don't remember the terms of his release. That happened just about the time I was leaving.

Q: It seems to me from my research that there were several incidents like this in Venezuela at that time and usually people were held for just two or three days and then released. It wasn't as happened later when Ambassador Asencio was held for two months and other people like that. Anything else that you would like to add about colleagues of yours in the embassy or...?

LORD: I should mention that the other person in the political section, the number two, whose name I hadn't mentioned before was Nat Davis, who became a prestigious member of the Foreign Service, ambassador to Chile among other places and the director general of the Foreign Service.

Q: What was he doing?

LORD: Well, he was the number two in the Political Section. I remember one project that he was working on was high priority because it was Attorney General Bobbie Kennedy's pet project, that every embassy should develop a youth program. This was particularly important in Venezuela where the left was trying to subvert the youth and we needed to reach out to them. University students were considered as potential agents of Cuban insurgency, so every university was a trouble spot with students acting up. Central University in Caracas was closed much of the time I was there. In fact, one of the early harbingers of this early leftist insurgency was at Central University when Ambassador Moscoso made a visit there not long after his arrival. Although he wasn't in his car at the time, it was attacked and his briefcase, which had classified papers in it, was stolen out of the trunk. So, it was a bit embarrassing at the time.

Q: When we take up this interview next time it will be 1963 and you are being reassigned from Venezuela to the States for Latin American area studies at Columbia University.

LORD: Before we leave Caracas let me mention two of my more interesting side trips there. One was a trip that two of us from the embassy and a young German fellow made to Angel Falls, which is the highest waterfall in the world. It has a straight drop of about 3,000 feet. It is located in southern central Venezuela. We flew down to what is now a national park at Canaima, but in those days it was just a little outpost and there was a Dutch fellow named Jungle Rudy who put together an expedition for the three of us, and including himself and an Indian guide all in one canoe together with camping equipment and food. It was an aluminum canoe with an outboard motor on it. We took about a week's trip up two rivers to get to Angel Falls itself.

Q: Why isn't that better known?

LORD: Oh, it is. If you do any tourism these days...

Q: The ones that most of us have heard about in Latin America are the Iguacu Falls on the border between Brazil and Paraguay or the Victoria Falls in Africa. Three thousand foot vertical drop?

LORD: The volume of water is quite small. It is a ribbon falls. This is down in the area that author Conan Doyle made famous with his novel *The Lost World*. The falls are on top of a mesa that is sort of isolated. You could dream about unusual wildlife existing up there isolated from the rest of the continent. It is named Angel Falls after Jimmy Angel, who flew in there and crashed on the mesa from which the waterfall descends. I think he survived; I can't remember. Today this is part of a national park and there are organized tours to take you down there.

Another trip that some of us made was to southwestern Venezuela on one of the tributaries to the Amazon river where we visited the native Indian people who live there in primitive habitat. I did an airgram on that.

Q: How far, just to give us an idea, in miles was it from Caracas down to the Amazon river?

LORD: Well, it is a tributary to the Amazon, so it is down close to the Colombia border where the border goes north and south.

Q: It must be at least 500 miles.

LORD: At least, and maybe more. I remember doing an airgram on that visit because it was so fascinating. I prepared it and my boss said something like "That was a real labor of love; I wish all your reports reflected the same degree of love." Ironically, it was a report that received a favorable comment from the Bureau of Indian Affairs in the Department of Interior!

Q: This was an Indian tribe living on the banks of a tributary of the Amazon?

LORD: Yes.

Q: Were there pirana there?

LORD: I guess so, I can't remember.

PATRICK F. MORRIS
Director, USAID Mission
Caracas (1961-1965)

Mr. Morris was born and raised in Montana. Educated at Georgetown University, Mexico City College, and San Marcos College, Lima, Peru, Mr. Morris served in the US Army in Europe during World War II, where he was captured and imprisoned by the German Army. He joined the newly established Point IV program in 1950 and worked with that agency and its successors in various

senior level capacities in Washington, D.C., in Paris and throughout Latin America. His final posting was in the Dominican Republic, where he served as Director of the US AID Mission. Mr. Morris was interviewed by Charles Stuart Kennedy in 2007.

Q: Okay, today is the 21st of March, 2007. Pat, Venezuela. You were there from '61 to when?

MORRIS: I was in Venezuela from '61 to '65.

Q: Alright.

MORRIS: Let me see, I was there, I am trying to remember now, I guess I arrived in Venezuela in October of '61 or maybe September of '61. I left Bolivia in July, I think, of '61. Kennedy had been elected president in 1960 and was installed, of course, in January of 1961 as president and I was still in Bolivia at that time. But one of the early changes that Kennedy made in the foreign assistance program, first of all he changed the name of the organization. It had been the International Cooperation Administration and he changed the name to the AID, I guess that was Administration for International Development. He also initiated a new program for Latin America which he called the Alliance for Progress.

One little note about those early days in the Kennedy Administration. Having noticed that Arthur Schlesinger recently died I recall that at the time I was- when I was still in Bolivia, probably in February or March of 1961, at that time Bolivia was the largest assistance program in the hemisphere because for the most part the old Institute of Inter-American Affairs was a technical assistance program and there were not large sums of money involved but our program in Bolivia involved large cash grants to the government for budget support so that in money terms we were spending more money in Bolivia than any other country in the hemisphere. So the Kennedy Administration, when it came in, they focused on that, I imagine, trying to get some idea of how they would fashion an alliance, the new Alliance for Progress. And so there was a delegation from the White House that came down and among the members of that delegation was Arthur Schlesinger. And I really do not remember much about what they looked into while they were there but I do remember that I was giving a cocktail party at my house—at that time I was the deputy director of the aid mission there—I was giving a cocktail party at my house the day after they arrived so I invited the whole delegation to the cocktail party. I remember my wife saying, as these people filed into our house, who is that fellow in the dirty raincoat? That was Arthur Schlesinger and it really was a dirty raincoat. And that is the only thing that I remember about Arthur Schlesinger.

Q: Well now, Venezuela, now, you know, we are looking now, we are sort of at cross purposes with Venezuela, with Hugo Chavez, who is sort of, you know, acting as the new Castro and all but with lots of oil money.

MORRIS: Right.

Q: Now, Venezuela, we are talking about then, what was an aid program doing there if they had all this oil?

MORRIS: Well this is interesting. The fact is that there was not an aid program there; there were- the Rockefellers had always been very active in Venezuela. Obviously there were still ties to the old Standard Oil in Venezuela. There were at least four large U.S. oil companies operating in Venezuela; there was Atlantic, there was Mobil, there was Exxon, actually at that time it was still Esso, Standard Oil, and Gulf. Those were the active oil companies. Venezuela was exporting about three million barrels of oil a day and it was all under private enterprise. But Venezuela had gone through a fairly violent revolution; it did not last very long but the military dictatorship of Perez Jimenez was overthrown and there were two very strong popular movements that were the beginnings of political parties; the AD, that is Action Democratica and the COPE, which was the social Christian movement and they were jockeying for power. This is before I got there, this was 1960, when Perez Jimenez was overthrown, there was about a year where the country was in practical anarchy.

The American oil companies, of course, continued to produce and they were not being attacked but the situation was very dicey and there was an interim military junta that took over, Wolfgang Larrazabal, who had been a general. But they immediately and I think probably because of very strong U.S. pressure, organized to hold reelections. And the two political parties, the two strongest political parties, the AD and the COPE, both had good candidates and Romulo Betancourt won that election. Romulo Betancourt was a newspaper man and a long-time politician who had been thrown in jail a number of times during the dictatorship of Perez Jimenez; finally was in exile in Costa Rica, came back to Venezuela and ran for president and was elected. Immediately the two parties reached an agreement with regard to democratic practices, that they would not attack each other and they held almost equal strength in the congress. And Betancourt would not have been able to have made many economic and political reforms without some kind of an agreement with the opposition party. They worked out an agreement that they would support each other in certain areas so this was the beginning of a more orderly democratic development in the country. But the situation was still not very stable and so when Kennedy came in they decided that the United States ought to give very strong backing to Betancourt.

I had come back from Bolivia and was in Washington without an assignment. I was not sure where I was going to go. AID, the new AID still did not have a director. D.A. Fitzgerald, who was the deputy was acting and they had not- the Alliance for Progress was something on paper and they had not even named a new assistant secretary of state for inter-American affairs so there was a lot of confusion in Washington at the time. I was first scheduled to go to Jordan as aid director then I was interviewed by the new ambassador to Brazil, who wanted me to go to Brazil as the deputy director of a large aid program in Brazil. I got a call from the new ambassador who had been named by Kennedy, Lincoln Gordon, and so I met with him. He understood that I had just come back from Bolivia. He asked me what I thought about going to Brazil. Well, I was not very happy about the idea of going to Jordan so I said fine, I would not mind going to Brazil as the deputy director. And when D.A. Fitzgerald found out that Lincoln Gordon had interviewed me he called me and said, I do not want any ambassador interviewing AID people for jobs that I do not know anything about. And that was the end of my assignment to Brazil.

Then, I am trying to remember; then Fitzgerald called me again about a week later and said, you

know, they are talking about setting up a new program in Venezuela. Are you interested in that? And I said yes. But I did not know for a number of weeks and you can imagine, here I had come out of Bolivia and I had three kids and we were living in our house, we had a house in Washington that had been recently vacated but it did not have any furniture; we had rented it while we were abroad. So we moved into the house and we rented some temporary furniture. And here I was waiting for an assignment, not knowing where I was going, and things were so confused in the transition from one administration to another. So finally they decided that I would go to Venezuela to set up a new AID mission with the idea that we were setting up the mission primarily to give strong backing to the new democratic government in Venezuela, instituting a democratic tradition which, for Venezuela was something new because there had been long periods of dictatorship; there had been only a couple of very short-lived democratic governments.

So I did not have a clue how the program would evolve but it was very clear to me that this effort was an effort primarily to solidify the foundations of democratic development in Venezuela. My own experience had been with the Institute of Inter-American Affairs and then, of course, with this large economic assistance budget support program in Bolivia. So arriving in Venezuela I was not sure what kind of a program we could put together but from the beginning I knew that whatever we did it had to be visible and it had to indicate strong U.S. support for the newly elected democratic government. The Venezuelans had already set up by the time I got there a central planning office in the president's office and that was my main contact, the central planning office. So I worked together with the people in the central planning office. Of course, by that time my Spanish was good and I had no problem communicating with them and spending long hours working out different kinds of programs where the United States could provide assistance. We settled on low-cost housing as one of the primary areas and agricultural credit, not agrarian reform, but the government had already instituted an agrarian reform program. We decided that this was a sensitive area, that the United States ought not to get too directly identified with and so we worked on agricultural credit but supporting the agrarian reform program. We also tried to influence the expanding of agricultural extension and agricultural research. We gave some marginal assistance in that area. We also decided to provide some of the traditional assistance in the area of education, both primary and secondary education. And we got into small enterprise development, limited loans and small enterprise development. At that time Venezuela was, the Venezuelan Government, was very centralized; everything, the state governors were appointed by the president, they were not elected. I cannot remember whether there were municipal elections or not but all of the taxation and revenues were concentrated in the central government and then they were distributed to the states. So I backed a small organization there that was aimed at municipal reform and moving towards larger democratic activities in the outlying states and municipalities.

So we were in public administration in that area and then we were in small industry development and we were in agricultural credits and we were in a large housing program. And our housing programs were by far the largest single element of our funding. There were two or three different organizations that we made large loans to and all of it was for affordable housing.

Q: Well what was your impression? You got there how long after Jimenez has been overthrown?

MORRIS: I got there, let me see, I think it was ’59 when he was overthrown; it was ’60 when Larrazabal was there and it was during the Larrazabal time that Nixon visited; Nixon was vice president and had visited all the Latin American countries.

But the situation was very dicey and Nixon - Venezuela was the last stop in his South American tour and he was almost killed. It was very, very close. I think Nixon covered it in one of his books but that was a very, very close thing. They attacked his car on the highway and he was lucky to have escaped. But that is just an indication of how dicey the situation was. And then I got there after Betancourt had been elected, ’61. I am not sure but Betancourt was probably elected at the end of ’60 so he had been in power, when did I arrive? I think I arrived again, I said I guess I arrived in October, I think, of ’61.

Q: I am trying to get a feel for how did you view sort of the people and the bureaucracy and the system that you were going to be dealing with for housing, for agriculture and all. I mean, here was a state that had money but was it dominated, was corruption running it, was revolution ruining it? I mean, what was going on?

MORRIS: Well, there is no doubt that under the Perez Jimenez dictatorship there was the usual corruption. But here you had a new regime. The army and the police force were completed dismantled. The ruling generals, some of them were put in jail and others went into exile and all of the top ruling people of the Perez Jimenez regime left the country. Well, most of them went into exile. So when I got there there was still the attitude of the new broom sweeping out the old. Just before I got there, just to illustrate how effective that new broom was, there were no police, they had no police force and they had Boy Scouts directing traffic. So they had to set up a whole new police force. That reminds me that we did finally get into police assistance, we had a small police mission there helping the police force organize.

So you had a lot of reformers, some of them with very little experience but with great ideas about all of the things that had to be done in the country. But I must say that I was fortunate to be working with some good professionals. The head of the planning office had been working with the United Nations in economic planning for a number of years. He was a Venezuelan in exile so he had been out of the country but he was a PhD in economics, came back, headed the planning office. His assistant was another economist, Hector Hurtado, and so these people had a good understanding of what was required. There were other offices that I worked with, there was a small public administration office that did not have a clue what they were doing and we tried to help them but we did not get very far.

In agriculture, all through the Perez Jimenez dictatorship the Rockefeller Foundation had funded a little organization there that was working on various aspects of agricultural development. So after Betancourt came into power these people then took over the ministry of agriculture so they were professionals. So we were working with good people in agriculture, people who understood the kinds of reforms that had to take place. And a lot of other professionals in education and in public health; that is right, I forgot We had a small- we gave limited assistance in the area of public health; nothing large. But these people, I remember the minister of public health, he had been in exile too but I think he was working in the Inter-American system in some health capacity so that he came back and, Gabaldon was his name, he had an international reputation

and he was very good, he knew exactly what a ministry of public health ought to be doing. So it was uneven; it was uneven.

In the housing area we were dealing with professionals in a number of our loans but there were one or two where we actually had to suspend our funding of the programs because their accounting was off or they had not complied with the provisions in the loan agreements. So it was uneven there.

Q: You sort of take one look- cannot help but look ahead. Was there a consideration about one, sort of corruption within the system and two, the dominance of, you know, the 10 big families or 100 big families?

MORRIS: Well, for me it was very interesting to hear the Venezuelans talk about their own history. The fact is that Venezuela had been in almost continuous revolution from the time of Bolivar onward. There had not occurred the accumulation of great wealth by any particular sector that lasted very long, just because of the internal fighting and civil war, if you will, that went on. The discovery of petroleum in Venezuela made a lot of money for foreign oil companies. And there were incipient great fortunes in Venezuela but Venezuela, when I arrived there, enjoyed the fruits of large exports of petroleum and was full of nouveau riche. But you did not have the old resentments that you had in other Latin American countries with regard to the elite. There were incipient new fortunes that had been there long enough and today, when I look at the names, I can see- There was a German family that had started a brewery in Caracas about probably the 1920s; they are still there and by the time I got there they had breweries in three or four other towns and they were one of the new elite in the country. So you can see- And there were lots of Italians in the building trades who'd made good money.

Gross inequality in economic wealth was true in Venezuela as in all of the other Latin American countries. And Betancourt instituted an agrarian reform program and gave great support to organizing farm labor. The government gave a subsidy to the farm labor union and there was- the AD Party was really bent upon changing the status of the people in the campo, the people living in the countryside.

Betancourt had set up the agrarian reform program but it really was not very effective. While I was there there was not an on-going program, everything was in the planning stage, if you will. You know, these were the great changes that were going to take place and it was a time of great optimism but it was also a time of deep resentments and there were still a lot of people in the military, at the lower levels because the leaders had all gone into exile. But there were still a lot of resentments in the military against all of this populism and there was, and I suspect probably in the business community, too, that you had a lot of communists that were taking over the country. And there is no doubt that at one time Betancourt had been a member of the communist party. So you had right wing resentment and then you had the growing figure of Castro in Cuba who was already getting the beginnings of assistance from the Soviet Union and a lot of funding from the Italian communist party. There were the beginnings of plots of overthrowing the democratically elected government of Romulo Betancourt.

Q: Well was there not an aborted landing or supplies or something?

MORRIS: There was, there was.

Q: During the time you were there?

MORRIS: Yes, exactly.

Q: Can you explain what that was?

MORRIS: Yes well, let me- Before we get to that let me give you the general picture. Just before I got there, Betancourt was on his way to the Circulo Militar, which was a large complex on the outskirts of Caracas in which the military had its private clubs and it had large headquarters buildings, a parade ground and so forth. And Betancourt was on his way to give a speech at the Circulo Militar when the automobile he was in, a small Volkswagen was coming in the opposite direction and it blew up beside his car. This was not a suicide bomber as we are now familiar with; this car had no driver in it. It was controlled electronically. It blew up, it killed Betancourt's bodyguard, it killed the driver of the car, it very seriously wounded his aide-de-camp and it burned Betancourt's hands and his face. He was in the hospital for a couple of weeks and all the time he was in the presidency he had problems with his hands from those burns.

Now, this was a plot within the military but it was funded by Rafael Trujillo of the Dominican Republic.

Q: Who was unknown- yes, and the right _____.

MORRIS: Of course. See, the right had a monopoly on the Caribbean at that time with Perez Jimenez in Venezuela and Trujillo in the Dominican Republic. So the military plotters in Venezuela were able to get funding and assistance from Rafael Trujillo of the Dominican Republic and they almost killed Betancourt.

So that was what was happening on the right. And then on the left you had Castro and the Soviet Union and the Italian communist party. The Italian communist party was funding some of Castro's adventures in the Caribbean. While I was there there were 26 coup attempts; 26 coup attempts against Betancourt. Most of them did not even get into the newspapers because they wanted to keep things calm and most of them were nipped in the bud so that they did not become full blown. But as you mentioned there was an invasion from Cuba. I mean, these were Venezuelans, these were Venezuelan leftists and the Cubans had helped them bring large arms caches into the country and the Venezuelan military caught them as they were unloading these military caches on some of the beaches. At the same time the Venezuelan communist party was getting funding through Cuba and the intelligence reports that we got indicated that it was coming from the Italians, the Italian communist party and they were financing guerrilla operations in eastern Venezuela and also in the Andes. So there were leftist guerrilla operations in the eastern mountains and in the western mountains. All of these coup attempts, there must have been four or five rightist attempts and then there were leftist attempts. So this was a very dicey time and we were doing our best to make sure that everybody knew that the United States was strongly supporting this democratic government.

I will never forget, in the staff meetings, the ambassador-

Q: Who was the ambassador?

MORRIS: It is interesting. When I first arrived there is was Teodoro Moscoso. He was a Puerto Rican named by Kennedy and he had been one of the central figures in the economic development of Puerto Rico and was quite well known. And then right after I got there he was called to Washington to take over the new Alliance for Progress for the hemisphere and Allen Stewart, who was DCM, was named ambassador. Allen Stewart had been a newspaperman in Caracas before World War II and he and Romulo Betancourt had been old buddies; both newspapermen, I think Allen Stewart was AP or something in Venezuela. So this was a natural combination, this was a very good combination because they were on very friendly terms and of course the Kennedy Administration recognized immediately that it made a lot of sense to name Allen ambassador to work with this government that the administration had decided was key to the image of the United States as supporting democratic governments in the hemisphere. In the staff meetings Allen would lecture the members of the military mission because it was obvious that within the military themselves there were a lot of them who thought Betancourt was a communist, and Allen would lecture the members of the military mission, "If I ever hear that any of you giving any support whatsoever to any talk about overthrowing this government you are going to be out of here in a minute." And so, I am sure that our military mission people were well aware of what side they had to be on and they had very good relations with the Venezuelan military, our missions, and I am sure that the Venezuelan military got the message too. But nevertheless the situation was worrisome.

The whole time I was there, just before I arrived Moscoso had gone to the university to give a talk. His car was attacked and like Nixon before him he also barely got out of there with his life and he never went back. The universities in Latin America were autonomous and the civil police could not go into the university, the universities had their own little police forces and the students had taken over the university and they were all leftists and they were getting support probably from Castro. So the university was off limits to us; we could not even get near the university.

Q: Well you know, politics aside it sounds like not much education was going on.

MORRIS: No doubt. There was not much education going on, exactly. But see, as in most of these Latin American countries this is the state university. Then you had Catholic University; education was going on in Catholic University.

Q: So this is where you got your cavalry, really.

MORRIS: Exactly; exactly.

Q: What about, you mentioned there was guerrilla stuff going on. At that time were we doing anything, you know, sending in special forces to train or anything like that?

MORRIS: No, we did not do it. As far as I know the Venezuelan military was not interested in or maybe we were not pushing it; I do not know. And these outbreaks here and there were not very well organized and the military, I guess, the Venezuelan military thought they could take care of themselves. I was involved later on with SOUTHCOM, the military in Panama, with regard to Bolivia but we will get to that later. But in Venezuela I just do not think that we ever did send any of our troops or give any particular special training in counterinsurgency or any of that. We may have sent some members of the Venezuelan military to Panama for training.

But we were under pressure all the time we were there. We had one kidnapping; a military attaché was kidnapped. The house of the political consular was raided during the day when he was in the embassy at work. His wife was there, she was tied up, they painted graffiti all over the walls but they did not hurt her. They planted a bomb in the rest room of the embassy; I do not know how they got in. Rest room on the fourth floor where the ambassador's office was blown out. And all of this was in 1962. So you know, we talk about terrorism and so forth today but it was going on back then.

Q: Did Colombia- how were relations between us, as we saw it, relations between Colombia and Venezuela at the time?

MORRIS: Venezuela had a dictator, Perez Jimenez; Columbia had a dictator, Rojas Pinilla. They were both military men and Venezuela had all the money and Colombia had all the problems. I do not- since they were both military men there really was not very much difference in their outlook and so the relations between the two countries was probably fairly good. Rojas Pinilla was overthrown before Perez Jimenez so you had a new democratic government in Colombia and then you had a democratic government in Venezuela and they more or less saw eye to eye. Relationships were friendly but there was not very much cooperation other than just friendly relations between the two countries.

Q: What was your impression of the American oil companies involved in Venezuela? Share the wealth, milk the country for everything they could get out of it or what?

MORRIS: Well you know, you had five different companies. Exxon, Esso at that time was the largest, Standard Oil. They already had the Rockefeller stamp which was beneficent. There was, I am trying to remember, Creole was the name of the company, Esso, the Exxon oil company was Creole; Creole had a foundation, it was large, that gave grants for all kinds of worthy projects. I would say that Creole was very forward looking in every sense of the word. Mobil was happy that there was another oil company taking care of those kinds of things. They were interested in just making money. That is right, Texaco was there too. So there was Mobil, Texaco, Atlantic and Gulf; so there were six of them. And they were just big businesses for the most part except for Creole and Creole, which was the dominating company. And we had U.S. Steel there as well. U.S. Steel was putting in a large steel mill on the Orinoco River. So we had a lot of U.S. capital and therefore U.S. business interests in the country. And they, for the most part, understood our political push although they also had suspicions that Betancourt was really a communist and that he was going to nationalize the oil companies, which eventually did happen but it did not happen under Betancourt and it did not happen under his successor; Leoni or Caldera, it happened two changes down the line. But I think just in terms of looking at where

Venezuela is today and why all of these great dreams of a more equitable society did not pan out, and I have followed Venezuela very closely since I left there because I left at a time when it looked as though we had help establish a working democracy where there was peaceful succession from one democratically elected government to another. When I left, I was there for five years, and when I left I recommended that we could begin phasing down, to phase out, our assistance program there because we had accomplished what we had come to do and our hope was, at that time, that these reform programs would take effect and the affordable housing and the agrarian reform and all of these things would begin to have an effect of creating a large, viable middle class and a reduction in poverty, both rural and urban. Those things did not happen. And there is no doubt that by the third succession, democratic succession in Venezuela all of the old patterns of corruption had seeped back in and had taken over. And some of the people that I knew, Carlos Andres Perez, became president, you know, they were there with Betancourt and they knew what the dream was. But they got lost someplace; they got lost someplace!

CARL NORDEN
Economic Counselor
Caracas (1961-1965)

Carl F. Norden was the son of the inventor of the most famous bombing device in World War II. He worked for the City Bank for six years in New York, Paris, and London. He took the Foreign Service Exam in 1932 and went to Harvard, where he earned an M.A. in political science and economics. He entered the Foreign Service in 1938 and went to Berlin. He subsequently served in Prague, Paramaribo, Bari, Havana, Santiago, Buenos Aires, Caracas, Madrid, Tehran, Paris, GATT (Geneva), and Caracas. He was interviewed by Ambassador Horace Torbert on May 2, 1991.

NORDEN: I was sent to Caracas. It was a very interesting time, because Castro had decided that that was target number one in the Americas. And we had a hell of a lot of shooting in the night and stuff like that going on, you know. It was quite nasty. I used to have to...

Q: *You were just saying what a nice country Venezuela was when you got there, in spite of the fact that it had been targeted by Castro. Do you want to go on?*

NORDEN: Well, it's a lovely country. It's a beautiful country, you know.

Q: *Especially if you're in Caracas, not...down on the coast.*

NORDEN: Sure, sure. Anyway, no, but Venezuelans are rather nice people. The private sector there, which I dealt with, is a pretty superior bunch of people, because they have the example of the American oil people, you know?

Q: *Yes.*

NORDEN: But my job, with the ambassador's particular blessing...

Q: *The ambassador soon after you got there was Allen Stewart.*

NORDEN: Yes, whom I knew anyway. Allen Stewart, incidentally, was probably one of the finest political officers that ever lived. He had a genius for that kind of thing, he had a flair. And, of course, he was a personal friend of the President's. In fact, the President put him in there. Every time they tried to put somebody in, he would just not pass on him. The thing would die there in the Foreign Office. Very interesting.

Q: *Well, I knew him socially, and also he hired the cook we had in Rome, so I knew him...*

NORDEN: Allen was a great guy. He had a couple of weaknesses. His main weakness: He had a prejudice against anybody who had been to an Ivy League college, and he gave several people a bad time. And he had another weakness: He had a wife who was a problem. No deputy chief of mission could survive around that woman, because she'd go for his wife. Not easy.

Q: *What had he been before? He came in the service rather late.*

NORDEN: Oh, he was with UP.

Q: *UP. I couldn't remember whether...*

NORDEN: That's right.

Q: *Well, economic counselor would be a terrific and important job there.*

NORDEN: Oh, it was a very key job. My job, as I developed it, was....I had to argue with the ambassador about this, and I said, "Look, there's only one thing for me to do. I have to try and reverse the flight of Venezuelan capital. Because there ain't enough aid money in the whole damn United States..."

Q: *To... for all that...*

NORDEN: "...to put that country on its feet if it doesn't want to." And so I worked on the American board rooms, essentially. I developed a very simple little technique, but it was very effective. You know, I'd write the little monthly reports that you have to write. You know?

Q: *Yes.*

NORDEN: But my reports had a special characteristic. They would have little sections that were highly classified, and spread in amongst them the sections that were not classified, which the Commerce Department used to lift and print. That would probably be copied in the Venezuelan press: "It says in the United States Commerce Department that the outlook for Venezuela is brilliant."

Q: *Well, this is the way you...*

NORDEN: I operated.

Q: *Well, I used to be a little worried sometimes about the stuff of mine that was put in the* Foreign Commerce Weekly, *because I never knew what the Spanish reaction was going to be to it, when we were still not on good terms with Franco. But I can see that it could be used very...*

NORDEN: I used it, and very, very effectively. And the minister of finance got to be my best friend.

Q: *And he would feed you stuff that he...*

NORDEN: Listen, if I wanted to talk to him alone and privately, all I'd do is pick up the telephone and he'd say, "Come over, Carl." Just like that.

Q: *Well, that's a relationship that is the essence of business, I think.*

NORDEN: He paid me the highest compliment I ever had in my whole career.

Q: *Which was?*

NORDEN: "We haven't liked anybody as well since Norman Armor."

Q: *Well, that is a...*

NORDEN: Yes, that was a very successful assignment.

Q: Let's see, you stayed there, oh, about four years, wasn't it?

NORDEN: No, no, three. I had amoebic dysentery three times.

Q: That's endemic in Caracas, is it? Or do you get it by going out to the...

NORDEN: Well, it's endemic pretty much, you know. You've got to be careful. You've got to be awfully careful.

Q: *I had it a couple of times out in East Africa...there, but...*

NORDEN: It's a nasty disease. A nasty disease.

Q: *So eventually, after three years, you got back into the department.*

NORDEN: They cooked up a very tricky job for me, and it was so damned tricky, I didn't get it. The secretary of commerce, who was Roosevelt, had made the people of Basel, on a trip to

Switzerland, a promise that he would get them a counselor. Well, of course, we didn't have the money for a counselor. They had the idea of sending me in there as sort of a commercial officer, low grade and so forth. I had no status whatever. Impossible. And they were going to have a non-career counselor. An impossible job; you'd be sure to sit below the salt. I just couldn't work up any enthusiasm.

Q: *What organization would you be attached to?*

NORDEN: They never decided that. It was an awful thing.

Q: *But this was because of the bank of international settlements.*

NORDEN: No.

Q: *That wasn't why you...*

NORDEN: No, it could have been, but it wasn't. And it didn't work out. And then this one guy who did liaison between Commerce and ourselves, he said, "I know what's bothering you, it's the title. You don't have any title, you don't have any status." And he, on behalf of the secretary of commerce, suggested that I should be made counselor or some other goddamned title he'd worked up, you know. This hit certain areas in the State Department, who said Commerce was ultra virus, and sent the goddamned thing back to Commerce. That's a terrible thing to have happen to you.

Q: *I must say that the handling by the department of the relations with Commerce over the years has been about as bad....I'm sure we could well still have the entire Commercial Service in the department if anybody had been willing to compromise with them and recognize the legitimate requirements of the Commerce Department. But we never did.*

NORDEN: They were reasonable. I always had very good relations with Commerce. This Venezuelan trick, they loved that. They ate that up. I mean, I treated Commerce as worthwhile. And so many officers don't do it. And particularly if they are economic counselors, they have that bug.

Q: *They came up on the economic policy side, and not through the...*

NORDEN: Well, there you are.

Q: *Well, this is one reason, it seems to me, that we have such a time beating the balance of payment, balance of trade, situation, because not only our private companies, but our Foreign Service posts are not organized to promote trade.*

NORDEN: No, they're not, and they should be.

THEODORE WILKINSON
Political Officer
Caracas (1962-1964)

Theodore Wilkinson was born in Washington, DC on August 27, 1934. He attended Yale University, where he received his BA in 1956, and Washington University, where he received his MA in 1964. He served in the US Navy from 1956 to 1960 before entering the Foreign Service in 1961. He has served in countries including Venezuela, Sweden, Belgium, Mexico, Honduras, and Brazil. He was interviewed by Charles Stuart Kennedy on January 11, 1999.

Q: You were in Caracas from when to when?

WILKINSON: From the beginning of 1962 to roughly early 1964.

Q: *What was the situation in Venezuela at that time?*

WILKINSON: Troubled and unsettled. The military dictator, Pérez Jiménez had been in power for a decade until the late '50s, when democracy and constitutional rule were restored. Rómulo Betancourt, the elected president (1959-1964), was pretty far to the left - very close to being a Communist - and yet the U.S. Administration under both Eisenhower and Kennedy supported him strongly as a democratic alternative to Castro. Castro recognized this and had sponsored what was generally believed to have been an attempt against Betancourt's life - a bomb that exploded in 1960 and nearly killed him in a motorcade in Caracas itself. The U.S. Government was supporting Betancourt firmly, even though there was middle-class and conservative opposition to him, because he was redistributing the oil resources of the country. In the 1950s, Pérez Jiménez, had always favored the elites and the urban centers of the country, and as a result had a lot of residual support from Venezuelan upper classes and from the U.S. oil companies. Betancourt, in contrast, was taking the oil wealth and spreading it around the country building infrastructure and roads that were far less visible in Caracas than the public works and monuments that Pérez Jiménez had built. For that reason, I found myself defending American policy in Venezuela against friends and associates who were sharply critical of this iconoclast and sympathetic to continuing insurgencies and/or coup attempts, from both right and left sides. Venezuela has stayed democratic and had regular elections, but there had been constant complaints about corruption and complaisance in all the traditional political parties, and right now the country is going through a challenging new phase with a military ex- rebel who's been elected and wants to rewrite the constitution.

Q: *Who was our ambassador at the time?*

WILKINSON: Our ambassador was a man named Allen Stewart. Stewart had been DCM and chargé when Betancourt was elected president, and Betancourt interceded in Washington to ask that he be appointed ambassador an old political debt. Stewart, a former USIS person, had been serving in Venezuela in 1947, had helped Betancourt escape at the time of an earlier military coup. At the very least Stewart had saved his political life, and Betancourt owed a great debt of gratitude to him.

Stewart was a colorful character. I remember one meeting when he went off to see the oil minister, whose name was Pérez Alfonso, to deliver an angry *demarche* and came back and told us in the country team that Pérez Alfonso was "so scared that his eyes looked like two piss-holes in the snow," which I thought was one of the best similes I'd heard in diplomacy. He also could be even more graphic, with metaphors that don't bear repeating here.

Q: *How did he manage the embassy?*

WILKINSON: With a loose hand. He had a strong DCM in John Calvin Hill, who really managed the embassy. Allen Stewart was more Olympian. I was asked to be staff aide for a year after I'd been there a few months, but I really worked for John Hill, who at the time was highly thought of and had gone through the Kennedy administration's first "high-level" counter-insurgency course. To counter Castro inspired guerilla movements in Latin America, embassies were to structure themselves to help governments counter insurgencies. This Kennedy-era approach lasted through the mid- '60s, until it became clear that we were intervening so transparently in domestic situations to counter Castro-inspired insurgencies that several rebel forces took direct aim at Americans. As in the case of Uruguay, where rebel Tupamaros kidnaped and killed a couple of American counter-insurgency police advisers. After that the U.S. Government abandoned the idea of training police. Congress even put a legal ban on it, which only recently has been eased. But at the time we were focusing on helping democratic governments defeat leftist insurgency, while Ché Guevara was trying to foment one in Bolivia; and John Hill was our sort of counter-insurgency supervisor within the embassy and the core of the team that had been sort of prepared in Washington to make sure that the Betancourt government survived in Venezuela. Hill unfortunately was also drinking himself slowly to death, although many of us were not fully aware of that at the time. He died a few years later, probably still under 50.

Q: *Your job, while you were in Caracas, 1962-64, was what?*

WILKINSON: I was a junior officer. I served for a while in the Political Section, and then I was asked to be staff aide and stayed there for 13 or 14 months, and for a few months, at the end of my tour, I rotated to USIS and to Administration, to get an idea of those sections. We had a fairly active so-called rotation program in the embassy for junior officers at the time. Two of us were also allowed to attend the senior staff meetings in rotation, but on the condition that we served coffee. So we stood in the background at staff meetings and passed the coffee around and were allowed to enlighten ourselves with this high-level conversation.

Q: *Well, did you get any feel for the political world there? You mentioned that you were having problems. It wasn't a problem that most of our contacts and people that you would run across would be on whatever paths were sort of on the right, but we were supporting a left government - was that part of the problem within Caracas and diplomatic society?*

WILKINSON: Yes. The problem in Venezuela and in Caracas and in some of the other leading cities like Maracaibo was that Betancourt's support was rather thin, certainly among the economic leaders and to some extent the intellectual leaders of the country. And the country was

politically polarized between people who would have been perfectly happy to see a military dictatorship continue or be reinstated and the left, who were more inclined to be Trotskyites or Castroites; and Betancourt had tried to find a middle course, which involved economic reform, but there was at the time a great deal of military distrust and resentment. There were several military efforts to overthrow the government: a revolt at Carúpano, in which a military garrison came very close to stimulating a successful military revolt. At the same time there was a leftist insurgency in the hills, a small one led by a guerrilla leader named Douglas Bravo, which persisted through the '60s and which was hard to stamp out. So this situation was far from settled. Policemen were being killed almost daily by city urban terrorist opponents of the government, and Carlos Andres Pérez, who subsequently became president twice, was the interior minister responsible for maintaining law and order, and we worked particularly closely with him at the time because we were dedicated to making this left-democratic government a success, as an alternative model to the Castro model in Cuba.

Q: *What about the Cubans? Was this around the time, or was it earlier, that a big cache of arms was found in Venezuela and then- (end of tape)*

WILKINSON: I frankly don't remember a large cache of arms being found that was traced to Castro, and I must say, I'm always suspicious of caches of arms, because they're so easy to manufacture, so as to point a finger at the opposition. More than once in Latin American countries I've wondered whether so-called caches of arms that the opposition was supposedly amassing to prepare for a revolution were genuine or planted. I'm quite sure in a couple of cases in Central America later in the '80s, that the arms were planted. It may sound a bit cynical, but these finds were very convenient for a Reagan administration bent on proving foreign (e.g. Cuban or Soviet) assistance to the rebels.

I neglected to mention earlier that before going to Venezuela I was trained in Spanish in Rosslyn, where the Foreign Service Institute used to be, and my teacher for most of that short period of training in Spanish was Isabel Letelier, the young wife of an Inter- American Bank official, Orlando Letelier. She was one of the most charming instructors I have every had, which made it very easy to learn Spanish. And of course no one knew at the time how tragic a figure she would become as the widow of Orlando Letelier, who during the Allende years in Chile was the Chilean foreign minister and then when Allende was overthrown was living in exile in Washington and was assassinated by a bomb planted by Pinochet's Chilean intelligence - many people believe with Pinochet's knowledge - that killed Orlando Letelier and an assistant, Ronnie Moffitt, as they passed Sheridan Circle on Massachusetts Avenue in 1975.

Q: *Back in Caracas, were we involved with the labor movement there, because this was the height of the Kennedy administration and all that? I would have thought that labor would have been a big focus.*

WILKINSON: Labor was a focus. Betancourt was a leader of the labor movement, of the petroleum workers and of the agricultural workers of the country, and it was on the basis of his strength in the labor movement that he was able to get himself elected. And of course, we were pressing, as we have throughout this century, the development of democratic labor unions in the hemisphere and attempting to offset Communist attempts to take over and use a labor movement

for political purposes. We of course set up our network with rival labor confederations in the hemisphere and most labor movement in Venezuela belonged to the democratic labor confederation of Latin America [ORIT] or the Christian Democratic [CLAD] one.

Kennedy himself visited Venezuela before I arrived there, but amusingly enough, in light of subsequent developments, we had people coming into the embassy approximately nine months after Kennedy's visit, women coming in and claiming that their new children were American citizens because John Kennedy had spent a few blissful moments with them while he was in Caracas. This was an interesting ploy-

Q: *But given the subsequent knowledge of how he operated -*

WILKINSON: One wonders whether some of those stories might not have been true. But not likely in this case, after you saw the claimants.

Q: *Good thing there weren't DNA tests.*

WILKINSON: DNA tests, yes. It was a very sad moment in Caracas when Kennedy was killed, and one of the most moving experiences I've had as an American Foreign Service person was going to the National Cathedral for a memorial service for Kennedy with all the Venezuelan cabinet sitting on one side of the nave and all of the American embassy sitting on the other side face to face, and then at the end of the service we all passed in line and embraced, cabinet-level people in Venezuela embracing all the people in the embassy, and it was a genuinely moving moment, but also one of great solidarity and one of those moments when people come together regardless of political persuasion.

Q: *How about with the oil companies? Did you see at least from your perch in the DCM's office how we were relating to the oil companies, or did they sort of go their own way? I'm talking about the American oil companies.*

WILKINSON: Yes. The oil companies in Venezuela at the time - I'm not sure of the history of the oil business in Venezuela subsequent to the early '60s - were private, not yet a state monopoly. Venezuela had led the OPEC group in demanding higher and higher royalties from foreign oil companies, principally American oil companies, but had at the same time desisted from nationalization, unlike the Mexicans who went the other route and nationalized all the oil companies in the '30s. The Venezuelans did not do that. Instead, however, they demanded royalties of about two-thirds of the well-head value of the oil. The oil companies were allowed to continue to make substantial mark-up profits as long as they paid their royalties. But the companies were basically retrogressive in their political attitudes. Traditionally, American oil "camps" were almost like citadels, lofty and isolated. Venezuelans did not come and go, and the Americans there mixed very little with the Venezuelan population. I ran into people who after 30 years in Venezuela didn't know more than a few words of Spanish. So it was sort of a strange situation with the involvement of oil companies in Venezuela. There was an uneasy - what's the best word for it? - *concordat* between the oil companies and the government to exist separately, but not a naturally comfortable arrangement.

Q: *How did you find social life there?*

WILKINSON: We had a wonderful social life. I was young, married - we had one baby - and there were a lot of other young expatriate couples, both American and European, plus some Venezuelans, in particular foreign-educated ones, who did lots of things together. We used to spend weekends together at isolated beaches with very little infrastructure, no hotels. We would go out and stay in huts and swim and snorkel and sing at night, and it was a glorious existence. Many fond memories of serving in Venezuela. I may sound like a diplomatic dilettante, but one of our diversions was catching rare butterflies. William Beebe and Vladimir Nabokov wrote about cloud forest butterflies, but even in our time there they weren't well catalogued. We went out with Bee and Brad Endicott, who subsequently wrote illustrated books about them. Once we were arrested with friends in the Avila hills above Caracas by a militia man with a rifle and a dog that still had its mouth full of porcupine quills. He turned us over to the closest army garrison. All of the officers seemed to suspect that we were rich-family punks who had become guerrillas. At one point I wondered if they were going to shoot us after summary judgment. Eventually, we convinced one of them that we were diplomats and they let us go.

Q: *Were there concerns about the economic progress both in Venezuela and also in the rest of Latin America that you were picking up? This is the time of the Alliance for Progress...*

WILKINSON: Exactly. It was a time of course of innovation, a sense of movement, renewal in American policy, some of it well-based and genuine, some of it generated simply by the mystique of the "Camelot" years. But the Alliance for Progress was certainly an attractive concept. The Peace Corps, the establishment of OPIC to insure American investment in less developed countries, the Arms Control Agency, the reconstitution of AID - all of these new developments under Kennedy had a great appeal for Latin Americans and made the early Kennedy years appear to be benign ones for our relationship for Latin America. And of course, early in the Kennedy years, there was a wave when democracy appeared to be advancing in Latin America before the wave of reversions in the late '60s and early '70s, when the experiments didn't work very well and several countries - Peru, Chile, Brazil, Argentina - reverted to military dictatorship.

Q: *When did you come to Caracas?*

WILKINSON: In the beginning of '62, I remember two events in my first month there. A terrorist bomb next to the country team meeting room on the top floor, planted in a bathroom, blew out half the floor only minutes after a meeting. By great fortune no one was killed. About the same time there was a reception for the Diplomatic Corps at the Casa Amarilla - the Foreign Ministry - on the occasion of a visit by Prince Philip. It was "white tie" - the only "white tie" diplomatic event I've been to before or since. I was too new to get an invitation, but I did happen to own a white tie and tails. So someone gave me an invitation and I went and actually talked to Prince Philip. Lee had a pair of new shoes and admitted to the Ambassador at one point that they were killing her. "Take them off," Stewart said, so she did. No one said anything, or, as far as I noticed, even looked askance.

Q: *Okay, the reason I ask about training is, the Cuban Missile Crisis - how did that - what was-*

WILKINSON: Yes, of course, that was October of '62, yes. I should certainly mention that. We watched that from a safe distance, being in Caracas, worried that somehow nuclear warfare could erupt in this crisis and greatly relieved that it didn't. Certainly the official declared policy of the Venezuelan Government was total solidarity with us, and although there might have been some popular sentiment - some, but not extensive - supporting Cuba, I think the majority of Venezuelans were on our side. After all JFK had been in Caracas the year before. Khrushchev didn't visit, nor was he invited.

WARREN ZIMMERMANN
Consular Officer
Caracas (1962-1964)

Warren Zimmermann was born in Philadelphia, Pennsylvania on November16, 1934. He attended Yale University, where he received his BA in 1956, and Kings College, where he received his MA in 1958. He served in the US Army in 1959 before entering the Foreign Service in 1961, wherein he served in countries including Venezuela, Yugoslavia, USSR, France, Spain, Switzerland, and Austria, He was interviewed by Charles Stuart Kennedy on December 10, 1996.

Q: Well then you went to Venezuela where you served from when to when?

ZIMMERMANN: I served in Caracas from January, '62 until the middle of '64.

Q: What was the situation in Venezuela when you got there sort of political-economic?

ZIMMERMANN: It was in great turmoil. You had just had the election of a democratic government, so-called democratic government, quasi democratic government following the overthrow of the dictator who had been a military dictator. The army was still a major factor in the power balance and was always in danger of staging a coup d'état. There was a very strong leftist element both in politics and in parts of the military supported by Castro. So, you have the democratic government being challenged both from the right by the military and from the left by the Marxists. It made for a very unstable situation. The second week I was there in Caracas, the embassy was blown up by a bomb which had been planted by a shadowy organization called the armed forces of national liberation who turned out to be leftist and definitely supported by Castro. The CIA was able to prove that. They did, during the time I was there, the 2 ½ years I was there, they hijacked a ship. They hijacked a plane. They hijacked a train. They stole five great masters from a French art exhibit playing in Caracas. They kidnaped one of the most famous soccer players in the world who was playing an exhibition game there. These were people who were very skillful at publicity making events. And remember, this is the early 1960s. This is before people were doing this very much if at all in the world. They were a constant headache for everybody. Ultimately when they began to lose power, then they started killing people, then you got assassination squads and terrorist bombs and so forth, kind of the more familiar elements of terrorism. Oh, I forgot to say, they kidnaped the American assistant army

attaché and held him for two weeks incommunicado. I mean two weeks doesn't seem like a long time when you have been through all these hostages who have been held much longer, but for those days this was an unprecedented kind of thing.

Q: In the first place what were you doing at the embassy and how did you find it was responding, because this is all pretty new and ARA had not had to deal with this sort of thing as much?

ZIMMERMANN: We had a very good ambassador in Caracas, a man named Alan Stuart, who had been for a long time an AP correspondent in South America. I think actually in Venezuela. He somehow got into the foreign service as a somewhat late age. He was deputy chief of mission when Kennedy came though in 1961. Kennedy liked him so much that he was promoted to ambassador when the sitting ambassador left his job. The only example of that I know in foreign service history, a promotion from number two to number one. Stuart knew everybody in the power structure. He spoke very good Spanish. He had a kind of a Latin approach to everything. He was a great figure. He taught us all of the younger officers. By the way, we had a very good crop of younger officers I would say in Caracas. All of them were very dedicated. Stuart was a good role model, I think, in teaching us the degree to which you really have to get to know the country to be able to function well. So, he did not lose his cool. He did not panic; he did not call in the American air force or anything, and actually the democratically elected government managed to survive, and to pass on its, the reigns of power to a second democratically elected government. Venezuela has not looked back. Whatever else you say about it, it has had one succession of democratically elected governments after another since the time that I was there. That was a good example I think, of American foreign policy not overreacting, but doing the right thing. We had an enormous AID program. The Alliance for Progress had just started under Kennedy. We had an enormous AID program in Venezuela. We had various private organizations who were doing community action things, and I think they all made something of a difference. I think they were a positive element.

Q: Well, it sounds like you were in an embassy which was much more responsive because on had ARA the Latin American bureau had the reputation of not being as, being a bit hidebound or not. But you didn't get that feeling?

ZIMMERMANN: No. I am aware of what you are saying, and of course, in Central America we were supporting all kinds of terrible dictatorships. The Somoza dictatorship in Nicaragua and the military dictatorship in Guatemala and so forth. I don't think Kennedy had too much, I don't think Kennedy made much of a dent in that sort of structure. In the rest of Latin America I expect we had Ambassadors, many of them... We had many political ambassadors. We were lucky in Venezuela; I think it was an untypical embassy in that sense.

Q: What type of work were you doing there?

ZIMMERMANN: I started off doing consular work, which man, of course, people of my age did. I did visas for a year which was boring but at least you got to use your Spanish, so that was useful. Then I did one of the most fascinating things I have ever done. I did what is called protection and welfare, basically taking care of problems of American citizens. The problems of American citizens in Venezuela were enormous because all kinds of people who should never

travel ended up in Venezuela because it was close enough that you could get there easily. We had an extraordinary procession of crazy people, alcoholics, potential suicides and so forth. They would end up in the lap of this young and very inexperienced consular officer.

Q: Can you think, almost all of us have gone through this procedure. Do you have any consular stories because I think it gives a little flavor sometimes.

ZIMMERMANN: Well, I got a call from a guy who was at the hotel Tominaco which in those days was the best hotel in Caracas. He said, "I am about to slit my wrists. Would you please get over here." Of course I did get over there. The door of his room was open, but his bathroom door was locked. He was in the bathroom. So I had to talk to him through the bathroom door. I had to talk him out of slitting his wrists, which after about 20 minutes I did. Maybe he didn't need the talk; he just needed to know that somebody was there. Anyway he unlocked the door. He came out. I said, "I think you should be checked into a hospital," so we checked him into a hospital. He thanked me very much. Two weeks later I got a telephone call from him. He said, "I am back at the Hotel Tominaco. I would like to invite you to come have a drink with me. You saved my life and I just want to thank you." So I did. I went over and we drank rum punches together and he seemed perfectly normal. I guess whatever it was that was getting at him had gone away, and he was back in the land of the living. That was a fun thing to do. We had a terrible situation which made all the front pages of the Caracas papers for weeks of a politician from New York State, Long Island, who was visiting his son who was an American businessman in Caracas. He and his wife got in a taxi, the older man and his wife got in a taxi and were taken out to a remote part of Caracas and were killed. He was killed outright and she died later. It caused all kinds of publicity because these were tourists and Caracas was trying to develop its tourist industry and so forth, and it was just wanton killing. There was political interest because these people knew Governor Harriman and so we were getting calls from his office about it. There was not much to be done. They caught the murderer, and he was tried and convicted and sentenced to eight years in jail for the murder of two American tourists. I recall writing a cable back reporting this to Washington saying if he has normal life expectancy, he can commit four more murders at this jail sentence before he dies. But that was my first experience with going through all of the sordid elements of death. The publicity hounds among the local newspaper people, the undertakers who were trying to make a buck out of the grief of this family and so forth. It was more than any other job I have had in the foreign service, and I'll bet you have had this experience and almost anybody else who has done this kind of work, it put me closer to raw and human reality than anything.

Q: Well did, how did you find Venezuelan, society is the wrong term. I don't mean it in the fancy term; I mean it in the straight term. As a young diplomat you are supposed to get out and around, mix and mingle and you know, get a feel for this. How did you find that?

ZIMMERMANN: I'll answer that question with a story. Of course we were very eager young foreign service couple. Tini already knew some Spanish. I had learned it at the Foreign Service Institute. I did very well in the Spanish course. I felt I could talk to anybody. Of course the thing we wanted to do more than anything was get to know the people, and we made real efforts to do that. I took a lot of trips to different parts of the country to do political analysis and called on politicians and so forth. We were trying desperately to make Venezuelan friends. I recall that we had a party to celebrate our third wedding anniversary. We invited every Venezuelan that we had

met, and the guest list was over 100 people. We got three guests, and none of them was Venezuelan. That was very typical of the experience of all Americans in Venezuela at least in those days. The reason was not because there was a lack of contact between Americans and Venezuelans; it was because there was too much. The economic ties were so close because of the big American oil companies, Standard Oil, Gulf and so forth, were so powerful and so resented by Venezuelans that I think Venezuelans figured we have to deal with the Americans at work. We can't avoid dealing with them, but as far as we are concerned, we don't want to see them socially, we don't want to see them at night; we don't want to see them at times that we could spend with our families or our mistresses or whatever. We just don't want to see them. We don't want to know them; we don't want to get to know them, and that was it. We were there nearly three years, and I cannot say we ever had a Venezuelan friend, not for not trying.

Q: That is interesting. What about Venezuelan students? You were involved in visas but other times. I mean was the Venezuelan intellectual class, ruling class were they planning to get their kids an American education or not?

ZIMMERMANN: A lot of Venezuelan kids would go not to the really good universities but they would go to military schools in the southern United States. There was a big push for that. I can remember giving all kinds of visas for that. In fact a typical story would be an a young American woman would come into my office all distraught and in tears. The story was almost always the same. She had met this handsome Venezuelan boy who was going to a military academy in Baton Rouge or Little Rock or somewhere, and he had swept her off her feet. They had gotten married. They came back to Venezuela, and she was treated like a housemaid. She was given no rights. She had to take care of the children. She wasn't taken out at all. He didn't buy her any clothes. She had no access to money. It was just a typical story. I think the contact, this was kind of a nouveau riche society in Venezuela in those days. The rich people would go to Miami to shop and would send their children to military schools, but you didn't have the sense of any intellectual affinities. Except for fine arts where Venezuelans were very good, there wasn't the rich literary tradition for example, that you had in Colombia and other parts of Latin America. It was a society that did not grasp onto the best parts of American intellectual life. It had very little interest in those.

Q: What was the attitude towards the left at that time from the embassy point of view? Were we able to differentiate between lefts or were they pretty much the enemy?

ZIMMERMANN: They were pretty much the enemy. We were very strongly anti Marxist. Of course we were consumed by our opposition to Castro, and Castro was very heavily involved in supporting the Venezuelan left or at least some of it.

Q: Castro is quite new at this time.

ZIMMERMANN: That's right. Remember you had had the Bay of Pigs already and the Cuban missile crisis happened in October of '62 when we were there. We had been there nearly a year then. So there was a kind of an obsession with Cuba. This was Castro's chosen target for overthrowing what he called a bourgeois democracy in Latin America. He felt he had a good chance to do it and was putting a lot of resources into it mainly by sending arms.

Q: Were you there when they got that particularly large arms shipment?

ZIMMERMANN: Yes I was. The CIA jumped into action, did traces on all the weapons.

Q: This was a ship or something wasn't it?

ZIMMERMANN: Yes it was a ship that left arms on the beach, on a remote beach. The arms were found and turned over to the Venezuelan police or the Venezuelan army. Then the CIA sent its experts down to find out where the arms came from. They were able to prove that the came from Castro. That was used as an enormous campaign by the Kennedy administration through the CIA to brief all the leaders of Latin America about what Castro was doing in Venezuela. I mean the idea being this is what Castro does. He sends arms to overthrow legitimate governments. So it didn't play just in Venezuela, it played in throughout the hemisphere. But I would say we were pretty anti left in general. Now it is true that the President of Venezuela in those days, Romano Betancour had been a left wing politician under the previous military dictatorship. So I think you would probably find the argument from the Kennedy administration that we were supporting a kind of a social democratic left. That was okay, but not a revolutionary left.

Q: How did the Bay of Pigs, not the Bay of Pigs but the missile crisis affect you there because you were very close to, you know if the war was going to start, I mean it wasn't too far away and all that. What was the embassy reaction?

ZIMMERMANN: We were all told Kennedy was speaking, it was in the evening as I recall. We were all told be at our radios listening. As I recall I was at the house of a foreign service colleague. There were seven or eight of us who were listening to the speech. I thought we were going to go to war. I mean I really felt that this might be it.

Q: We are not talking about against Cuba, we are talking about the Soviet Union.

ZIMMERMANN: Against the Soviet Union, but you know there was a certain feeling that we would take out Cuba and Venezuela was close enough to Cuba. You know I recall a feeling of enormous intimacy or immediacy with regard to that. I mean that was the first reaction. The second reaction was we have got to close ranks behind the President. This is serious. We have got to button the lip and tow the line and stop the right things.

Q: You mentioned that when you first arrived the embassy was bombed. Was that while you were in the embassy?

ZIMMERMANN: I was in the embassy, yes. I was interviewing an Italian visa applicant. The most enormously loud explosion happened just like a clap of cosmic thunder. I remember saying to myself, I better get under the desk. Then I realized I already was. He was too. We were both under the desk. Then the embassy was immediately evacuated. Then the younger officers were assigned, then a call came through that there was a second bomb, so the younger officers were assigned to look for it. We went through every room in the embassy looking for a bomb. It was

amazing how many things you can produce that look like bombs, that you think might be a bomb, but there wasn't a second bomb.

Q: With these kidnappings and bombs and all that, were you under any constraints during this time?

ZIMMERMANN: It is amazing how few rules there were about our security. Here, you know, an embassy official was being kidnapped. Tini and I actually thought we had discovered the place where he was kidnapped. One of the places he had been taken. He was taken to a couple of places. They moved him. We lived on a hillside in a newly built area of Caracas. Caracas is in a valley surrounded by mountains on all sides, so it is very easy to live on a hillside. There was a house that we could see from our front porch. It was to the left but down the hill a little so you could see into the backyard of that house and then it sloped down the mountain. There was some very unusual activity going on. I don't remember exactly what it was, but it was, the house had been deserted. There had been nobody in the house for the first couple of months we were in our house. Then all of a sudden there was a lot of activity going on. So I reported it to the security officer. Oh and then Tini was wheeling a baby carriage with our smallest child in it in the vicinity of that house. She came across an armed guard who told her not to go any farther. He wasn't in a military uniform. He wasn't in uniform at all, but he had a submachine gun. So obviously she told me about that. I reported this. And it turned out, then our security people reported to the Venezuelan police and so forth. Ultimately the guy was released quite soon after that and when he was debriefed, he was blindfolded the whole time so he wasn't exactly sure where he was. But it sounded as if one of the places he had been taken was that house. It fit some of the geographic coordinates that would make it that house. But during this whole thing I can't remember anybody giving us any advice about security or staying home or whatever. Of course in those days embassies were not built to withstand explosives. The American embassy was a beautiful building recently designed and built by a wonderful architect whose name I forget. It had a lot of light flimsy pieces of metal on the whole front facade which would kind of glint in the sun and different shades and so forth, but there was nothing to them at all. Of course the bomb which was put in the top floor bathroom tore right through them as if they weren't there at all. Fortunately the force of the blast was out not in. Otherwise people would have been killed or hurt.

Q: Well did the ambassador sort of keep his staff relatively well informed about what he thought about what was happening in Venezuela but also about you know, with the Kennedy administration?

ZIMMERMANN: No. We never saw the ambassador. The ambassador was really with his contacts. I can't recall ever receiving a briefing by him. Certainly there was no sense of a need to keep the younger officers informed. The deputy chief of mission did do some of that and actually made a point which I never have forgotten, of inviting every officer in the embassy singly for dinner. He would just go right through the list. He wouldn't have them all together; he had them one at a time. His name was John Calvin Hill. He was a real cold warrior. He had been involved in the overthrow of the so called leftist regime in Guatemala in 1954. But he was a kind of an archetypal swashbuckling pro consular hard thinking type, but the sort of person that young foreign service officers would admire because he was not in the mold of the cookie pushers.

RICHARD G. CUSHING
Public Affairs Officer, USIS
Caracas (1962-1967)

Richard G. Cushing was born in New York in April 30, 1917. He obtained a B.A. from San Francisco State College. He joined the Foreign Service in early 1950, serving in Chile, Cuba, Washington, DC (USIA and then Voice of America), Mexico, Venezuela, and Kenya. He received a Superior Honor Award in 1969 and attended the Senior Seminar in Foreign Policy in 1970-1971. He retired in 1976. This is his self interview.

CUSHING: Director Murrow assigned me on direct transfer from Mexico to Venezuela as a result of a meeting of USIS chiefs in Lima, Peru, where the Caracas PAO, I was told later, put his arm around Mr. Murrow's shoulders and called him Ed, a familiarity not in keeping with the austere tone of the moment. Mr. Murrow obviously was not amused.

I had been warned that Venezuela would be a drag, that the Venezuelans were aloof, lacking in cultural heritage, and were not liked among other Latin Americans. I found this only partly true. In our widening circle we found Venezuelans for the most part bright, party-loving and proud of their economic fortunes, based on oil production. But they lacked the warmth of the Mexicans, the gaiety of the Cubans, and the sense of humor of the Chileans.

Like Chile in our day, Venezuela had a democracy of long standing, and, like Chile's dependence on copper, Venezuela had oil. But while there were extremely wealthy Venezuelans, the oil economy only affected a small percentage of the people and there were deep pockets of poverty. Leftist political movements did not thrive, however, but they showed flare ups of violence at times. There were kidnappings of U.S. military and businessmen, more for political propaganda purposes than for ransom, and the Embassy more than once was fired upon from the nearby freeway. The university was a safe haven for rebellious students who cached arms on campus knowing that government authorities were not allowed to enter. The university often was closed by the government for months at a time because of political activities.

In this atmosphere USIS did the usual kind of thing in dealing with the media and cultural circles, hoping to create a more positive image of the United States, and success was there physically if difficult to judge as to its effect on people's minds. The poorer and even middle classes had too much to worry about just surviving to give a damn about the U.S. and its policies. The upper classes, while they might have been swayed to a degree by USIS materials in their newspapers, magazines and films on TV, more than likely had access to a vast amount of other material, including U.S. publications and the impact of visits to this country. Many had kids in U.S. schools and universities.

G. CLAY NETTLES
Economic/Commercial Officer
Caracas (1963-1964)

G. Clay Nettles was born in Alabama on April 21, 1932. He attended the University of Alabama, where he received his AB in 1954 and LLB in 1957.He served in the US Army from 1954 to 1956. He entered the Foreign Service in 1957, wherein he served in countries including Japan, Venezuela, Vietnam, Lebanon, Pakistan, Zaire, Italy, Turkey, and Switzerland. He was interviewed by Raymond Ewing on July 8, 1997.

NETTLES: I came back to the States, studied Spanish, and then I went to Venezuela.

Q: This was the embassy in Caracas. What was your assignment there?

NETTLES: I was an economic/commercial officer. I had very little training in economics, but I liked the work. I tried to assist American businessmen and wrote commercial reports. I remember specifically doing a detailed study of the chemical industry as it existed in Venezuela, which received a compliment from the Department of Commerce as being very useful for potential American investors. Venezuela at that time was a very rich country and a big market for U.S. goods and services. A lot of American companies had investments there, and others were considering doing so.

Q: Were you primarily doing kind of general reporting, like on the chemical industry? Or were you doing something specific--American investors, or exporters, with world trade directory reports, or trade opportunities, things like that?

NETTLES: ...never... that. The world trade directory reports were basically done by a very efficient local..., a German national who had been with the embassy for many years, and he did that full time. We did, of course, assist American investors if we could, but we did mostly reporting.

Q: Was your entire assignment there pretty much doing this one economic/commercial function? Or did you move around?

NETTLES: No, it was entirely tied into that kind of commercial section.

It was a difficult period for American companies, as you may recall, because after Castro came to power in Cuba, his lieutenants tried very hard to destabilize the Venezuelan government. I remember there were quite a few attacks on American companies. I remember once looking out of my office window, which was up there on a high floor in the embassy, and seeing three different American companies that were going up in flames, having been bombed or sabotaged by leftist guerrillas. But the Venezuelan government put it down. We also had several Americans who were kidnapped by the leftists during this period. We even had an SOP (standard operating procedure) for what to do when an American was kidnapped, even down to how to have a press conference when the American was released. And, fortunately, all of them were released, when I

was in Venezuela, none were harmed.

Q: These were mostly American business people who were taken hostage and eventually released?

NETTLES: Yes. I believe only one American official was kidnapped, but only held for a very brief period. I remember once, though, a number of guerrillas entered the house of the political counselor. But the only people that were there were his wife and the maid, and they were just tied up, they weren't held captive, and they were released in a few hours.

Q: Did you feel under threat?

NETTLES: No, we didn't. But that's because no one had actually been harmed. As I said, I was a junior officer at the time, and it was rather exciting. It was an interesting time to be in Venezuela.

Q: We didn't really talk about this when you were in Japan, but when you were in Tokyo, there was some excitement, too, with demonstrations.

NETTLES: Correct, particularly, the visit which Eisenhower had scheduled. And it was because the demonstrations became so large that his visit was called off. Unfortunately, I think Ambassador MacArthur (the nephew of the general) did not realize that the visit was going to coincide with the renewal of the security treaty. Eisenhower's visit by itself I don't believe would have been as objectionable, but since it coincided with the renewal of the security treaty, it became highly political to the leftists within Japan. And Ambassador MacArthur should have realized that, in my opinion.

Q: The guerrillas that were causing trouble in Caracas at the time you were there were Cuban-supported, but they were Venezuelan?

NETTLES: There may have been a few foreign nationals that were involved. There was supposedly one Russian. A number had been trained in East European countries, but they were basically Venezuelans.

Q: Did the U.S. government get involved in trying to support the government of Venezuela to put down this...?

NETTLES: No, no, not to my knowledge.

Q: It was their problem, and they dealt with it.

NETTLES: Well, I'm sure that had they requested any particular assistance, we would have certainly considered it and probably complied. Although, as I said, a number of American companies were destroyed, there were never whole sections of the country that were controlled by the leftists. It was mostly an urban problem. And the government, within a relatively short period, managed to get the situation under control.

But during that period, the leftists did succeed in planting a bomb in the U.S. embassy. It was somewhat amusing. The embassy itself was a seven-story building, very modern, with a lot of glass. And we had intelligence that the leftists were going to place a bomb in the men's room of the embassy. So they closed all of the men's rooms except on the seventh floor, the top floor. The Marine guard, of course, was supposed to search everyone when they entered the building. But somehow the terrorist came in and saw the sign that the men's rooms were closed, and go to the seventh floor. So, evidently, the terrorist just took the elevator, or walked seven floors, to the seventh floor, placed his bomb in the men's room, blew a huge, gaping hole in the side of the building and blew out most of the windows. But miraculously, no one was hurt. The terrorist managed to do all of that and escape.

Q: Was your office on the seventh floor?

NETTLES: No, it was on the fifth floor, I believe. That happened shortly after I left. I was not there when that happened.

Q: You feel that the work that you did was, in fact, helpful to American exporters, American investors? You were commended by the Department of Commerce. But people would visit, and you would have dialogue with them. You felt that you were helpful to them, I assume.

NETTLES: I think so. But I must admit, at that time, I did mostly reports. I didn't work that closely with American businessmen. Later, I did, in other posts, but not in Venezuela. The American businessmen there tended to deal more with the consul general rather than me. I did mostly economic reporting and commercial reporting. But I do think the reports were helpful.

Q: They tended to deal with the economic counselor?

NETTLES: They tended to.

Q: You said consul general.

NETTLES: I'm sorry, the economic counselor.

Q: How many people, roughly, were in the section? Several other officers?

NETTLES: Yes, there was one person who specialized in the financial sector, mostly banking. And one officer strictly for petroleum; he was an expert in that.

Q: And that was you?

NETTLES: No, it was a relatively senior officer. I helped him some. I did more of the analytical reporting, whereas he worked on the day-to-day problems of the petroleum countries. And then there were two other junior officers who did basic economic reporting. Perhaps now, in looking back, we could have done the same amount of work with maybe one less officer. But it was a training place, too, for junior officers.

Q: Especially since you, as you said, had not had any kind of economic/commercial experience or training before you went there.

NETTLES: That's correct.

Q: Well, you had the language training.

NETTLES: That's right.

Q: Okay, so you've been in Japan, in Venezuela. Where did you go after Caracas?

NETTLES: Well, as you may know, I was only in Venezuela for 15 months. I arrived at the embassy early one Monday morning, after a long weekend when I'd been at the beach, and our Personnel officer, who was a sweet lady, came down, practically in tears, saying, "Clay, I'm so sorry." She had a cable in her hands. My father was in ill health; it immediately came to mind that something had happened to him. But, no, the cable simply said that I had to report to Washington within 10 days for Vietnamese language and area training. Frankly, I was not all that unhappy about it, but I would never have volunteered to go to Vietnam. I was in the first group of Foreign Service officers to be specifically selected to be trained in language and detailed to AID in Vietnam.

GEORGE F. JONES
Political Officer
Caracas (1963-1966)

George F. Jones was born on June 27, 1935 in San Angelo, Texas. He received his AB from Wabash College in 1955, his AM from the Fletcher School of Law and Diplomacy in 1956, and his MA from Stanford University in 1967. He entered the Foreign Service in 1956, wherein he served in countries including Ecuador, Ghana, Venezuela, Austria, Guatemala, Costa Rica, Chile, and Guyana. He was interviewed by Charles Stuart Kennedy on August 6, 1996.

JONES: In the summer of 1963, I went to Caracas, Venezuela as Political Officer. There were actually, counting the labor attaché, four regular officers in the political section and then there was a rotating intern, and I was the junior of the four regular officers.

Q: You were in Caracas from when to when?

JONES: From June 1963 to June 1966.

Q: Who was the Ambassador?

JONES: When I first got there it was Allan Stewart who spent most of his life as a journalist. He was not exactly a political appointee, I think he had laterally entered the Foreign Service in some

way, but by profession he was really a newsman. He was a terrific guy and got along very well with Romulo Betancourt who was then the President. I think I was under Stewart for a year and then he was replaced by Maurice Bernbaum who I had served under briefly in Ecuador. Bernbaum was a 100% career professional diplomat. He was very good at his job. It was a very interesting period because the Perez Jimenez dictatorship had been overthrown at the beginning of 1958, and Betancourt had been elected in December 1958, so it was just coming to the end of his administration and then Raul Leoni was elected in December 1963. Betancourt was one of the great political leaders of Latin America, and someone who deserves a lot of credit for both leading the opposition to the dictatorship and for helping lead his country back to democracy afterwards. He served two terms as President and founded the Accion Democratica party, which is now somewhat tattered, but was then one of the bright, shining lights among the political parties of Latin America, a moderate social democratic party which gave some real hope of change in Latin America.

Q: As a political officer, how did you get out and around?

JONES: I always found it extremely easy to make friends and contacts in Latin America. It was more of a problem finding time to see and talk to all of the people that you wanted to see and talk to. There was no problem with access, there was a problem with time. The language certainly helped, I think being an American diplomat also helped. Doors tended to be open to someone representing the United States, because of who and what the United States is. I had a lot of fun being a political officer in Venezuela. The politics were interesting, it was a hopeful era, and there was a feeling that we were witnessing the settling of the bases of democracy, which we were. It didn't turn out to be 100% successful, but I guess it never does.

Q: Were there any issues that the Embassy and you concentrated on in the normal relationship between Venezuela and the United States?

JONES: Well, certainly from the perspective of Washington, the overwhelmingly important issue was the communist threat. There was a guerrilla movement out in the mountains and this was the period when interest and focus on guerrilla movements was at its height. The question of whether it was possible, after China and Malaysia, to defeat a guerrilla movement and if so, how, was of tremendous interest to foreign policy professionals and scholars and soldiers and observers. The guerrilla struggle was mostly out in the remote interior, but there was also some urban terrorism that was taking place. The only time I ever got shot at in my life was when the Embassy was shot at one day. I was in the Embassy but fortunately not in my own office and when the sniper fire began we were discouraged from going back to our offices, but after it was all over and we did go back, I found a bullet hole in the wall, not too far from where my head would have been had I been sitting at my desk. So I was happy I wasn't. This was also the time when the Cubans landed some people and some arms on the coast of Venezuela, and the boat was found and this was the primary piece of evidence in expelling Cuba from the OAS, for the attempt it was making to subvert Venezuelan democracy. It was an interesting time.

Q: Did you as a political officer, and the people you talked to, find that the Venezuelans were supportive of the United States? In Latin America at that point, our main thing was sort of against Cuba. We had already had the missile crisis, that was in 1962, that sort of thing. How

did you find the reaction towards the U.S.?

JONES: There were certainly those who disagreed with U.S. policy and there were some who wanted a softer line toward Cuba. But there weren't many among the political leadership in Venezuela, which was a product of several things. Number one was the fact that they had a very obvious communist attempt to subvert their system going on all of the time, so it was hard to be a sympathizer with that. It was hard to sympathize with Cuba when it's landing arms on your coast to help overthrow the democratically-elected government.

Secondly, the AD Party had its experience with the communists back in the 1930's and 1940's. Betancourt and the other leaders of the party--there was a time when they were allied with the communists, or working with the communists against the dictatorships in Venezuela, but he realized that their ultimate objectives were different and broke with them. And as a consequence he and his colleagues in AD were vaccinated against communism in a way that other political leaders elsewhere in Latin America who hadn't had that experience were not. The other major party, the Social Christians, COPEI, came out of conservative Catholic roots, so with neither of the major parties did we have any real problem on the issue of dealing with communism.

The third factor was the fact that the U.S. was so clearly supporting the return of democracy in Venezuela. There was a visit by Robert Kennedy while I was there that drew just huge crowds. There's an adulation for the Kennedys in Latin America, still today, which I don't think any American really understands. They struck a chord in Latin America, they did here too of course, but it went deeper and lasted longer than it did here. Part of that was because of the Kennedy administration's policies toward Latin America, support for democracy, the Alliance for Progress, and that built a warmth of relations with the United States that put us in good standing for years to come.

Q: Did oil politics intrude at all into the political field where you were dealing?

JONES: Oil has always been (since 1917 when it was discovered in Venezuela) a major component of our relations with Venezuela. It's the only Embassy that I ever served in that had a petroleum attaché and he was a very key officer. At the time I was there, it was a relatively quiet issue. Later on the Venezuelans nationalized the major American companies and obviously at the time that was going on it was a much hotter issue. It was certainly an issue, there were issues like the debates over how much foreign oil should be admitted into the United States, debates in the United States over that and debates in Venezuela over why they should be dependent on the U.S. market, whether they should try to diversify their buyers, and certainly it was an issue in dealing with the political leaders, especially the young political leaders, who would ask the young officers in the Embassy, are the foreign companies exploiting Venezuela, are there huge profits being made, are we getting paid our fair share for the oil, etc. Those were constant themes.

Q: As political officer you're always concerned about what the media is saying, what was your impression of the press, the radio, and the T.V.,in Venezuela at the time that you were there? Particularly from our perspective?

JONES: I didn't have much to do with the media at that stage in my career, I did later on. The

local media of course, is extremely important to any political officer. I remember once in Caracas we had a group of Peace Corps volunteers over to our house and we were sitting around talking and one of them asked me where I got the information that I used in political reporting and I told him from the newspapers. He clearly did not believe me, he thought I had super secret inside sources. The newspaper is what any political officer starts with first thing in the morning. In any country, they almost never tell you 100% of the truth, or 100% of what is going on. But there is almost nothing that happens that doesn't show up in the papers in some form, there is a hint at least that something is going on. Which alerts you to the fact that you need to go and talk to Joe Blow in party X who can tell you more about what the newspapers are hinting at. It's often much more than that if the press is any good, and by in large in Venezuela it was, then you get a tremendous amount of information from the local press.

Q: The United States during this period was undergoing a lot of racial tension. This was the height of the civil rights movement, and the activity there. How did this play in Venezuela? Did they pay much attention to what we were trying to do?

JONES: It was one of the standard issues that would get brought up, especially by anyone a little to the left of the spectrum, race relations in the United States and why do you have such an appalling record on them? As a representative of the United States, you spent a lot of time defending your country, defending things that the U.S. government does, things the U.S. government says, the positions it takes, but also the more fundamental things about the society, defending them and trying to explain them. I don't remember particularly--I think if I had been working as a political officer in Africa I would have gotten a lot more of that. Not as much of that in Latin America. When you did get it in Latin America--particularly if you were talking with someone in the upper class, the people that held power in the society, you were often conscious of how hypocritical that was, because most of these countries have severe racial problems themselves. They are very, very, reluctant to admit it. It is always something that occurs in the United States, but it doesn't occur in their country.

Q: Did Mexico play any role? Because Venezuela is a Caribbean country, with Mexico often setting itself off in opposition on many things to the United States, did you find that Venezuela ever looked to Mexico?

JONES: At that time the idea of alliances between political parties in Latin America was a very hot topic. AD was a member of the Socialist International and there were a lot of personal relationships that had been forged during the period when many of the political leaders of Latin America were in exile, between like-minded people, social democrats, the Venezuelans, Luis Muñoz Marin in Puerto Rico, and Jose Figueres in Costa Rica, and the PRI in Mexico to some extent was part of that. The alliances between the like-minded social democrats of these countries, on the one hand. And on the other, the Christian Democrats were just coming to be known and recognized in Latin America. The Christian Democratic party in Venezuela had established itself as the leading opposition party. It was clear that it might someday come to power, as in fact it later did in Venezuela. It had ties with the Christian Democrats in Chile and there were other Christian Democratic movements in Latin America that looked like someday they might come to power and they had links with the Christian Democrats in Europe. We did some reporting on those links. But Mexico for one thing, has never had much of a diplomatic

service. I hope my friends in the Mexican diplomatic service will forgive my saying that. The premier diplomatic service in Latin America is today and always has been the Brazilian.

Q: I've heard that. It's been used as a model for our own foreign service sometimes.

JONES: It's a very aristocratic and upper class service. They know their business and it's a real career. They are trained and brought along during their careers. The Brazilian diplomat anywhere, certainly in Latin America and I suspect around the world is always--if you want to find a fellow diplomat who is well informed, you can count on the Brazilians. More I think, than almost any other country. So the Brazilians are influential throughout Latin America simply because of the quality of their people and the amount of work they put into it. When we were in Chile, the Argentine Embassy had a very strong interest in Chile. They were very effective and very knowledgeable while we were there. The Mexicans have very good people in Washington, but they just don't have much of a presence or an influence in South America--I guess another way to put it is that they didn't have much of an interest--they haven't recognized that they have much of an interest, certainly south of Panama. In Central America they do recognize they have an interest and have pursued a more activist stance. Although I don't think they have been terribly effective in Central America.

Q: What about the Catholic church in Venezuela during this period? Was this a point of contact, of interest, or did it play much of a role?

JONES: The church is very important in Latin America as a whole. I'm trying to remember if it had any particular role in Venezuela. I don't at the moment remember. I remember that we looked at that and tried to develop some information on the role of the church without much success. It did not seem to be playing much of a role there.

Q: Did you get involved with labor in Venezuela? How was this handled?

JONES: We had a full time labor attaché, and in Venezuela, as we had in Ecuador. I never did a lot of labor reporting. Some of the labor leaders in Venezuela were also major political leaders. The AD Party had very powerful labor roots. So to that extent I was involved with the labor movement, but not much beyond that.

JOHN TODD STEWART
Consular Officer
Puerto La Cruz (1965-1967)

John Todd Stewart was born on August 27, 1940 in Somerville, New Jersey. He attended Stanford University, where he received his BA in 1961, and the Fletcher School of Law and Diplomacy, where he received his MA in 1962. He entered the Foreign Service in 1962, wherein he served in countries including Germany, Venezuela, Switzerland, USSR, Jamaica, Costa Rica, Canada, and the Republic of Moldova. He was interviewed by Charles Stuart Kennedy on October 25, 1999.

Q: You were in Puerto La Cruz from '65…?

STEWART: To '67.

Q: Who was Consul General? Talk a little about the post.

STEWART: Gori Bruno was the principal officer during my entire tour. Gori was a consular specialist who had been a staff officer, and this was his first principal officership. I think he was really quite good. He was representative of the old Foreign Service, somebody that understood what had to be done and went out and did it. Not somebody who was going to be ambassador, but if you were an American in deep trouble somewhere, this is the kind of guy you wanted to have at the nearest consulate.

Q: What was the situation in Venezuela, particularly as you saw it from a port city?

STEWART: It was interesting being out there. Puerto La Cruz was basically an invention of the Mene Grande Oil Company, a consortium of two U.S. oil companies. They needed a port to load tankers with oil pumped from fields in eastern Venezuela. In the 1930s the engineers went down the coast, found the place that had the deepest draft, and said, "This is it, boys." There was a cross up on a hill someplace, and for that reason the resulting town became Puerto la Cruz. It had about 60,000 people when I was there. Barcelona, a far older city where Alexander von Humboldt stayed during his travels, had another 30-odd so there were about 100,000 people in the area. It benefitted from oil, so you had pretty cheap energy and the streets were by that time paved. You had a good road between Barcelona and Puerto La Cruz, and the drive to Caracas was not bad. But it was one of those places that, unless he had a job with the oil company, any Venezuelan with any talent whatsoever got the hell out of as soon as he could and went off to Caracas or some other place with a little more life.

Q: The cost of living, I thought, would be quite expensive there?

STEWART: It was not bad when I was there. In the shopping center complex where the Consulate was located, we had a CADA supermarket, which was one of Laurence Rockefeller's undertakings with IBEC, his International Basic Economies Corporation. We had a Sears store across the street, which had a range of goods. If you were not too fussy about food and made a shift in your eating habits to eat more local delicacies, which the vast majority of people do in the Foreign Service, you kept the cost of living under control.

Q: What about the politics of the country around then?

STEWART: A revolution occurred in '58, which ousted the dictator Perez Jimenez. Romulo Betancourt, the head of the Accion Democratica party, established democratic rule, which has continued until today. Accion Democratica was still in power when I arrived. The provincial governors were appointed from Caracas so in Anzoategui State we had Governor Fernandez Padilla, an AD stalwart and a competent fellow. The party's policy at that time was to invest the oil proceeds outside of Caracas so you had a lot of infrastructure projects--rural paving,

electrification, etc.--which were part of an effort to keep people down on the farm rather then having them move to some overcrowded *barrio* in Caracas. Accion Democratica was really leading the show. However, there was an election shortly after I left. AD lost, and the principal opposition party took control.

Q: Were you there as an economic officer?

STEWART: No, I was doing a bit of everything. I was principally responsible for consular work, but my boss would take part of the load. He would drive on a regular basis through the consular district, where we had pockets of Americans, doing consular services, visiting the governments of the other eastern Venezuelan states, and so forth. If we had a consular case that was exceptional in nature he'd usually deal with it.

For example, we had the fascinating case of an American woman whose dying wish was that her son, who was buried in our consular district, be disinterred and reburied next to her in the United States. The son had been in the Merchant Marine, had taken sick aboard ship and had died in Maturin, a city in eastern Venezuela, where he was buried. Our problem was that in Maturin the cemetery was not laid out in a very organized fashion and few records were kept so that identification of the remains presented quite a challenge. My boss drove out there, taking along a textbook on forensic pathology, borrowed from our public safety advisor, that provided a formula allowing him to deduce the height of a decedent from the length of his femur. The undertaker who was engaged for this project went to work with a will, as my boss told me the story later. He spotted a likely looking grave, dug down to the casket and proceeded to chop right through the lid. When he was about to remove the remains, my boss said, "Hold him," and hopped into the grave, measured the femur and said, "Nope, not it." A number of graves were desecrated that day before a probable, if not positively identified, set of remains was exhumed and packed up for shipment to the United States.

I handled some of the good cases too, particularly involving more recent deaths. For some reason the Americans that died were generally employees of U.S. Steel, whose installations were located south of the Orinoco River. You had to be a licensed physician to embalm in Venezuela at that time, and the only physician with the necessary knowledge and instruments was Dr. Castro, a Colombian pathologist attached to the medical school of the Universidad de Oriente at Ciudad Bolivar, which is on the Orinoco. Having done his residency at Columbia on a J visa, he had to spend two years abroad before he could return to the U.S. So he was down there teaching pathology at the Universidad de Oriente and getting these occasional embalming gigs, which were very profitable. But he had no one to talk to in English. And he was anxious to keep his English up so my visits were heaven-sent. He clearly enjoyed talking about his work and showing me his pathology laboratory, which contained all sorts of interesting specimens.

We first learned of one American's death from a newspaper story that reported that the deceased had expired in San Felix, an Orinoco town where there were bars, brothels and little else. You can guess what the circumstances probably were at 4 a.m., the time of death. We talked to a representative of the decedent's company, who said the girls had had the presence of mind to drag him into a taxi and tell the driver to take him to a hospital because he was very sick. Officially, then, he was DOA at the hospital. So the background was well known before I flew

down there to handle the formalities necessary for shipment of the remains back to the U.S. When I met Dr. Castro, he asked, "Would you like to see him?" I replied, "Of course, Dr. Castro," as the doctor was very proud of his handiwork. So he whipped open the casket lid quite proudly, and I said, "Dr. Castro, you've outdone yourself this time. That is truly a beatific little smile on his face." Castro slapped his knee and said, "Beatific smile? You should have seen the shit-eating grin the guy had when they carried him in."

Q: I know you are busy right now and this might be a good place to stop. We'll pick it up as you move to your next stop. But let's bring it to an end here. In '67, whither?

STEWART: It was back to Washington. I was on Frances's list at that time, and assignment to the Economic Bureau was definitely ordained. This was fine with me so I went.

Q: What attracted Frances Wilson to you?

STEWART: Well, it was basically Fred Bergsten's recommendation, I think, but we talked on a couple of occasions when I was in Spanish training. She was on the lookout for what would hopefully prove to be young talent. And I had the requisite background at Fletcher so I was put on the list. And of course there was no guaranty that I would work out. It was like being signed and sent to the minors to see how you performed there.

Q: All right, we'll pick this up in 1967 when you go back to Washington into the Economic Bureau.

STEWART: I should tell you that I ended that tour in Puerto La Cruz on a good note. My boss went on home leave, and I was able to serve as acting principal officer. For a month and a half I ran the show. It was a very good experience, I think.

Q: Did you have any coups or civil disturbances while you were there, or was it pretty quiet?

STEWART: Very quiet.

Q: In a way it must have been great, but in a way there is nothing like a good coup to get the adrenaline running.

STEWART: Well, I'm certain that's the case although that never happened to me during my career. As a matter of fact, I have never been shot at, never been bombed - rather unusual I think. Perhaps I wasn't worth it.

Q: It's all too common an experience, usually as a peripheral thing, but we do get caught in these things sometimes. Okay then, we'll pick it up in '67 when you go to the Economic Bureau.

STEWART: Fantastic.

MAURICE BERNBAUM
Ambassador
Venezuela (1965-1969)

Ambassador Maurice Bernbaum was born in Illinois on February 15, 1910. He graduated from Harvard University in 1931. He did graduate work at the University of Chicago. He joined the Foreign Service in 1936. He served as a Vice Consul in Vancouver and then Venezuela. He served in Nicaragua as a Chargé d'Affaires. He served in Argentina as DCM and as ambassador to Ecuador and Venezuela. He was interviewed by Charles Stuart Kennedy on January 13, 1988.

Q: *How did your appointment to Venezuela as ambassador come about?*

BERNBAUM: It came to me as a great surprise. I'd already been in Venezuela twice.

Q: *This would be in 1965?*

BERNBAUM: Yes. I'd already been there twice, and I had been in Washington for a meeting of ambassadors earlier. I was then asked by both the Secretary and the Counselor of the State Department whether I was ready to leave Ecuador. I'd been there for four years. I said yes. I remember telling Secretary Rusk that I'd never been to Europe when he asked me where I wanted to go.

He said, "Well, we ought to get you a European assignment."

I said, "Fine." And I went to see the Counselor, and he said, "Fine."

I went to see the Assistant Secretary, and he said "No," he said, "you're not going to Europe, you're going to stay in Latin America."

Q: *The assistant secretary was at that time?*

BERNBAUM: Tom Mann.

Q: *Tom Mann.*

BERNBAUM: He later became Under Secretary for Economic Affairs.

Well, I went back. I knew a change was going to take place pretty soon. And in due course I got the telegram nominating me for Venezuela. And the ambassador in Montevideo to be my successor. I do remember when I talked to Mann about the future I said, "I don't know where I'm going to go. But I want one thing. I want a post where I can pick my own staff. I don't want a post so unimportant that the staff will be thrust upon me, as the case was in Ecuador."

Q: *This is something that I would like to ask. ARA has had a reputation in the Foreign Service of*

being a rather incestuous ...

BERNBAUM: Yes.

Q: . . . *group. I'm speaking of the assignments to Latin America. An officer would learn Spanish and would stay within it, and because often events in Latin America are not of immediate interest within American foreign policy, there's a feeling that somehow many of the people there are sort of second rate. How did you feel about this?*

BERNBAUM: Well . . .

Q: *Or are you aware of this?*

BERNBAUM: Yes, oh yes. With my dealings with other government departments I'd always be made aware of the fact that they just didn't want to be bothered by Latin American problems. They had other fish to fry.

One of the problems was that every time an effort was made to move a Latin American to another area, the local old boys network would prevent it.

Q: *This is within the Foreign Service?*

BERNBAUM: Yes. For example the European area was the worst. I remember one of my colleagues. He was ready for an embassy, had been given to understand he would be going to Switzerland, which is not a very important place, but he thought that would be all right. But one of the Europeans wanted it. The only time a Latin American, to my knowledge, broke out of it was Bob Woodward, when he was assigned to Stockholm, and then later to Spain, which is more or less related to Latin America.

But this is a problem, I remember when I was leaving South American Affairs. I'd been tapped by the Department to go to Tokyo as DCM, and the ambassador there had his own man, one of the network. And so I didn't go there, thank God. And then I was supposed to go to Rome. They asked me whether I'd take a demotion to political counselor, and I said yes. I was interested in Italy. But then one of the men who later became one of my good friends was a member of the old boys' network got the job. I went to Buenos Aires. But this was a problem.

The other problem was that the Latin American governments, the political people, had become accustomed to having Americans who spoke good Spanish and who knew the country and with whom they could relate. So every time you got officers assigned there who didn't speak good Spanish, they'd make things difficult for them. This applied not only to ambassadors, but to senior officers. So we got in the habit of asking whenever nominations from outside the area came up for something like a DCM or a political counselor, how good was his Spanish? It wasn't whether he was familiar with Latin America as much as the language. Every so often somebody who spoke good enough Spanish would be allowed to come in and work.

Q: *A quick turn back to Ecuador. How were relations between the Consulate General in*

Guayaquil, which has always been a rather prominent consular post, since the opening of relations with Latin America, and Quito and the embassy there?

BERNBAUM: They were always good in my time, both times.

Q: *Was it a useful post there?*

BERNBAUM: Yes, it was a useful and very important post. We always used to encourage them to give us economic and political information. Both the DCM and the ambassador used to go down to Guayaquil periodically to meet with the people there. That is to get to know our people in the Consulate General, and also to meet the leading citizens of Guayaquil. We never had any problems.

There was one time during the McCarthy period, this was after I left, when a Consul General there, seemed to be a very staunch McCarthyite. I remember at a dinner party he gave for me, hearing him sound off in front of Ecuadorians about the homosexuals and the Communists in the State Department. That infuriated me. I wouldn't have minded so much if he had confined it to me, but here were Ecuadorians at the table and he made these comments. But that was the only sour note that I ever knew of in Guayaquil.

Q: Returning to Venezuela, did you have any instructions or any goals set when you went to Venezuela. Here you were moving from a relatively poor country to one, which in those days, was named among the rich countries, in which incidentally Japan was not included at the time.

BERNBAUM: I had no specific instructions. I think they assumed I knew Venezuela very well. I'd been there twice before, and the problem was to maintain good relations. And, of course, I knew that the big problem was the petroleum industry, as was the case when I was DCM there, I focused on the petroleum industry, and spent a lot of time on that. I got to know everybody in the industry, both in the American and British industry, and also the government people.

I had a very big advantage in going to Venezuela, because I knew a great many people there, including many of them who were in positions of power. So that facilitated my job a great deal.

Q: *It was the Leoni government?*

BERNBAUM: Leoni, yes.

Q: *And this was a popularly elected government?*

BERNBAUM: Oh, yes. After Betancourt he was elected, and it was an honestly conducted civilian government.

Q: Well, what were our interests in the petroleum field there?

BERNBAUM: Assured source of supply. And then, of course, we were interested in the welfare of the American companies operating there. But the main thing was an assured source of supply

at a reasonable price.

Q: *Did you have any particular problems at that time?*

BERNBAUM: Yes. We had a very serious problem. The Venezuelans had always looked upon themselves as an adjunct to the American petroleum industry, because so much of their industry was conducted by Americans. And so when we started to impose restrictions, starting with Canada, giving Canada preferential position, there was a certain amount of hard feeling about that. But then it became very strong when imports from Canada were taken off the top of the world wide quota, for which Venezuela was eligible. In other words, Canada was not only getting complete access to the market, but its access was restricting the Venezuelan access. I remember I made a point of traveling to all parts of Venezuela. I'd use the Air Force plane, and wherever I went the first question asked me was, "discrimination". I got to the point that I felt that sometimes the reporters themselves didn't know what "discrimination" was, but it became such an important part of the vocabulary, that was the question they asked. That was a big problem, and I did my best to try to solve that, working out one formula after another.

Then the Venezuelans began to retaliate a bit. I recall when they started to do so through the establishment of reference prices, regardless of the price at which petroleum was sold, the taxes would be based on the reference price, which was usually higher. That was a problem.

I remember that after the failure of negotiations they established a very high reference price on fuel oil, which was something on which we were very greatly dependent for the New England industry. I remember complaining to the minister about it. "Look," he said, "we've tried to do it por lo bueno, now we have to do it por lo malo." Since you won't collaborate with us, we'll take measures into our own hands. As I had always warned the people back home, "We don't hold the trump cards. They hold them. All they have to do is make these decisions, and there isn't a thing we can do about it."

Q: *Well, where was the preference for Canada coming from? Was this Congress? Or was this a political decision?*

BERNBAUM: The utilities, along the northern tier were very influential in the legislature. They relied on Canadian oil very greatly for their refineries, and also for their fuel oil. They had enough clout, headed by Senator Humphrey ...

Q: *From Minnesota.*

BERNBAUM: . . . to get this through. Also there was always a feeling that we had big petroleum interests in Canada as well. Much of the oil coming in from Canada was owned by American firms anyway. This was an assured source of supply. We didn't have to worry about any political shenanigans taking place.

Q: *Well, how did you find dealing with the Venezuelan government? Was there quite a contrast between it and Ecuadorian government?*

BERNBAUM: It would be the contrast between a self-assured, wealthy government, and a government that depends on help. In a sense you might say it was easier to deal with the Ecuadorians because they were so dependent on us. I found that to the extent that the Venezuelans were dependent on the U. S. market for their oil, it was always possible to discuss problems with them. We never had any serious differences, aside from what I was telling you about when they established these reference prices, and hiked the proportional profits that they took as taxes.

Q: *That problem of discrimination was never solved while you were there?*

BERNBAUM: Eventually it resulted in the expropriation of the American industry after I left. I always had the feeling when I was there that I was sitting on top of a boiling pot, and that some day it was going to explode.

Q: *Were we concerned with the forays of Castro's people into, and terrorists attacks within Venezuela?*

BERNBAUM: Very much, very much. The first time we got a resolution at a conference in San Jose threatening to retaliate if the Castro Government repeated its interference. This turned out to be only on paper. Castro did it again without Any adverse consequences.

I know the Venezuelans were very much concerned the second time Castro attempted a landing of revolutionaries and arms. The president asked me to discuss this when I got home. He said, "I know you're not going to send Marines to Cuba, but for God's sakes, you can't just ignore it. You've got to do something." He added, "Our unions are passing a resolution to deny access to Venezuelan ports to any ships touched at a Cuban port." He said, "Now, that's not much, but it's something."

I passed that on back home. Nothing happened.

Q: *Were we doing anything to help in the efforts to put down terrorism in Venezuela at that time?*

BERNBAUM: With technical assistance, equipment that they needed. We were not involved in their activities against terrorism. They were able to take care of themselves. They didn't need any help.

Q: *Speaking of your time in both Ecuador and Venezuela, was there any change in emphasis, would you say, between the Kennedy and Johnson administrations?*

BERNBAUM: No, the first thing that Johnson said when he became president was that he was going to continue the Alliance for Progress. I know that had a very good reaction in Ecuador when I was there. Whenever I had delegations of people coming in to find out what our policy was going to be, I'd always quote Johnson.

Then, of course, as time went on, we became more and more preoccupied with the Vietnam problem. The Venezuelans thought we were being silly. Well, they said, "Why don't you tend to

your own backyard, and stop worrying about what's happening on the other side of the world." They said "every penny you spend in Vietnam means that much less you can do for Latin America, which is a lot more important to you. That was their belief.

Q: *How did they feel about our one big intervention in their backyard, the Dominican Republic?*

BERNBAUM: I hadn't been there very long when that took place. They felt that we jumped the gun. I remember that I returned to the Embassy late one night, about 11 o'clock. I had a telephone call letting me know that we had moved in to the Dominican Republic, and asking me to speak with the president. This was 11 o'clock at night. I called the presidential palace. He was at that time in a meeting with his cabinet. They were drafting a resolution condemning it. When I spoke with the President about it later. He said, "We think you people jumped the gun, that you exaggerated the threat." He said, "We didn't think that the opposition elements in the Dominican Republic were that dominated by Castro and the Communist party. At least we had no evidence to that effect."

But in any case, they were willing to supply a military contingent to the Dominican Republic on the condition that we would withdraw American troops pari passu. I think we were ready to give an oral commitment. We never put it in writing, so the Venezuelans never did it.

But they felt not so much opposition to the move, as they felt it was perhaps unnecessary.

Q: *How about within the Venezuelan public. Were there many student demonstrations, this sort of thing, against us?*

BERNBAUM: No. The press was involved, the left wing press, of course, was condemnatory, and the rest of the press, as I remember, weren't very happy about it, but there was no great condemnation. No, you didn't find any demonstration of the kind we might have found in Ecuador....I'd like to mention something that I perhaps might have discussed during our conversation about my stay in Ecuador. I remember the missile crisis.

Q: *The Cuban missile crisis?*

BERNBAUM: Yes. We had gotten the message the day before asking us to let the government know what we were planning to do and why. This was before the announcement was made. So I did get in touch with the government.

The President was ill. He was in no condition to do anything. And also there was a funeral down in Guayaquil that he had to go to, so I spoke with the Vice President and a few of the other ministers about it. I found a really tremendous amount of support for what we were doing in the missile crisis.

Q: *They saw that this was introducing an unnecessary element into Latin America.*

BERNBAUM: That's right. And they expressed their support completely for what we were doing, and I understand that the same message came through from every other Latin American

capital. They were on our side.

Q: *Speaking of our relations not with Venezuela, but your relations with Washington. Did you have the feeling sort of from the beginning that Secretary of State Rusk really was not very interested in Latin American, and was more turned toward the situation in Asia?*

BERNBAUM: Yes, I had that feeling. Not necessarily apply only to Secretary Rusk, but there was a feeling that we had other fish to fry. We had Vietnam. We had the Soviet problem, and people were just relying on the Bureau of Inter-American Affairs to handle the situation there. And this is one of the reasons I think why when Castro tried his second landing of ammunition and troops in Venezuela, that there was a limited response from Washington on that.

Q: *But, in a way this was a blessing, wasn't it, for ambassadors in Latin America, that you didn't have too much micro-managing from Washington?*

BERNBAUM: That's right. Usually every time there was an attempt to do it, well, we'd ward it off. Yes. That was a blessing, and it also was not a blessing, because it meant that many of the positive things that one wanted to do couldn't be done. There just wasn't that much interest.

Q: *You couldn't take initiatives, but you could at least ward off unpleasant interference.*

BERNBAUM: And to the extent that anything we wanted to do did not involve difficulties with other parts of the world.

Q: *How well did you feel you were staffed in Venezuela? I mean, were you well supported? Speaking of the Foreign Services as a staff.*

BERNBAUM: Well, I had some very good people, and some who were not as good. I always had difficulty in getting good economic people. Economic counselors were a very rare commodity, and very frequently we had to do with second best.

Q: *Why is it difficult, or why did you find difficulty do you think?*

BERNBAUM: I don't know. I remember one man who had a very good reputation, and I asked for him, but he wanted to be a DCM. The moment he became very well known as a good economic man, then he wanted to go political. So a certain number of the outstanding economic people were siphoned off. But then also I don't think we did enough to develop a cadre of good economic people.

Q: *Did you feel that we did enough on the commercial side?*

BERNBAUM: Well, the Department of Commerce handled the Commercial Attachés.

Q: *How did that work?*

BERNBAUM: Pretty well. They maintained contacts with whom the people in the Department

of Agriculture were interested. And they would do their jobs. As far as I remember, there was never any problem with them. They would always collaborate, and work as part of a team.

Q: *Well, in Venezuela I know there was a rather bad earthquake. Did this have much of an effect on you? This was in July of 1967.*

BERNBAUM: Yes, I remember that. I was having dinner with friends when the earthquake hit. I remember those streets undulating, and the cars outside going backwards and forwards. And the chauffeurs rolling with them. It was a very scary experience. A few of the buildings collapsed completely because of inadequate construction. We helped to the extent that we could, not so much in a monetary sense, but sending immediately our best technical people to help them.

Q: *How would you describe relations with Venezuela during the time you were there?*

BERNBAUM: I found that relations during my time were very good. I never had any problem with anybody. I always found all the ministers very cooperative. I always had access to the president whenever I wanted to see him. The only problem was "discrimination" which would arouse hackles here and there.

Q: *But in a way that was because of what we did, rather than what they did.*

BERNBAUM: That's right. With the exception of that, I thought relations were very good.

Q: *Well, you also were there during the time when there was a party out of power replaced the party in power without a coup, or revolt or anything else like that. It was a good solid stable situation.*

BERNBAUM: It was even more impressive because of the character of the vote. The COPEI beat Accion Democratica by a narrow margin with only about 38% of the electorate. There were some fears in COPEI at the time that AD might not go along with the electoral result, but they did. There has since been an alternation of power, not by design, but more or less by the way things went.

Q: *Did Pérez Jiménez cause you any problems? He was sort of a loose cannon still at the time.*

BERNBAUM: Do you mean when I was DCM and he was then in power?

Q: *No, I'm thinking of when you were ambassador. He came back and ran for Congress.*

BERNBAUM: He never came back to Venezuela. He had his supporters putting him up, and I think he was elected, but he never dared return to Venezuela. I used to have some problems at the beginning because of the supporters of Pérez Jiménez used to come in to complain about the failure of the Venezuelan government to bring him to trial. They felt it was the obligation of the United States to pressure the Venezuelans. I realized this was a subject in which I didn't want to get involved. We always received them, but I always had the DCM see them. They therefore had

a feeling that they had access to the embassy.

Q: *You left the post in 1969.*

BERNBAUM: July of '69, as a matter of fact.

Q: *Was this by plan? I mean were you ready to go at that time?*

BERNBAUM: Well, I'd been there for four years. It had been over four years, so it was really time for me to go.

Q: *Did you go into retirement at that time?*

BERNBAUM: Well, I let it be known that I was going to retire. I didn't expect to have any appointment by Nixon. We had a problem during his Latin American trip in '58.

Q: *Could you describe it?*

BERNBAUM: Well, he felt that I was not supportive of what he had done in Peru. I think that was mentioned in his Six Crises. Well, I was rather critical of what he had done. So I never did expect an appointment by Nixon, I let it be known that I was going to retire after leaving Venezuela.

I stayed on until the following April or May to act as a consultant on the study being conducted on our petroleum policy. When that was finished, I retired.

Q: *Looking back on your career, particularly the time we're focusing on in Ecuador and in Venezuela, what might you point to as sort of the things that you did that gave you the greatest sense of satisfaction?*

BERNBAUM: Well, I helped prevent a coup against Guyana while I was in Venezuela.

Q: *How was that?*

BERNBAUM: We had gotten word that there was a coup brewing in Guyana, in the Rupununi area; that some of the Venezuela military were sympathetic to the coup, and planned to move in after the coup started on the grounds of preventing violence.

I let the president's number one assistant know about it -- that it was a discovery I had made in which the President would be interested. I think it was Christmas morning. There was a coup attempt made, but no Venezuelan participation. I felt that I had done that.

I felt also in Ecuador that I had at least helped delay a crisis in the tuna fishers' problem by negotiating that agreement.

I also felt that in Venezuela I had established a feeling on the part of the Venezuelans that the

American government was really interested in trying to solve the problem -- that we were more or less on the hook both ways, and that if we could find a way out, we would be very happy to do that. And that created a considerable amount of confidence within the Venezuelan government and facilitated operations there.

Q: *How about the reverse side. The sort of major disappointments, things that didn't work out that you can think of, major or minor?*

BERNBAUM: Well, one major disappointment was that we were not able to resolve the petroleum problem.

Q: *Yes.*

BERNBAUM: I was interested in Western Hemisphere preference, which I hoped would...

Q: *This was for petroleum products?*

BERNBAUM: That would apply not only to Venezuela, but to Columbia and all the other countries of Latin America. It would stimulate exploration and production in those countries, and give us an assured supply of petroleum in case of emergency. Because you couldn't count on the Persian Gulf or North Africa as much as you could Latin America. I was disappointed that that never went through.

Q: *Was this mainly because of lack of interest, or because of pressures within Washington?*

BERNBAUM: Well, I think probably the petroleum industry in the U.S. wasn't particularly happy about that. The Independent Oil Producers Association wanted to control production. One of the ways was to maintain a quota on imports into the United States.

Q: *So you were up against a very powerful lobby?*

BERNBAUM: Yes. And then, of course, you had a problem because Johnson came from Texas. So there wasn't much he could do about it.

Q: *No, no.*

BERNBAUM: That was one thing. And the industry, I think, was not happy about the idea of giving Venezuelans a preference. They had other sources of supply, and they were afraid, I think, that if the Venezuelan government got too much participation, they'd lose clout. Well, they lost clout anyway.

GILBERT R. CALLAWAY
Student/Cultural Affairs Officer, USIS
Caracas (1966-1969)

Gilbert R. Callaway was born on July 31, 1938 in Memphis, Tennessee. He attended Rice University, where he received his BA in 1960, American University, where he received his MA in 1963, and National University in Mexico. He served in the U.S. Army from 1963 to 1965 before joining the Foreign Service in 1966, wherein he served in countries including Venezuela, Yugoslavia, USSR, Italy, Nicaragua, and Spain. He was interviewed by Charles Stuart Kennedy on April 28, 1999.

CALLAWAY: We can jump ahead and then go back again. My first Foreign Service assignment was as a student affairs officer; something that the Kennedys had started. I was a cultural affairs officer but dealing mainly with students, both university and high school students, in Venezuela. Once again I thought I was very fortunate, my first Foreign Service assignment was exactly in the area that I wanted to go to and in a country where I knew some people because I had done this research. I knew some of the, by that time, former student leaders, but clearly it would be an entree into that world.

They were very dedicated to changing society. Some of them were very poor students and some were very wealthy students and it was kind of egalitarian in that once you were in the university you didn't draw social distinctions. Once you got out and went to work for Creole, which was the Esso-Exxon owner of a large part of petroleum resources productions in Venezuela at the time, it became a different matter. But at that point if you were in a particular political party or in a particular political movement then you cut across the economic barriers that existed in the society.

Venezuela more than a lot of the countries that I dealt with - perhaps because of the petroleum domination by U.S. companies at the time which subsequently have been nationalized, but it was a peaceful nationalization after I served there - tended to look at the United States thinking that if you would allow us to have more control over our economic resources here, we could then make this a more just society. No matter how much you talked to some of them, it was very difficult to persuade them that some of the first steps had to be their own, not the United States.

Their conviction that Marxism was an answer, was one of the reasons that after Venezuela I said if we are going to continue to try to deal with these future leaders of these developing countries, who by and large identify themselves with Marxism, I want to go where it really exists. I got myself assigned to Eastern Europe, to Yugoslavia because I said, "I think we have to know what we are talking about." At that stage in my life, I had never even traveled to any of the socialist countries. A lot of those students hadn't either, but some of them had and they would tell you what a wonderful experience it had been going to a summer school in Budapest and how wonderful society was in Prague, and I couldn't rebut them. I think a lot of it was youthful enthusiasm but to be very honest with you, as we look at Latin America today, there is still a lot to be done down there today and we need a lot more idealism.

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Q: *You were in Venezuela from '66 to when?*

CALLAWAY: To '69.

Q: *What was the political situation like in Venezuela like at that time?*

CALLAWAY: It wasn't that far away from its own revolution or rather democratic coup. Perez Jimenez had been dictator up until, as I recall, something like '58. An admiral had led the coup by the name of Larrazabal. He had tried to install himself as the transition to democracy but he had been rejected and he had allowed elections.

We were in Venezuela for their first transitional elections. In order words, after Betancourt had taken over for the Accion Democratica [AD] Party, the Copeyanos, which were the Christian Democratic Party, was a strong democratic opposition to the Acekos which were more of a Social Democratic Party. The Christian Democratic Party had a lot of ties to European parties and a lot of advice and probably some assistance. The question was, and the whole atmosphere was, whether there would be allowed a democratic transition or whether the AD Party would assume themselves as the carriers of democracy, and want at least one more term.

Of course, a lot of the students that I was dealing with at the university were very leftist and some all the way over to very pro-Castro parties. You'll recall we are not that far away from the Castro revolution in '59. There will still guerrilla groups in the hills in Venezuela. This was when Castro and his cohorts were trying to foment indigenous revolutions in other countries. The embassy had been shot up a number of times and it happened at least once or twice which I was there. People would come by and spray the front of the embassy to indicate that they wanted the Americans out of the country; not only the economic interests but the diplomatic interests as well. There was a lot of foment with this sort of revolutionary process.

You will recall we are talking about the '60s now with the student revolutions going on in Europe and in the United States. After you had Kennedy killed and then in '68 Martin Luther King was killed, Bobby Kennedy was killed, Washington is occupied; you had front page pictures in the major newspaper in Caracas of armed troops in the capital of the United States, it began to look like maybe these students had a point. "We had been telling you, you are no example. Look at what is happening to your society. You are coming apart."

But '68 was also Prague Spring. It was a terrible blow to the Marxist students there. Then they began to say, "We told you we never believed the Soviet Union and their cohorts. This is terrible. Dubcek was the future. The human face of socialism." There was a lot of turmoil both in their philosophy and in how they would interpret that to Venezuela. There was a tremendous amount of activity on the campus. I did a lot of reporting on conversations with students based on what we were all reading in the newspapers, based on what other people were hearing from their senior party officials about what this whole process meant for the future of Venezuela.

At the same time, there was talk about the only way this country can progress is to have more economic independence from the United States. All the major oil companies were there. Not only U.S. companies like Exxon, Mobil, and Texaco, but also Shell. This was how Venezuela

was a pretty affluent country at that time. There were certainly huge pockets of poverty in the interior but Caracas was a very wealthy city. It reminded me a little bit of Los Angeles. It was pretty sterile and uninteresting but affluent with big skyscraper buildings. People would see this and say this country has to move and what direction are we going to move in? From my perspective, it was fascinating to try to maintain contacts with as many of the student leaders of the various political parties during this process and to see what their thinking was.

One of the proudest things that I managed to pull off while I was there was to get a group, not the most extreme left and we avoided the most extreme right, but pretty much a rainbow spectrum of student leaders of all the major parties, and send them to the United States on one of these leader exchange programs. We put a dozen of them all on the same plane. They spent three weeks together in the United States. That was the way to not only show what we are really doing up here, but when they come back they have this tremendous kind of rapport among themselves as well.

The Christian Democratic Party won the elections. It was a peaceful transition. Venezuela did not live happily ever after by any means, but a lot of people felt satisfied with the progress at that point.

Q: *Who was our ambassador at the time?*

CALLAWAY: For the entire time I was there a very professional man by the name of Maurice Bernbaum who had served at least three times in Venezuela before. As he told me he had been the junior consular officer, then he came back as a political officer, and this was his third if not fourth tour. Jumping ahead a little bit, it reminds me that I served under Jack Matlock in the Soviet Union and there were tremendous advantages to seeing a country develop over a period of time.

Bernbaum was a consummate professional Foreign Service officer. He spoke the language well, knew the country well and knew a lot of people. He made a comment one time which I thought was quite interesting that one of the things that he regretted is that as you naturally progress from being a lowly consular officer to the ambassador to the country, you have to leave friends behind. You don't leave them entirely behind but you no longer have that kind of relationship. You simply can't. You are representing your country, your entire mission. He said it was one of the regrets he had about having served so continuously. On the other hand, as I say, he knew the country.

He was a tremendous first exposure to me for an ambassador particularly since, as I was traveling as a student through Central America, I had run into ambassadors - and a number of them I know were political appointees - who I felt were not representing our country best. I was young, hardly a firebrand, but a "we-can-change-the-world" kind of student, and to sit in San Salvador and to listen to the ambassador say, "Well, our interests are with the government that exists here..." I felt that when I got to Bernbaum, there was a man who understood that societies do have to develop and I think he was trying his best to represent both the interests of the United States first and foremost, but also to adequately portray the interests of Venezuela.

Q: *Had the Dominican Republic crises where we intervened come up while you were there?*

CALLAWAY: I was in the military at that time. I was actually detailed to the Pentagon a couple of times in the war rooms during it. I saw that from a different perspective.

Q: *I would have thought that as the student affairs officer, to go on some of these campuses it would have been almost dangerous because they'd think, that guy is a CIA agent or something. Did you find yourself having to deal with that?*

CALLAWAY: My predecessor had warned me of something that happened to him and I never forgot it, I haven't to this day. He once went to a student rally on the campus of the University Centrale de Venezuela which could become a closed campus. It was a compound and you could close the gates off. It worked in both directions. The military could close the students in, and the students could close whomever they wanted to out. He went to a rally shortly before I got there. It was in a large hall and he didn't tell anybody he was coming. He went on the campus and went into this rally. It was held in an auditorium and he said all of a sudden somebody recognized him and they passed the word. From the stage they said, "In the back row there is a CIA agent." He said he ran out of there and he didn't stop running until he hit the first gate he could come to.

I would either not get myself backed into a corner like that - I probably would have done the same thing, it was hindsight wisdom - or I would have let people know I was coming so that certain people would know I was going to be on campus. I would go on campus and if a large rally was going on I would exercise discretion rather than valor and stay away from the thing. I would always let somebody in the embassy know where I was going to be. I was able to go onto campus pretty unfettered with those exceptions.

The student attitude towards the entire embassy was that we represented the stated interests. What you had to do, as a lot of us do in this business, is establish personal contacts. We've heard this many times throughout our careers, "We like you. It is your government we don't like." That was the kind of relationship. Believe it or not, and I surprise myself when I look back on it, I actually got the political counselor talked into going and giving a lecture on campus about our involvement in Vietnam. Of course, it was a hot debate but it wasn't a violent debate. They didn't refuse to let him come onto the campus. They didn't refuse to let him deliver his talk and they let him have his say. There was enough of a rapport built up. "We don't agree with you but we will listen to you and we think you are honest enough that you will listen to us." For heavens sake, none of us agreed with everything we were doing in Vietnam.

Q: *Was the expropriation or nationalization of the oil companies something that everyone was waiting for? Was that something that was expected there?*

CALLAWAY: There was certainly a lot of talk about it and I think the main concern was - how it was going to be done? Was adequate compensation going to be offered? The oil companies, as time developed, I think they were ready for it if they could get what they considered to be their fair shake out of the thing. The various political parties cooperated with each other as I say with the exception of the extremes on both ends in terms of saying we want to get as much as we can out of this. This is our natural resource but we don't want to break relations so that they are not

going to refine our oil in Aruba or some place. I think that was the main concern.

I came to know some of the people pretty well in the oil companies, too. I was fortunate in that my father-in-law had been a management consultant for the Creole Company in the late ‘50s. He was there when Perez Jimenez was overthrown so he saw a revolution underway. The director for public relations, who was originally a Czech citizen, and then became a Venezuelan citizen, and subsequently has become an American citizen, was a fellow I knew personally through an introduction of my father-in-law. He introduced me not only to the people who were working on how to make the transition to the nationalization of the oil companies a feasible policy, but to people who had been former student leaders who were now working for Creole so I could get their perspective.

Creole actually sat overlooking a part of the Central University campus. We would sit at the window and say, “You used to sit over there and say we are going to burn that building down someday, and now you are sitting in here. What is your justification?” The students would say, “I was younger. I was impetuous. But now we are working from within the system to try to change the system.” Most of them were intelligent enough individuals with a fairly plausible explanation in their own self justification for not being on the ramparts anymore.

Q: *I never served in Latin America and when one listens to accounts you have sort of the feeling that the students spent an awful lot of time in political agitation and confrontation. How about studying? What was your impression of the universities as a purveyor of education?*

CALLAWAY: You’ve asked two very good questions really. I can’t remember the statistics or the estimated statistics any more, I have them in my paper. Your really politically active students were a small percentage of the overall student population. Most of the students were there to study. They wanted to be there to get an education. A lot of them resented the political activities and would say, “We don’t want to go on a strike. You are going to delay our education by six months or a year if you persist in this kind of stuff.” We touched upon this a little bit earlier, the whole matter of how good an education they were getting I think is debatable to this very day.

In the ‘60s, the universities in many of these countries began to open their doors entirely. There were essentially no entrance exams or any kind of an entrance process so that anybody who had not even necessarily graduated from high school, although that was usually the case, could walk into a university and enroll themselves as a student.

To me, what took away equally, if not more, from the pedagogical advantages of the university were the so-called professional students. They weren’t necessarily the political students. The education was essentially free. You could get a part-time job and support yourself eating very cheap meals. The student meals were practically free. You were paying less than a buck a day to eat. These were students who would stay there for years as professional students, maybe politically active, maybe not politically active, but truly drawing away from students who were dedicated to getting an education, to getting a future profession. I saw the same thing in the national universities in Italy. There were 35,000 students in Rome and how many of them were real students?

Q: *Yes, and also there, no matter how good a degree you got it depended on whom your family knew in order to get a job. That was the tragedy I always felt in Italy because a person could have a superb education and for the most part it didn't mean anything unless his family had connections.*

CALLAWAY: Yes. You were going to move into a certain area no matter what.

Q: *I assume that as the student affairs officer that you couldn't help but be attracted to the political activists.*

CALLAWAY: Obviously. Also we had some very good political officers in the embassy at the time. Bill Luers was one of the heads of the political section and he subsequently became ambassador to Czechoslovakia and head of the Metropolitan Art Museum. And Kempton Jenkins, whose name you probably know. These were people that I think appreciated and encouraged a fairly junior, and a fairly young officer, working in these areas they considered important work and work that was to be encouraged with rather than saying, "You go do whatever you like." We worked together very closely and Jenkins had a lot to do with getting my future assignment into the Eastern European area.

Q: *He was a Soviet hand.*

CALLAWAY: Exactly.

Q: *In '69 you left. What did you do? Did you just ask to go to Eastern Europe?*

CALLAWAY: Yes,

ROBERT S. PASTORINO
Junior Officer
Caracas (1967-1970)

Robert S. Pastorino was born on March 16, 1940 in San Francisco, California. He attended San Francisco State University, where he received his BA in 1964, before entering the Foreign Service in 1966. His career has included positions in countries such as Venezuela, Colombia, Portugal, Mexico, and the Dominican Republic. He was interviewed by Charles Stuart Kennedy and David Fischer on March 6, 1998.

PASTORINO: I got my first assignment, to Caracas, Venezuela, after the two months orientation course. If I remember correctly, I assumed that at the end of the orientation they would give me an assignment and I would automatically accept that assignment and go. I didn't think about changing it or negotiating for a "better" posting. I was ready to serve at the needs of the Service. If the assignment needed a language, then I would try and learn that language. I do remember the class did elect Mogadishu as the "worst posting". When I got the word, I remember they

announced it in the class, I said, "Wow, that's Latin America". I had heard something about Caracas. I was happy. I went home and told Fran.

On the way home, I got a post report for the first time in my career. Right away, we found out Caracas was a modern city and not very far from San Francisco. We always worried for the first fifteen years of my career about not being too far away from my mother-in-law who lived in San Francisco. She was healthy but wouldn't travel under any circumstances. I guess I knew about Romulo Betancourt, but I didn't know much more about the country. I was very happy to go to Venezuela. For me it was a wonderful assignment.

Q: *I'd like to put dates in at the beginning of an episode, an assignment. You were in Caracas from when?*

PASTORINO: January of 1967 until about May or June of 1970. I spent two and a half years there.

Q: *Could you give me a description of your impression of what the situation was like when you arrived in '67?*

PASTORINO: Yes. First of all, Venezuela was the largest supplier of oil to the United States and it was a relatively prosperous country. Much of downtown Caracas looked like a major metropolitan city in the US. There were a few Marxist guerrillas in the mountains but they really were not a serious threat in 1967. The economy was doing well. The country was run politically by the grand old man Romulo Betancourt, and the *Accion Democratica* Party which he had founded in the 1930s. He had fought the Marxist guerrillas, had been sent into exile by Generals Castro and Perez Jimenez, and had come back to be President in 1964. He passed on his presidency to another *Accion Democratica* politician, Raul Leoni, who was an Italian-Venezuelan. Venezuela was a very stable country, in spite of the guerrillas. In fact, it had been subverted by both Trujillo and Fidel Castro. There was a tremendous US economic presence in the country. We had no problems with personal security.

A lot of my knowledge came from a person who became my hero at twenty-seven years old, Maurice Bernbaum. Ambassador Bernbaum was a career Foreign Service Officer who cared about junior officers. He made sure we had a decent rotation in the Embassy in order to learn how US diplomacy worked and he made sure we knew about Venezuela. He made sure we took care of our families. He was a wonderful man. What I learned about the Foreign Service in Washington was the organization chart, the structure, and all of that. But I didn't really learn about the Foreign Service until I went to Caracas. I didn't learn about he State Department for five years. My second assignment was overseas also.

Venezuela was a wonderful place. It had baseball, soccer, great restaurants, wonderful places to explore, and my family came to visit us. Our second child, Stephen, was born in Caracas in December 1969, shortly before we departed. He was baptized by the assistant Papal Nuncio, which I thought was a great honor. His godparents were a Foreign Service Officer, and the Ambassador's Secretary, Vita Palazzolo, who became a life-long friend of the family. Vita was a wonderful friend and a big help in teaching how to operate within the Embassy bureaucracy.

During our time in Venezuela, we had only one difficult problem. On the four hundredth anniversary of the founding of Caracas, in July of 1967, the city was hit by a massive earthquake in which hundreds of people died. The building in which we lived, Petunia II, in one of the higher class neighborhoods, Los Palos Grandes, remained standing, but had to be torn down later because it was so badly damaged structurally. The building right next to us actually collapsed, killing dozens, including twenty children that were celebrating a birthday party at six in the afternoon. As soon as the quake ended, we literally ran out of the apartment and down seventeen floors with a baby in our arms and nothing else. We didn't go back into the building for three weeks. I ran out with no shoes on. A Foreign Service officer lent me shoes the next morning so I could go shopping. We couldn't go back into the building because of the danger.

We lived in nine different places over the next three or four weeks; there were no hotel rooms because many of the hotels were badly damaged. We went from one foreign service officer's house to another. They treated us wonderfully. I'll never forget some of them, people like Tex Harris, another Junior Officer, and Bart Moon, the Deputy Political Counselor.

After a month of living in temporary quarters, we had the wonderful opportunity to go to live and work in the Consulate in Puerto La Cruz for three months. We were permitted to live in the Maraven Oil Camp in the house of the Assistant General Manager, who went on leave. My assignment was to replace the vice consul who was replacing the Principal Officer who went on home leave. We moved into this fabulous house which had eight rooms and a huge garden, overlooking Puerto La Cruz Bay. On the fourth day after I went to work in the Consulate, the Acting Consul became ill and I found myself in charge while the Acting Consul recuperated at home. There I am, Acting Consul, four or six months into the Foreign Service. So, the only really traumatic event we faced in Venezuela was the earthquake. Obviously, we got through it. I'm from San Francisco so I'd gone through earthquakes here but none as strong as that one.

Q: *What type of work were you doing? You say you were rotational.*

PASTORINO: During the first three months, I served in the Commercial Section. This was before the Foreign Commercial Service of the Commerce Department existed. I was basically the Assistant Commercial Attaché working for an outstanding professional named John Eddy. The person working for me was named Hans Mueller, a Venezuelan. Hans Mueller is now 83 years old and still works in the Commercial Section in Caracas. As a Commercial Officer, I hosted trade missions and did some market research.

The second three months I was the Personnel Officer because the incumbent went on home leave and the rotational schedule placed me into the Administrative Section. As the Personnel Officer I did what human resources officers do. I cut travel and assignment orders. I hired and fired some local employees, the nationals, and oversaw their benefits and other programs. None of this work impressed nor taxed me very much because I had done lots of administration in my banking positions previously. I was happy to do it. I learned something about the Foreign Service personnel system, its strengths and weaknesses, which stood me in good stead later during my career.

Then came the earthquake, and my assignment to Puerto La Cruz for three months. And that was wonderful. One of the first assignments which I received was to go out and prepare the input from Eastern Venezuela into the country-wide Venezuelan fisheries report. What a wonderful irony, given the question I had been asked during my entrance oral examination. I traveled all over Eastern Venezuela for a week talking to fishermen and the fishing authorities. My report was included in the final report sent to Washington.

But most of the work in Puerto La Cruz was consular/visa work, obviously. In fact I understood that I made Visa history by granting the first US immigrant visa ever to a Bulgarian sculptor who had been in exile in Venezuela. In fact it was the first immigrant visa I ever saw. I signed it and I am sure he has since become a US citizen. Puerto La Cruz was a small (100,000 population) oil town at that time, but the US had a Consulate in order to provide for the interests of the Americans working for the US oil firms, a highly important function to support American business, even if some disparaged it. I got to know the whole political and economic power structure in the City and the Venezuelan State of Anzoategui. It was one of my first experiences with the petroleum industry and US business overseas, an experience which I grew to appreciate and like, and which helped me in my career, given the fact that the US economic interests were finally becoming recognized as being very important to US interests. As well, the economic and commercial function was becoming recognized as an important one to US policy and within the Embassy.

After three months, I went back to Caracas and went to work in the Consular section as a Vice Consul. There was a very nasty lady there who I worked for and had to put up with; it almost ruined my career before it began. I feared almost getting thrown out of the Foreign Service because I wouldn't follow her advice on at least one occasion. She had refused a tourist visa to an Italian-Venezuelan who was a tailor. The Consulate had established an experimental program to increase the Consular Section's efficiency, and to improve my Spanish; I sat out on the street corner in front of the Embassy in a little booth. I was the first person who interviewed anyone who came to the Embassy to obtain Consular services. I could immediately reject a visa request on grounds on ineligibility. Or, I could pass out a visa application form and tell the applicant to fill it out and come back. I was out in the booth for six hours a day.

One day, this middle-aged Venezuelan came up and told me a woeful story of having been refused a visa by this horrible Consul. I told him to fill out all the forms again, ask for an interview, and I would do the interview a second time. I checked his background through the commercial section. He wasn't a tailor, he owned about three shoe stores. So I thought that was a good enough reason for him to return to Venezuela, not remaining illegally in the US, and that he should be granted a visa. I must say I made him sign a piece of paper swearing he would come back after three months. The paper probably wasn't legally valid, but I gave him the visa. The horrible lady had a fit but the deed was done and she could not change it. That's what I remember most about the Visa Section.

The three months in the Visa Section taught me a lot of things which I used for the next twenty five years. Given my Caracas consular experience, I always understood the complexities and sensitivities of visa and immigration issues. During my career, I could always sympathize with the Vice Consuls when they were junior officers doing this time-consuming, mind-numbing, but

necessary job.

For the last nine months I got a wonderful break because I was rotated into the Political Section. It was the time of a heated, very close Presidential electoral campaign in which the Christian Democrats were trying to defeat for the first time under Venezuelan democracy the stalwart, traditional *Accion Democratica* Party(AD). The *Adecos* had never been beaten and had a formidable political machine throughout Venezuela as well as the tradition of being the party that had fought the right wing military regimes that had ruled Venezuela almost from its establishment by one of Latin America's most renowned "democrats," Simon Bolivar. In fact, the Christian Democrats (the *Copeyanos*) did win the election, and then there were serious questions about whether AD would give up power. They did, leading to the first peaceful democratic political transition in Venezuela, a transition that the US often referred to when discussing democracy with other Latin American leaders.

As the lowest ranking junior officer in the political section, I had three jobs. One was to follow one of the Presidential candidates. I was given the candidate who ultimately finished fifth out of six, a real long shot, named Hernandez, who owned a fisheries company.

I was also assigned three of Venezuela's States in which I was to monitor the electoral campaign for the political section. I visited all three states, two relatively unimportant ones in the East where I had served in Puerto La Cruz, and the important state just outside of the Federal District of Caracas. I had to write a report on the situation in each state and analyze and predict the winning candidate in each state. I was right on two out of three, including Miranda, outside of Caracas.

The third task was the biographic reporting officer. This entailed the compilation of biographic information about important political, economic and social leaders in the country. Every Embassy has this function, with the coordination usually in the political section. This task was most important when political transitions take place. Sure enough, the opposition, the *Copeyanos* (COPEI) and Rafael Caldera won the election. My assignment was to be ended in December of 1969 when I was asked to stay for an additional three months since I was in charge of all the files containing the biographic data on the new Government officials. I was expected to write the biographic sketches and reports to inform Washington about the personalities in the new COPEI Government. So we were extended in the assignment for four or five months. Which was fine. We liked Venezuela. So I spent the extra months in the Political Section compiling and writing a series of biographic reports. This meant going out and talking to the people. It was interesting.

Q*: So tell me, from your perspective, how was America viewed? One gets the feeling in Mexico and other places about the Colossus to the North and all that. I never served there, but it sounds like a much healthier relationship between Venezuela and the United States.*

PASTORINO: It was a good relationship. Venezuela at that time was still largely in the hands of the foreign ethnic communities. The Portuguese owned many of the stores. The Italians ran the shoe factories. The British and Americans ran the oil industry. The French owned many of the restaurants. It was frequently said that the only jobs for Venezuelans in Venezuela were in the government or the military.

Venezuelans were positive towards foreigners. Venezuelans lived pretty well. The economy was very good. I don't remember anti-American sentiment except among the few guerrillas in the hills. The Communist Party was not legal at that time, but there were small, nuisance, surrogate leftist parties; they probably didn't get more than two or three percent of the vote. The *Accion Democratica* contained and absorbed, very much like the Mexican PRI, a left wing which clamored for social justice.

This left wing did break off in 1970 under the leadership of a famous teacher, Luis Beltran Prieto Figueroa, who formed the MEP (*Movimiento Electoral Popular*), which used an ear as it political symbol. It was not noticeably anti-American for the most part, but it advocated Socialist economic policies and what they called "more democracy". Except for the Spanish language and some of the customs, I didn't feel very much like I was living very far from the US. Rockefeller was there with huge supermarkets similar to Safeway. American airlines (Delta, one of the more efficient ones) flew in and out. Tourism was like tourism in California. We had cars, good highways, we drove all over the country.

I learned a little bit about Latin America's anti-American philosophy but in an intellectual way. I remember once I had to go the campus of the National University in Caracas when there were student elections. Actually I later I found out I shouldn't have gone because some thought it might be dangerous. But I was a Student Affairs officer at the time and I thought I should see what was happening. Kempton Jenkins was the Political Counselor and both he and Ambassador Bernbaum said we should be out of the Embassy, talking to the people. The Public Affairs Officer, Gil Callaway, and I went out there one night and there was a demonstration.

Later that night the police found a cache of arms on the University campus and some tunnels which the guerrillas used to enter the campus and claim immunity from capture. But the guerrilla movement was not much of a threat at that time. They were mostly out in the mountains, and the Minister of Interior, Carlos Andres Perez, who later became President twice, had sent in the military forces and wiped many of them out. He sent some civic action teams into those mountains also. The military also entered the University and cleaned it up.

The closest I ever came to the guerrillas was one night, driving back to Caracas from Puerto La Cruz (150 miles distant), when we drove past Machurucuto Beach, within an hour of the landing of thirty Cubans and Cuban-trained Venezuelans. The beach was no more than 300 yards from the highway. I didn't know anything about the landing until months later. That's the closest I came to danger from violent, subversive elements.

Q: *Well, this Cuban foray became quite famous, didn't it now? This really put the nail in the coffin of Castroism in Venezuela didn't it? Latin America too?*

PASTORINO: Well, in Venezuela the Cubans had already been accused of intervening to subvert the Venezuelan Government. By 1970, it was pretty clear that Venezuelan Democracy was working pretty well there, as opposed to the totalitarian system in Cuba. So, the Cubans were not welcome in Venezuela. That's why they had to invade, in the middle of the night across the beach. But this drove another nail into the coffin. But it is an interesting fact that Carlos

Andres Perez wiped out the radical leftist elements at that time, and now many years later, some of those same elements are actually in the Governmental system that they had previously tried to overthrow. For instance, Teodoro Petkoff, a Venezuelan, has been a Deputy and Government Minister, after having been in jail and exile. Another is Domingo Rangel. The Machurucuto landing was well-known but not nearly as famous as Che Guevara going to Bolivia, or later the infiltration of Grenada by the Cubans.

It was important because of lot of people, within and outside the US Government made the comparison between Fidel Castro and Romulo Betancourt. They both came to power at the same time. One remained democratic; Castro was authoritarian. The human rights policy of the Venezuelans was far better than that of Castro. One became a US ally and Castro became a bitter enemy. Certainly, the Venezuelan economy prospered more that the Cuban one which became totally dependent on their erstwhile friends in the Soviet Bloc. Venezuela had its oil, but people conveniently forget that Cuba had its sugar and a five million ton quota. Romulo Betancourt was an author. He was one of these well-rounded Latinos who was a renaissance man, somewhat like Juan Bosch. So, it was a clear comparison between ideologies and systems.

Q*: Was there any noticeable change or concern? I realize you were at the Junior Officer level, but when Nixon came into office in 1969, you were still there in Venezuela. The Nixon-Kissinger team seemed to be very touchy about leftist, or any regime with a leftist tinge. Did that play any part in how things happened?*

PASTORINO: Well, I didn't see it. I don't have any memory of that. Also, *Accion Democratica* was considered a somewhat leftist, but democratic party.

ARTHUR H. HUGHES
Consular Officer
Maracaibo (1968-1970)

Arthur H. Hughes was born on September 25, 1939 in Nebraska. He attended the University of Nebraska, graduating in 1961, and served in the U.S. Army in Germany from 1962 to 1964. He entered the Foreign Service in 1965, wherein he served in countries including Venezuela, Germany, Denmark, the Netherlands, Israel, and Yemen. He was interviewed by Raymond Ewing on January 27, 1998.

HUGHES: But then in Maracaibo I was also fortunate. I had great bosses. It was a very interesting time in Venezuela. It was the first time in Venezuelan history in the election of December '68 that power passed peaceably from one political group to another. Rocco Caldero won the election. There were five candidates, and he won it with less than 30 percent of the vote, but there was a peaceful transition. Now he's President again after Venezuela having gone through a crisis that we thought had been put behind him as a result of what happened in the late '60s and early '70s.

Q: Was the oil sector booming?

HUGHES: Absolutely booming. Bolivar was rock-solid currency. They were making a lot of

money, and they made a lot of mistakes unfortunately. They poured a lot of money into Caracas and depopulated the countryside. Venezuela went from a country which historically had exported food to an importing country.

Q: Maracaibo is a post that is still open, or it's been closed some years ago?

HUGHES: It's closed again. It's been opened and closed about four times, with the inflow of the American population in western Venezuela. The nationalization of the oil sector law was passed just before I arrived in Venezuela, so I was there during the transition period, which was not a comfortable period for the American oil companies, for American business community, the international business community, nor to a large extent for the Venezuelans themselves. What's interesting now is just in the last few years the Venezuelans have reopened their oil sector to international investment, not only as operators but as equity partners. They had some extremely capable engineers. The middle class was growing, and very competent and capable people, but I think, although I have been away from them for many years, that probably it was more on the long-term investment and organizational side as opposed to the technical side where they might have problems.

Q: You had a broad range of responsibilities at the post and you were in effect the deputy principal officer?

HUGHES: Well, that's right. There were two officers and then a staff officer. Fortunately we had excellent people and we all got along famously. There were good principal officers who gave me some latitude. We had the five western states of Venezuela, so I was able to travel all around and go off to little towns. That's where I learned about what I think are still some of the most fun things you do in the Foreign Service, and that is to travel around the country, go into towns, talk with the mayor, the labor leader, the newspaper editor, the university or upper school people, and really find out what's going on and show some interest. It's amazing what you can learn by being interested, being curious, showing sensitivity toward the culture, and just showing normal human politeness.

Q: You often get a perspective that's different than you do at the top levels of government in the capital.

HUGHES: The equivalent of outside the Beltway [highway system surrounding Washington, DC], I guess.

Q: Besides all of these aspects of listening and establishing a rapport and showing interest and so on, did we have programs that you were able to support or show interest in - the Peace Corps? There was not an aid program, I don't think.

HUGHES: There was a small aid program. It had to do with public safety. These were the days before the law that resulted after some problems in Vietnam in which we had public safety programs. We had a retired police officer from Phoenix actually, who was there working with the local police. The programs were basically forerunners of human rights in police work - proper procedures, transparency, and so forth. We had Peace Corps there, mostly in the

countryside doing things such as proper nutrition, mother-child health care, which are still going on. For example, at my last post it's still active. It was interesting because that was my first direct contact with Peace Corps people on the ground, how they reacted to us from the consulate. Some were very happy to see us when we came to the countryside and were very happy to come to our homes for Thanksgiving, for example, or come by for a meal and a beer or two when they were in town. Others were absolutely convinced that any relationship between themselves and the official Americans would completely make it impossible for them to work effectively in the countryside. So I tried to be sensitive when I went out, to know what the attitude of the individual Peace Corps person was, and then behave accordingly.

Q: Ever since the Peace Corps was established, that's been a dilemma for them and in some ways for other aspects of the government.

HUGHES: Those were tough years - Vietnam, Cambodia. The consulate was attacked, cars burned. The big signpost out front was all burned down, a lot of glass smashed when I was there.

Q: Because of Vietnam?

HUGHES: Cambodia.

Q: The invasion of Cambodia in '69. 1970 I guess it was.

HUGHES: Yes, spring. We were in, as I said, for two and a half years, from winter '68 through July of '70.

KEITH C. SMITH
Political Officer
Caracas (1970-1972)

Keith C. Smith was born in California on June 8, 1938. He received his BA from Brigham Young University in 1960 and his MA in 1962. He has served in countries including Ecuador, Mexico, and Venezuela. He was interviewed by Charles Stuart Kennedy on February 5, 2004.

SMITH: I accepted one more tour in Latin America, before recognizing that if I didn't get out of the region, I'd never see another part of the world. The Latin American Bureau did hold too tightly to its people. In any case, I went to Caracas, Venezuela in mid-1970 as the junior political officer. The ambassador in Caracas had specifically asked for me. Having an ambassador personally request me was flattering - unfortunately. It turned out to be a big mistake to go back to Latin America, and especially to Caracas. It was a difficult city in which to live and work and the schools were far from where we lived. The management situation in the embassy was not good. I worked for the chief of the political section, who was very ambitious, although clearly talented. It always grated on me that he kept a framed photo of the ambassador right behind his desk. He went on to a very successful career, and became ambassador to Prague.

Q: Who was that?

SMITH: Bill Luers. We quarreled many times, sometimes regarding the ambassador. For example, the ambassador publicly ridiculed my wife because she didn't drink alcohol. I was furious at the ambassador and let him and the political counselor know how I felt. The political counselor, who I believe recognized the poor behavior of the ambassador, could never bring himself to criticize the boss for anything, even for his repeated drunken behavior at official events.

Q: Your wife was a Mormon?

SMITH: Yes, she was. And the ambassador ridiculed her one night while he was drunk at a dinner party. He would get drunk almost every day. By 11 o'clock in the morning he had already had several drinks. He was really a nasty character with a massive ego. I was really disappointed at the servility of the political counselor, who I respected for his professional skills. Unfortunately, his servility paid off career-wise. I decided that I had to get out of there after two years.

Q: This was '67 to '69.

SMITH: No, 1970 to 1972. And at that point, I told Personnel that I wanted an assignment to another area of the world. My relationship with the ambassador and Bill Luers was not improving.

Q: Who was the ambassador?

SMITH: His name was Robert McClintock.

Q: Robert McClintock?

SMITH: Robert McClintock. He was in Caracas as a political ambassador. He had been a career ambassador in Lebanon. After retirement, he became a heavy contributor to the Republican Party and his reward was assignment to Caracas by President Nixon. In any case, before my two years in Caracas passed, I decided that I had to get out of Latin American affairs, or quit the Foreign Service. The Latin American Bureau wanted to send me to Santo Domingo, Dominion Republic. At the time, I thought that if I went to Santo Domingo I would never get out of Latin America. Naturally, I want to see more of the world. It was a major reason for joining the Foreign Service.

SUZANNE SEKERAK BUTCHER
Consular/Political Officer
Caracas (1971-1973)

Suzanne Sekerak Butcher was born in Erie, Pennsylvania on November 4, 1948.

She attended Allegheny College, where she received her BA in 1970,z and American University. Upon joining the Foreign Service in 1970, she served in countries including Mexico, Venezuela, Poland, Portugal, and Canada. She was interviewed by Charles Stuart Kennedy on April 11, 2000.

Q: *What was your husband to be, at that time, up to?*

BUTCHER: After four months on the Venezuela desk, he was getting ready to study Spanish to go to Caracas, Venezuela.

Q: *How did you figure things would work out? I'm talking about before things worked out.*

BUTCHER: Well, I was expecting to have to resign, although we kind of knew by then that things couldn't go on this way. We thought that we would give it a shot and ask for a transfer. But, we weren't expecting a clear change of policy. The Director General held a meeting January 23, 1971 and announced it. Larry was going to lunch and there was a poster in the elevator saying the Director General is going to speak on the future of women in the Foreign Service. So, he went. There was a clear change in policy, but then, just a couple weeks later, Sheldon Krys, who was the Executive Director of ARA...

Q: *I know Sheldon. I have interviewed Sheldon.*

BUTCHER: I have heard so many people who have such a good, warm feeling about Sheldon Krys, from how he dealt with the hostage families. My experience with him was not good. He said, "Well, I suppose young love must run in its course, but the needs of the service..." He was not for the change of policy at all and wasn't going to do anything to get Larry and me together. What actually happened was, Larry went to lunch with Bob Chavez, who was assigned to go to Caracas later that spring. He said, "Bob, how would you like to go to Guadalajara, instead?" John Day in Personnel agreed to switch the assignment, and I came back in May, and Larry and I were married in July and went to Caracas. Bob went to Guadalajara and met his wife and we all "lived happily ever after." I did have the feeling when I was in Guadalajara, the guys I worked with were great guys but they didn't really expect me to be a serious officer because I was a young woman.

Q: *Of course, there was this feeling, and it wasn't completely without reason. It wasn't even a rule, it was a custom, that there would be a resignation. It was terribly male chauvinistic but you kind of looked at somebody and said, "Is she marriageable or not?" If she was "marriageable," it was almost a write-off.*

BUTCHER: Maybe there wasn't a written rule, but they wouldn't transfer you together, so there might as well have been.

Q: *It was a mind set that has changed considerably.*

BUTCHER: It took time.

Q: *It took time. Also, the role of males and not just females. So, then you went to Caracas from when to when?*

BUTCHER: 1971 to 1973.

Q: *What job did you have there?*

BUTCHER: I was in the consular section first, and then the political section for 18 months. Bill Luers was head of the political section. I think of him as my first boss. I worked with others in Guadalajara and Joe Brownell was a good visa section chief in Caracas, but Bill was the one who taught me. He was my mentor. I think it caused some resentment within the consular section, when I moved over to the political section and stayed there.

Q: *What I would like to do now is talk about Caracas. What was Caracas like, - I'm really thinking of Venezuela as a whole, what was it like then?*

BUTCHER: A vibrant big city but more pleasant than I think it is now. It already had crazy traffic and all that but was less congested and less polluted than it is now. The population of Venezuela was 11 million. It is about 22 million now. I really enjoyed Venezuela and the Venezuelans. A lot of people didn't like Venezuelans because of all the flash and brash. I really enjoyed it - the people and the politics. They had gone from a terrible dictatorship to a democracy, not a perfect democracy of course, but they had had regular elections since 1958, electing two governments from Accion Democratica and then the opposition Copei, the Christian Democrats. I found all of this fascinating. It has moved on a long way since then, not for the better. It was just a fun city.

Q: *Was it easy to get along with the Venezuelans - as far as getting to know them?*

BUTCHER: Yes, I found it to be.

Q: *Who was the Ambassador while you were there?*

BUTCHER: Robert McClintock.

Q: *He was very much the old school.*

BUTCHER: Definitely. But I liked the work. It was a lot of fun. I remember the first time I went to a lunchtime political gathering, some kind of midday party. I went with Bill, before I had even moved over to the political section. I ran into somebody that I had denied a visa. I don't remember what the story was, but he was denied for some political reason, probably membership in a communist party. We had a great conversation and he introduced me around, which gave Bill, my new boss, the impression that I could really work a crowd. Just luck that it was someone I sort of knew and that he was engaging and not hostile. I loved writing up the reports and doing the bio files. I was still only 22 at that point.

Q: *Were we relaxed about the political system then?*

BUTCHER: I think we were quite happy with it. AD and Copei were acceptable. When Copei was elected it was the first time there was a transition from one party to another, which was quite unusual in Latin America, then.

Q: *I was going to say it's one of the very few.*

BUTCHER: It was the only democracy in South America besides Chile. Sometimes there were student demonstrations and there was the guerilla movement that had been far more active in the early 1960s. Some people who were in that guerilla movement are now in the government in Venezuela. It's fun to see their names pop up here and there. One of the leading radicals, Jose Vicente Rangel, became Minister of Defense. I haven't continued to follow it that much, but we were, of course, always concerned about communists. We were fairly comfortable with the government then...

Q: *Was Castro somebody everybody looked over their shoulder at?*

BUTCHER: Definitely, as supporting the guerillas.

Q: *Were there any landings of arms or people at all, or was that earlier on?*

BUTCHER: That was earlier. I remember being more involved with those jockeying for position within the government... I know there was some tension between Bill Luers and the CIA station about who would work which contacts among the people who were leftist but accessible.

Q: *How did you find the political climate in Venezuela?*

BUTCHER: It was very Latin American in the sense that there is an upper class and a much lower class. In general, I found it quite an open society, which I really enjoyed. It was really a vibrant, wide-open political game.

Q: *Do families play much of a role in the politics?*

BUTCHER: Yes, but it wasn't like there was generation after generation of leadership. I mean, Carlos Andres Perez didn't come from one of the big families.

Q: *I think he came up almost through the ranks.*

BUTCHER: He was a party person.

Q: *Going back to the consular side, what were you doing, outside of refusing political types visas?*

BUTCHER: I remember Bill, at one point saying, after I got over to the political section, "Isn't this so much better than the consular section?" But I said I thought the consular section was interesting, too. As a political counselor, he was taken aback by that. At that point, I was young

and idealistic and having a great time. I loved all that. Plus, it was so much more interesting than it was in Mexico. In Mexico, you were turning down Margarita after Susanita after Juanita who wanted to go visit their brother in California, who couldn't prove they were going to come back. In Venezuela, our refusal rate was lower and we had a much more international clientele. A lot of our applicants were either Venezuelan residents who were citizens of other countries or people who were coming through. There was much more of a variety of kinds of people.

Q: *Miami or New York*?

BUTCHER: Miami. I remember some difficult terrorism decisions came up with residents of Venezuela who were Middle Eastern and the question was who was Palestinian and who was Jewish.

Q: *It was the beginning of black September - 1970, that period. This was beginning to develop. How about being a gringo?*

BUTCHER: We were gringos. There was some sense of anti-Americanism, but I never personally felt threatened. There was very much resentment of Uncle Sam, but I didn't blame them for it, given our history in Latin America. We had a shot through our window once and of course that was very frightening. But the police came quickly and it turned out it was kid in a neighboring apartment building with a bb gun. When we came back after a vacation one time, we found out that someone tried to launch two mortars at the Embassy, but one was a dud and the other landed in the flower bed and didn't explode.

Q: *How about the oil business? Did that impact at all?*

BUTCHER: Sure, it was huge. The economic section had a wonderful petroleum officer, George Ogg. He was good on substance, and he was very good at handling Ambassador McClintock. As a junior officer in the political section, I didn't have so much to do with oil. That was later, as a desk officer, in 1979 to 1981.

Q: *We'll pick that up later.*

BUTCHER: Okay.

Q: *What about Ambassador McClintock? Obviously, you were pretty far down the totem pole.*

BUTCHER: It wasn't a very big totem pole. On one side of the top floor of the embassy, you had the ambassador and DCM, and the other side you had four political officers. I would be brought into meetings and be a note taker.

Q: *What was your impression of McClintock, both as a person and as a manager and ambassador?*

BUTCHER: Pompous. He used to say he and one consular officer could do everything that needed to be done in the Embassy, he didn't need anyone else. Not a very good way to make

people feel their work was worthwhile. He would put people down in staff meetings, especially the poor Consul General.

Q: *Did his poodle enter into things? One always thinks of - it was '58, when he met the American invasion on the beaches of Lebanon with his poodle.*

BUTCHER: He loved to tell that story. He brought his poodle to the Embassy. He also had two Dobermans, which had attacked his wife, and he still kept them. The first political reception that I went to at the residence, the ambassador didn't say anything to me. But Bill Luers told me later that at the beginning of the party McClintock said to him – practically hissed – "What's SHE doing here?" It was all men except for me. Bill said of course I was there, I was a political officer.

As we were leaving Caracas, I got pulled back to the consular section for the summer, after Bill Luers had been transferred back to Washington. Larry and I were trying to arrange our departure date. Larry was coming back to be a staff assistant to EB Deputy Assistant Secretary Jules Katz. He had to be back to Washington from home leave on a certain date. But the visa chief, Andy Sanchez, didn't want to let me leave – he thought I should go later and not have home leave with my husband. Claimed they needed me. But if I went with my husband, that would have left them for a couple of weeks with the same number of officers as they had had for the entire previous summer. They didn't really need me. I had the sense that he wanted to put me in my place, this was a young woman who was a political officer, and they were going to put her in her place.

Q: *Yes, and it was fairly early on, early times, and the idea that you could have joint people together... I'm sure there was a lot of huffing and all that.*

BUTCHER: My personnel officer back here sent the cable, saying the departure date was such and such, that I was to leave, and I did. Then I got back and learned that the Ambassador had sent a flaming memo to Personnel that he wanted put in my personnel file. PER refused and said the Consul General would need to do an efficiency report. So, the Consul General wrote an efficiency report on my four or five weeks in the consular section. It was a totally damning efficiency report, which the grievance panel immediately threw out because it was completely contradicted by my previous report in the consular section. But, still, for a young officer, I was shaken by all this.

Q: *Who was the consul general?*

BUTCHER: George Phelan.

Q: *It's a name I have heard of. I remember meeting ambassador McClintock only once, around 1959 or so, and I was in Dhahran, Saudi Arabia. He insisted on being taken out to the Persian Gulf so he could swim. He said he swam everyday, which he used to do, I'm told, in Lebanon, in the middle of winter. He had his ways.*

BUTCHER: Well, this business about me leaving, he called me into his office and said something like, "When I was in such and such place, I had to leave my wife, who was having a

difficult pregnancy, and I did as I was told, and she had a miscarriage." He seemed to have no regrets about it. Seemed proud that he'd left her. Needs of the service and all that.

Q: *What was your husband doing?*

BUTCHER: He was in the Commercial Section.

Q: *Is this his specialty, pretty much?*

BUTCHER: Economics.

Q: *I was going to say, going with Jules Katz, it's obvious he was on his way.*

BUTCHER: He never did a day in consular.

Q: *That rat. What was his background?*

BUTCHER: His father was a welder with an eighth grade education from Ponca City, Oklahoma. His mother did upholstery. His brother, who is 8 years older than him, was in the Foreign Service.

Q: *Where did he go to school?*

BUTCHER: Larry went to Oklahoma State.

Q: *Was his major economics?*

BUTCHER: Political Science.

DALE M. POVENMIRE
Labor Attaché
Caracas (1972-1974)

Dale M. Povenmire was born in Ohio on June 6, 1930. He went to Baldwin-Wallace College and graduated in 1952, majoring in political science. He got an M.A. from the Fletcher School of Law and Diplomacy in 1953. He was in the Navy from 1953 to 1957, when he joined the Foreign Service in 1957. He served in Santiago, Zanzibar, Asuncion, Oporto, Caracas, Lisbon, Sao Paulo, and Rome. He also served in Washington, DC as a Paraguay desk officer, for the Joint Chiefs of Staff at the Pentagon, and later as the Latin America Bureau labor advisor. He retired in 1986 and was interviewed by Morris Weisz on January, 29, 1994.

POVENMIRE: I left Oporto late in 1972, after another anticipated assignment fell through. I left

with commendations and a good record after a first tour as principal officer. I gather I was assigned to Caracas as labor attaché because that was one of the vacant positions the Department had not been able to fill earlier. I did not seek a tour as a labor officer but there I was. So I went to Caracas as labor attaché without real training or orientation. For example, I did not met Andy McClellan [AFL-CIO Latin American representative] before I went down to post.

Caracas was all right. The Venezuelan labor confederation, the CTV, was well organized. There were a number of leaders there who had worked closely with the AFL-CIO over the years. The leaders of the Petroleum Workers Federation, for example, were on good terms with their AFL-CIO counterparts. In effect, it was a learning assignment for me.

Q: Do you see advantages or disadvantages of going in without training?

POVENMIRE: I could have used a week or two of consultation to good advantage. I was only fortunate that it was not a critical time in Venezuela. I spent time getting a feel for the job -- who was Elmer Foster, what was the background of the dispute between the Chemical Workers and the Petroleum Workers -- and learning the labor ropes. AIFLD had been thrown out of Venezuela several years earlier for its political activities and I had to coordinate its return. The AIFLD representative who arrived was Mike Hammer. We got along together very well.

Q: *Don't you think it was better to have on-the-spot training? Some people have criticized the training courses, of as long as a year when Steve Low went through the program, with the Harvard trade union program for three months and then an eight week course in which they learned labor history, philosophy. Some have said the time might better be spent with a training period abroad.*

POVENMIRE: I can see the point because I would hate to spend a year in formal labor training. It is the individual leaders -- their political orientation and their interrelationships -- and a feel for international labor's structure and organizations, that you have to learn. If you are fortunate enough to have the time to gain this experience at the post, that is certainly better. I was lucky. I don't think a labor attaché needs training in how to be a union organizer.

I helped to ease the introduction of U.S. flag LASH [Lighter Aboard Ship] vessels into Venezuelan ports without the opposition from the Port Worker Unions which occurred in some other Latin American countries. A number of training grants which allowed Venezuelan union leaders to visit U.S. ports and talk with their U.S. counterparts were a big help in this effort.

I also tried to keep a perspective on the family planning programs that several American groups were trying to promote in Venezuela. The Venezuelans working in this area were concerned that they not be overwhelmed by all of the outside efforts from people who wanted to do good on their behalf. It made sense to keep overall control of Venezuelan projects in capable Venezuelan hands. Too direct an involvement by U.S. organizations easily could have turned counterproductive.

Q: *What about the political and trade union situation there?*

POVENMIRE: The Venezuelan labor movement was a bulwark of democracy. Free and democratic elections had been held regularly ever since 1958 when Pérez Jiménez was thrown out. Leadership of the government had alternated between two opposing political parties, the AD and the Christian Democrats. The CTV was certainly one of the better and most sophisticated Latin American trade union movements and was oriented mostly toward labor objectives. Although leaders aligned with the AD, Accion Democratica, held most trade union posts, there was enough of a Christian Democratic presence that the confederation was not controlled entirely by one political party. Quite a bit of tact was required in order to keep good relations with all factions within the CTV.

Q: *What about relations with the Catholic-oriented trade unions and the AFL-CIO?*

POVENMIRE: The left-wing Catholic organization, the Latin American Confederation of Workers, CLAT, had its headquarters for all of Latin America in Caracas. CLAT was headed by the very anti-American Argentine, Emilio Maspero. I had some useful contact with CLAT's foreign affairs guy, Henry Molina, who was from the Dominican Republic.

I had a bit of an entree there. Back when I was doing labor reporting in Paraguay, besides the tame government-aligned CPT, there was also a very small CLAT-affiliated organization. [The CLAT was then known as CLASC but it later dropped "Christian" from its name.] Because it was the only alternative labor organization in Paraguay, I proposed one of its founders for a leader grant and, surprise, he was approved. He was probably the first CLAT-affiliated leader grantee ever. His name escapes me now but he eventually became the head of the CLAT training school in Buenos Aires. He even came through Caracas one time while I was there, which was helpful for my relations with CLAT.

Emilio Maspero, on the other hand, avoided all contact with me. I understand he had had a bad experience with the authorities during one of his early visits to the U.S. Whatever the reason, he was bad news. I did make sure that both Washington and the West German Embassy's labor reporting officer, who was a Christian Democrat, were fully aware of the virulently anti-European and anti-NATO pronouncements and publications put out by CLAT and Maspero. The Federal Republic's Embassy was apparently not previously aware of some the radical positions endorsed by CLAT. The West German Christian Democrats were, of course, by far the biggest financial supporters of CLAT through the Konrad Adenauer Foundation.

I believe that my work in Caracas regarding CLAT eventually paid off. I understand that the Konrad Adenauer Foundation later exercised better control over CLAT's subsidies. I know that Maspero and Molina eventually came to Washington and met with some senior AFL-CIO officials. The result was less antagonism and a somewhat better understanding between ORIT and CLAT.

I had another experience in Caracas which was instructive. On one occasion I was standing on the fringes watching a labor demonstration organized by the small communist-controlled confederation. There were perhaps four or five thousand demonstrators in the plaza. I saw one of the organizers of the demonstration edge back into a corner, facing away from the plaza so that his voice would be reflected off the buildings, and he began shouting slogans to incite violent

responses from the crowd. This was a calculated action to manipulate the crowd while not being seen doing so.

Later in Lisbon I saw exactly this same sort of thing occur. During the period of high political tension in mid-1975, there was a demonstration involving perhaps ten thousand people directly in front of the Ministry of Labor. It was organized by the communists in opposition to the Labor Minister, Tomas Rosa, who was one of the more moderate members of the revised revolutionary government. I had just come from meeting with the Minister and was just about to leave the Ministry when the demonstrators showed up. I found myself looking out with nothing but locked glass doors between us. I saw one of the organizers in the very front row turn and really hit his neighbor and then they both shouted and ducked back, pushing and shoving, into the crowd. You could almost feel the adrenaline surge among the front ranks of the demonstrators. Fortunately the Portuguese, even under the stress of those revolutionary times, still retained enough self-restraint that this demonstration did not turn into a riot, but I had the feeling it easily could have. The radical military leaders of the revolution still had control of all public security organizations, like the police. I later saw a photo of the Labor Minister taken at the time, which showed him looking over the balcony of his twelfth story office at the massive demonstration down below. He looked scared, as he had every right to be. When I went back to see him the next week the twelfth floor was equipped with newly installed security gates. It was perhaps fortunate that the Ministry had only two very small and antiquated elevators, each of which could carry about five people, and one narrow stairway.

Q: *Anything else about Venezuela before we go on to Lisbon?*

POVENMIRE: Only that just before departing Caracas I wrote a report about Venezuelan concerns about an American settlement in neighboring Guyana, which was located in a region of Guyana the Venezuelans claimed for themselves. The Venezuelans thought that the activities of this community were questionable. As it turned out, they were right. The community was Jonestown.

Q: *This was before the mass suicide?*

POVENMIRE: I think this would have been about six months before.

Q: *Jim Leader then followed you in Caracas?*

POVENMIRE: No, it was Dan Turnquist.

Q: *Leader then was before you?*

POVENMIRE: Marty Forrester preceded me in Caracas. Jim Leader came later.

While we were in Caracas the Portuguese revolution occurred on April 25, 1974. Thinking back, it was almost the high tide of the perceived threat from the Communist Bloc. George Will wrote an interesting article one time in which he recounted conditions at the time of the Portuguese revolution. You had in Africa major communist-inspired revolutions on both African coasts, in

Mozambique and Angola. Leftist regimes dominated a number of other African countries. In Latin America Castro's Cuba was still seen as a serious threat. There were guerrilla insurgencies, aided by the Cubans, in several Central and South American countries. In Asia, Vietnam was lost and the rest of Southeast Asia threatened. On the Euro-Asian land mass, the Soviet Union was probing at the edges of Western Europe and was poised to take over the government of a NATO country located on the Atlantic coast of the Western alliance. If Portugal had fallen to the communists, there would have been some who would have believed that the tide had turned definitively against the West. I have reason to think there were even some in the U.S. Government who were prepared to believe that Portugal was lost to communism. So 1974-75, the time of the Portuguese revolution, was a very dangerous period for the West.

Q: I like your careful use of the word "perceived" danger. A person of my age and my experience in dealing with the communists sees that as a time when there were cables going back to Moscow telling them to make it into a real revolution. I really think there was a real threat of the communists taking over Portugal entirely. It was a crucial period.

POVENMIRE: It became obvious soon after the revolution in 1974 that things were going badly. The Department was concerned and made a number of personnel changes in Lisbon. Because of my experience in Portugal they pulled me out of Caracas and sent me to Lisbon as the first labor attaché ever.

HARRY W. SHLAUDEMAN
Ambassador
Venezuela (1975-1976)

Ambassador Harry W. Shlaudeman was born in California on May 17, 1926. He received his B.A. from Stanford University. He was in the U.S. Marine Corps overseas from 1944 to 1946. He served in Barranquilla, Sophia, and Santo Domingo. He served in Santiago, Caracas, Lima, Buenos Aires, Brasilia, Managua, and in Washington, DC in the Latin America Bureau. He was interviewed by William E. Knight on May 24 and June 1, 1993.

SHLAUDEMAN: The next thing was Venezuela. I was only there a year but it was a very critical year. It was the year of the nationalization of the petroleum industry.

Q: *The date was?*

SHLAUDEMAN: I went in 1975 and left in May of '76. Carlos Andres Pérez introduced legislation in the Congress to nationalize the petroleum industry which was largely controlled by American companies and Royal Dutch Shell. One of the stories about Venezuela was that when Standard Oil of New Jersey - now Exxon - went to Venezuela, when all of the concessions around Lake Maracaibo were gone so they had to take the lake. They developed the technology and at one point were pumping 2 million barrels a day out of that lake. So they were pretty fortunate.

In any case, the question we had was how we should respond to this. There were a lot of people in the government who believed - and there were a lot of precedents for this -- that we should take this as an expropriation case and react very strongly, as best we could. My argument was that there was nothing we could do about this, they were going to do it anyway, they were going to take this property. They were offering a sort of compensation in terms of contracts -- I think it was 15¢ a barrel for technical assistance, and they were offering payment for the superstructures they were taking - the equipment and all that. However, they were also setting up a mechanism to judge, in effect, how much the companies owed on this equipment for deterioration, and there was the question of taxes which turned out to be very important.

In any case, we had a long struggle over this issue. I think his name was Steve Schwabel, who was the Deputy Legal Advisor who is now a judge on the World Court. He, in particular, led the group that believed we should act as we had in Peru in the IPC case. I kept coming up here and arguing my case. In the end, I prevailed, and Bill Rogers prevailed. We were able to accept what was a fait accompli, which had no effect, no negative effect on our access to oil. Obviously, Venezuelans had to continue to sell to us. It had no real negative effect on production. It was only on the companies themselves.

Q: *Do you think they took a bath financially from it, or came out all right, more or less?*

SHLAUDEMAN: Well, these companies, unlike the copper companies in Chile, which - Anaconda was obviously ruined by the expropriation of its properties there. It was producing 70% of its output in Chile. Anaconda and Kennecott just went down the drain when they were expropriated. These big oil companies have lots of money and in the end it didn't really affect them. And of course, they're beginning to go back to Venezuela. The wheel has turned and the Venezuelans are anxious to exploit their heavy oil deposits.

Q: *Is that technically feasible now?*

SHLAUDEMAN: That's what they say, and in fact, several of these companies, including Amoco, while I was there, had developed technologies.

Q: *Sending steam down to liquefy it and all that.*

SHLAUDEMAN: I think that the technology has always been there. The question is the price, whether the price justifies it or not. Obviously, the technology must have improved now to the point where a company like Conoco believes that this is financially doable, even with the oil price below $20. There must be something there I don't know about.

Q: *Parenthesis on that: if it were doable and economic, where would those big reserves fit into the general picture of the world-wide reserves.*

SHLAUDEMAN: Of course, they're enormous. You're talking about over 250 billion barrels of reserves.

Q: *Already found?*

SHLAUDEMAN: Already identified. Now the question is, what do you do with it? There are several questions about it, one being - I assume that this heavy crude would generally go for fuel purposes, that is, for heating and generating, not for gasoline - although I don't know this but it's what I've assumed. In this oil there are various mineral properties which will create a terrific problem with - what do you do with all this stuff? Apparently, to produce a million barrels of this stuff would create huge mountains of minerals - I can't remember what kinds, I used to know.

Q: *So you might have a devastating effect on some mineral supply-demand system?*

SHLAUDEMAN: Yes. In fact, one of these minerals is used in the production of steel and I think you would drive everybody else out of business. In any case, we struggled with this thing. I was there when the whole business of OPEC began to take on great importance, and the Venezuelans prided themselves on being the real fathers of OPEC. It was a very exciting year and I got to know Carlos Andres very well. When I was nominated for the job, I got a lot of negative publicity because of Chile, and he actually stalled for two months before he agreed, and when I left, he gave me a big dinner at Miraflores at the palace, and during his toast he thanked me for not overthrowing him.

Q: *Was Bill Luers there when you were there?*

SHLAUDEMAN: No, Bill had left, and of course Bill came back.

Q: *Did he immediately follow you?*

SHLAUDEMAN: No, Pete Vaky did. Bill followed Pete Vaky. This was very good experience - it was a fairly large embassy with a great variety of problems. I found the experience very useful later on. Being Assistant Secretary - you asked about this...

Q: *Did that come immediately after?*

SHLAUDEMAN: Yes. I left Venezuela to become Assistant Secretary. I think when I came into the Service, certainly in the 60s, you could pretty much say that Assistant Secretaries were the key actors.

ROBERT B. MORLEY
Economic Officer
Caracas (1976-1979)

Robert B. Morley was born in Massachusetts on March 7, 1935. He attended Rutgers University, Central College of Pella, Iowa where he received his BA in 1957, and the University of North Carolina. He entered the Foreign Service in 1962, wherein he served in countries including Barbados, Poland, Venezuela, and

Ecuador. He was interviewed by Charles Stuart Kennedy on July 1, 1997.

MORLEY: I left the desk in late spring of '76, took 16 weeks of Spanish language training at the FSI and arrived in Caracas, Venezuela somewhere around the middle of September. I don't remember exactly when that was.

Q: You were in Venezuela from '76 until when?

MORLEY: '79.

Q: What was your job?

MORLEY: I was the officer responsible for general economic reporting, including national accounts, trade, investment and financial issues. My responsibility excluded only petroleum and energy issues, mining and minerals, and commercial promotion.

Q: Who was the ambassador during this time?

MORLEY: Viron P. Vaky.

Q: Viron Vaky, known as Pete Vaky.

MORLEY: After one year, he returned to Washington to become Assistant Secretary for Latin American Affairs.

Q: What was the political situation in Venezuela from '76 to '79?

MORLEY: Carlos Andreas Perez was president in 1976. When I arrived in the summer of 1976, it was in the immediate aftermath of the formal nationalization of the oil industry in Venezuela and the establishment of the national oil company, PDVSA (Petroleos de Venezuela, S.A.). There were a lot of residual issues, especially compensation issues, that we had to deal with. That was one of the most important bilateral issues at the time. In the political arena, Venezuela was an active player in Central America and in the developments in Nicaragua that led to the fall of Somoza and the establishment of the new government in 1979 or 1980. So our Ambassador made demarches to the Venezuelans asking for their support in one way or another to deal with Somoza and other Central American issues. We wanted a transition to a moderate government in Nicaragua, but our years of support for the Somoza government made the Venezuelans, among others, suspicious of our motives.

Q: Although petroleum was not on your plate, this '76 to '79 period is a time when Venezuela was a world class power. From your perspective, how did Venezuela deal? We're talking about the oil shock?

MORLEY: The oil embargo and the oil shock, the tremendous increases in oil prices.

Q: Did that intrude on your work at all or at least how you observed Venezuelans were dealing

with that and our relations with Venezuela?

MORLEY: As I said, one of the most important economic issues was compensation for American companies that had been involved in the oil industry in Venezuela. However, I had the responsibility for analyzing the economic consequences of the nationalization and oil revenue increases on Venezuela. Washington wanted to know what Venezuela was doing with the oil revenue, and how nationalization going to impact on U.S. trade with Venezuela. We had two interests. We wanted to maintain Venezuela as a reliable source of petroleum and we wanted to take advantage of Venezuela's new wealth to sell US goods and services in that market. The Commerce Department set up a special trade task force within the embassy to promote US exports.

The Venezuelans had several goals in mind. First, they wanted to avoid having the influx of oil money create inflationary pressures in the economy. So they invested some of it abroad in financial securities and other relatively liquid assets, managed by an entity called the Venezuelan Investment Fund (Fondo de Inversiones de Venezuela (FIV)). We, of course, wanted a much of these funds to be placed in the United States as possible - U.S. government securities, investment in the stock market, whatever we could get. We wanted that money to come to the United States. We were constantly interacting with the Venezuelans on this issue.

Secondly, they wanted to use these new resources to fund development projects in Venezuela, such as the dam at Guri, modernization of the oil industry and creation of related petrochemical industries, development of the country's vast deposits of iron ore and bauxite, and infrastructure improvements such as a subway system for Caracas, port improvements, and a new international airport. They set up huge state-owned enterprises to foster development in some of these areas. The financing for the equipment and technical assistance came from two sources – oil revenues and borrowing abroad. Our goal was to assure Venezuela spent as much as possible in the United States for these purposes.

The third thing that the Venezuelans did with the money was to try to improve the daily life of the average Venezuelan citizen. So, they built new hospitals, created a new social security system, and spent money on housing and government services. The GOV also permitted imports on a grand scale. At an exchange rate of 4.25 bolivars to the dollar, imported consumer goods were cheap, often cheaper and of better quality than goods produced locally. Imports skyrocketed, including imports of agricultural products and consumer goods that were being produced within the country. It was not unusual for a freighter to have to lie offshore for more than two months waiting for a slot to unload its cargo. While consumers benefited from this largess, small farmers and small businesses found they could not compete with imports. Many went out of business, and as a consequence people flocked to major urban centers where the benefits of the oil boom seemed greater than in the countryside.

Finally, the Venezuelan military's budget was increased significantly to allow for purchases of modern equipment such as F-16 jet aircraft, Italian warships and British radar systems.

At the time that I was there, the general opinion was that the boom was a temporary phenomenon. The best minds in Venezuela understood that eventually public and private sector

spending was going to catch up with income, that it would be prudent to set aside some funds against the day when surpluses disappeared. That's why the FIV was created. They were right. By 1979, Venezuela had a balance of payments deficit, a very modest one ($50 million or something). That was quite a shift from a $4 billion surplus in 1976.

A major factor in this dramatic turnaround was the GOV's insistence on maintaining the national currency (Bolivar) at approximately four to the dollar with no limits on currency exchanges. Anticipating an eventual devaluation, many converted their local currency to dollars, and sent the funds abroad. Venezuela's reserves suffered significantly.

Q: From your perspective, how well did Venezuela respond to investments?

MORLEY: We pretty much maintained our market share of consumer imports. On major projects, we won some and lost some. Bechtel, a US firm, got some major contracts, as did other US firms, but the Italians got the metro system in Caracas, the Canadians got the big airport project, and the British and Spanish got substantial contracts as well. U.S. companies, of course, had substantial service contracts in the oil and energy area.

Often we believed the procurement system was corrupt. Venezuelan officials expected, and often received major rewards for awarding a contract to one company or another. President Perez himself was rumored to have benefited tremendously from such transactions.

Q: How did you find the Venezuelan economic apparatus?

MORLEY: Badly understaffed and lacking in technical expertise. What expertise there was concentrated pretty much in Petroleos de Venezuela. Since its founding in 1972, it has tended to attract the best economists, the best geologists, the best this, that, and the other thing that Venezuela could produce.

Venezuela was also at this time in Third World-oriented activities. Along with the Indians and others, they sought alternatives to US domination of the world economically. This was the time that the Cold War and competition with the Soviets were major policy issues for us. In this context we had problems mobilizing Third World opinion and support for our initiatives in the UN and elsewhere. Countries like Venezuela wanted to go their own way. For example, Venezuela was one of the founding members of SELA, an economic grouping, that was informally considered to be an Organization of American States clone without the United States but with Cuba. SELA headquarters was in Caracas and the Cubans were very active. Part of my job was to liaise with SELA headquarters in Caracas. In the event, SELA never turned out to be a very effective organization. They were never able to establish any kind of uniform policies among the governments of Latin America on the economic or even political front. Even subgroups like the Andean Pact were not able to achieve very much on the economic front apparently because all of these countries traded more with the United States and Europe than they did with each other. Colombia traded more with the United States than it did with Venezuela or Peru. The same thing with Venezuela. So, the basis for united action was a weak one.

Q: What about living there? Where there any problems?

MORLEY: We arrived in Venezuela six months after the nationalization. It was only a year or two after the tremendous increase in oil prices. It was a time when the country's infrastructure was being badly strained by the influx of money. Inflationary pressures were strong. Bankers and other businessmen flooded into Venezuela looking for opportunities. They were opening offices, creating a strong demand for housing, consumer products, and labor. This made daily life difficult, especially for the embassy American staff. The Venezuelan currency was maintained at 4.25 to the dollar, an artificially strong rate. Running through that exchange rate, people who lived in Venezuela and whose income was denominated in dollars or some other foreign currency found it very expensive. I remember pricing Arrow shirts for $75 at a time when you could get them for $15 in the United States. I remember being $600-700 out of pocket every month for my rent for a modest three or four bedroom apartment. This was twice what my mortgage payments were for my house in Fairfax. I remember very crowded roads because Venezuelans were using the income to buy automobiles but were not upgrading the roads. I remember constant electrical blackouts because the system that they had had been designed for a more modest tempo of life. I remember that the international schools were all badly overcrowded. If it weren't for the fact that the U.S. embassy was a sponsor of the schools and that the U.S. embassy dependents automatically had access to school facilities, we probably would not have been able to get our kids into school.

Conversely, at the exchange of 4.25 to the dollar, Venezuelans found that it was more economical to buy imported goods than to buy Venezuelan goods. They would do so. They enjoyed the high life. They would never drink Johnnie Walker Red if they could get Johnnie Walker Black and you certainly wouldn't buy an alcoholic beverage produced in Venezuela if they could buy Scotch imported from Britain or wine from France, often more cheaply. Concorde flights between Europe and Venezuela were the preferred way to travel because Venezuelans could afford the price differential.

Q: Did you feel the heavy hand of the U.S. Department of Treasury on you and others in the economic section to make sure that the Venezuelans were absorbing as much of the surplus money?

MORLEY: Washington was concerned that in the short term Venezuela spend as much of its new wealth in the United States as possible. In the longer term, we also worried that the strains of the new oil wealth were going to be too much for the Venezuelan authorities to cope with, economic instability was a potential threat.

Q: What about American education for the Venezuelans in business, the Economic Bureau and all? We have the example of Chile and the Chicago boys, which was a little later, but did American economic institutes play any part in the planning?

MORLEY: The Venezuelans turned to the Wharton School. There was an organization in Venezuela called The Institute for Higher Economic Studies. IESA was the Spanish acronym. Its purpose was to produce graduates with degrees in economics and business. In addition it offered shorter courses, perhaps a month in duration, for managers in government and business. It

recruited some of its faculty from the Wharton School of Economics in Philadelphia. But IESA represented a long-term solution and had no significant impact on the situation by the time I left. The Venezuelans made do with the talent they had. Of course, many of their people had been educated in a variety of American institutions.

To help improve the quality of education for Venezuelans, the GOV set up what they called the Ayacucho Program. Any Venezuelan that could get admitted to a foreign university could go there with substantial financial support from the Venezuelan government. As long as they maintained good standing in the university of their choice, they would continue to get funding for the next year. Thousands and thousands of Venezuelans took advantage of this program. It was probably one of the best things the Venezuelan government did, although there was waste and inefficiency in the program. It was sort of like the GI Bill. The advantage to Venezuela in terms of human resources was probably incalculable. Venezuelans could even go to private secondary schools in the United States, to places like Andover and Exeter, and get premium private school education under the same programs. It was designed to upgrade the human resources talent pool to take on the challenges of Venezuela's development.

Q: I don't know if you had any contact with people in Colombia. I'm getting the picture that the Venezuelans were quite a different breed of cat than the Colombians.

MORLEY: The Venezuelans and the Colombians were very competitive and almost antagonistic during this period. There were several problems that exacerbated bilateral relations between the two countries. One was the massive and almost uncontrolled migration of Colombians into Venezuela because of economic opportunities available to Colombians in Venezuela. This included not only well educated Colombians who got jobs in Venezuela because of the shortage of well educated Venezuelans, but also unskilled laborers who would come to Venezuela to get jobs as taxi drivers, household help and laborers.

Secondly, there was a border dispute between the two countries. The dispute involved the border along the western shore of the Golfo de Venezuela and was of long standing. The dispute was exacerbated by the belief on both sides that oil deposits existed under the gulf, similar to those under Lake Maracaibo.

For years, oil had been produced in the Lake Maracaibo area, both on shore and off shore. The lake was indisputably in Venezuelan territory. Lake Maracaibo comes to sort of a choke point at the city of Maracaibo itself, north of which was the gulf in question. At the time, the Venezuelans claimed a very narrow strip of land along the western shore of the gulf. If accepted by the Colombians, this would have made any oil under the gulf the property of Venezuela. The Colombians disputed this claim, seeking a share of any future oil revenue from deposits under the gulf. Other than that, the whole border area was ill defined. As time went on, during the period I was there, there was perceived to be a greater and greater need to define the border between Venezuela and Colombia for economic reasons and better control over migration, illegal trade, etc. Not much progress was made on any of these issues. Venezuelans and Colombians had a competitive, almost antagonistic relationship in the time I was there.

Q: Why don't we stop at this point? Any developments during this time, '76 to '79, that we should

talk about?

MORLEY: No.

Q: Just so we get it on the record, where did you go in '79?

MORLEY: In 1979, I went back to the United States and went directly into the Office of Policy Planning and Coordination in the Latin American Bureau. I was there from '79 to '82.

KENNETH N. SKOUG
Commercial/Economic Officer
Caracas (1979-1982)

Kenneth N. Skoug was born on December 2, 1931 in North Dakota. He received his AB from Columbia University in 1953 and his MA and Ph.D. from George Washington University in 1957 and 1964. He served in the US Army from 1954 to 1956. He has served in countries that include Germany, Mexico, Venezuela, and Czechoslovakia. He was interviewed by Charles Stuart Kennedy on August 22, 2000.

SKOUG: Here I was, how many years into my career, 22 and a half years in the career, and suddenly I didn't find any interesting positions being offered to me. Well, I finally accepted the diplomat in residence, but the next day they came up with economic-commercial counselor in Caracas. Technically, the job in Caracas was rated one level above the one in Moscow, believe it or not, but it wasn't-

Q: *But it wasn't of the same caliber.*

SKOUG: It wasn't, and furthermore, where the job in Moscow was essentially economic and secondarily commercial, it now suddenly mattered that the job in Caracas was going to be overwhelmingly commercial and only secondarily economic because the Department of Commerce was taking all those slots away from us. So I took the job as economic-commercial counselor in Caracas, returning then to Latin America after 16 years away.

Q: *You were in Caracas from, what, 1979 to when?*

SKOUG: Well, my career... I never got back into European affairs after leaving Moscow. The rest of my career was spent in ARA, and I was three years in Caracas.

Q: *That would be 1979-82.*

SKOUG: Then I was coordinator for Cuban affairs in the Department of State for six years. Then I went back to Caracas. So my last eleven years in the Service were spent dealing with Venezuela and Cuba.

Q: *Well, let's talk a bit about 1979. What was Venezuela like at that time? I mean the politico-economic situation and relations with the U.S.*

SKOUG: Well, they had just had an election. The previous president had been Carlos Andrés Pérez, one of the big names in Venezuelan history. Pérez was a leader of Acción Democrática (AD), the social democratic party of Venezuela, the Party which had been the main builder of the democratic reform after dictator Marcos Pérez Jiménez was kicked out in 1958. So Venezuela, which had almost no democratic tradition before 1958, had 21 years of democracy by 1979 with elections every five years. Three had been three social democratic presidents. The first one, the great one, was Rómulo Betancourt, who died when I was down there. I never met him, but 25 years earlier I had helped to call off an FBI investigation of his supposedly subversive activities in the United States. After Betancourt came two others, Raul Leoni and Carlos Andrés Pérez, who had just left office with a reputation of having been a man of the people who knew how to take care of himself, who filled his pockets and who had almost been convicted of corruption charges. He just barely escaped that. So he left under a big cloud, and to power came Luís Herrera Campins, head of the Catholic Party, COPEI. They're the Christian democrats. They had had one president before, and he was the second one, but he was not of the same faction as Rafael Caldera, one of the old men who, like Betancourt, had been a builder of Venezuelan democracy, pretty much like Konrad Adenauer and Kurt Schumacher in Germany. You had the Catholics and you had the socialists, except that these Catholics were socialists, too. As a matter of fact, Caldera was more of a collectivist than Betancourt, probably. Herrera Campins came in as the second Christian Democratic president of Venezuela, and he stated that he had inherited a bankrupt country. He claimed that despite the dramatic oil price increases in the 1970s, Pérez had spent so much money that Venezuela had very little left. Well, Herrera Campins set out to do exactly the same thing. There was a very nationalistic bent to the Herrera Campins government, much more so than the social democrats, who were easier to get along with - just the opposite of Germany. In Germany the social democrats had been the prickly nationalists and the Christian Democrats had been the international allies. The social democrats, Acción Democrática, had been more cooperative. The Christian Democrats were the more nationalist, and they wanted to exploit above all the high price of oil. So they tried to diversify their markets for oil, among other things, too, sell their oil all over the world, not just to the United States and a few other countries. It was clearly a régime which was going to be more aloof from the United States than the previous governments had been.

Herrera Campins was not a popular individual. He had been elected president with about 29 percent of the vote. The Venezuelan constitution provided that the candidate with the highest number of votes would be elected president. Just a plurality sufficed. As long as you had more than the next guy you would win. The more candidates there were in an election, the lower your percentage need be to win. So he won with a very small percentage of the vote, and he became highly unpopular very quickly. As a matter of fact, one of the telegrams I remember the embassy sending out was "How Has This Man Become So Unpopular So Soon?" Well, the truth was, he never was very popular to begin with, and his style was amazingly bad. But he presided over an economy that seemed to be booming, and it was borrowing money. Despite the fact that they had this tremendous income from oil, they decided to borrow at the same time. This led to bad results later, but at the time it wasn't so evident. It was a time of *"Tan barato, dáme dos."* "It's so cheap

I'll take two." That was said of Venezuelans who poured into Florida. They came in and out of Miami buying. They would go back loaded to the gills, not only with suits of clothes and so forth, but more particularly with electric goods - stoves, refrigerators, anything. Oh, it's that cheap? I'll take two.

The currency, the bolivar, was four to one dollar. It was very difficult to live on that currency ratio because the bolivar was so overvalued. And yet they argued it was undervalued. I had a Venezuelan friend who was an MIT economist working for Pedevesa, Petróleos de Venezuela, the oil company. He insisted that they were undervaluing their currency. One of their big problems was that they had a welfare state. They had fixed prices which never changed. And the price of oil, for example, their gasoline was the cheapest in the world because they felt that that's one of the things they deserved from having the oil, that they might as well give it to their people cheaply, so people used it flagrantly.

Well, that was the general structure of Herrera Campins' government.

Q: *When you got there, who was the ambassador at the time?*

SKOUG: The ambassador was a guy I had known when I was in the Soviet Union, Bill Luers. Luers had been deputy assistant secretary for European affairs, and he had come out to Moscow together with Adlai Stevenson III on a visit. They were roommates in college, and he had come out there with him. I had arranged a series of meetings for Stevenson, a very interesting series of meetings with some good contacts of mine, and Luers enjoyed it. I think that's one of the reasons Luers was pleased to have me come to Caracas. But Luers was a guy who was totally hands-on. He did everything himself. He was an ambassador who just dominated everything. He had all the meetings. You would have a staff meeting and the ambassador would be there. The economic staff would meet - the ambassador would chair the meeting. The Political Section would meet - the ambassador would chair that meeting. He chaired everything and was involved in everything. So it was not easy to make much of an impact in Venezuela if you were not Luers, because anybody could call Luers and he was available. He worked constantly, all the time, a working demon. The big issue was still the fallout from the nationalization of the oil companies, which had happened under Caldera, the first Christian Democratic president. And it had left a residue of ill feelings because the oil companies felt that they hadn't got any compensation, and they had claims on the Venezuelan Government that the Venezuelan Government really wouldn't hear. Now they had a new Christian Democratic government to deal with, and they were getting very little satisfaction. And the attitude of the American ambassador was ambivalent. He wanted to get along with the Venezuelans. He wasn't too sympathetic to the oil companies' claims. He had been there earlier, in Venezuela, I guess at the time when the oil companies were riding high, so he didn't have as much sympathy for them as he might have. That was part of the picture. There were, of course, a lot of American interests, a huge business community there. When I think of the little community in Moscow, which was so dependent and so friendly and so interrelated with the embassy, that wasn't the situation at all in Venezuela. There was a Venezuelan-American business chamber, which was enormous and very influential, and businessmen felt their interests were represented better through the Venezuelan-American Chamber of Commerce than through anything the embassy could do - although there came a time later when they were very glad that the embassy was around. That will be in my tour in Caracas.

Q: *What were sort of the feelings when you arrived there that you were getting from the Desk? Did you feel that democracy was well installed in Venezuela so that the problem was going to be one of dealing with various particularly economic things and all, but we weren't going to be particularly concerned about politics?*

SKOUG: Well, the democracy was very strong. Venezuela, along with Costa Rica (and Costa Rica's so small, whereas Venezuela is large) was something I later contrasted, in speeches I made on Cuba. The Castro regime in Cuba came to power shortly after Betancourt was elected president of Venezuela. Thus, they both started at the same time; one went one way, one went the other. We certainly felt that democracy was succeeding in Venezuela and was not in any danger. The military was strong. The military was bought off by getting more weapons than the military ever needed, but our military guys were advocates of this. Our military attachés were supporting the Venezuelan military. Yes, they need more jet fighters, and so forth. The only danger on the horizon there was that they had and still have unsatisfied claims on the Esequibo Territory of Guyana. Every Venezuelan map shows the Esequibo, which is a very substantial part of Guyana, as a part of Venezuela... I can't now...

Q: *Yes, you can't say that. We were talking for the transcript, anyway. But Guyana really isn't much of anything, as far as -*

SKOUG: No, and the Venezuelan attitude, for example, during the Falklands War was so anti-American because they saw this as similar to Guyana. They felt that if the Argentineans got away with their seizure of the Falklands that this would not only justify... They didn't think they needed any justification; they thought the Esequibo award to Guyana was wrong and that they should take it back. They assumed that there wouldn't even be any resistance because the British - at the outset - hadn't really resisted the Argentine takeover. And when the British subsequently did resist it, and when the Americans seemed to side, did side, with the British, many Venezuelans were furious. Some saw this as scuttling the plans for an easy takeover of what they thought was their rightful territory.

Q: *What was it? Most of Guyana is jungle, and it certainly hasn't been developed or anything else. I mean, we learned that a couple of years earlier, when this whole Jonestown thing happened, I mean, way out in the hinterland and practically beyond the known... beyond the beyond, or something.*

SKOUG: Well, those territories don't have to be valuable. Other territorial disputes, between China and the Soviet Union, or some of those areas where you've been - it isn't that the land itself is of such value. Territorial disputes often arise over issues of pride. But the Venezuelans feel that since the area of Venezuela south of the Orinoco River has a lot of raw materials, the Esequibo might be full of raw materials, too. There might be oil; there might be gas; there might certainly be iron ore, something down there. Venezuelans have been so lucky in the distribution of goods that they thought that it could be there. They even found bauxite, for example, south of the Orinoco.

Q: *When you got there, was that affecting you? The Malvinas/Falklands thing didn't happen until*

about 1981, I guess.

SKOUG: Yes, it happened while we were there.

Q: *Oh, it happened while you were there.*

SKOUG: Well, I was there.

Q: *But how did you find working with the Venezuelan Government particularly and Venezuelan business?*

SKOUG: Well, working with Venezuelan business, their business was the government essentially. It was a socialist economy. For example, the major producer, and the one which had the most to do with arranging the relationship was the state-owned oil company, PDVSA ("PEDEVESA") and those people were very, very good. They all came from a background of business. They all had worked for major corporations, and they knew how to manage the production of oil very well. There was no problem there. As a matter of fact, they were masterful at everything they did, and that was true not only in my first tour but the second. As long as those professionals remained, the company was very, very well managed. But it was, of course, a government corporation; it was not a private industry. It only ran so efficiently because those men had had such experience in private business.

Government ministers under PDVSA reported to the Ministry of Energy and Mines, which was more state oriented, more ideological, less well disposed to the United States. There was a lot of friction between them. The ministers under Herrera Campins varied. Some of them were okay; others were very hard to reach and aloof. They were not hostile, but I can't say that a lot of them were particularly friendly to us. They thought that they were riding high. That was a period remarkable for their feeling that they were in position to manage without us, cut back on sales of oil to us. They had their own program for helping the Caribbean and consumers in Central America of Venezuelan oil. But they passed along the price increases, and then they cut back and offered part of it as a loan, but actually they were still making a good deal of money even where they were selling.

There was concern in the Herrera Campins government about developments in Central America. I think they were as concerned as we were about Nicaragua. In Nicaragua, the Sandinistas had been helped by Carlos Andrés Pérez. He'd been one of the major non-Communist supporters of the Sandinistas. Herrera Campins realized that the Sandinistas were not well disposed either to the United States or to Venezuela. So we used to consult with them at a high level, at least the assistant secretary of state for Latin America level, with their people about what to do about Nicaragua, but essentially they were not involved in helping the Contras, for example. They probably didn't even know about it. But they were concerned without being actively engaged on one side or the other.

Q: *Well, what sort of things... I mean, here you have an activist ambassador who's reaching down at all levels. Did you find yourself a bit frustrated?*

SKOUG: Very, yes, very much. In addition to the fact that Venezuela was not as interesting - much more pleasant than the Soviet Union, but it was not as interesting to begin with - and then of course we all look small compared to the giant. It did make it difficult. Then the fact that a fellow a couple of ranks junior to me was named the commercial counselor.

Q: *He was from the Department of Commerce?*

SKOUG: No, he was from the Department of State. The Department of Commerce did not take him into their commercial Foreign Service. But he became at that point the commercial counselor. My job was not nearly as-

Q: *Really sort of cut everything out from under you.*

SKOUG: Yes, my career suffered a grievous blow at the end of my tour in the Soviet Union. At that point I thought I was going to the top, but that's the way it got sidetracked.

Q: *And also, too, you run across the bureau thing - I mean, moving from the European Bureau, if you can get another European assignment, and you're part of the Moscow club, and you have your credentials - but go over to ARA, which is its own club... And Venezuela is not, I don't imagine, at the top of their list. It wasn't a problem state particularly.*

SKOUG: No, Venezuela was an interesting country. Particularly it was interesting my second tour, I must say, when my point of vantage was a little different. But it was hard in the job I was first in.

Q: *Is there anything we should cover, do you think, on this first tour in Venezuela?*

SKOUG: I really haven't reviewed my notes as much as I might have.

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Q: *Today is the 22nd of November, 2000. Ken, is there anything more we should cover on Venezuela?*

SKOUG: Well, I think it would be useful to mention that we lived as families, of course, and in terms of my assignment in Venezuela it was very important for me to have a good school for my children, particularly my daughter, who had had a tough ninth grade in Moscow because they really didn't have a ninth grade in the international school there. So that was one of the reasons we were skittish about taking a diplomat in residence assignment where we might have been one year and she would have been forced to go to a high school for just one year. So one of the real advantages in Caracas was they had an excellent international school, where she became virtually bilingual and got an excellent education. That was one of the reasons I was willing to stick it out for three years in Caracas, in order to get her through high school. In addition to that, Caracas had a lot of benefits. Of course it had lovely climate; it has magnificent scenery; we had a nice house, none of which we had had in Eastern Europe and Germany. And the smiles on the faces of the people, the availability of goods - we raised a lot of animals there. We had 19 cats.

We were giving away kittens right and left. We had two producing mothers there quite by accident. I got to know my family a lot better in Caracas. That was a really positive side. There were some inevitable problems of living in a place where traffic was very dangerous and crime incidence was high. They had as many traffic deaths in Venezuela as we have in the United States with one-fifteenth the number of cars. The noise level sometimes, where parties or clubs go on till five in the morning, that sort of thing would set you on edge.

Back to the issues, though, I think we mentioned that we had a very hyperactive ambassador, William Luers, and there was an element of substance there, too, because Bill Luers, as he stated, had fallen in love with Venezuela. He really did have a tremendous empathy for Venezuela and a tendency to defend it vigorously, more vigorously than some of us thought was appropriate. When Bill retired, he made a talk in the Department of State which Jack Crowley and I (Crowley was DCM there) attended, and he saw us there. He said, "There's my old DCM and my economic counselor with whom I used to argue every day, every day." And that was overstating it just by a little bit perhaps. For one thing, the Venezuelan economy was not well managed under Herrera Campins, who was very socialist. The oil industry benefited only from the fact that all those top people had cut their teeth in private industry and thought in terms of profit and loss and relative scarcities and so forth, and that didn't apply to steel and aluminum and a lot of the other very large entities which had been developed and which were all managed and run by the government.

Q: *Were these designed mainly as a nationalistic thing, or was this a job-producer thing, or did it make economic sense to have these industries?*

SKOUG: It was very nationalistic. It made economic sense to have the industries, but they were not structured or managed to be efficient. It was a sense of taking back the country from the foreign capitalists who had developed it. And of course in the case of the oil companies it was primarily foreign capitalists, although they divided PDVSA, the national oil company, in four parts. One of them was called CORPOVEN, which was composed of former Venezuelan-owned oil companies. So there was already a Venezuelan component to the oil industry before nationalization, but for the most part it was taking back industry from foreigners and so forth, and in part to give jobs. There was a good deal of what we would call "featherbedding" in the state-owned industry in general. That was, again, one of the problems why the economy didn't work. We used to have regular businessman's meetings I think once a month. Some pretty good American or European economists down there, outside economists, anyway, would attend, and I recall on one occasion when the ambassador had given a very upbeat assessment of the Venezuelan economy, he was contradicted by one of the economic experts. And Luers then turned to our financial officer, and asked him to rebut this private criticism, but the officer was too clever to do it, because here we were sitting with a lot of bankers and people who knew what was going on, and that rosy glow about the Venezuelan economy just wasn't appropriate. As a matter of fact, when we got a new country director for the Andean Pact countries, he began to complain about the overly rosy glow which the reporting in Caracas was putting on. Of course, the most important thing was the oil industry, and there you had a strong nationalist in the ministry which oversaw PDVSA. A key problem was they had nationalized our companies and hadn't compensated them. As a matter of fact, they were charging additional money or claims on the companies, which in some cases were higher than the companies' claims for expropriation.

Q: *What were the claims for?*

SKOUG: Well, back taxes and so forth, and failure to assess correctly damage to the equipment taken over or something. The details of it are at this point, it's been so many years, I'm not sure.

Q: *Was this sort of a contrived thing to cancel out the expropriation?*

SKOUG: Well, yes, from our point of view I would say it, although they were rather insistent that it was fair. The tax structure down there is very complex and very difficult. As a matter of fact the encumbrances on doing business were substantial. Humberto Calderón Berti, who was the oil minister in Herrera Campins's period, wanted to diversify markets. He wanted to sell to as many countries as possible, getting away from selling to the United States. And backing up, in the earlier period, when there had been an oil embargo by the Arab countries against the United States, Venezuela did not take part in that, because Venezuela, of course, is not an Arab country and didn't feel that OPEC solidarity stretched that far. So they sold to us, but Calderón Berti, nonetheless, was trying to get away from some of its dependence on the U.S. market. At the time when we wanted oil, he was not particularly interested in selling it to us. As the situation changed, however, and it did change, the oil scarcity which had led to these high prices became a glut because of the high prices, and pretty soon the Venezuelans found themselves looking for markets, and then Calderón Berti would reverse himself. He tried then to stress the reliability of Venezuela as a supplier. They wanted to get the U.S. petroleum reserve to buy at current prices so many million barrels, with a falling world market, so in effect it would have held the price up. Now Luers almost always would favor these sorts of things, and in the case of nationalization, he was not very sympathetic to the claims of American companies and they knew it. The petroleum attaché, Paul Wisgerhof, used to get into rather heated arguments with the ambassador, and I found myself in the middle of those things. I could see that we weren't there just to represent the oil companies; on the other hand, we were in part there to represent them against any hostile or unjust action by the host government. They were American interests. So there were problems of that nature. Then there was a Caribbean Basin Initiative, which was an attempt by the new Reagan Administration, which came in in 1981, to give assistance to the Caribbean region, including Central America. Well, the Venezuelans already had what they called their "oil facility" for regional consumers of Venezuelan oil. As prices went up, the Venezuelans tapered off the increase to a certain level for these countries that were in the oil facility with them. The purchasers would thereby get oil at less than the market price. Of course, the market price was steeply climbing, so it was a Venezuelan aid program, but it was an aid program coming out of rapidly rising proceeds from oil. The recipients of Venezuelan "aid" were paying steadily more for the same amount of oil until the shortage finally turned to glut.

The Venezuelans thought that they were doing far more than we were and constantly made that point, which was really not accurate, but that was their point of view. And the foreign trade side of Venezuela was outside the Foreign Ministry. They had a "Foreign Trade Institute," they called it, but essentially it was a ministry of foreign trade, headed by a man named Sebastián Alegret. Alegret and Pérez Guerrero, the international economic expert of Venezuela, were very much dependence-theory economists. They believed that the Third World had got a very bad shake from the developed West. They were very, very critical of the West, particularly of the United States. Although more polite there were arguments as vigorous as any we would have had in the

Soviet Union. There were a number of another range of issues, again all of them touched by Venezuelan sensitivity to sovereignty - calls by ships, research vessels in Venezuelan waters would require constant attention to get any possibility of having them come in. Venezuelans always suspected it was espionage of some sort. So when you think of Venezuela as a friendly Western country, it has to be tempered by the fact that it was going through a hyper-nationalistic, chauvinistic period in the time of Herrera Campins and his foreign minister José Zambrano Velasco. Zambrano's attacks on the United States and the West were at time scurrilous, and this really began to rise to intensity in the spring of 1982, when the Argentines, who were no particular friends of the Venezuelans - there was, after all, an Argentine military government and the Venezuelans were critical of military governments in general - but when the Argentines seized the Falklands, the Venezuelans, in part because of their interest in the Esequibo Territory, in part through their strong sense of Latin American solidarity, went fully over on the Argentine side, took the side of the Argentines. When the British eventually demonstrated that they were going to go back into the Falklands, the level of animosity rose to hysteria in Venezuela. It was sort of adumbrated in ways what's been happening in recent months in Venezuela, where you have a strong nationalist, chauvinist general taking power as president of the country and with a good deal of popular support. There was a lot of popular support for Argentina and condemnation of the British and the United States, probably more than the British. After Haig took the side of the British, Venezuelans lost all restraint. Now, again, this was an issue that Luers had with the rest of us, because Bill was more understanding - he always was more temperate towards the Venezuelan position. Frequently, throughout his whole period as ambassador, he would do something which I found unusual. I'd never known any other American ambassador in my experience to do it. He would talk by long distance telephone to Marcial Pérez Chiriboga, the Venezuelan ambassador in Washington, and they would confer on how to assist Venezuela and how to explain things more carefully, how to put a better face on things.

Q: *Well, I was trying to pick up the spirit at the time. I was here in Washington, and there was no doubt about the basic support of the British taking back the islands, particularly the way they were taken and that odious junta that had done this thing, I think, the real planning, and doing it to distract from the nastiness that they had been doing. Do you think Luers... Were there conversations? Did he understand how the United States was going on this? Did he see that when the chips were down we sure weren't going to come down on the Argentine side?*

SKOUG: I'd say the position he took was similar to the one taken by Jean Kirkpatrick, who also felt that it was a big mistake for us to take the British side. Obviously I didn't feel that way. I thought the British did the only appropriate thing under the circumstances. But Luers was aware of those considerations. I'm not saying that he was supporting Venezuelan chauvinism, but he was much more inclined to explain it, to try to help out Herrera Campins. And Herrera Campins made a visit to the United States about that time, shortly before, I think, where he had talked about the... He was always complaining about the "policy of blocs." It sounded like Third World neutralism, but most of the criticism was directed to us, so it was easy for the chauvinism... They really battered the United States at this particular time.

Q: *How about the media and all that? Same thing?*

SKOUG: The media were very bad. Occasionally you would meet a restrained Venezuelan, and I

think the Adecos, the Acción Democrática people, who were out of power, were more balanced than COPEI. But the press was pretty bad during the whole episode. And I happened to leave, and so did Luers, at about that time, and there were virtually no Venezuelans at his farewell, despite all the things he had done for them, how hard he had worked for Venezuela. At that very time hardly any Venezuelans showed up. They were just boycotting us. They thought that that somehow would have a positive effect for them, I guess. I don't think it did.

Q: *Was the boycotting because of the Falklands/Malvinas thing?*

SKOUG: Yes.

Q: *Did you find that your sources were sort of shut down during this period?*

SKOUG: Well, they were always a funny lot. Venezuelans would stand you up, not return phone calls, not show up at lunch, not come to accept an invitation. It was something Latin in that, I guess. They're not as reliable as Germans or even as Russians in that respect. It did become a little harder. I had some good economic contacts, though, who were interested in reform. There was a lot of emphasis coming out of a place called IESA, which is the school where there was a lot of sympathy to the economic philosophy of Friedrich Hayek at the University of Chicago. They were called Venezuela's "Chicago boys" with great scorn by people like Sebastián Alegret and Humberto Calderón Berti. But they were very bright scholars, and when Venezuela later, on my next tour down there, tried to reform the economy, they took the lead. It was the IESA boys who pushed market economics in a socialist culture. And so I had pretty good contacts there. As a matter of fact, in private conversation, most people did not bring up the subject of the Falklands, although some of them couldn't help but sympathize with the Argentines. I remember we talked about the explosion of the hockey demonstration in Prague against the Russians. It was something like that in Venezuela, strange to say, when in the World Cup in soccer in late spring of 1982, the Italians defeated the Germans. True, there are a lot of Italian Venezuelans, or Venezuelans of Italian extraction, but not that many. But the whole place went wild, as if it had been just a tremendous victory, sort of a Latin victory over the Anglo-Saxons perhaps. The city went wild, and you couldn't move about by automobile because the streets were jammed. People were honking their horns and so forth. It was a spontaneous demonstration of popular feelings.

Well, those are the basic considerations about Venezuela. The pleasure of the tour for me was, as I say, largely through association with the family, the excellent schooling for our children, and the marvelous climate. There were some Venezuelan friends, but it wasn't like Mexico. In Mexico you could make a lot of friends. In Venezuela it was much more difficult.

Q: *And then in 1982 you came back to Washington.*

SKOUG: Well, in 1982, strange things happened there, too. I was in contact with Ambassador George Landau. He was about to be assigned to a post in Latin America. And an intermediary, a businessman who was very well informed and who kept shuttling back and forth between the United States and Venezuela and who knew Landau indicated that Landau was about to be named ambassador in Panama and wondered if I were interested in being DCM. Well, I was, so I thought that I might be going to Panama. But then - this was March, I think. Eight days later, the

intermediary told me that "You'd be amazed: Landau is not going to Panama; he's coming to Venezuela as ambassador." I had already been in Venezuela nearly three years at this point, but the question was obviously would I like to serve as DCM in Venezuela. So I said again yes, I'd be happy to serve with George Landau if he's interested, but we already had a DCM who'd been there two years, and Landau did not want to force him out if he didn't want to leave, and that eventually turned out to be the case. So I left about the same time as Bill. Before I departed, I did a long, reflective wrap-up cable on the Venezuelan reality as I saw it. Ambassador Landau had encouraged me to write such a cable. I learned later that Landau regarded that summing up as a very accurate and penetrating assessment that was a very helpful introduction for him. I now returned home. I was assigned to the Executive Seminar in Washington. But I got a call from the ARA executive secretary, Don Bouchard, who said, "Would you like to comment. Enders is thinking of you for taking over Cuba, but he wants to interview you." So I went flying up to Washington. I realized that if I went to the Executive Seminar for a year, I would still need a job at the end of the year.

LOWELL FLEISCHER
Consul General
Maracaibo (1982-1983)

Lowell Fleischer was born in Ohio on March 15, 1937. He attended Ohio Western University, receiving a B.A. in journalism and political science. He earned an M.A. and Ph.D. from the University of Connecticut. He served abroad in Medellin, Santo Domingo, and Maracaibo. He also served in Washington, DC, and taught at the University of Massachusetts. He was interviewed by Thomas Dunnigan on January 31, 1995.

FLEISCHER: After working for ACTA, I came to Venezuela as Consul General to Maracaibo, which is the second largest city in Venezuela where all the oil extraction takes place, and again that was an extremely interesting time for us. I would guess that during that period of time I probably spent at least fifty percent of my time on economic/commercial matters, trying to make sure that a telephone company, (which was just in the beginning stage of thinking about privatization), that US firms had a good opportunity to bid on components. I organized the first ever oil show that we had in Venezuela. The first time we did that....we worked with the Department of Commerce obviously. They're the ones who put on these kinds of shows, and the people who do that are real professionals I must say. It attracted huge contingents from the oil industry obviously interested in selling products to the Venezuelan oil industry. After the first go-round, we put maybe a two or three-day oil show; the US companies got about sixty million dollars worth of business out of that. It was the first time we did it, so I was very happy about it and it's continued to this day. That's one of the major oil shows around now, it's the one that was started in Maracaibo some years ago.

Q: *Maracaibo is still open I take it?*

FLEISCHER: Maracaibo is still open. There were attempts to close it a couple of years ago. It

was mostly because of commercial pressure that it was not. It will probably be closed one of these days too. Except for a few very large consulates general in western Europe, it looks as if the name of the game is going to close almost all constituent posts and handle the stuff out of the capital cities.

Q: *How large a staff do you have in Maracaibo?*

FLEISCHER: I had four other Americans and then the normal contingent of a local staff. We had a very large USIS operation with a branch public affairs officer, a binational center. A very successful one. We had a couple of thousand students studying English and all kinds of different activities that we had going on on that part of Venezuela. The interesting thing to me there again is to emphasize how the economic interests of the United States have really come to the forefront in recent years and probably the only valid reason for keeping a post like Maracaibo open anymore is for economic/commercial as opposed to political purposes. Political officers in Caracas can read the newspapers from Maracaibo, can come down occasionally, talk to the governor, talk to the mayor, talk to the political leaders, can come down during campaigns, etc. But the thing that we'll miss when we close all those posts is the personal contact that the Consul General or his staff has with the business community, with the top managers in major enterprises around, so that if a businessman comes in off the street, or you get a cable or telex or a message or whatever, and somebody from Houston is coming and they're talking about multi-million dollar propositions with the Venezuelan oil industry, if you're there, and you're living there, and you're on the spot, and you know who to call, who to put the guy in contact with, you got some rapport so you can introduce him, it's not a blind call from Washington and so, you know...I think it's too bad that those posts are going but I think it's inevitable as the State Department has to cut down on costs as much as any other department of the government, those are the first things that are going to go, those kinds of operations.

Q: *Unfortunately, I think you're right. Now you were there during the Falklands war. Did that have any effect on your acceptance by the Venezuelans? I know that throughout Latin America there were strong views on that subject.*

FLEISCHER: Yes, there were. Not so much in Venezuela. It's interesting. If you were in the southern cone, obviously Argentina, but even Paraguay or Uruguay, or even as far away as Chile, I think there may have been more effect than there was in Venezuela. I think the Venezuelans, although they're always Latin American Nationalists and they like to have solidarity with other Latin American countries on such issues, were far enough removed from any real personal involvement as it didn't present any real kinds of difficulties for us in that part of Venezuela or indeed I don't think even in Caracas.

Q: *Those were also the years when oil prices were falling too and Venezuela had run up a huge debt. That must have had some effect.*

FLEISCHER: That was probably the most interesting part, being in Venezuela at this particular time. Even from a personal standpoint, when we went to Venezuela there was a fixed exchange rate and the bolivar was just a little over four to the dollar and that meant that it was very expensive. It was really an artificial exchange rate and that meant that things in dollar terms were

extremely expensive. We seldom bought anything on the Venezuelan market beside food and that sort of thing, and we did go to restaurants and what have you, but we didn't buy goods because they were extremely expensive in Venezuela. On the other hand, for the Venezuelans it was just the opposite...in terms of visas for example...The problem for us, visa issuance at that post was not weeding out who should or should not have visas that much at least as far as Venezuelans were concerned. It was a production problem of getting the passport in, actually physically stamping the visa in and getting them back to the people. It was a pure production process.

Q: *They weren't going to become public charges.*

FLEISCHER: The rate of people who abused that was extremely small. There were many Venezuelans who would fly to Florida to do grocery shopping and fly back. There were a lot of Venezuelans during that period of time who bought condos in Florida with very little down and their monthly burden was not that great. Again the exchange rate was very influential there. Now when the oil prices that you talked about came up and the bolivar was devalued and quickly started falling, very reminiscent of what's happening to the Mexican peso today, although the bolivar never fell quite as low, then that was another story. Instead of Señor Fulano...having only to use four hundred bolivars to get his hundred bucks to spend in Miami, it was now double and three times that. So the number of Florida condominiums, for example, a lot of Venezuelans simply walked away from them. They didn't have that much equity in them. They hadn't put that much down. They could no longer afford to meet the dollar payments on those, so they walked away. So there were any number in the Miami area especially (going...?) in the Fort Lauderdale, etc. inquiries that we would get, and the Venezuelans simply walked away, ...

Q: *Just let what they had there?*

FLEISCHER: Just let what they had there because they could no longer afford to keep up with the payments. It also had a great effect on the work load in the Consulate just in terms of the number of people no longer traveling. It had a great effect on Pan American. Yes, Pan American was the airline which was still in existence and served Maracaibo, cutting down on the number of direct flights. Again these are all economic issues and again I think it serves to point up the importance of the economic/commercial issues in the foreign service life today and I think it was not the case when I entered the foreign service thirty years ago.

Q: *Now, turning to the political subject, there was an election I think in those years. They inaugurated President (Lusinchi?).*

FLEISCHER: You know all over Latin America, and also in Venezuela, we are used to talking these days about a real economic revolution which is taking place, and that certainly is the most important aspect I think. There has been an economic revolution. Central governments know that...it's no longer appropriate for central governments to have the kind of control that they used to have over the economic systems of their country. But there has also been a political revolution which has accompanied this and I think many people will argue and perhaps correctly so that you can't have one without the other. Venezuela has always very much been a (two party state?). Powers alternated between one party and the other. At the time that Lusinchi was elected, it was

sort of their turn and it was interesting being in Maracaibo, because Maracaibo was the hotbed of the opposition, not of Lusinchi's party. So it was very interesting following political developments there. But since Lusinchi's time, and Lusinchi by the way is still under a cloud of suspicion of having benefitted, himself and his family, economically during his position in power. Since his successor from Action Democratica which was their party (...name?), as you know, was driven really from office again under a cloud of suspicion of having benefitted economically. Whether either one of them will ever come to trial in Venezuela I don't really know. (name Perez?) is still in Venezuela. Lusinchi got out while the getting was good. As a matter of fact he was living here in the United States. I don't know whether he's gone back to Venezuela or not, but there was a great cloud of mistrust then brought about both by the Lusinchi Administration and the administration of (...Perez?), which led to the recent election of the old man of Venezuelan Politics, Rafael Caldera who is having a very difficult time. Venezuela is still better off than many countries in Latin America because of the great amounts of oil reserves that they have there. But there can be I think not much argument that Venezuela has not managed that oil very well over the years. Other countries, Colombia for example which has recently discovered fairly large deposits of oil, are determined that they are going to learn from Venezuela's mistakes and not make the same kinds of errors that Venezuelans have made in managing this huge amount of resources. So Venezuela does have all of these oil resources to rely on, but they are nevertheless ... And I think one of the things that they are going to have to do as eventually the Mexicans are going to have to do and that is to privatize those resources. This is still heresy certainly in Mexico even as a result of the recent crisis in Mexico, we haven't heard the president of Mexico say: "We're going to privatize to (...name?)." What he's going to have to do is work around the edges of that and what I think they will probably start doing is privatizing let's say some of the chemical offshoots of (name..?). In Venezuela, it's not quite the same emotional issue as in Mexico. That is the revolution wasn't bounded on oil being part of the (....?), but you got some of the same kinds of problems, so there again and I might add I think that everybody will agree that the Venezuelan National Oil Company has been better managed than (Pen...?) has in the sense that they kept separate operating companies. It used to be Esso, and Gulf, and the various other ones. They just gave them different names but kept those separate identities so that there's a little bit of competition between them. They've always been run by well-trained managers. One thing that the Venezuelans did do was use some of their oil money to send engineers to the States and get MBAs and advanced degrees, etc., so that they have a very well trained group of people willing and able to do this. They have not become an employer of last resort which has happened in Mexico, but (P..?) has just added people to the payroll (MX?). That has not happened quite so much in Venezuela. But it's still a tempting target. It brings in a lot of money and Venezuelan politicians want to at least tax that and use that in some way to benefit other areas. So eventually it seems to me that that probably is going to be privatized in Venezuela, too....The money that had been sort of flowing into Venezuela from outside for investments has slowed down considerably because of fear that the economy is not as well managed as say in Chile. And when there's competition from Chile even in Argentina or even in Brazil, with all the difficulty that Brazil has had, Venezuela has found itself in the position of having to make very severe adjustments economically, (...?) the deficit, selling off state enterprises which grew up almost willy-nilly whereas everybody agrees that there's probably no reason for the central government to own a hotel on the beach, for example, to say nothing of aluminum plants, or steel plants. So all of those I think will eventually go on the auction block. One step becomes more rational....I think Venezuela is one of the countries in

Latin America which probably still has a pretty good future. Again they got a base of oil (...?). They have made considerable changes in the last ten years.

Q: *When you were in Maracaibo, were you concerned about terrorism or drug trafficking and some of the problems that have grown up in recent years?*

FLEISCHER: Yes. Most of those have really come up since we lived there. We were concerned I guess, not that we had private guards at the residence and were careful about things like that. We did not have marines at the Consulate. We had a private security staff and I guess the local police gave us a couple of people out in front. The drug business was really beginning at the time we were almost leaving Venezuela. It was much more evident at that period of time in Colombia. It was also a problem in the area known as the (Guajira?) which is that peninsula, almost a no-man's land between Colombia and Venezuela leading up to the gulf. I wanted to drive across that peninsula into Colombia and the State Department security officers in Bogota and Caracas would not hear of it. That had become sort of a no-man's land where automobiles were stolen, let's say in Maracaibo. Venezuela was economically a little better off than Colombia at the time we were living there. They would end up in the Guajira. Numbers would be erased, they'd be changed, etc. and before you'd know it, they're in Colombia and being driven by somebody else. There were bands of terrorists there, etc. but we were never really too concerned about our children. We had a very large American school there, because there were a lot of Americans associated with the oil industries there. A lot of US companies had set up operations there partly because the Venezuelans required it. (...?) for example which sold a lot of equipment. Other manufacturing companies which sold to the Venezuelan oil industry and often established then local manufacturing facilities in Maracaibo in order to better facilitate the oil industry. So there were never really any serious problems I would say connected with either drug trafficking or pure violence and terrorism.

Q: *Now you had two ambassadors I believe during that period, Bill Luers and George Landau?*

FLEISCHER: Bill Luers and George Landau, both of whom liked to come to Maracaibo. Both Bill and George liked the hot weather for one thing...

Q: *Which you had in Maracaibo.*

FLEISCHER: Yes. I didn't particularly like the hot weather, but they liked to come down to Maracaibo. The people of Maracaibo were certainly the top echelons of the political and business leaders of that area. They were very sophisticated and very knowledgeable people. So both ambassadors used to come down quite a bit. Both superb career professionals I must say. I later then worked for George again in another capacity after I left the Foreign Service. He became president of the Council of the Americas which is an association of a couple of hundred large U.S. corporations, mostly Fortune 500 companies that have a lot of connections in Latin America and I spent five years there working for them then in their Washington office after I left the Foreign Service.

EDWARD L. LEE II
Regional Security Officer
Panama City, Panama (1982-1985)

Mr. Lee was born and raised in Michigan, educated at Delta College and American University. After seven years service with the US Marine Corp, he joined the State Department as Agent in the Office of Security. Mr. Lee's entire career in the Foreign Service was devoted to Security matters in Washington and in diplomatic posts throughout the world. His postings as Regional Security Officer include Cyprus, South Korea, Thailand and Panama. Mr. Lee was interviewed by Charles Stuart Kennedy in 1999.

Q: What about Venezuela? That was quite a different situation than Colombia, or not?

LEE: Venezuela at that time was probably – and again we are looking at 1982-'84 – one of the success stories in Latin America, particularly South America. It had the strength of its oil infrastructure. Even today in the year 2000, it's the third largest oil producer in the world. It had a stable government, a strong democracy, one of the oldest democracies in Latin America. We really didn't have any real political instability issues to worry about. We did have a problem with major fluctuation in currencies throughout Latin America. That was really causing an increase in crime. Venezuela had had a rebel movement called the Red Flag that went back into the '50s and '60s. But generally we didn't have the kind of problems in Venezuela that we had in Colombia, in Peru, in other parts of the region. It was very much like Chile. It was a commercial center. It had lots of money. That changed as time went on as corruption really took hold. Again, I was looking at a period, '82-'83. We're now 20 years hence. We've seen, despite all this oil, the quality of life in Venezuela decline largely because of corruption. There is plenty of money. The question is that it's not going into public coffers.

Q: As you're working on security, did you find in dealing in Latin America, where corruption was getting to be major, did you find this spilling over into our operations? One, corruption is a political phenomenon that we observe and are concerned about. Two, corruption is one where if it starts tainting our people, then… Did you find that there was much of a spillover?

LEE: I think we were seeing it spill over from the standpoint of the consular function. When you begin to look at political corruption, assuming that there isn't a deterrent to that, you then begin to see it spill over into the issuance of visas, passport fraud. The one unique link to what was going on in Latin America was the increase in drugs. There is a correlation between drug trafficking and visas and passports. So, probably unlike previous years prior to '82-'85, we were beginning to see a sophistication level of fraud where people wanted visas, they wanted passports, and one way to do that would be to get to a local employee who could be coopted, who could either provide information or make a dent in the way the system works or ease the possibility of fraud occurring. The most obvious evidence of corruption that might be endemic to a political- (end of tape)

That was something that the Bureau of Consular Affairs and the Office of Security was most

concerned with. We were seeing visa fraud and malfeasance turning up everywhere, not just in Latin America. It did become very disruptive to consular operations.

But again, getting back to Venezuela, we had rising crime. That was because of the hyperinflation. But other than that, there was not any major political concerns going on. Now, Venezuela is much different.

GEORGE W. LANDAU
Ambassador
Venezuela (1982-1985)

Ambassador George W. Landau was a captain in Military Intelligence. While serving in the Foreign Service, he stayed in the Army Reserve for 32 years until his mandatory retirement in 1975. He served in Montevideo and Madrid and then went to the Canadian Defense College. He also served in the Washington, DC as a country director for Spain and Portugal. He was ambassador to Asuncion, Santiago, and Caracas. In 1981, he assumed the presidency of the Council of the Americas and the Americas Society. He was interviewed by Arthur Day in 1991.

LANDAU: When I got to Venezuela I did not realize how easy it was to deal with a country that may have tremendous economic problems and all kinds of challenges but you did not have this ideological challenge that I had in Paraguay and I had in Chile. Any word you say will either make the government mad or the opposition mad, or the Republicans or Democrats. In Venezuela it was just straight-forward. They renegotiated the debt, there were all kinds of questions, petroleum, but it was easy. You did not have to be careful about what you said because it was not that highly charged ideologically. It was wonderful.

Venezuela was a very interesting assignment for me. It was the first assignment to a democracy in many, many years, because as country director for Spain and Portugal, as ambassador to Paraguay and Chile I dealt solely with right- wing governments. I had not been in a democratic country since Uruguay, years ago. So it was very pleasant and it brought home to me the point of how easy it is to deal with democratic countries. Nobody is mad at you, you don't offend either the government, the opposition, the Republicans or Democrats, you just plod along and do the best you can. For one thing you work hard at improving relations between the two countries, which I really was not supposed to do in all the other countries, because we had an arm-length policy towards my other former clients.

Venezuela was interesting, although I must say that one must always go from Caracas to Santiago and never the other way around because in Chile everything was orderly, well- done and easy for an ambassador. You did not have to do everything yourself, you could send your DCM or the economic counselor or the commercial attaché. At all levels people knew what the score was. In Venezuela I had to do all major things personally because I had to talk only to the minister because the bureaucracy did not respond.

Q: *George, perhaps before we go any further you might refresh our memory about the timing of your transfer to Venezuela, what the date was?*

LANDAU: I got to Caracas in August 1982, having left Chile in February of the same year. I had to hang around in Washington because my predecessor wanted to have his daughters graduate from school first. So I spent idle time at the government's expense in Washington. When I got to Venezuela the atmosphere was not too good. The Falkland [Islands] war had ended and the Venezuelans had felt emotionally close to the Argentines and as many countries in Latin America did, they heaped more blame on the United States for "betraying them" than on the British. I had a fairly cool reception. At the same time, however, the Falkland war and all that was overshadowed because the real crisis in mid 1982 was not the Falkland war, but it was the default of Mexico. In August of 1982 the debt crisis started and Mexico was the first victim. The Venezuelans then realized that they too were on the verge of bankruptcy, but in typical Venezuelan fashion they had no idea of how much they owed. The minister of finance was well-known by the banks in New York for being arrogant and not paying on time and generally not the most pleasant person. He was in the headlines for days and months and closely observed by the newspapers. It was clear that each autonomous agency of the government -- and there were hundreds of them -- had the power to contract loans and did not need to report them to the Ministry of Finance. And there was no way to find out how much the government owed. All they knew was that they did not have enough money to pay back the loans. So that was a rather difficult situation -- the economic problems really overshadowed everything. That in a way, brought home to me, one important point. Back in Washington, and back among ourselves, retired and active Foreign Service officers bemoan the fact that the Department is losing importance and that it is becoming less essential to the conduct of foreign policy. That is not exactly true, it is the foreign policy that is less essential, because it is no longer foreign policy, it is economic policy. Let's face it, you no longer have any particular political problems with Latin America, our problems are all in the economic field. So in a way the Treasury takes over, STR takes over, the Department of Commerce plays a role, and the Department of State plays a lesser role than we are used to heretofore.

Q: *How were you involved in this problem? The individual Venezuelan agencies had their own relationships with the lending agencies in this country, at what point and in what way did the ambassador and the government become involved?*

LANDAU: Very much so because the Venezuelan debt was basically a commercial debt and to some extent with the international lending agencies. There was no U.S. debt involved. The U.S. debt basically applies to Honduras, Jamaica and the smaller countries for PL 480 and CC credits. The large countries basically borrowed from commercial banks, and Venezuela, oil rich as it was, was one of the main borrowers. And to show Venezuela's particular problem, the flight capital that left Venezuela beginning in 1982 far exceeded the total debt. Venezuelans were really oil rich. There was a lot of money, but it was totally mismanaged. So they were in deep trouble, but in 1982 this was not yet clearly understood.

I still remember very well in the beginning of 1983 when the government of Venezuela changed from President Harare to President Lusinchi. Secretary Shultz led the U.S. delegation, of which I was a member, to Lusinchi's inauguration. On the day of the inauguration, before the festivities

started, Lusinchi asked Secretary Shultz and myself to come and see him. We were his first appointments, it really was not official because he had not yet taken his oath of office, he did not take that until noon. He said, "For me this is the most important meeting, Mr. Secretary, for when I take office I want you to support me in solving the debt crisis." It was a very meaningful and emotional scene to which Secretary Shultz very coolly and very correctly replied, "Look, you don't owe us any money, you owe it to commercial banks, and there is not a thing we can do, you have to deal with them." This came as quite a shock to Lusinchi, but of course that was the attitude of the U.S. government at the time. It was carried on for quite a while longer. It changed really only after Secretary of the Treasury Baker went to the inauguration of Alan Garcia in Peru. Normally either the vice president or the secretary of state will go. Perhaps both were on vacation or Shultz had to go to Bohemian Grove [a men's club in Northern California] and so Baker as secretary of the Treasury went out for the first time on something like this. It was a great education for Baker for when he saw Alan Garcia haranguing the people and telling the people that he would not pay more than ten percent of the debt, or whatever was left over, Baker realized that he had to do something about it -- to get the U.S. government involved. Out of this eventually came the Baker plan for settling the commercial debt and that was refined then with the Brady plan. So now the U.S. government is involved with settling commercial debts through the Baker and Brady plans. In February 1984 when Shultz was in Caracas he gave the right answer from the U.S. government point of view and so it was left for Venezuela to deal with the commercial banks.

In a way Venezuela's dealing with the commercial banks was my greatest headache, and I will say it was a very satisfactory experience and probably the most important thing I did. The commercial banks came to see me to plan strategy and how they were going to deal with the Ministry of Finance. The Minister of Finance called me and said, "You know, you cannot deal with those commercial banks, they are totally unrealistic, they want a pound of flesh and they are worse than Shylock." I went back to the commercial banks and talked to them and then the commercial banks came back and said that "The Venezuelans are totally unrealistic, they don't understand we are responsible to our stockholders and we want our money back." I tried to work it out. Many times matters were really unmanageable because the banks did not understand why the Venezuelans so strongly depended on a certain point and the other way around. Matters usually could be arranged. I spent several hours every day dealing with the commercial banks and the Minister of Finance as the go-between. It worked really well and they reached an agreement sooner rather than later.

Q: *Was this a global agreement between all the banks, not just one?*

LANDAU: Yes. As you see, like all of those debt matters there is a lead bank of the consortium of banks. In the case of Venezuela it was Chase. The Chase man used to come down every week, it was Francis Mason at the time. It did not work spectacularly, but it was the first attempt to solve the debt crisis. It went through many configurations in future years. By now Venezuela has rescheduled its debt. But between the banking and the other tremendous commercial and economic interests we had in Venezuela I spent most of my time with these. That is the way it should be, I think that an ambassador is there basically to protect U.S. interests and U.S. interests in Venezuela were really in two fields, they were in the economic and commercial field and they were in the consular field. We had a lot of Americans who constantly got themselves into

trouble.

A number of my colleagues are a great deal more elegant than I am and they think high diplomacy is to report on what the Foreign Ministers discussed in Panama about the Contadora meeting and what it means. I used to be amused at what I would see from neighboring countries, from our embassies, we would get reams of stuff about the Contadora meetings. I thought it was a total waste of time.

I knew the foreign ministers very well both under the Herrera and the Lusinchi government and when they came back from a Contadora meeting I debriefed them. It took half an hour because all those machinations I knew would not lead anywhere. It is interesting because in a way we showed this tremendous interest in Contadora just to feed the desires of our own bureaucracies rather than for any great clear purpose. We wanted obviously to end the conflict in Central America but we did not go about it the right way.

Maybe I should say a word about how Contadora started. That was very interesting. President Herrera called me. It was not long before he relinquished office in 1984. When Herrera called me the tenth of February 1983 he said, "You know I have just come back from Contadora where I met with the Mexican president, the Colombian president and we invited the Panamanian president because it was in their territory and we decided, the four of us, to make another attempt to solve the Central American crisis, particularly in Nicaragua and Salvador. There is just one request that I have, that President Reagan should leave us alone, he should leave us to do it." He did not say it in a belligerent way, he said it more in a pleading way. I said, "I have a great emissary who could carry your message back because Mrs. Kirkpatrick is coming here the following day." And Jeane Kirkpatrick came the following day, she was American ambassador to the UN. President Herrera repeated the same to her and she carried that back to Washington. Sure enough about a week later I got a telegram blessing the Contadora initiative and saying that we would leave it alone and we hoped for the best. After all we wished the same thing, namely to solve the problem satisfactorily. It turned out to be basically a waste of time because at the time the Mexicans really had totally different views than we did about Central America. As you may recall, the Mexicans had tried to take the initiative away from us with the Mexican-French proposal early in 1982, and the mere fact that the French were involved raised the hackles of the whole continent. "The Monroe Doctrine and what do Europeans have to do with it so let's get rid of the French." So eventually the Contadora process came, but if you look at it carefully, it was anti- American. It was trying to get us out of it elegantly. But as I said before, it was a waste of time. It really did not help very much and they went on and on for more than a year, first with the Herrera government and then the Lusinchi government. We had a special ambassador, first Stone then Habib and then Harry Shlaudeman who all worked very hard on it, but I must repeat, the whole thing was a waste of time. I don't know whether it could have been done any better, whether it was a diversion, but in the end the Nicaraguan government had to fall under its own weight. I must say that the Reagan era policy of being firm and having the contras there to nudge them resolved the matter satisfactorily. The Latin American countries did not add and they were not, regardless of what we said, really helpful.

Q: *Did the involvement of the Venezuelans and the difficulties they occasionally had with the problem and the U.S., did this affect you with the government, or didn't they take it seriously?*

LANDAU: No, they did not take it that seriously. The Venezuelans were really looking to me to help to make sure investments would come in and the economic commercial relation with the United States would remain firm. We helped them with the bank problem. The other was really a diversion. It looked great with all these discussions, but it was really fairly meaningless.

Venezuela is really a wonderful country with a lot of resources. The most important thing you can do from Venezuela is the oil reporting. Venezuela next to Saudi Arabia, has the most tremendous reserves and will play an important role in future U.S. energy policies. I think we understand this very well and our relations with Venezuela have always been good, particularly now because obviously what is happening in Latin America is that with the failure of the Soviet Union and the Eastern Bloc policies, the Latins have all turned to free market policies. Venezuela like the others is coming around and our economic thinking is prevalent and the need for foreign investment is prevalent and very much appreciated. That is where I think the role of the ambassador is important, to guide and to make sure that U.S. foreign investment receives a fair shake, and I think this is being done at this time.

Q: *You found that to be the case during your stay in Venezuela?*

LANDAU: It was a slow educational process because the Venezuelans were oil rich and they were so oil rich that President Pérez said in 1976, "You know we don't want your investments, we want to buy your technology." They developed this great idea that it does not damage sovereignty to take out loans but it does damage sovereignty to have foreign investments. Of course, the stupidity of this became very clear because foreign loans had to be repaid, damaging to sovereignty in the process, while foreign investments, if they don't work they go bankrupt, nobody is hurt. But it took some years for the fallacy of all those ideas to come true. This period is now concluded and they understand that loans are dangerous and investment is desirable. The entire continent is moving in the right way, some quicker and some slower; Mexico and Chile are way ahead. But Venezuela, Colombia and the others are making great strides.

Q: *You made a point earlier that given the nature of the Venezuelan government you found yourself as the action officer so to speak on almost anything that had to deal with that government. You had no doubt a fairly sizeable and competent embassy -- how did you use them?*

LANDAU: It was very, very difficult. I had excellent people chomping at the bit, but they had no opposite numbers to talk to. The DCM still did manageable tasks. The economic counselor had to talk to people who really did not know which end was up. It was not his fault. It was a bloated and overgrown bureaucracy and hostile usually to the government in power, either hostile or indolent. You don't get much movement. You need to talk to the president and to the ministers and that is where it ends.

Q: *How long were you there?*

LANDAU: I was there a little over three years.

Q: *What was the occasion of your leaving the post?*

LANDAU: Well what happened, was that already in 1981 when I still was in Chile, David Rockefeller invited me to take over the presidency of the Council of the Americas and the Americas Society. After some discussion with Secretary Haig, who was the incoming secretary of state, I decided not to do it, but to take another post. Well Mr. Rockefeller came back to see me in Venezuela in 1985 and again asked me to take it over. Around the time he came Venezuela had a state visit to Washington. President Lusinchi went to Washington and he said to President Reagan, "You know both of us will finish our mandate in 1988 and I would be very happy if you could leave Ambassador Landau in Caracas until then." Reagan said, "Sure, I would be delighted to do so." I could not see that I really wanted to stay another four years in Caracas and I thought that having been abroad fourteen years with three back to back embassies, that it would be nice to come back. It was an interesting job and I must say that with all frankness I enjoy my present position more than any embassy because I deal across the board with all countries and I meet with all the foreign ministers, the finance ministers, the presidents. You have all the wonderful vantage point of comparison, how each country is doing, why they are not doing as well, in what stage of development towards the free market area they are. I see the tremendous importance of free trade agreements and my organization is very much involved in pushing through the fast track for a free trade agreement with Mexico and eventually with Chile. The future of the hemisphere is quite good provided they can make this transition from a state oriented government-type operation to a free one.

JANEY DEA COLE
International Exchange Officer, USIA
Caracas (1984-1987)

Ms Cole was born and raised in Brooklyn, New York and was educated at Hartwick College, the University of Hawaii and Virginia Polytechnic Institute. After working in New York City several years, she joined the United States Information Agency in 1980. During her career, Ms. Cole served in Dacca, Caracas, Katmandu, Calcutta, and in Islamabad, where she was District Public Affairs Officer. In Washington, she served in the East bureau of USIA and was a Congressional Fellow on Capitol Hill. Ms Cole was interviewed by Charles Stuart Kennedy in 2004.

COLE: I went to Venezuela, because I had Spanish. My ambassador, Jane Able Coon, asked me if I wanted to go to China. And I said, no, I don't. I want to go to South America.

Q: So you went to, where? Do we only have one post in Venezuela?

COLE: Actually we had, at that point, two. We had Caracas and Maracaibo. I went to Caracas, to the capital city, as the exchanges officer, a position which at that time was pretty good. Now they've downgraded all the exchanges officers enormously, but at that time Venezuela did not have its own Fulbright commission. So you had to do that work yourself, which is a model we

should follow. Venezuela being one of our main sources of petroleum, we had a lot of grants under the international visitor program. Then there were other miscellaneous exchanges like the citizen exchange program. There was another officer who did speakers.

Q: Well, you were in Venezuela from when to when?

COLE: I guess it was '84 to '87. Three years.

Q: Who was the ambassador?

COLE: It was Ambassador George Landau, who didn't like female officers very much. We were okay when we were fairly junior.

Q: Yes, sort of cute young things.

COLE: Yes, and whenever I had to go see him I always dressed a certain way.

Q: Well, we'll come to that later on. Who was the PAO?

COLE: Our excellent PAO, Marilyn McAfee, who eventually became an ambassador.

Q: '84 to '87, what was happening in Venezuela at that time?

COLE: It was quite an interesting country. Jaime Lusinchi was fairly pro U.S.A. During the periods of political disruption he had gone into exile with his wife and had ended up in the U.S. where they let him practice medicine. They put him to work in some, I'm sure, perfectly awful hospital in the middle of Spanish Harlem but he thought that was wonderful. He was doing medicine. So he always liked us. And the Venezuelans at that time were pretty pro-U.S.A. at all levels. The anti-U.S.A. feeling that the current Venezuelan administration is tapping into surprises me a little.

Q: Well, let's talk about your work there. First, what were the elements of Venezuelan society that you wanted to reach?

COLE: Venezuela was a very different experience. It was difficult. It was much harder to identify whom you wanted to reach because it was a well-educated, highly-literate society with a lot of activity, and a lot of creativity. We kept our eye on the press but there were no identifiable columnists or pundits. Anybody at anytime would pop up with an article.

Q: You didn't have, as the French do, a corps of intellectuals?

COLE: Not much, no. It was very surprising. The Venezuelans had gone in for mass education. So you had a country with a very high literacy rate, a lot of people got to go to the university. It was like the United States. In this country if you were doing the same work, how would you do your targeting? So we watched the newspapers and who read what newspapers. I spent an enormous amount of time at the universities because I was running the Fulbright program; we

had no Fulbright commission. I targeted faculties. Again, I found political science to be more modern less hidebound than others. I found study of the United States very well incorporated into the teaching of English. I did a study of high school textbooks with my FSN. Marilyn McAfee was wonderful; she hired an extra FSN for me whose job was to study what was going on in high school education. So I talked to some people back in Washington, friends who'd served in Scandinavia where there were some of the same issues. How do you figure out where to aim? And they were not aiming at the university; it was taking care of itself. They aimed at high school education, secondary education. In Venezuela's very centralized system just a couple of textbooks were used. We went through the history books to try to find what they were teaching about the U.S. And then we went through the English language materials to see what they were saying about the U.S. I tried to write this all up so the next person wouldn't have to repeat it. We pursued programs very aggressively for sending teacher trainers to the U.S. And we focused a lot on teacher training institutions. But I have to tell you, it was really quite a challenge. One of the things that I did there that I was proudest of, again, this was with Miss McAfee's leadership, was to design our own international visitor program.

We designed our own IV group project when these were very new. We would take a group of eight and combine members of the Venezuelan military, with which at that time we had good relations with some politicians or party intellectuals, or university professors or journalists. For awhile those were wildly successful. Venezuelans appreciated them as a way of getting to know each other which they had not done in the past because the military was totally segregated. And so they went off to the U.S. to take a look at grassroots democracy, something Venezuela did not have.

Q: Can you give an example of what this disparate group would see and do?

COLE: Venezuelans, as I say, didn't have any grassroots democracy. They voted for a party with a slate of candidates. So your representative didn't come from your neighborhood or your state and you didn't select him. You just voted for the party which got a certain percentage of the vote and then selected a certain number of people to be in the legislature. They would have to consider peoples' preferences but basically you weren't casting your vote for a candidate; you were casting it for ideology, for a party. As Venezuelans got better and better educated they got less and less satisfied with this, and were more and more interested in having more control over selecting their representatives. The idea of splitting a ticket was becoming more acceptable to them. The idea of having local self government became more and more appealing. So, we would have them look at city government, state legislatures, political campaigns, how people get elected, how do local elections work. The League of Women Voters always had a nice program.

There was always a briefing at the Pentagon and people loved that because just walking through the Pentagon was exciting. I talked to a political scientist who said he'd studied it all his career but to actually be in it and see the size of it was remarkable. They'd get a very good military briefer who would talk to them about U.S. military policy. We would brief them on how we managed our military. Their soldiers, unlike ours, can't vote. Venezuelans had no absentee ballot arrangements; they were intrigued by that. Because they were influential people, we had them received by the deputy assistant secretary (DAS) for South America who, with others on his staff, would discuss political, economic, and trade issues with them.

Sending military officers was something new and when I was in Bangladesh I had actually sent a military officer in a civilian capacity and all hell had broken loose. It had taken my PAO a stack of cables to get this cleared because I hadn't known any better. The military always wanted to know what to wear. And I said, you can pack your uniforms but you can't wear them for much of the program. You can wear them when you go to the Pentagon and Fort Leavenworth but not in-between. So I got copies of magazines like Esquire or Gentlemen's Quarterly, and we'd look at clothes.

Q: Obviously we're selling the United States but what you're saying is, look, we've got a great system here. Implicitly, why don't you change your system? I mean, this gets tricky.

COLE: And you can only do it well if people have approached you and said at some point we're going to have to change our system and we'd like to see yours; we'd like to see the Canadians, we'd like to see how they handle this in different countries because Venezuelans are becoming well enough traveled to realize that their system is for children. It was probably okay at one point but it was no longer alright. So, they wanted to know, and you have to find something that will interest and hold them and will not seem patronizing.

Q: Speaking about universities, I've never served in Latin America but I have the feeling that these universities more than anywhere else are citadels of Marxism and whatever it is, but you they're sort of no go areas.

COLE: No, no, no, no. You just have to know how to do it. In Venezuela the older generation were the doctrinaire Marxists. Ah, but youth, their purpose in the world is to make their parents crazy. And what was the best way to do that? Become a supply side economist. So we were very interested in speaking to them. We made friends with the vice chancellor, who was a Marxist but we established a personal relationship with him, personalismo (in Latin America, the practice of glorifying a single leader, with the resulting subordination of the interests of political parties and ideologies and of constitutional government is very important). And he actually gave me a grant from the university to fund a group of student leaders to go to the United States. He was just getting tired of people rioting in the halls and disturbing classes and whatnot. So we sent this group of young people off to the U.S. and they had a ball. And they came back perfectly armed to drive their parents crazy. And we did a couple of those. I remember my PAO just being tickled to bits because she got this money from the university to pay for part of it.

Q: The political scientists in the United States have gone over the edge trying to turn the subject into a science looking for formulae and trying to reduce everything to figures.

COLE: At that time that was happening in the economics department, but not in political science. And he was anti-Marxist because that ideology didn't determine how you did your equations which were still more of a study of systems. In economics they were moving on to using equations and very much changing the way in which they thought about economics. We did get a speaker from George Mason University, but he wasn't terribly good, and then we got a Fulbrighter, who was one of the new economists, and he was quite good. So we got him to a university where he could spread his poison.

Q: Were there any events that particularly influenced you during this period?

COLE: Well, I was still at the point of gaining skills and I think, Venezuela is really where I learned how to read a newspaper.

Q: You mean how to extract things quickly?

COLE: Yes, because I was following educational issues and that was important.

Q: How about other countries? I assume the French were pretty strong there, weren't they?

COLE: It was more the British Council; teaching English was kind of a business. Our bi-national centers were aiming at the masses, whereas the British Council was kind of the Cadillac of the system. But I used to spend a lot of time talking with the British because we didn't want to trip over each other. We did that only once. When they closed down their school in Maracaibo, they donated their equipment to a private English teaching institution. I said, you should have given the equipment to the international school instead of generating competition for us.

Q: Looking at Venezuela today, there is Chavez, who is pretty much anti-U.S., and he has appealed to really the lower social order. Were we looking at that group, were they reachable or not?

COLE: I don't think that we were. I was in Venezuela at a time of relative social peace. Jaime Lusinchi was a very popular president. He was born out-of-wedlock. He was devoted to his mother, an Italian immigrant, and people admired that. He was a nice, pleasant fat man who looked like Santa Claus, and he was like Clinton in terms of his common touch. He was also like Clinton in terms of his love life but in Venezuela, a man who didn't have a mistress probably wouldn't have been trusted. The drama between his wife and his mistress kept everybody entertained. His wife, poor lady, was no doubt suffering terribly. It seemed to me that everyone in most social classes was relatively content at that time. The country was prospering. They'd been through a bad downturn and now they were turning up again. It was fairly optimistic. The reformers thought they could change the political system; this was why they were going off to the U.S. to look at things. El Presidente (The President) was popular, accessible; in his own way quite a man.

I remember Venezuela's national day was July 5 and I remember him at our Fourth of July party, linking arms and drinking with our ambassador. He stayed and stayed and of course, none of us could leave while the President, and the Venezuelans weren't leaving. It was getting to be 3:00 a.m. and this man who would have to be very active the next day was still swilling the ambassador's champagne. He downed copious amounts of liquor and he danced and he hugged and he kissed and he schmoozed but next day he was perfectly fine. He went through the entire Fifth of July celebrations, did it all again.

It was a time of moderate economic stability, social stability, optimism and a fairly popular national leader. So, I don't think that we were reaching out to the lower social orders. We were

focused on the gatekeepers. And I think our focus on secondary school education was pretty good. And just as I was leaving I got involved with vocational education but I didn't get very far with that; I had to leave that for the next person. But no, the outreach that has come in recently to a broader, deeper, younger, population to the degree that we've continued it, was something of a revolution.

Q: Did Venezuelans look to the United States as opposed to Europe?

COLE: Yes, there's no doubt about that, although they also look to Europe. They had a huge scholarship program, the Fundacion Gran Mariscal Ayacucho, when all the money was rolling in from oil. And this had sent hundreds of young students to the United States to get degrees. The fund had offices in New York and in Venezuela, and all over. It was credited with quelling the student rebellion movement because everybody was off in the U.S. where you pay attention and divide your time between having fun and going to class. There hasn't been a sustained student political movement of the kind they have in South America. Even though an economic downturn stopped the program while I was there, a lot of young people in entry level positions and mid-level positions who had been to the U.S. to be educated and were very pro-American. They, of course, were amongst the classes of people that Chavez attacked.

Q: How about Maracaibo?

COLE: I was in charge of the link between Caracas and Maracaibo. At that point we had an American officer there who was the head of the bi-national center. A big problem was created by a law requiring the heads of all educational institutions to be Venezuelan. So we got some help from an eminent Venezuelan educator whom I found, and he advised us to split your English teaching from your bi-national center. It can be physically located there, but find somebody to head it who's a Venezuelan, perhaps an American woman married to a Venezuelan. And that's what we did.

J. PHILLIP MCLEAN
Director, Office of Andean Affairs
Washington, DC (1984-1987)

Mr. McLean was born and raised in Seattle, Washington and was educated at Seattle University and the University of Indiana. He entered the Foreign Service in 1962. A Latin American specialist, his service in the State Department in Washington and abroad, primarily concerned Latin American Affairs. His foreign posts were Brasilia, Edinburgh, Panama City, La Paz, Milan and Bogota, where he was Deputy Chief of Mission. In Washington Mr. McLean held positions dealing with Latin American Affairs, including that of Deputy Assistant Secretary for South America. Mr. McLean was interviewed by Charles Stuart Kennedy in 1999.

Q: You had been dealing with sort of the major issue of east-west and all that. Coming back to

ARA, was there a feeling of this is a side show or not?

McLEAN: Well, in my mind as I came back, I probably had that idea in my mind, because Latin America had come to focus on Central America, and here I was going back to Latin America but to the Andean countries, which were not at the center of things at that particular moment. I wasn't even going back to Brazil, which in my own mind I thought Brazil or Argentina, which I thought were great countries. But humankind is that way. As soon as I got to where I was, I discovered it was highly important.

Q: It was the center of the universe.

McLEAN: In effect it turned out to be. None of us at that time would think that the President, as he has recently in the last few weeks, talked about world policy as one of the most important things that you do in the world is fight narcotics trafficking. In fact, the story I think, part of the story, is how we went from narcotics trafficking being very much of a side issue to being something of a much more concern of American policy.

Q: We'll pick that up, but I was wondering: When you arrived in the Bureau, you had been away, you had Ronald Reagan and he had a major focus, at least his administration did, on Central America. You were somewhat removed. What was the feeling there of the people you were talking with? I can see coming in being a bit skeptical about, you know, this is a bit overblown. Was there that feeling?

McLEAN: Well, the Central American activity was really apart. We lived in almost a different world, though we were down--I guess we were on a different floor even, but we didn't mix a lot, and we did our thing pretty much apart from it. I used to see people going into meetings with the assistant secretary and Ollie North would be coming out and I would go in. We didn't have joint meetings with Ollie North, which was part of the deal. But there was a transference. We had translating of some of the ideas. Soon after I got there, there was a great concern that Bolivia was going to go communist. It really sounded like something antique, but there was in fact a minister or two in the Bolivian government which was communist, a declared communist, and there were those who wanted to do something about. One of the early major things we did in that office was to try to fight that. That was a major early activity, trying to show that this was not a real possibility that there was going to be a communist regime established in the High Andes. Bolivia at that time was very chaotic, and it had an inflation rate of 20,000 percent at one point, and it was hyper-inflation. It was one of the early cases of hyper-inflation, and in fact that's one of the things that I contributed. I brought my economic background to the analysis of the question and tried to show how you dealt with that problem, and also working with the ministers and others that came up in looking at ways we could get international support through a program that would bring this inflation down.

Q: Andean Affairs at that time covered what countries?

McLEAN: It covered Venezuela to Bolivia, so it was Venezuela, Colombia, Ecuador, Peru, and Bolivia.

Q: Chile?

McLEAN: Chile did not. Chile was part of the southern cone. Chile, Argentina and the two small states were a separate office. And then there was an Office of Brazilian Affairs. So our major activity of the office was a theme that I had mentioned before when I was in the Latin American Bureau, and that was development. When I hear stories of what this Cold War was all about, I say, well, that's interesting that people think that, but in fact a very large part of our Latin American policy was developing the area, was trying to improve the way of life of Latin Americans. Certainly there was a Cold War motive in it, but it certainly wasn't the only one, and at times it wasn't the primary one. Most of the reason we were giving aid to that region, the Andean region, at that time, specifically to Ecuador, Peru and Bolivia, was to help people. The program was justified mostly on the fact we had an El Niño in the previous years that had been devastating, and as a consequence you had medium-sized aid programs going on in those countries, very traditional aid activities for economic development.

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Q: Let's talk about the individual countries, how we dealt with them. What about Venezuela?

McLEAN: Venezuela was seen at that time as being out of the narcotics question. The major question of Venezuela was oil. A major question of Venezuela was coming out of a period of turmoil with Venezuela over the '70s when Venezuela had been one of the leaders of OPEC (Organization of Petroleum Exporting Countries) and Venezuela had made enormous amounts of money, and suddenly the oil price was coming down, and it was causing great tension inside of the country. It was a country where people used to give their children graduation presents of getting on a plane and flying around the world. At the time the country was bringing... Eggs, for instance, were flown in, and other food items, were flown in from Florida every day. What makes the country work was beginning to collapse, because Venezuelans had so much money...

Q: We're talking about a rather narrow band of Venezuela...

McLEAN: The whole economy, to some degree, had become dependent upon this oil money and had been weakened in its own structure to be able to do things. It was also a country, of course, that had been highly statized, as many of the countries there were. So the total effect of this was to be very debilitating on the country. Aside from those important issues which drove a lot of our involvement with treasury and debt recycling and with the Department of Energy in terms of the role of U.S. companies, Venezuela didn't quite have the relevance that some of these other countries did. It did have the relevance because the Venezuelans themselves were putting a lot of money into U.S. foundations in Washington, and so there were always conferences on Venezuela, but they weren't the most interesting conferences. They frankly didn't lead very far in going any particular new direction or give us any particularly new ideas, which in retrospect is unfortunate because people I don't think were really thinking through the problem that that country was beginning to have in the future years. I got involved Arm & Hammer. I became a big friend of Arm & Hammer and the head of Occidental Petroleum trying to get compensation for... Actually Arm & Hammer had a major problem in all five Andean countries.

Q: It was Occidental Petroleum.

McLEAN: It was Occidental Petroleum. In fact, for Occidental we did good work in helping them resolve each of those five problems that they did have, even in the Venezuelan case, which was a nationalization case. We had a major problem in getting an ambassador approved, because he was seen as... The political parties, COPEI (Social Christian) and Action Democratica, were very much aligned with the U.S. Democratic Party. Therefore, when we nominated a young, very dynamic, conservative person, they resisted and we had to work to...

Q: Who was that?

McLEAN: Otto Reich.

Q: Whom I have interviewed, by the way.

McLEAN: But that took some doing, to get Otto approved, and he turned out to be a fine ambassador.

Q: Talking about a new ambassador coming in, did Reich come in with a--this was the Reagan Administration--with sort of a mindset that you felt that, you know, probably wasn't going to work too well in dealing with Venezuela?

McLEAN: I didn't see anything of that. The Venezuelans may have thought that, but in fact that is not correct. He was very inventive, and I think he did very well. I think he was a good choice for the job.

Q: How about Cuba? Cuba was messing around at one point in Venezuela, but by this point...

McLEAN: By this time it was not, no. By this time Cuba had faded as a major issue in that part of Latin America. It was clearly an issue for the Central Americans, but for us we knew of activities going on. I'm going to jump ahead a little bit. Later when I'm in Colombia, we actually bring people in to brief the government on the Cuba threat, and they're not impressed, because in fact we couldn't show them the information that there was a great Cuban threat. I'm not saying there was none, but it just wasn't so clear and relevant that they would make the case. No, the problems with the U.S., Venezuela, Cuba was not a major problem in that period.

Q: How did the Venezuelan embassy and through it the Venezuelan government view what we were doing in Central America?

McLEAN: Actually at that time we were working together with them. In fact, what was later to lead to the dethronement of the President, Carlos Andres Perez, was that he was diverting funds from the Venezuelan government into activities, for instance, to provide bodyguards to the new democratic president of Nicaragua and so on. They were trying to be a force on the good side. In fact, that was not something that we in that office were terrifically involved in, but in fact it was taking place. Venezuela was considered to be good guys at that time.

OTTO J. REICH
Ambassador
Venezuela (1986-1989)

Ambassador Otto J. Reich was born in Cuba in 1945. He graduated from the University of North Carolina at Chapel Hill in 1966 with a degree in international studies with a concentration in Latin America. After serving two years in the Army, he earned an M.A. in Latin American studies with a concentration in economic development at Georgetown University, from which he graduated in 1973. Ambassador Reich was Director to the Council of the Americas and Assistant Administrator of AID for Latin America and the Caribbean. He was in charge of the office of Public Diplomacy in Washington, DC for three years, and was ambassador to Caracas from 1986 to 1989. He was interviewed by Charles Stuart Kennedy on August 30, 1991.

Q: *Let's move to Venezuela. How did you get your appointment to be Ambassador to Venezuela? You served there from 1986-1989.*

REICH: I was not anxious to go overseas and when I had gone into the government in 1981 I really thought it was going to be a short term assignment. I was very happy to have gotten the assignment in AID. It was right up my alley with my economic development background. When I took on the Public Diplomacy Assignment it brought me into contact with a lot more people at much higher levels in the State Department and in the White House.

Since I was doing a lot of public speaking, etc. in the fall of 1984 I was asked to be part of something called the White House Surrogate Speakers Program. Because of the election coming up, the President and the Vice President and Cabinet Secretaries were getting so many speaking requests from around the country, in addition to what they normally have, that they just couldn't be met. So the White House Public Affairs Office, etc. set up a stable of Administration officials who could be called upon to go and speak around the country on different issues. Central America was a very controversial issue even then. So I gave a lot of those speeches to groups around the country.

Shortly after the election of 1984, I was invited over to the Office of Presidential Personnel, where I was asked, to my surprise, if I would be interested in being an ambassador. I said that I hadn't thought about it very much. Frankly, to tell you the truth, of course I had thought about it but as something for much later in my career. Since I had only been in the Public Diplomacy job a little over a year, I didn't feel I had finished that job. In fact, we were right in the middle of this tremendous public battle on the policy. But I was very flattered. They mentioned a couple of countries which were attractive to me although relatively small, medium size embassies in Latin America. I said, "Thanks, but no." I had some personal considerations; my kids. I didn't think I wanted to take my kids overseas at such a young age, etc.

At any rate, time passed and I kept in touch with that particular office. Early in 1985 they called

again and mentioned two other countries. I turned them down for the same reason. It became rather worrying because you can't keep turning this down too long or they will think I am just not interested. The third time they called they asked if I wanted to be ambassador to Panama to replace Ted Briggs, a friend of mine, who was also born in Havana, Cuba as a matter of fact. I said, "Yes." God must have been watching over me, or one of my guardian angels or something, because the process was about to begin...it is a very long process as you know of getting confirmed, and it is getting worse...George Landau, career ambassador who was in Caracas, [talking spring, 1985 now] decided to retire early and just about immediately because he was offered a very good job as President of the Council of the Americas in New York. This was in April/May and he was to leave in June, thus leaving an unexpected vacancy in a very important post.

I got a call, this time from State, asking if I would rather go to Venezuela than Panama. Of course, Venezuela is a huge country and frankly I was a little concerned about Panama simply because I had so many friends there. I thought that was not a good idea to go to a place where you have so many friends because familiarity breeds contempt and they might ask a lot of favors on visas, etc. So I felt I would rather keep my friends and be ambassador elsewhere.

Venezuela was one of two countries in the entire hemisphere that I had never visited -- the other was Bolivia. So when Venezuela came up I accepted. Also, Ted Briggs was not supposed to leave Panama for almost the rest of the year. So that is how Venezuela came up.

I had the advantage of being supported for that position by both State and the White House. You know the process where State comes up with a candidate, and State did come up with a candidate, but I think sort of half-heartedly because Secretary Shultz supported my candidacy.

In fact there is a little anecdote that was left out here. In the spring of 1985 I was working in my office late one afternoon and my secretary says "The Secretary wants to see you." I said, "The secretary of what." She said, "THE Secretary." I said, "Oh, Secretary Shultz. I am either going to get a promotion or get fired." In my job I was quite controversial. Fortunately I had a lot of supporters. In fact, I have to say, that we had gained the support of a lot of people who had been skeptical in the State Department. The State Department did not want the creation of my office because it was almost a slap in the face -- you really don't do these jobs right so we are going to get this outsider to do them. But after slightly less than two years, I really did have the support of the Department and was getting along fine with everybody. So I jokingly said that I was either going to get fired or promoted.

In fact it was a promotion. Secretary Shultz told me that he wanted me to be his Assistant Secretary for Human Rights. He wanted to announce this the next morning. It really took me completely by surprise. You can keep secrets in the State Department and this was kept from me. I was once again very flattered, but I did not think that my temperament was the right one for that particular job. I told the Secretary and said that I would talk to my wife. He said that he was not offering the job to my wife but to me. He was joking, but I turned it down.

I later had the opportunity to tell him that I was being considered for an ambassadorship and would like his support. He said, "Which one?" And I said, "Venezuela." He, as Shultz usually

did, nodded yes. So I figured I had his support and I did.

So I was nominated. Ran into some nomination problems from both the right and the left, which made me feel good. Senator Helms opposed my nomination because of my support for land reform in El Salvador and the Panama Treaties. One left wing group for ideological reasons said I was too conservative to be an ambassador. But I was unanimously confirmed after Senator Lugar saved my nomination from oblivion by pulling it out of the jurisdiction of the subcommittee and holding hearings on it himself.

I had an opportunity yesterday to thank him again. I was at a lunch with the President of Venezuela who was in Washington and the three of us were talking. President Pérez had just given a little talk at the Center for Strategic International Studies, where I am also involved. He had mentioned the importance of Congress in US-Latin American relations. I said, "Mr. President, here is an example of how important Congress is. Here is the man who you have to blame for my being named as Ambassador to Venezuela...." And, of course, they both laughed.

But Senator Lugar held the hearings and I was confirmed. Senator Helms had a lot of questions which I think I mentioned earlier. When we answered them he accepted them. Even he voted for me. I went off to Venezuela in May, 1986.

Q: *Did you get any prepping for going to Venezuela from the State Department?*

REICH: Because I had been opposed and my nomination had been derailed for a while...this is a very unusual nomination I have to say. First of all I am political, which means that you don't get too many offers, but I had a number dangled in front of me. Then the papers took forever. I was selected by the White House and the State Department about May, 1985. George Landau left Caracas in June, 1985. My papers started moving through the White House...the first paper required is for the President to indicate intention to nominate. That begins the FBI process, the IRS and all that stuff...later on leading to the nomination followed by the notification to the Senate, the confirmation on the Hill, etc. That should take four or five months. In my case it took eleven months. So I had a lot of time to prepare.

If you are interested in why it took eleven months...I told you that I was opposed by different groups. And the nomination of an American Ambassador to a Latin American country is a very big deal in that country. It is front page news. Unfortunately, the first news that came out of Washington, before my nomination was even known in the State Department...somebody leaked it to this left wing group here in Washington that opposed all Administrations, Democratic as well as Republican...

Q: *Can you name it?*

REICH: Yes, it is called the Council of Hemispheric Affairs. It is basically a phony organization; it is one guy called Larry Birch [ph] who had nothing else to do. I understand he is wealthy and this is his hobby to create problems. He goes around town making ridiculous...and I do mean ridiculous...he is sort of a clown. But he puts out these press releases and a lot of the Latin American press, they don't know him...one of the press releases read something like "Right Wing

Nut being named as Ambassador to Venezuela."

Well the Venezuelan press picked this up, didn't check it and almost printed verbatim what this nut, Larry Birch, published, saying that I was being sent to Venezuela to put pressure on the Venezuelan government... He knows how to manipulate information very, very well. So this was a big scandal in Venezuela. Front page news. Because of that reaction the State Department decided to let things calm down.

The Venezuelans made a mistake. They sent their Ambassador here to inquire if indeed it was going to be this Otto Reich, and if so, why? The Deputy Secretary, John Whitehead, received the Ambassador. He said that there had been no announcement, but he could assure him that whoever it was going to be, would have the full confidence of the President and the Government of the United States. He would be fully qualified. He wanted to know why the Ambassador would object to Mr. Reich? The Ambassador said, "Because he wasn't born in the United States." Whitehead asked what that had to do with anything. He said, "We believe that an ambassador should be born in the country represented". They had no reason to object so they picked on that one which is very silly. Here is a country where everybody is treated equally...Henry Kissinger still speaks with an accent. Whitehead just shook his head. I heard later from people who were in the meeting that he said, "You don't understand the United States. National origin, race or sex doesn't matter to us. Yes, we have had some cases in the past when we haven't been as equal as we should have been, but we are working very hard to overcome that. In fact, no matter where this person was born, he or she will be completely qualified." He reminded him about the German-born Secretary of State and the Polish born National Security Adviser. He said, "At this time I couldn't tell you how many of our present ambassadors were born outside the United States. I know several, but it doesn't matter to us."

The Venezuelan was quite embarrassed by this whole episode because that was leaked in Venezuela by somebody. I think they realized they had made a mistake. Secretary Shultz had a meeting with the Venezuelan President in New York at the time of the General Assembly during which he confirmed that they intended to nominate Otto Reich. The President said that that was fine. Several people had gotten to them and pointed out that they were reacting to vicious information that was untrue. They realized it and did their own check and were embarrassed.

As a result when I arrived in Venezuela...I was first selected in May, President Reagan signed the papers for me in August, right after the leak happened...he should have signed it before but, if you recall, in the summer of 1985 he got cancer of the colon which put all routine paperwork on hold...finally when the leak happened they figured they had better move this thing forward...they initiated the process, but it was put on hold by Whitehead who was upset by the Venezuelans. He wanted them to stew in their own juices for a while. The FBI process began in the fall and was finished by December. Then there was the Christmas vacation and I was nominated in January. Then Senator Helms decided to ignore my nomination for a couple of months. In about March, Senator Lugar pulled it out and had hearings in April. I was confirmed in April and left in May arriving eleven months after the departure of the previous ambassador.

As a result of the Venezuelan overreaction...I think it benefited me because they received me, I think, much more positively, warmly than they would have any American Ambassador.

Q: *When you went out there what was America's interest in Venezuela and did you have any set agenda?*

REICH: Sure. First, Venezuela is our first or second, depending on trade numbers for that particular year, trading partner in South America. Our number one trading partner in Latin America is Mexico. So Venezuela was very important from an economic standpoint.

Also, politically they have always exerted a very strong influence in large part due to their economic power. This is the country that has the highest per capita income in Latin America. With a surplus of petro-dollars in the 70s and 80s as a result of the oil crisis, they put their money where their mouth is, supporting democracy. They have the second longest record of a democratic government in South America. After Costa Rica, Venezuela with the overthrow of the Pérez Jiménez dictatorship in 1958 has now had, today, 33 years of democracy which is a good record.

We saw and still see Venezuela as a very important player in regional issues and in support of democracy which was our goal in Central America. They had been working independently of us to support the same governments...the Christian Democratic governments in Latin America -- the Duarte government, the Christian Democratic government in Guatemala which was trying to gain power through elections, the Democrats in Costa Rica, Honduras or Nicaragua. They did not support the Contras or the Sandinistas after the first few months. They were very disappointed with the Sandinistas as we were.

Our relations with Venezuela were very good. If anything, I wanted to try to improve them and bring the two countries closer together. I wanted to keep the flow of oil open to the United States. There is not a whole lot an ambassador can do, frankly, because that depends on world conditions, prices, etc.. I wanted to have closer scientific and technical and business ties, if possible.

Venezuela was beginning to be used by the Colombian narcotic traffickers as a transshipping point and money laundering area. Venezuela grows hardly anything narcotic-wise. There is a mountain range on the border with Colombia where you can grow Marijuana and a little of coca, but they have all the coca paste they need coming from Bolivia, Peru, etc. We had a lot of different agendas but no one big issue which dominated our relations. Frankly that is one of the reasons why I like Venezuela so much. For instance, Panama would have been the canal; Salvador would have been land reform and the guerrilla war; Colombia would have been narcotics. I was very glad not to go to a one issue country because this gave me an opportunity to deal with everything from agricultural, trade, defense, cultural issues. I got to know a lot about specific trade problems. We worked with Venezuela on things for Central America -- help for Haiti in trying to move it towards democratic elections, etc.

At the same time we had differences of opinion on Puerto Rico. I was commended by the State Department for being there. The Venezuelans had decided to change their vote on Puerto Rico in the United Nations from co-sponsorship of a Cuban resolution for the independence of Puerto Rico, to abstention, which took the wind out of the sails of the Cuban resolution and it failed.

So we had a lot of issues like that. We worked very closely with them on human rights issues in the hemisphere. It was a good period. At the same time it was a bad economic period for Venezuela. A lot of my time was taken up working on issues related to the debt. They had the fourth largest debt in Latin America, although it was manageable by Latin American standards because of the large amount of money that comes into Venezuela. But I had a lot of meetings with their Ministry of Finance people, and our Treasury Department. I was constantly being visited by the negotiators of the private banks. We managed to provide assistance to Venezuela at some very important times for them. They simply ran out of money one time and we provided them with a loan, for which they were very grateful. We felt it was very much in our interests because the stability of that country was very important to us.

They have gotten back on their feet. I am glad to say that one of the things that I did when I got there was, as is my custom, to start talking. I gave a lot of speeches about not only democracy and human rights, but about private enterprise and the market economy, because Venezuela had a very protected...and...very inefficient economy. There was a huge state sector of the economy.

I was accused of interfering in Venezuelan affairs. The Communist Party had a little newspaper that attacked me for interfering in Venezuelan affairs. But the Communist Party is insignificant in Venezuela, in fact, it is not even a party anymore because it did not get the necessary one-half of one percent that you have to get in an election to qualify. On the other side there were some very powerful industrialists who objected to my talking about opening up, liberalizing the economy, reducing trade barriers and saying that the consumer would benefit. They had become very wealthy behind these protectionist barriers.

Five years later all of that which I was calling for has happened. Not because I was calling for it, but because it was logical. President Perez, the current President, has undertaken very radical economic reforms and Venezuela is benefiting as a result.

I was very happy, my family was very happy and well received. We had a beautiful house courtesy of the American taxpayer. The Residence in Caracas is, I think, one of the nicest residences anyway. It is not a palace, a mansion, like some of our others, but a very pleasant house in a very pleasant country. I would not trade those three years for anything. In fact, I might want to do it again sometime in another place. But not for a long time.

Q: *How did you encourage American businessmen to come in?*

REICH: I tried different ways. I remember shortly after I arrived the Venezuelan government through several of its investment and trade promotion agencies had some kind of show or seminar in New York. I volunteered to write a letter that would go with the trade promotion saying something like, "The American Ambassador and I would like to have American investment in Venezuela. They want it and it is good for both of our countries. Please come look at the opportunities." They were astounded. They thought it was wonderful that I was willing to do this. In fact, one of the things that they have always said to me when I come back to Venezuela is that I was really concerned about their development and did a lot for them.

Whenever I came back to the States...one of my little self-imposed rules was to come back as often as I could as I think the Department should see your face in addition to your name on cables. So I took about 15 trips back to the US in those three years. I would have taken more if I could have. Whenever I could I would give speeches in New York, Washington or Miami. Places of logical interest in Latin America: The Council of the Americas, the Florida Governors Conference on World Trade, various chambers of commerce. I had to turn down a number of requests because there was no State Department money to get me out to the West coast and other places a distance from Washington. I would try to combine personal and official travel. If I was going to be somewhere on vacation I would try to give a speech in the area.

So, I gave a lot of talks and talked to a lot of business people. Frankly, I was concerned because I believed there were very good opportunities in Venezuela and that American companies were not taking advantage of them and European and Asian companies were.

Q: *It has always been a dilemma that we don't deliberately sponsor a company to do something.*

REICH: No, we don't. It is difficult because we have so many companies and often you would run into a problem of competition. I had many cases where I had more than one American company vying for a contract to a project. I helped all of them. I remember when Sirkosky and Bell Helicopter were both going after the same Air Force contract and I helped them both. Neither one of them got it, the French got it. That was one example where you could help two American companies.

There were many other cases when I was down to one. I remember Paul Water, a paper manufacturer, and Geiyet Atkinson [ph](a San Francisco based construction firm) had joined together to be selected to build a $600 million paper pulp plant in Venezuela. They were vying against a Norwegian consortium, a Canadian consortium, and we won. What I did, and for which I am proud, was to tell my commercial counselor to let me know of any opportunity in which I could get involved. I had a very good commercial counselor: A West Point graduate, [and] Vietnam veteran; who is now Minister-Counselor for Commercial Affairs in our embassy in London. He would come up and say, "Mr. Ambassador, we have this company that has this problem." And I would say, "Let's go." I would call the Venezuelan Minister involved and go see him with a representative of the company. I have letters where senior management of a company would write to the Secretary of State or Secretary of Commerce or the President saying, "In my 35 years of doing business overseas, I have never encountered an American embassy which has been this helpful to American business." That was great and I circulated such letters throughout the Embassy.

Q: *How did you find the staff of the Embassy? One is often told that some of them have been in Latin America too long, etc.*

REICH: No, I didn't find that. First of all, I happen to believe in specialization. I know that Henry Kissinger doesn't and he caused this hullabaloo when he moved people around. In fact it is alleged that he was in Panama being briefed on the Panama Canal back in the early 70s and he asked a question that had to do with the Suez Canal -- How does this compare with the Suez? -- and there was no one who knew anything about the Suez Canal situation. So he said the

Department needed more cross-training.

Q: *I heard another story about it that was more or less the same thing. He found that there were people traveling with him who really didn't know anything about Latin America and he got so upset about that.*

REICH: I don't have a problem with that. I would rather have people who know the Latin American culture and the language and can work in the field. I did have some people who came in, for example, from Europe or other parts, who had trouble adjusting to the Latin American culture. It takes a while. You can not have been in the EUR Bureau all your life and all of a sudden parachute into Caracas and expect that it is going to be the same as dealing with the Germans or the Dutch, or vice versa. I do believe that people should get exposure to more than one area of the world, but I don't have a problem with specialization.

My problem, I guess, is that the staff tends to be very uneven. You have, what we used to call water walkers, very good people. You have mediocre people and you have people in between. I don't think you have many bad people in the Service. I have to admit we had a few that had managed to fall through the cracks and survive by doing the bare minimum. But I was blessed with a fantastic DCM, Jeff Daviddow, who has since become the Ambassador to Zanzibar and is now the principal Deputy Assistant Secretary for African Affairs. He is one of the bright young (in his 40s) stars in the Foreign Service. Jeff was so good with people and with the system that he was able to help us manage the Embassy and overcome the problem of unevenness of the quality of the staff.

Q: *Were there any political issues, such as Cuba that occupied your time?*

REICH: Oh, very much so, because Venezuela was very active in the Contadora [ph] Group of countries (Mexico, Venezuela, Colombia and Panama) which was a group that was established in 1983 to come up with a Latin American solution to the Central America problem. But there were hidden agendas. Some were trying to keep the US out of things. We battled with them over Central America and we worked with them in Central America. I remember five weeks after arriving in the country, the Venezuelan Ambassador to the UN gave a speech which in the opinion of our State Department was a gratuitous anti-US speech. Very unusual for Venezuela. But I received direct instructions to go in and protest. Of course, I enjoyed that. My first protest, first demarche. In fact I got the word as I was making my courtesy calls -- I was in Maracaibo, which is the second city in the country. I got a call from my office in Caracas saying that the Assistant Secretary, Elliott Abrams, wanted to talk to me. He did this over an open phone to make sure everybody was listening. He said that this was a gratuitous anti-American speech and he wanted me to go in and tell them that we didn't appreciate it.

I got a copy of the speech and it was one of those things that Latin American countries do in front of other Latin American countries to show that they are independent from the United States. But we didn't like it and had every right not to like it. So I went in and told the Foreign Minister, "Mr. Minister you know I am not a career diplomat so if I say something in a way that is not the way a diplomat would do, I hope you will forgive me." Then I proceeded to just blast them, nicely. He defended himself very well. But he was very uncomfortable, I could tell. He

said, "Why are you doing this? Nobody pays attention to what anyone says in the United Nations." I said, "Obviously because somebody was listening. You can't just say those things in the UN and expect that nobody is going to listen. Every speech that is given is copied and circulated throughout our government and it is read not only by the State Department but the NSC and the White House." So, we never had any trouble like that again.

Q: *How about Cuba? How did they feel about Cuba?*

REICH: Well, I was dealing at that time with a government that was much more sympathetic to our views, the Lusinchi Administration. Venezuelans are not pro-Castro, but they love to find an issue with which they can differ with the US. Cuba provides them with such an issue. They know that Castro is a dictator. And they know that he has destroyed Cuba. But they don't like to see the US wielding a big stick. So they claim there are other ways of promoting democracy in Cuba.

There are times, for example, in the UN and other fora where they find a reason to oppose a US resolution. So, yes, Cuba was an issue over which we had some differences. But not serious differences because President Lusinchi was very much anti-Castro. In fact, Venezuela had been a target of Castro's subversion back in the 60s and there were many military...I am very public, I like to do all the public stuff which I think is the Ambassador's job anyway. I also like to manage, but since I had such a good DCM, he really was Mr. Inside and I was Mr. Outside, although we both had to spell each other quite a bit in those roles. But I did a lot of public appearances. For example, one a year each one of the Venezuelan military services had its annual day. There were parades, luncheon with drinks -- there never was enough food...I like to eat and they liked to drink. After a couple of drinks a lot of these generals would come up to me and say, "We think your policy in Central America is just right. I don't know why our government is not supporting it more." It was a very uncomfortable situation because I may have just left the Foreign Ministry where I had an argument with the Foreign Minister about Nicaragua or Salvador, and here are all these high ranking officers telling me that their government is wrong and our government is right.

Q: *This is a very tricky thing.*

REICH: Oh, very tricky. You don't even know what to say. You have to be very careful how you respond. I would say, "Why don't you tell your Minister?" Of course, they were not about to do that.

Q: *How effective did you find our military assistance?*

REICH: Very good. We had quite a few US military exchange programs in Venezuela. Venezuela has too high an income to qualify for military assistance, but buys weapon systems, including the F16 weapon system, which is the most sophisticated weapon system we have sold in Latin America. The Venezuelans read up on our latest weapon systems and know exactly what to buy. Whenever there was a blowup somewhere, like in the Middle East, and something knew was used, they immediately wanted that.

By the way, that is a problem because Venezuela is a friendly country and we do want to be as

forthcoming as possible with them if they feel they have a legitimate defense need. But at the same time Venezuela is surrounded by other friendly countries with which Venezuela has had some problems, such as Colombia...and I was right in the middle of a flare up over a border issue, which is very common in Latin America...the border between Venezuela and Colombia has changed many times in the last 200 years. There is a body of water called the Gulf of Venezuela which is where Lake Maracaibo empties out very close to the Colombia border which is claimed in part by Colombia. In August, 1987, Colombia decided, for whatever reason, to send a frigate to this gulf and anchor it there. The Venezuelans were quite upset and sent a couple of F-16s flying at supersonic speeds...which, by the way is a smart thing to do. They didn't fire any shots they just sent the most sophisticated supersonic airplane in Latin America causing, of course, sonic booms and breaking glass, over this frigate.

We were up a couple of nights waiting for something to happen because for some reason they decided to play around at night. The Colombians would send a Mirage in the middle of the night over the border to see how quickly the Venezuelans would react and the answer was very quickly. It was pretty testy there for a while.

The Venezuelans asked me for a number of very sophisticated weapons at the time and that, of course, caused an enormous flap here. We have review committees, Defense, CIA, NSC, State, etc...and the Colombians were asking either for the same thing or for us not to give the Venezuelans something that would give them an undue advantage. Both sides were accusing us of siding with the other.

This was not true, we didn't want them fighting with each other. I remember telling the Venezuelan President and saying publicly...I happened to accept an invitation to give a speech at their equivalent of the National War College and the first question after my talk was from a colonel who said, "We have been friends of the United States, but Colombia sent troops to Korea, so therefore you will probably feel that you will have to repay them and side with them." I said, "Listen, Colombia sent troops to Korea because I am sure they felt it was in their interest to do so. I can only talk about what is going on right now. If there is a fight between Colombia and Venezuela, three countries would suffer and that is Colombia, Venezuela and the United States. That is because we are friendly with both of you. You are both democracies, you are sister republics." They were satisfied with the answer because I think they could tell we were genuine, honest.

In our hemisphere, if two countries fight, immediately the United States is drawn in for some reason. We end up getting a black eye or two as a result. So finally things calmed down. The Presidents of both countries started talking to each other and calmed things down. I knew things were serious, for example, when they sent all of our military trainers and instructors home. That presence of our people is very positive. They have learned to see Americans as what we are. We are human being, we do not have horns, we are not out to exploit somebody else's natural resources, etc. There are a lot of exchanges and they come to our military schools. They have a large presence in attachés here and we do there.

I benefited from their presence because DOD had a little plane which I got to use. The presence of the Ambassador on the plane immediately opened up entire segments of the populations which

they may not have had access to otherwise. There were no closed areas, but if the attaché said that the Ambassador would like to go visit the Amazon region, then they rolled out the red carpet. In many remote areas of the country, the military, as was the fact in our own frontier days, is the biggest presence. So it was very helpful to have our military there. I got tremendous access to otherwise difficult to reach areas of the country.

Q: *The Assistant Secretary of State for Latin American Affairs is Elliott Abrams part of that time. He became a very controversial person. To my mind he got himself into a confrontation with Congress which is a losing situation. How did you see him from your point of view?*

REICH: I had known him before when he was Assistant Secretary for Human Rights. In fact I had known him before that. He and I had come from a similar philosophical school which is the neo-conservative...former Democrats who turned to the Republican Party.

Q: *What is the name of the paper...*

REICH: You mean Commentary magazine? In fact, Elliott is related by marriage to it. He is the son-in-law to Norman Podhoretz, correct.

Elliott is a very smart guy and I frankly was surprised that he ended up in that situation. I think he did out of frustration because I am convinced that he did nothing. He is a lawyer and an honest guy. He never would have done something illegal or unethical. But like most people who were around Ollie North...the figure of speech that I use to describe it is that Ollie North threw a bunch of hand grenades around and some people got hit by shrapnel. You could be standing far enough away thinking you wouldn't get hit, but you still got hit. Elliott was one, I was one. I was just grazed compared to Elliott. I think that Elliott was also seeing some of the dishonesty that I was referring to earlier in the Congress and in the press and he just got frustrated and lost his cool and let them have it. And I think, frankly, some of them deserved it. But you can't win.

Some of those people got their comeuppance, like Jim Wright, the Speaker of the House who left in disgrace. He used the Central America issue for partisan political purposes. The fact is that he did, in my opinion, actively undermine the policy of the Executive Branch. He established not only direct lines of communication with what was then a hostile government -- the Sandinistan government -- but he had press conferences and other things to undermine the Administration position. Congress was never intended to do that, in my opinion, by the founding fathers. The Executive Branch was to executive policy.

Q: *Did you have any problems with the White House or the State Department?*

REICH: Nothing serious. I had the usual bureaucratic problems that everybody has. I remember in November, 1986 there was held the first Presidential meeting with the ambassadors of those countries with which we had a narcotics problem. Venezuela was left out. Compared to Bolivia, Turkey, Pakistan, Mexico, Peru and Colombia, it is true that Venezuela did not have a serious narcotic problem. But it was beginning to happen. There had been in fact armed clashes on the border where Venezuelan soldiers were killed by narcotic traffickers. People were shocked in Venezuela that the narcotic traffickers in Colombia had the power and the temerity to cross the

border and kill on Venezuelan soil. So I decided that it was in our interests to have me, as the Ambassador, to be present at that meeting. I had to fight the bureaucracy, they didn't want to invite the US Ambassador to Venezuela. There wasn't a serious problem compared to some others. The State Department said that the White House was in charge of invitees and I would have to talk with them. The White House said that the State Department was telling them which ambassadors they want. So, I went directly to higher ups and I got invited. And it was very important. It got front page coverage in Venezuela that I was there promoting Venezuela's case in the battle against narcotics.

So there were those little things. You fight bureaucratic battles every single day, which is one of the frustrations of being in the government that I don't miss. I think you spend as much time battling your own government as you do battling hostile governments.

Q: *I have always told young officers coming in that the art of diplomacy really has nothing to do with dealing with countries overseas. It deals first within the Embassy and then within the government at home.*

REICH: Absolutely right. Management problems within the Embassy can consume your entire day. Personnel problems that exist...I had a pretty large Embassy, over 300 people, including contractors, TDYers, etc. You have to deal with those issues. Then you have the press problems. I started out my staff meeting every morning by having my public affairs officer tell us what the headlines were, the big issues and anything that affected us and we might have to prepare guidance for. The mishandling of a public issue can also ruin your day. You only have one day and one day can easily be ruined by five or six different things, so you end up working very long hours.

Another, of course, is battling the bureaucracy in Washington and there are so many different entities. Not only within State Department...you have all these various conflicting interests in State, all the Bureaus...but all the agencies represented in the Embassy. And there were other agencies that were not represented that still could influence.

I remember a very irresponsible thing that was done by an assistant US attorney in Miami. He sent, without telling the State Department or the Justice Department, customs agents and people from his office to Caracas on an undercover mission -- without telling us. They tried to lure a Colombian narcotic trafficker into Venezuela. There could have been an armed battle in the streets of Caracas. Our own agents could have been killed because we didn't know our own government was involved. I had a rather large DEA contingency in the Embassy. They had the full cooperation of the Venezuelan government and they were after the same narcotic traffickers and this idiot in Miami sent agents of the United States into a sovereign country without telling that country or his own. Things like that can ruin your day. That one practically ruined the month.

What happened was...the Venezuelan have very good intelligence, they know what is happening in their country. I got a call from their President's Chief of Staff saying, "Do you know anything about American agents here trying to capture a Colombian narcotic trafficker." I said, "No." Immediately he must have thought either this guy, the American Ambassador, is lying to me or

he is an idiot or is ignorant. Well, I was ignorant. And I was furious when I found out what had happened. First of all I asked DEA thinking they were pulling something on me, but they knew nothing. I asked if Washington would have sent people without telling them.

It took the entire day to find out what it was. I had to call the Chief of Staff back and apologize admitting that I had no idea they were in the country and they would be sent home immediately. And they were.

ALFRED JOSEPH WHITE
Economic Counselor
Caracas (1987-1990)

Alfred Joseph White was born in Philadelphia, Pennsylvania on August 16, 1929.He attended Syracuse and Georgetown Universities and served in the US Army before entering the Foreign Service in 1957. His career has included positions in countries including Germany, Sudan, Italy, Austria, Turkey, and Venezuela. He was interviewed by John J. Harter on September 17, 1997.

WHITE: Yes, for several weeks. Then I took Spanish training, and we went down to the Embassy in Caracas, Venezuela, that summer.

Q: Why did you go to Caracas? Up to that point you had no background in Latin American affairs.

WHITE: I had no background in Latin American affairs. However, I wanted a job as Economic Counselor, and I wanted such a job in a country where the U.S. had some fairly substantial interests and where the work would be interesting. (End of tape)

Q: You said that there were several openings in Latin America for which you might have been considered?

WHITE: There were several Economic Counselor jobs which just happened to be opening up. There were at least two in Latin America, Buenos Aires and Caracas. As I said, the other opening I was looking at was the job of Economic Counselor in Seoul, South Korea. This job had pro's and con's, as does any job.

In any case, the job that fell into place was in the Embassy in Caracas, Venezuela.

Q: So what did you do to prepare for that?

WHITE: The usual things. Spanish language training, to begin with. Also some area training.

Q: You were pretty fluent in both Italian and German at that point, but you'd had no prior assignment to a Spanish-speaking post.

WHITE: No. The feeling was that since I knew Italian, Spanish was a language which I would not need to spend a great deal of time studying. I think that I had two months of Spanish language training. The problem is that Italian and Spanish are so similar that you can get them mixed up. It's like listening to two radio stations at the same time. They are so similar that they tend to interfere with each other. In fact, if you speak Italian slowly and correctly, you will be understood by most people speaking Spanish. The converse is also true. When you get into dialects of Italian or Spanish, it gets a little more difficult.

Q: You went to Venezuela as Economic Counselor. This was the same job that you had had in both Rome and Ankara.

WHITE: That's right.

Q: This was quite similar to what you had been doing, in terms of basic function.

Could you say how these jobs were similar and how were they different?

WHITE: They were similar, but, of course, there are always dissimilarities as well. Venezuela itself is an interesting country of about 20 million people. If you look at it on a map of Latin America, it looks small, in a relative sense. Actually, the area of Venezuela exceeds that of France and Italy combined. Everything is relative, but Venezuela is a fairly large country. Except when you compare it with Brazil, which is a huge country.

Q: Could you say something about the economic and political situation...

WHITE: Of course, it was my first time in Latin America. You always go to a country with certain preconceptions, most of which turn out to be false. One of these preconceptions, which I had heard all of my life, was that there was an intense, anti-gringo [anti-American] sentiment. You know the slogans: "Gringo, go home," and "Yankee, go home." If you remember, when Nixon was Vice President, he visited Caracas, Venezuela, and his car and he, himself, were spat upon, and he was almost pulled out of his car. He ran into a very ugly riot that almost got out of control. In fact, I still remember that visit. So I expected to find a country deeply suspicious of the United States for historical and cultural reasons.

To my amazement, I found that Venezuelans in no sense were anti-American. As a matter of fact, they are very friendly to Americans. This feeling is very genuine. You can always tell if such feelings are genuine.

Visually, Caracas looked exactly like an American city. On every corner you would find stores like those in the U.S. There was one block near the Embassy with a Dunkin' Donuts, a Kentucky Fried Chicken, and a McDonald's, all in one block. Of course, there were American automobiles all over the place.

Q: You arrived in Caracas in 1987?

WHITE: It was actually early in September 1987 when we arrived there. The people speak Spanish, of course, but the city looks like an American city. The younger generation of Venezuelans appeared to be completely sold on things American. That is, their clothing, their music, and the films they would go to. In fact, I remember going to a film with the DCM [Deputy Chief of Mission] shortly after I got there. I was surprised that the film was in English. I had expected that the dialogue would be dubbed in Spanish. The films were in English, and there would often be Spanish sub-titles. I inquired about this and was told: "Of course, everyone goes to the movies mainly to learn and practice their English. They want to practice hearing English."

Venezuela's relationship with the United States is close and historic. While the politicians, apparently, from time to time feel obliged to engage in some boiler plate anti-American rhetoric, few people seemed to pay much attention to it. The first morning I went to the Embassy, I was surprised to see the long lines of people out in front of the Consular Section, getting visas and having other consular services of various kinds performed.

Everyone in Venezuela seemed to have two homes: his own and Miami. I found out in Venezuela, by the way, that, in a sense, Miami is sort of the capital of Latin America, in many ways. The Venezuelans flock to Miami. The wealthier ones have apartments or homes in Miami. Their wives go up to Miami to have their babies, and then the baby is an American citizen, which affects their own ability to enter the United States. The relationship between Venezuela and the United States is extremely close.

Well, what are American interests in Venezuela? In one word you've got it: oil.

Q: Okay, talk about oil and Venezuela.

WHITE: Well, in a nutshell, oil is almost the story of Venezuelan history.

Q: And of U.S. interests in Venezuela, the Rockefeller's...

WHITE: There are two major U.S. interests in Venezuela, I would say. The first is geographical. Venezuela, in fact, is part of what was once known as the Spanish Main. As you can see on a map, most of the southern shore of the Caribbean Sea is Venezuelan territory. A part of the southern shore is in Colombia.

In short, the Caribbean is our Mediterranean. It's impossible to overestimate the strategic importance of the Caribbean to the United States. The Caribbean is important to us just as the Mediterranean is to Italy and as it was to Rome. The Romans used to talk about "Mare Nostrum," which means, "Our Sea." Geography is one of the bases of foreign policy. In fact, proximity does create special interests. For that reason, whatever goes on in Venezuela, even if there were no oil there, is of vital interest to us, because it is the southern shore of a sea of which we have the northern shore. I'm speaking now in very simplistic terms.

Added to that, of course, is oil. There were eight people in the Economic Section of the Embassy in Caracas. I was, of course, the Economic Counselor and the chief of the section. The second-ranking officer in the section was the Petroleum Attache. Venezuela is one of the few countries

where we have a Petroleum Attache.

Q: Was he a Foreign Service Officer?

WHITE: He was a Foreign Service Officer, born in Cuba. His name was Miguel De la Pena.

Q: I know him very well.

WHITE: Miguel was the Petroleum Attache. The fact that we had that position itself indicates the importance we attached to oil. Strangely enough, most Americans don't think of oil when they think of Venezuela. When they think of oil, they think of Saudi Arabia, Iran, Iraq, and other countries of the Persian Gulf in the Near East. The truth is that Venezuela is the number one oil supplier to the United States. Now, in any one month it may fall to number two or three position, but normally and increasingly Venezuela is our leading oil supplier.

We are very lucky that this is the case. We don't really have to depend on oil from far-off, dangerous, and explosive areas like the Near East. Now, what happens in the Near East affects the price of oil and, of course, it affects the world supply and demand relationship. However, most of the oil we normally need and consume we get from the U.S. itself, Mexico, Canada, and Venezuela. In fact, one of the little-known aspects of World War II is the number of our ships which were torpedoed by German submarines in the Caribbean Sea. There was active, submarine warfare going on in the Caribbean. What were the German submarines after? They were particularly interested in attacking oil tankers bringing in oil from Venezuela.

The reserves of oil in Venezuela are impressive. If you include certain categories like so-called heavy oils, they are virtually inexhaustible. In fact, heavy oil reserves in Venezuela, along the Orinoco River and in that area, rival those of Saudi Arabia. There is oil of all different kinds in Venezuela. They're finding more oil all the time and they're developing better technology and methods of producing oil from known sources.

Q: Some of this is from the Exxon Oil Company, right?

WHITE: The oil industry in Venezuela was developed by American oil companies. In the 1970s the oil industry was nationalized. All of our big oil companies were there in force and had been for a long time. I think that the production of oil in Venezuela started around the time of World War I, if I'm not mistaken.

Q: Or even earlier?

WHITE: Maybe earlier.

Q: The Rockefellers were involved in the production of oil in Venezuela.

WHITE: Oil in Venezuela was originally found in the Lake Maracaibo area. That is a vast and very shallow body of water in Northwestern Venezuela. You can see it on any map. You can see it even on this general map of South America [pointing to Venezuela]. Lake Maracaibo is where

the oil in Venezuela was first found. I remember as a kid seeing pictures in geography books of the oil rigs sitting in the water of Lake Maracaibo.

Venezuela also has major, natural gas reserves. Venezuela is a country rich in other natural resources. It has coal, which it doesn't need. It can export all or most of its coal. It has massive quantities of bauxite [the raw material used to produce aluminum]. It has iron ore. It has gold. It has precious stones and rare earth minerals. We had frequent visits from an American geologist who worked in Venezuela. He told me he was absolutely astonished at the mineral wealth of Venezuela.

As I say, we Americans are very lucky to have Venezuela where it is, because it is a very sure source of oil.

Q: And Venezuela is a member of OPEC [Organization of Petroleum Exporting Countries].

WHITE: Venezuela is a founding member of OPEC. However, Venezuela was never part of the Arab embargo on shipments of oil to the United States and certain European countries associated with the United States. People tend to get these things confused in their minds.

It's amazing. We used to get a lot of congressional delegations visiting Venezuela. The first thing we had to tell them was to disabuse themselves of the notion that, somehow, the Venezuelans had teamed up against us in the Arab oil embargo [of 1973-1974]. Venezuela was never part of that oil embargo. They were members of OPEC but, like most other members of OPEC, they paid very little attention to the production quotas set by OPEC. Some of the people in the petroleum industry in Venezuela would just as soon not be in OPEC at all. Officially, they'd never say that. Effectively, membership in OPEC didn’t have any real influence on Venezuelan oil production when I was there.

Unfortunately for Venezuela, the country is so totally dependent on oil that they really haven't developed their other resources the way that they should have done. During the 1970s and 1980s, of course, the price of oil was high, and Venezuela was wallowing in oil. Also unfortunately, the money that came into the country from oil exports was not well used. Corruption was massive in the country, and the currency was overvalued.

Q: Given Venezuela's massive wealth, especially in oil, how come the country has a foreign debt problem? On reflection, I guess you just answered that.

WHITE: Exactly. I've even heard Venezuelans say: "You know, we would have been better off without all of that oil money."

Q: Of course, Nigeria has another, similar problem, and even Indonesia, to a degree.

WHITE: The money was simply not well used within the country. There still are enormous disparities in wealth in Latin America. The typical Latin American country has very wealthy people living next door to a slum. There is very little sense of social consciousness of one group toward another.

In the case of Venezuela, about 90 percent of the country's available, foreign exchange comes from exports of oil. Now, although the price of oil can go up, they found, to their dismay, that it also can go down. When oil prices went down in the late 1980s and the 1990s, Venezuela, a one-commodity country, was hurting and hurting severely. That's one of the problems that we had to live with.

However, to go back to the oil industry for just a second, the industry was nationalized in the 1970s, and there were some bitter feelings left there when the international oil companies were forced out of producing oil. But the politicians had enough sense not to politicize the oil industry. They allowed a very competent management group, most of whom were trained in the American-owned oil companies and had reached high levels in these companies, to operate on their own, and they kept them at arm's length. They didn't stack the oil industry with all kinds of political hacks, as the Mexicans did, for example, with their oil industry. The result is that PDVSA, an acronym for the Venezuelan Petroleum Company, which controls all oil production within the country...

Q: How do you spell it?

WHITE: PDVSA. It means Petroleos de Venezuela, S. A. It means the Venezuelan Petroleum Company, Inc. We, of course, had very close relationships with the management of PDVSA.

Q: I was going to ask how you and Miguel De la Pena were related to the Venezuelan oil industry, in your day to day activity.

WHITE: We had very close relations with them. Miguel was the Petroleum Attache, as I said. Of course, he had a lot of good contacts in the oil industry. We had a basic report on the oil industry which we had to prepare every year. This was Miguel's responsibility. It was a fairly massive, comprehensive report on the oil industry of Venezuela.

Of course, as the Economic Counselor, I had a lot to do with the major figures of the oil industry, and this went all the way up in the Embassy. The Ambassador had a lot to do with the President of Venezuela. We worked at different levels with the oil industry. Twice a year we had formal, bilateral talks between Venezuela and the United States on oil issues. These talks were held alternately in Washington and then in Caracas. A delegation would come down from Washington, including State Department people from the Office of Petroleum in EB [Bureau of Economic Affairs] and from the Department of Energy. We worked very closely with the Department of Energy.

The Venezuelans were very interested in our Strategic Oil Reserve.

Q: Please describe it briefly.

WHITE: This is a U.S. Government oil reserve. The U.S. Government has bought huge quantities of petroleum, which are stored down in Louisiana in underground, natural caves which are so constructed that the oil just stays there. In case of an emergency, we would be able to draw

on that reserve of oil. But, of course, that reserve can also complicate international supply and demand patterns. For example, if the U.S. dumped too much of that oil on the market, this could affect prices. The Venezuelans were always very concerned about this oil reserve, although we had very close relationships with them in terms of oil policy.

Most of the equipment for the oil industry in Venezuela came from the United States. As a result, we were still doing a large amount of business with Venezuela in this sector. Just as Caracas related very closely to Miami, Maracaibo, the center of the Venezuelan oil industry, related very closely to Houston, TX, where the head offices of many oil companies are located. While Maracaibo was the center of the Venezuelan oil industry, by now oil is found all over Venezuela or in most parts of it.

PDVSA, the Venezuelan Oil Company, had major investments in the United States. In fact, there's a whole chain of U.S. retail gasoline stations, CITGO, which is Venezuelan-owned. We have a near perfect marriage with Venezuela, in that we need their oil, but they need our market. The United States is THE market for Venezuelan oil. The oil is no good to Venezuela unless they can sell it. They sell some oil to Europe, but not all that much. That's a relationship which makes for a very tight bond between the two countries.

Oil was not really a problem for us, although it was very important. We watched the Venezuelan oil industry and we maintained very close relations with PDVSA. We had a string of congressional delegations coming down to Venezuela to visit the oil industry. PDVSA executives were very professional in their manner and always staged superb demonstrations and briefings. These delegations went all over the country. I have been in some of the most remote corners of Venezuela, visiting their oil operations.

The second big problem we had with Venezuela was the management of its foreign debt. When I was in Venezuela, the Venezuelans had managed to build up a debt to American banks of $35 billion. You remember the debt crisis in Latin America.

Q: Right.

WHITE: Well, I think that Venezuela was the third ranking debtor in Latin America.

I presume that Argentina and Brazil were probably the other two major debtors.

To go back to the organization of the Economic Section, we had the Petroleum Attaché, whom I have already mentioned. We had one officer who basically looked after debt and financial matters.

Q: Who was that?

WHITE: That was Stan Speck, during most of the time that I was in Venezuela. He was a younger but very good officer. We had another officer who dealt with reporting on different and specific sectors of the Venezuelan economy other than oil. He or she also dealt with trade policy problems. Then we had a junior officer who was sort of the back up and utility officer in the

Economic Section. We had one American secretary and two local employees. So that was the Economic Section of the Embassy in Caracas.

The Venezuelan foreign debt, as I say, was a big problem, a major headache. All of the U.S. money center banks had representatives permanently stationed in Venezuela. We had very close ties with them. There were many bankers who came down to Venezuela from all over the U.S., to whom the Venezuelans owed money. You know, I had that deja vu feeling, because this is exactly the problem I had had in Turkey. The Turks also owed a lot of money to the U.S. U.S. bankers would flock into Ankara, as they flocked into Caracas, they would come and see us, nervously inquiring about the status of things. They would ask: "Could the Venezuelans pay and when would they pay?" We went through the same drill with them.

We had various debt rescheduling agreements with Venezuela which had been worked out. The Venezuelans were always sending people to Washington. We had very close relations with the U.S. Treasury Department. Someone in Treasury was on the phone to the Embassy virtually every day. That's how serious the Venezuelan debt problem was. How did this happen?

Well, frankly, the U.S. banks operating in Venezuela did what they did in Turkey. They just weren't very sound in their loan decisions. Of course, the reason was that they were competing with each other. I would say to every American banker who would come to my office: "How did you get into this situation?" The answer was exactly the same thing that I heard when I asked the same question in Ankara: "Well, our competitors were there, and we were under tremendous pressure." I remember an American banker in Caracas telling me that he had received a cable one day from his headquarters complaining indignantly that another U.S. bank had just floated a huge loan in Venezuela. They asked him why he hadn't done that. The implication was: "Go out and extend some loans, buddy, or you won't be there very long." The banks tend, lemming-like, to go over the cliff together. That has been my impression in dealing with them.

Regarding drugs, Venezuela is fortunately not a drug producing country, or it was not when I served there, anyway.

Q: Of course, it's right next door to Colombia.

WHITE: That's the problem, its geographical position. Its borders are very remote and in very wild country.

Q: Are its borders permeable?

WHITE: Yes, to say the least. Particularly, the land along the Venezuelan border with Brazil. When you're down there in the valley of the Orinoco River and along the Colombian border, it's the same thing. Those borders are in very wild and unsettled country. Policing that area is virtually impossible.

Toward the end of my stay in Venezuela the U.S. Treasury was getting concerned about possible money laundering involving Venezuela. I wouldn't say when I went to Venezuela in 1987 that was as much a problem as it gradually became during the three years that I was there.

Because of the low oil price at that time, Venezuela's economy was slowly sinking into the ground. There was a Presidential election in late 1988. A new President was elected who took power in early 1989. To put it all in a nutshell, he found, when he entered office, that the cupboard was bare. Leading up to this election the Venezuelan Government really hadn't been very frank in telling the country where things stood, and things did not stand very well at all.

Q: So who was elected in 1988?

WHITE: The man elected was a very interesting man. His name was Carlos Andres Perez. If you were a Latin American hand, you would have heard that name. He was known as "CAP," the initial letters of his name. CAP had previously been President of Venezuela in the good old days. He was the man who had nationalized the oil industry.

Back in the 1970s, that was the time when practically all Latin American governments were doing the same thing. Import substitution was the rule. You mentioned your connection with UNCTAD [UN Conference on Trade and Development]. You know the philosophy that was prevailing at that time. The themes were: keep the foreigners out, import substitution, subsidize industries domestically to ensure that no producer from abroad could compete with them, run up huge deficits, and, in other words, spend and spend and spend. Big spending. And, of course, nationalize everything owned by the foreigners. That was the prevailing philosophy in Latin America. I'm sure you're very familiar with it.

I think that you mentioned a man called Raul Prebisch. I think that he had a lot to do with this Latin American economic model, if I'm not mistaken.

Anyway, Carlos Andres Perez turned out to be quite a President. Under the Venezuelan Constitution he could not succeed himself. So, after his term of office as President in the 1970s, he could not be reelected, although he could come back later and then run for office. And he did.

Q: He was wandering through the wilderness...

WHITE: Actually, what he was doing was building himself a reputation internationally, because he was a Vice President of the Socialist International. When he was running for President in 1988, we were watching the elections, as all Embassies do. Of course, for us it was important who ran Venezuela. It was not just a matter of academic interest. I recall that the business community didn't like him.

Q: Not surprising.

WHITE: Not surprising. In Washington he wasn't viewed very highly. Nationalization of the oil industry had left a rather bitter taste in Washington. He was regarded as something of a big-spending demagogue. I recall that when he spoke one day at the American Chamber of Commerce, I was prepared to be unimpressed. However, I came away very impressed with him, because one of the things that he said was: "Look, a leader has to change with the times. If he doesn't change, he's not a leader."

By the way, our Ambassador to Venezuela at the time was Otto Reich. You remember him?

Q: Oh, yes. He was quite young and a political appointee.

WHITE: He was very personable.

Q: He was close to Bill Brock.

WHITE: Exactly. In fact, he may be working with Bill Brock now.

Q: Yes.

WHITE: He was very personable. He had one great gift, of course. He was fluent in Spanish. He grew up in Cuba. He had excellent relationships with the Venezuelan governing class, in spite of the fact that some of them were on the Left, and he was more or less on the Right of our political spectrum.

CAP was reelected President of Venezuela. I don't think that there was any doubt about his being reelected.

Q: Who was the opposition candidate?

WHITE: The opposition candidate was a younger man named Eduardo Fernandez. Venezuela had a two-party system. AD, Accion Democratica [Democratic Action], is one party. The other is called COPEI. AD, the party of CAP, was somewhat left of center.

The opposition party, COPEI, was considered sort of right of center. They were both moderate, main stream parties.

Q: Who had been the preceding President?

WHITE: Jaime Lusinchi. He had been a physician and had practiced in New York City at one point in his life. He was very personable and very likeable. A charming man. He was of the same party as CAP, by the way, though they represented different factions of it. Maybe we're getting too much into local politics here. However, there were two groups within AD. One centered around CAP, and one centered around Jaime Lusinchi. Lusinchi, of course, could not replace himself anyway, so AD officially supported CAP, and people remembered CAP from the good old days, a big spender. So he was reelected.

As I said, CAP's opponent was a younger man, Eduardo Fernandez, who had gone to Georgetown University. He was a very impressive figure. I recall once taking a visiting U.S. Senator to call on him. He was even more impressive in private. CAP never spoke English, but Fernandez was of the younger generation who spoke English beautifully. He was very savvy and very sensible. Frankly, I don't know how his political fortunes have fared since I left Venezuela, but he put on a very good political campaign in the election of 1988. Fernandez was considered

the underdog, and I don't think that anyone really thought that he could beat CAP. And CAP, of course, was duly elected.

After his election CAP went to Washington and developed quite a relationship with President George Bush. In fact, one of the first foreign leaders that President Bush saw after his election was CAP, who was very much thrilled by that. Bear in mind here was a man, CAP, who had built up a reputation in the past as a person who had gone after Uncle Sam, pulled Uncle Sam's whiskers, nationalized the oil industry, and kicked out all of those foreigners. However, in fact, CAP developed quite a good relationship with the Bush administration. Vice President Dan Quayle came down for CAP's inauguration as President of Venezuela in early 1989.

Then, frankly, the roof fell in. Of course, it wasn't CAP's fault. The roof had been falling in during the previous few years. It just collapsed while he was President of Venezuela. Indeed, CAP had changed his views. He launched a very tough austerity program.

Q: Did this involve the IMF [International Monetary Fund]?

WHITE: Exactly, the IMF. Here was a man, CAP, who, in the old days, I'm sure, would have said that in no way would he genuflect to the IMF.

Q: But the world had changed.

WHITE: The world had changed. CAP was an astute man, and he knew that it had changed. He also knew that he needed a lot of support from the United States. He knew that the old economic model was no longer viable, if, indeed, it ever had been.

Q: I think that Raul Prebisch was dead by then.

WHITE: Yes. And lo and behold, CAP surrounded himself with a young group of economists, all U.S. educated. We used to call them the whiz kids. These were young men, very bright, U.S. educated, free market economists. The Old Guard of AD stood around, appalled, at what CAP was doing. He was cutting subsidies, letting prices run free, eliminating a lot of the import restrictions, and inviting foreign capital in. All of a sudden, he was doing all of these things that were anathema to the Old Guard of AD. But he was doing all of the right things, and we supported and applauded him. However, I think that you could argue that, in a way, he got a little ahead of his electorate. I don't think that Venezuela was quite ready for the kind of drastic medicine he was administering.

First of all, the country hadn't been told about the real state of affairs. When they reelected him, many voters thought that they were getting the old CAP, who dispensed a lot of money. Well, there wasn't any money to dispense. The good old days were over. It was the morning after the night before. All of this happened on CAP's watch.

Q: So CAP was reelected in late 1988.

WHITE: Exactly. The price of gasoline had been subsidized. It was ridiculously cheap. I

remember the day when we first filled up the tank in our big, old Buick, we thought that the filling station manager had made a mistake. He filled the tank in this huge car, and the bill was $2.50, or something ridiculous like that. As the saying went, gasoline was cheaper than mineral water, which, indeed, it was. Everything was rigged in Venezuela. The whole economy had been rigged. CAP decided that he would have to raise the price of oil.

People who owned cars could probably afford a reasonable increase in gasoline prices. Unfortunately, what it did was to affect the price of public transportation. A lot of Venezuelans relied on using little buses to get to work. Suddenly, people went out one morning and, without warning, found that the fares for the buses had increased by what seemed to them a whopping amount. The result: riots in the streets. This happened within a few months of CAP being reelected President of Venezuela.

Nasty riots broke out in Caracas and, indeed, all over the country. They mainly took place in Caracas, the capital, but in other cities as well. Of course, they did not take place in the sections where our Embassy people lived, where everything was calm and normal. But the riots took place in the barrios, as they are called, the slums and poorer areas of town. We heard of some gory things happening, including shootouts. I think that the government admitted to something like 300 dead, but we were convinced that the number was far in excess of that.

However, CAP stuck to his guns and would not back down. Troops were brought in, and in a few days the unrest was put down. But it was a nasty taste of the popular reaction to his measures. As I said, I think that CAP got a little ahead of himself. I think that his sense of timing was off in this particular respect.

Q: So what happened?

WHITE: As I said, there were riots in the streets. After that, he buckled down and would not retreat. He went forward with his program of adjustments, and his whiz kids went on merrily doing their thing. One after the other, the old features of the old regime were toppling. The measure of our support for CAP was that we provided a $450 million bridge loan from the U.S. Treasury. We were the ones who sent the papers back and forth in connection with this loan, conveying the messages, and so forth. I remember that we received a very nice letter from U.S. Treasury Under Secretary Mulford.

Q: Oh, yes, David Mulford.

WHITE: You see a lot of pro forma thank you letters, but Mulford's letter was a very good one. It was a tribute to the whole staff of the Economic Section, including especially Stan Speck, who had done much of the work.

Q: David Mulford was the number two ranking man in the Treasury Department at that point?

WHITE: Yes. He was in charge of international affairs at the Treasury.

Q: Was my old friend from the Hotel Gaiz, Reinaldo Figueredo, visible at that time?

WHITE: He was the Foreign Minister under CAP.

Q: I knew him quite well. He was the Director of the Manufacturing Division of the UNCTAD Secretariat, in the early 1980s. He is very personable and very opinionated. He was a supporter of Raul Prebisch in terms of his economic philosophy.

WHITE: Yes. I remember him very well. He was a younger fellow and very personable but was considered something of a left wing ideologue. But he was CAP's Foreign Minister. Now CAP had to balance off various parts of his own party, as every politician does. My recollection was that after CAP left office the first time, he was under some investigation for corruption. I think that Figueredo had been instrumental in helping him at that time in dealing with these charges. CAP won out, however, and the matter was disposed of. This happened long before I arrived in Caracas.

Figueredo didn't stay in office long as Foreign Minister.

By the way, the CAP program was sort of deja vu for me, because Turgut Ozal in Turkey had imposed virtually the same program in there. So, in a way, both in terms of the foreign debt problem and the macroeconomic policy changes, I was seeing something that I had seen before. It was rather fascinating to note the similarities and the differences.

Q: By the way, were you involved in the negotiations on Venezuelan accession to GATT [General Agreement on Tariffs and Trade] about this time?

WHITE: I was just about to mention that.

Q: That would have fit into this whole process.

WHITE: That's true. Venezuela was not a member of GATT but decided to apply for GATT membership.

Q: This was probably part of the IMF package. Part of the IMF package was always to reduce barriers to trade.

WHITE: Well, I don't think that it was put in those terms. The Venezuelans were not told: "You will join GATT." No, but it was part of Venezuelan policy, under a much changed CAP. Yes, Venezuela applied for membership in GATT, and this was another issue which went on for months and months. There was a lot of work involved in this. Just as Treasury was calling us nearly every day, because of Venezuela's foreign debt problems and the financial crisis, USTR [United States Trade Representative] got into the act, and USTR was calling us nearly every day.

Q: Who called you from USTR?

WHITE: Different people. Different people were calling us about different aspects. Joining GATT is a complicated process.

Q: Oh, yes. I was often the U.S. Representative at the GATT Accession Negotiations.

WHITE: Then you know that the Venezuelans had to make many changes. They had a brilliant young negotiator. A very outstanding person. He was my opposite number, so to speak. I would very often go to see him on instructions and to discuss where the negotiations stood, how they were going, and so forth. You know, he had to take on a lot of vested interests in Venezuela. Naturally, the Venezuelans wanted to get into GATT for as cheap a price as they could get. We insisted, of course, that they make the changes which were mandatory for them to be GATT admissible.

Q: There is usually a transition period.

WHITE: Of course. So that kept us very busy.

Q: Did you also get involved in civil aviation again?

WHITE: We did.

Q: Do you remember what was involved?

WHITE: Let me mention that, throughout my career, I somehow was never able to escape civil aviation matters. Perhaps I mentioned this before.

We had an awkward situation involving totally separate Commercial and Economic Sections. First of all, all of our local employees had worked in a combined Economic/Commercial Section for years. When the Foreign Commercial Service was established, most of our local employees went to the Commercial Section. One of them in particular, though he was Venezuelan, was of German origin. He had been the local employee dealing with civil aviation matters and he loved the work. He knew everybody concerned with civil aviation.

However, civil aviation matters came under the Economic Section. He knew, he got the word that I had had a lot of experience in civil aviation. So I wasn't in Caracas very long when he came to see me one day. I could see that he was quite concerned. He said: "I'm in the Commercial Section and, of course, I report to the Commercial Counselor. You know, for years I was the Embassy's man on civil aviation. I would like to continue doing that. I know that you have the background on this."

I said: "Look, let's not be bureaucratic and let's not be rigid. I'll 'clear' this with your boss." I got along very well with the Commercial Counselor. I said: "When it comes to civil aviation, you will work for me." Now, any student of organizational charts would find this arrangement appalling. Of course, he had been doing this work for perhaps 30 years. He knew everybody, every story, every skeleton, and every closet where civil aviation was concerned.

So we worked it out, and it was fine. Where civil aviation matters were concerned, he worked for me. Our main problem with civil aviation was airport security. This was a very difficult nut to

crack, for reasons which were more cultural than anything else. I don't want to spend too much time on this, but, as you know, the FAA [Federal Aviation Administration] requires that all airports meet certain security standards. If they don't meet these standards...

Q: Our planes don't go there.

WHITE: That's right. We have drastic, legal authority, and we can zap them. We had a lot of problems, but finally we got the Caracas airport up to snuff.

Of course, we had the usual trade problems. You could probably guess the matters that were on the list yourself. It included intellectual property...

Q: Specifically intellectual property?

WHITE: Well, we were concerned about the absence of adequate legal protection for intellectual property, such as American copyrights and patents. Venezuelan citizens were stealing right and left...

Q: Pharmaceuticals?

WHITE: Mainly copyright materials, such as tapes of popular music, and even television programs.

Q: VCRs [video cassette recordings]?

WHITE: All of that stuff. Venezuela had little or no legal protection for such materials. We were trying to negotiate a science and technology agreement with Venezuela. Intellectual property became a stumbling block in the negotiations. They wanted a science and technology agreement with us. We wanted it, too.

Q: What would they get?

WHITE: They would get access to the United States scientific community. We would send people down to Venezuela for research programs. There is a fairly standard list of science and technological cooperative agreements and ventures which are sort of boiler plate in these agreements. We wanted some control on patents and copyrights. In other words, intellectual property.

Q: They wanted to import technology, as well as entertainment.

WHITE: Of course. This is a big issue with many countries. It's a big issue with China right now.

Then there was the question of countervailing duties. As you know, we have countervailing duty laws. They can get pretty far-fetched. This had to do with aluminum products. Venezuela was very competitive in producing aluminum rods and bars. They had a major aluminum industry. An American company submitted an anti-dumping complaint to the Commerce Department. Are

you familiar with this business?

Q: Oh, yes. There was the case of the UBS Bank.

WHITE: We used to hit them with punitive duties, which were very high. That was an irritant in Venezuelan-U.S. relations.

The Venezuelans had a major tuna fishing fleet, which ran afoul of our environmental laws intended to protect dolphins caught up in tuna catches. We also had some maritime problems. An American shipping company didn't feel that it was getting fair access to Venezuelan ports.

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Q: *This is Wednesday, November 7th, 1997. I'm John Harter with Al White at the Association of Diplomatic Studies. You were talking about maritime transport problems.*

WHITE: As one of the various and sundry problems we dealt with. This was not a major problem. It came up late in my tour. It wasn't solved at the time I left. I think later we came to some sort of solution on that particular problem. We had a very active business community in Venezuela. We had excellent relations with them.

Q: *I assume a prominent U.S.- Venezuelan Chamber of Commerce?*

WHITE: Yes. The American Chamber of Commerce.

Q: *They used to call them American men's clubs. Now that there are more women maybe they don't call them men's clubs anymore?*

WHITE: It was always the American Chamber of Commerce. We had very close relationships with it. One of the things the ambassador did, which was an excellent technique - I think it's probably done in one way or another elsewhere - once a month, the ambassador would invite probably about 30 American businessmen, leading American businessmen, to the residence. We'd have a cocktail, late in the afternoon, five or something like that. Then we'd all sit down around a huge dining room table which would be expanded so that everyone could fit around it. The ambassador would speak maybe 15 minutes giving his overview of the state of relations between the two countries and he would turn to me and I would do my briefing, maybe 10 minutes. And then he would turn to the commercial counselor so he could do his briefing and then we would usually have a speaker. We would invite one of the businessmen there to make a presentation about some particular issue that may have been in the news or of some prominence at the time. Then we would throw this open to discussion. Now businessmen of course are reluctant to discuss a specific private affair with other businessmen. That we would do one on one. But it's amazing what we learned about their common problems by having these sessions.

Q: *Which were some of the major American companies that were represented there?*

WHITE: Well, most of the big banks were there.

Q: *Citibank.*

WHITE: Citibank, Chase, Manhattan was there. Chemical Bank. Manufacturers Hannover Trust, etc. Ford and General Motors and Chrysler were assembling there.

Q: *The tire companies? Goodyear, Firestone?*

WHITE: I'm not sure about whether we had some of those or not. McCormick Spices had a big regional office down there. There's always the Coca-Cola man. Owens Illinois had a representative there.

Well, there was about 30 more or less. Most of them were Americans but some were Venezuelans representing these companies. And lawyers. There were several high powered American law firms in Venezuela and they were very active in this group. This was a very useful technique for dealing with the business community and it worked very well.

Q: *Who was the DCM?*

WHITE: Jeff Davidow was the first DCM, later Assistant Secretary for Latin American Affairs and Deputy Assistant Secretary in AF. A very able guy. When he left, I was acting DCM for a few months or so. And chargé occasionally. Then Ken Skoug came down to be DCM and was chargé for a long time. Then at the time I was leaving, Mike Skol was appointed ambassador. He asked me to stay on for a fourth year. It's always nice to be asked but three years I thought were enough. My daughter was getting ready to go to college. It seemed a good time to make the break. So after 11 years abroad...

Q: *It was time to come back to Washington.*

WHITE: It was time to come back. Another interesting aspect for me at least, in Venezuela, was the public relations part of diplomacy. We had an excellent public affairs officer, Guy Farmer. He had been a journalist and he was an excellent press attaché as well.

All of these irritants that I've mentioned to you and some others would cause public relations problems. Again, their focus is so totally on the United States down there, that even a little irritant, the press plays up and it gets a lot of attention. I worked very closely with our press attaché and saw how valuable a good press attaché is in an embassy.

A fascinating country, Venezuela. The Orinoco River Valley is splendid. The Coroni River comes down out of the highlands of Venezuela. A tremendous source of water power. It flows into the Rio Orinoco at Ciudad Bolivar and there's a huge complex there of aluminum smelting because of the hydroelectric power…You need a lot of power with aluminum processing as you know. The power was there. The bauxite was there. Ocean boat going vessels can come up the Orinoco that far. There was iron ore production, a lot of steel production. And of course always oil. The good news since I left Venezuela is they have opened up more and more to U.S. oil companies. In short, they're back. Technically they still can't own the means of production. They

can't own the oil in the ground, but they can do just about everything else. It's immensely to the benefit of the Venezuelans. They know that.

An industry doesn't stand still. It always changes. To keep up with those changes, the oil industry in Venezuela needs more and more technology, more know how. I would say their relationship with us in that particular area is, from everything I can see, solid.

Q: *Which companies are back? Exxon?*

WHITE: Oh, I think more or less they're all back in different kinds of arrangements.

The bad news is beware of the conventional wisdom. Venezuela has had a functioning democracy for many, many years. Remember in the old days, in the 50s, a man named Perez Jimenez. He was the typical Latin American colonel. The sunglasses, visor cap, and a dictator. They got rid of him in 1958. That's when Romulo Betancourt came in and they had a viable two party system as I've described to you so far. There were always fringe parties but it was basically two moderate parties-a two party system. I told you about CAP's reforms. It was an extremely tough program of retrenchment and it hit the middle class very, very hard. In fact a lot of Venezuelans studying in American universities had to go home because they devalued the currency. The officer corps was hurting, the mid-grade officers in particular. Beware of unhappy mid-grade officers in a country. Lo and behold, after I left, in 1992, a violent coups attempt was made against CAP. The conventional wisdom had been this could never happen in Venezuela. Anywhere else in Latin America maybe, but never Venezuela. Well, it did happen in Venezuela and a lot of people got killed. It was a brutal revolt by the military.

Q: *When was this again?*

WHITE: February 1992. It was put down but it was a nasty, bloody affair. In November of the same year, a second attempt was made. It was put down but CAP was forced out of office just about six months before he would have finished his term in office. He was forced out on a corruption charge. It's unfortunate because he had done the right thing. It took political courage to do it. And he was replaced by another former president, Rafael Caldera, a man in his 80s. A very nice man. They say incorrupt. Personally I never heard anyone say he was corrupt. He became president on the platform of doing away with much of CAP's reforms. But I think gradually, he's had to backtrack in the same direction as those reforms.

Q: *In 1990, you came back to Washington.*

WHITE: We came back in 1990 to Washington.

KENNETH N. SKOUG
Deputy Chief of Mission
Caracas (1988-1990)

Kenneth N. Skoug was born on December 2, 1931 in North Dakota. He received his AB from Columbia University in 1953 and his MA and Ph.D. from George Washington University in 1957 and 1964. He served in the US Army from 1954 to 1956. He has served in countries that include Germany, Mexico, Venezuela, and Czechoslovakia. He was interviewed by Charles Stuart Kennedy on August 22, 2000.

SKOUG: At this time I had been tentatively assigned... Otto Reich wanted me to come and be his deputy in Venezuela. He had been in contact with me quite a bit, and Reich said, "I realize you want to be chief of mission, but if you don't get it, there's a job waiting for you in Caracas." So I was sort of being moved along in that direction. I attended the DCM course, and I was listed as the DCM in Caracas. But in the mean time, Elliott said, "I'm going to complicate your life." He said, "We're appointing you as special chargé to Nicaragua." And so I was to go to Nicaragua and essentially run the embassy. Elliott thought at first that this would probably be just for a while, and then we would close the embassy. But he didn't know. He said, "If we keep the embassy open, then you'll be raised to ambassador." He said that George Vest and the others on the seventh floor were fully on board for this one, for me to get down there as soon as possible.

Q: *Vest being the Director General.*

SKOUG: Director General, yes. He wanted me to get down to Managua as soon as possible. So that was my marching order. But the Nicaraguans wouldn't let me in. My visa went over to the Nicaraguan Embassy and sat there. They wouldn't let me in until Tunnerman got back as ambassador of the Organization of American States in Washington. We weren't about to let Tunnerman in, so this became a stalemate. My passport sat in the Nicaraguan Embassy probably for two years. I went to Caracas with the understanding that if the Nicaraguans approved me for special chargé in Nicaragua, I would then move immediately from Caracas to Managua, but that never happened because the Nicaraguans never got their way with Tunnerman and they never budged with me. So somebody else was Chargé.

Q: *So you went to Caracas.*

SKOUG: I went back to Caracas in October of 1988.

Q: *And you were there until -*

SKOUG: Until the end of September in 1990. I spent about two years there.

Q: *Do you think this may be a good place to stop, maybe?*

SKOUG: It might be.

Q: *Yes, I think it's probably a good place to stop.*

SKOUG: I'll look up my events in Venezuela.

Q: *Then we'll talk about Venezuela.*

SKOUG: Yes.

Q: *Great.*

***

Q: Today is the 20th of December, 2000. Ken, what was sort of the situation in Caracas, 1988, when you went there - both internally and U.S. relations with Caracas?

SKOUG: Well, both countries were headed for elections in the fall of 1988, and in the United States, of course, George Bush was elected, so there was considerable continuity with the Reagan Administration. There were not too many surprises, but it was a little different in Caracas. Carlos Andrés Pérez had been president of Venezuela until about 1979, when he was replaced by a COPEI, or Catholic Christian administration immediately prior to my first tour in Caracas. That president, Luis Herrera Campins, passed from office largely discredited. COPEI was defeated in the elections, replaced in 1984 by an administration of *Acción Democrática*, led by Jaime Lusinchi. Lusinchi was a good friend of the United States, but he was very reluctant to make adjustments to Venezuela's worsened position in the international economy, just as Herrera Campins had been. Both of them kept an artificial exchange rate, which was much too high against the dollar. Both of them kept prices fixed very low. So you had a situation where the hard currency ran out of Venezuela, and they found themselves in a desperate financial situation in late 1988. The election was going on again with COPEI, led by Eduardo Fernández, a young and vigorous politician, who was not at all friendly to Herrera Campins or to Rafael Caldera, the grand old man, so to speak, of the COPEI party. The Acción Democrática was led, at this time, by Carlos Andrés Pérez trying to become president a second time. And Pérez won overwhelmingly. His platform was essentially a populist platform, just as it had been before. Pérez was one of the real movers and shakers within Acción Democrática, along with Rómulo Gallegos and Rómulo Betancourt. But he was more of a populist than either of them and more willing to assert the sort of phraseology that one accepts from the democratic socialists - less on stability, more on restoration of growth, development and welfare, and so forth. So you had a potential conflict at least in the election of Carlos Andrés Pérez, when it came about, and that of Bush. The economic situation of Venezuela was very serious, and Pérez recognized this, but he did not recognize the way out. And the United States, as I say, had a continuity, but it took the new administration actually in office to come up with a program. So at the end of the year 1988, they were sort of "grasping," as we were. I had a small role to play in trying to get this grasp on a possible disconnect between Bush and Pérez. Pérez, whom I had met in New York - I had gone up to hear him give an address in September and shook his hand there, so I was acquainted with him. By the way, when I arrived in Caracas, I was chargé the second day I came, and by the end of the year 1988 I had been chargé about half the time I had been in Caracas.

Q: *Who was the ambassador when you arrived?*

SKOUG: Otto Reich, who was a political appointee, a Cuban-American, very active in business and also in politics. I mean he was thoroughly knowledgeable in politics. He had been opposed

by some people around President Lusinchi because he was a Cuban-American. They thought this was going to complicate the relationship with Fidel Castro. But fortunately good sense had prevailed and Otto Reich got down there, and he'd done a good job and was essentially phasing himself out. He knew he was not going to be reappointed, at least there, by the Bush Administration, which was releasing personnel from the Reagan period. So he was looking for a job and he was taking care of his health problems, and his mother died in North Carolina. There were a lot of things that happened that took him out of the mainstream. Up to the period of July 1989 when I became officially chargé d'affaires, I must have been in charge of the post in practice at least one-third of the time.

One of those times was in early December when there was talk of setting up a meeting between "Cap," as we Americans called Carlos Andres Perez, and Bush before either man took office. We thought that was a very good idea. I spoke to Cap about it on the basis of information I had received orally - because nothing was coming out in telegraphic format from the Department. It is difficult to get anything done in an administration transition, even between two Republican administrations. The new team won't put on paper anything. So there was no guidance cable, and I had oral information that Bush could see Pérez on December 13th. Pérez was leaving the country to go to Riyadh, to strengthen the oil link, and I called on him, and I said that Bush could see him on the 13th. Well, he was delighted. So he made his plans to come to the United States on the day before... Well, actually he came the 12th and was to see him on the 13th. Then I got really lambasted. I got a call from Elliott Abrams who told me to "cite the cable" on which I had acted. I said, "Well, there are no cables coming out on this. The man's going to Riyadh. If you want this meeting, it's your only window of opportunity." Well, anyway, a couple of days later a frosty voiced fellow told me that I could informally tell the Venezuelans a meeting, yes, was confirmed for the 13th - informally. Well, how do you "informally" tell the president of a country, further when the president of the country is out in Riyadh?

Q: *Just back to this, who had told you orally that it was all right?*

SKOUG: The Desk officer, the first time. And then he got burned, too, you see. He shouldn't have done it, supposedly. But if he hadn't done it and I hadn't done it, there wouldn't have been a meeting. Anyway, I got the message out through the Agency's channel - that'll be another story - but we informed Bush that the meeting was on. I was told that I would receive confirmation by cable. The confirming cable came through at 9:23 in the morning of the 12th. At that time Pérez was already arriving in the United States. If I had waited for confirmation, there never would have been a meeting. Then, of course, the meeting took place, and it was a great one. They liked each other from the very beginning, and that linkage between them personally, and the feeling of Cap that he could speak directly to President Bush, that was -

Q: *You say "CAP" -*

SKOUG: Yes, Carlos Andrés Pérez. - I'm sorry. We always called him Cap. I just slipped into that. If I say "Cap" I mean Carlos Andrés Pérez. The Venezuelans didn't call him Cap. They called him Carlos Andrés. It was only the Americans who referred to him in slang as Cap. That would be telegraphese, too.

So anyway, Pérez was delighted by the meeting, but there was always a downside. He thought that they had struck a bargain, and his spin on the bargain was that he would sort of be a kind of intermediary between the Bush administration and both Central America, and particularly Nicaragua, and Panama while the United States would give special aid to Venezuela. Now there's a price for special aid to Venezuela. In return, for special help, Venezuela would engage itself in the region. Of course, Perez couldn't commit the Sandinistas to anything but nevertheless would seek to be helpful.

Carlos Andrés was very much interested in the hemisphere, unlike, say, his predecessor, Lusinchi, and the guy before, Herrera Campins. Pérez, in his speech the night after he was elected, referred repeatedly to these cables coming in from elections in Argentina... Oh, he was very worried about what's happening in Argentina. There was some problem with the Galtieri régime that he didn't like, but he had a hand in the whole hemisphere, and he was particularly interested in Panama and in Nicaragua. He had helped the Sandinistas to power, and although it was not turning out the way he had expected, nonetheless, he thought it was inevitable. What are you going to do about it? In the spring of 1989 he told us that the Sandinistas were going to win a free election in Nicaragua if we could get one arranged. So we'd have to live with it.

I had a long developing relationship with him about Central America and Cuba and Comandante Castro, as he called him. Castro came to Pérez's inauguration, much to the chagrin of Otto Reich. Otto urged Cap not to invite him, to exclude him from a celebration of democracy. He was not a democratically elected figure and so forth. But Cap wouldn't hear of it. Castro came, but he distinguished himself from the representatives of democratic governments by being aloof and wearing this military uniform. The others were all in civilian clothes. Castro wasn't in his element. There was an incident in the hotel where Castro was staying. The Cubans, of course, came with a huge delegation, and they occupied a whole hotel. An official of the incoming Venezuelan Government wanted to communicate something to the Cubans, and he crossed the line of their security men, and they threw him back. And he said, "I'm the minister of " - I've forgotten what he was - communications, I believe - "for the Government of Venezuela." And they said, "On that side of the line, you may be the minister of communications for the Government of Venezuela. On this side of the line, you're nothing." So it was clear. In a way, the Cubans behaved much like our security services.

Q: *When you hire someone to be a bodyguard, subtlety is not the name of the game.*

SKOUG: He always had plenty of bodyguards when he traveled. Well, anyway, it was a notable event that Castro was there, but he didn't do anything notable. The Carlos Andrés Pérez Administration had as its closest advisor a man named Reinaldo Figueredo. He wasn't just an advisor; he was sort of the equivalent of Condoleeza Rice right now. National security was his function at the moment, but his tie to Cap was much stronger. Figueredo, at his own request, and on the request of the chief of station, too, had his contacts with the embassy run through the chief of station. Figueredo was very far to the left, a well-educated rich boy who spoke perfect English. He'd learned it in private school in Switzerland, I think. But he was very far to the left. Pérez had picked him up because in 1978-79, when he left office, virtually everyone thought Carlos Andrés Pérez belonged to history. He'd been repudiated by the electorate, almost went to

jail on charges of corruption - by one vote he was saved from conviction after the investigation of the sale of a ship on which a lot of money had been lost but from which Pérez had profited. And he didn't really have many places to turn. Acción Democrática certainly preferred other people to him. He was not in the mainstream of the party any more. Figueredo took him on and built him back up. There he was ten years later president with an enormous majority. Figueredo had weight. Figueredo did not like the United States. Later he would become foreign minister. That made it all the more difficult in view of the way he preferred to operate. Here he was (later), foreign minister, conducting his relations. Well, I did have some contact with him, of course, but his preferred relationship continued to go through the Agency. He thought that's where the real power of American society was. And maybe it was. Anyway, that was his thought, and that was one of our problems.

On the other hand, there was a young lady named Beatriz Rangel. The Rangels were quite a famous political name in Venezuela and very prevalent in the very far left or left center. This was a young woman who had studied at Harvard - brilliant. And she was sort of the executive secretary in Carlos Andrés Pérez's office at Miraflores Palace. She was actually sited in Miraflores, the White House of Venezuela, very well informed, and in a kind of rivalry with Figueredo for the President's ear. It so happened that we had an exceptionally well qualified female political counselor, Donna Hrinak. Since then she has had a couple of ambassadorial assignments. Donna had a good personal relationship with Beatriz Rangel, and I soon was getting to the point at least of being able to have a good relationship with her, too, which was helpful because they pulled Donna out early, and if I hadn't had that it would have been hard to keep it. She was an excellent contact and source for Cap. It was essential that President Pérez maintain a close first-person relationship with the American ambassador, and then when Otto Reich left Venezuela, Cap made it clear to me, in July of 1989 when I saw him at the Venezuelan Naval Day, that he wanted to be on that same basis with me. This was very, very fortunate because in addition to the difficulties of being a chargé d'affaires for fifteen months in a place where people count their status as so important and people regard you as something by the rank or the position you seem to have, there were also some difficulties placed in my path by persons in the U.S. Government. Well, it was terribly important to have that relationship with Carlos Andrés Pérez, which continued until the final day. That was really the defining thing for me, that I always knew I could call him. He would call me at home any time. He called me *Embajador*. As far as he was concerned, I was the ambassador. He would like to have had an *embajador* in Caracas, of course, and asked, "Why not you? Why don't they name you?"

Q: *When you would see him, how would this work, as far as... I mean for example, obviously you knew quite a bit about Cuba. Did he talk about Cuba with you?*

SKOUG: Yes, Carlos Andrés knew that I had a relationship with the Cubans, a special one, and he reminded me that he did, too. He knew Fidel Castro from the days of Cayo Confites in the 1940s when Carlos Andrés had been a member, really, of the Caribbean Legion of Democratic Revolutionaries. And in fact, of course, it was one of the signal achievements of Fidel Castro that after Castro's revolution the only revolution would be a pro-Communist revolution. There would be no more revolutions of the sort that Carlos Andrés had participated in. He ran into the Cubans again in the early 1960s, when they tried to overthrow the elected Venezuelan Government and impose a government of leftist revolutionaries.

Q: *The landing of arms and some really nasty stuff.*

SKOUG: It was nasty - no, there were members of the Cuban Communist Party Central Committee fighting beside the Venezuelan rebel forces. And Pérez was minister of the interior, so he was leading the fight against the Castro group. But still, being a realist, being an admirer of people who maintain power, being still a revolutionary, as he saw himself, he's still a populist. He knew that Castro had influence and power in the region, and he was always looking for a way to allow him room. He would admit to me sometimes, "Yes, Comandante Castro is mixed up in this." He would also say, "If we could help Castro out of the corner..." or something, which I always thought was somewhat unrealistic. But nevertheless, that was part of the dialogue, and the dialogue that we had very much included relationship with Cuba and the whole Central American and Panamanian situation.

Being in temporary charge of a post is very different from going to a post as chief of mission. A tremendous amount of time was taken up because I was also DCM - I never had a DCM. When I was chargé I did not have a designated deputy. I was both DCM and ambassador, as it were. In part this was due to the fact that from the very outset there was always someone who seemed poised to arrive imminently as ambassador. There were all sorts of problems of management of the American Embassy, including the relationships of the local employees, who were very unhappy because whereas they had lived better than most Americans during my first tour in Caracas, they were in misery the second time because the austerity was finally catching up with them The good old days of "*Tan barata, dame dos*" which we talked about before - "so cheap, give me two of them" - wasn't true any more. They were really suffering, and they wanted redress from the U.S. Government, which was really hard-pressed to redress them any more than it could other local employees faced with similar problems.

Reich was pretty good - he was bilingual, of course, having been born in Cuba - he made the national employees feel he was really trying to achieve something, but actually there was very little that could be done. So that was a growing sore - the unhappiness of the national employees. There were a lot of problems of management of the embassy itself, which took more time. For one thing, the narcotics program. We had an active narcotics program. We were on the border with Colombia. The Drug Enforcement Agency had a large and growing group down there. The Station got very much involved in the thing in an opaque manner. There were at the time two people who worked on narcotics affairs in the Department of State component. We had a committee which handled narcotics, in which there would be jockeying for position between the military, some of them wanting to give the Venezuelans boats to control the possible flow of narcotics down the Orinoco River, and others wanting to supply more helicopters, although they were not able to maintain the helicopters they already had on loan from us. The complexity of managing the narcotics program was serious. The station maintained a silent auditing brief in the embassy committee, but its own activities were not revealed.

Q: *I was wondering, one of the problems with the Drug Enforcement Agency is it is an enforcement agency and sometimes tends to act like a cop on the beat in a foreign country, which causes all sorts of complications. Did you run across that sort of thing? I mean, it usually means that whoever is in charge of the mission has to keep a very close eye on them.*

SKOUG: Yes, that was a substantial responsibility, because the officer in charge of the Drug Enforcement Agency Group, was very well regarded in her own agency in Washington, but not by her DEA colleagues at post. She had bad relations with her staff and had them very frightened. They felt they got no recognition for their work, and they themselves were very frightened that Colombian *capos* were going to get them, which almost did happen on one occasion. The Colombians sent a hit man or men to Caracas, aimed at a Venezuelan contact in the PTJ, *pete jota*, the judicial technical police organization fighting against the *narcos*. The hits also apparently were directed against the embassy. We had to have a man and his family evacuated because of death threats against them. DEA headquarters came back in and said this was an "alleged" threat and, well, there was no reason to have got them out. But our security people, including the Agency people, thought it was a very real threat, and said these Colombia bad guys were actually in Caracas. I mean they identified them. And eventually the Venezuelans took care of them in one way or another, so we didn't have to have them around any more. Anyway, the management of the Drug Enforcement Agency was a problem.

There was a national television program which appeared some years after I left Caracas which dealt with another aspect of this delicate subject. One of the main TV networks ran an exposé about the Venezuelan National Guard, which was the other agency most involved on the Venezuelan side in the drug fight, using the Agency to deliver some drugs into Florida. According to the exposé, the station's understanding this was part of a program for trapping someone, but actually they were duped. According to the exposé, the chief of station in Caracas in my time was disciplined for having been deluded. It was a very nasty business. The Venezuelan military was also much involved, particularly the minister of defense, a man named Filmo - if you can believe it - Filmo López. Filmo was anxious to get as much as he could in money and goods from the United States in exchange for posturing on narcotics, because in reality not much was being done in Venezuela. He refused to sign the narcotics agreement because there wasn't enough in it for his ministry. He was finally forced to do it, but he assured me, after keeping me waiting for a long period of time before signing the agreement, that in the next agreement there would have to be much more for Venezuela. And I thought to myself that I hoped there would never be another agreement that I would have to sign with Filmo López. (End of tape)

Speaking of drugs, the wife of one of our senior military people had problems of that nature, including one involving a weapon, and so I tried to keep her out, but she got back.

Q: *To keep her out of the country.*

SKOUG: I tried to keep her out of the country. She had an incident in front of the minister of defense, Filmo López, where something happened. And the military didn't tell me about it. I learned about it, but not from the military. They tried to hush it up. Eventually, the officer to whom she was married indicated that he was going to write a letter to me and complain about this. "Well," I said, "You can do that." The Medical Branch informed me that the problem of this woman was well known and they would back me all the way, which was encouraging. Sometimes you need that backing even if you're in charge of a place. And well anyway, I believe she left, but whether she left or not, there were no more problems of that nature - at least that

came to my attention. Management of a post like that is a very difficult affair. The defense attaché's office had other internal problems. There was one Venezuelan employee whose security clearance the attaché tried to remove. He had the support, unfortunately, of the security people in the embassy (whom I liked and respected) and the Agency. But the facts were wrong. I thoroughly investigated the matter, because I did not want to do anything to disparage a national employee when they were having so many problems anyway. It turned out that this lady was being unjustly accused, so she won her case, and we tried to find another job for her outside the defense attaché's office. It wasn't so easy because she wanted to stay there. She felt it was a personal problem between herself and one American, and she was willing to wait him out. So I guess she did.

-other eternal issues, like spending by officials of the embassy, particularly the ambassador cropped up. We had a new and relatively young administrative counselor who thought Ambassador Reich was squandering money and had the budget and fiscal people intensively looking into it. And the ambassador was very disturbed because in reality he wasn't, so there were very, very hard relations. I had seen that sort of a situation when I was there the first time between my petroleum attaché and Ambassador Luers because in that case I could see justice on both sides. But Luers was more tolerant of criticism than Ambassador Reich. Reich was strongly inclined to throw this fellow out, and it was my job to keep peace between them.

Q: *This is the administrative officer.*

SKOUG: The administrative counselor. I sort of stayed between them because I had known the administrative officer favorably when he was a young officer in Moscow when I was there. After Otto left, the administrative counselor even got bonus pay for his work in his second year in Caracas. Earlier that issue wasn't quite so calm. But anyway, this very well-intentioned fellow had a knack for getting into quarrels with various section heads, and a lot of my work was management of this relationship. The defense attaché had serious problems in managing his own staff. He had problems of drug use by people within the embassy itself. We had an officer assigned to us who had serious matrimonial and other personal problems. At a previous assignment, there was a suggestion that he had been working for the Soviets, but that never was verified.

Q: *But if you have somebody who's been publicly pointed as being possibly a Soviet agent, and, you've got that person given to you, on your staff, you can't help but feel, Gee, I'd better be a little bit careful about this.*

SKOUG: Well, it was a problem. I got great support from our local nurse, our local health people, somewhat less support from the Department on the issue. I think that probably the Privacy Act precludes further discussion of this case. But that was the sort of problem that took a great deal of time in management.

Q: *Couldn't you sort of designate somebody else to DCM it?*

SKOUG: Not really, because the next guy in line was the economic counselor, and I thought he was more necessary as economic counselor than he would have been as DCM. He would not

have been accepted as a leader by the others, and if he weren't supervising the economic work closely, I didn't think it would be done as well. He did do a good job there.

Q: *And of course, the name of the game was economics pretty much, wasn't it, when you were there?*

SKOUG: There was a lot of it. And I did appoint *ad hoc* committees. For example, there was a question between the defense attaché's office and one of its employees when I had a committee established to look into it, which found unanimously for the employee. And there I used the counselor for consular affairs and a couple of other people who were conscientious and devoted a lot of time to the matter.

Another area was, strange to say, a fellow who came from Miami with his American wife, who wanted to get into the crocodile business, which was a lucrative business down there. They grow crocodiles and sell their skins. This fellow claimed to have the backing of international scientific groups and not merely a crassly commercial approach to crocodiles. He strongly wanted to get into the business in Venezuela, and the local crocodile raisers didn't want him there. In short, he wanted to do business in conjunction with internationally accepted standards for dealing with rare animals, not that the crocodile is terribly rare down there, but you wouldn't take part in wholesale slaughter of crocodiles. This fellow was confused by the consular section and the legal attaché (resident in Bogota) with somebody whose name was totally different. The only thing they had in common was that they both were Cuban-born Americans. The other one was a fugitive from Justice in Dade County, a doctor, who had engaged in malpractice of some sort, not to say medical, but he had engaged in some substantial amount of corruption and was regarded by the FBI as hiding in Caracas and covered up by the Venezuelans. This was, of course, quite possible. Well, the first fellow was having his own problems, he and his wife, but he had a lot of clout. He had Dante Fascell on his side.

Q: *Congressman in charge of appropriations?*

SKOUG: Fascell was in charge of the Latin American Subcommittee of the House Foreign Affairs Committee. And the man also had the support of Jeb Bush. He had the support of enough people in Washington that pretty soon there was counter-pressure: "Why isn't this man being supported?" In the mean time, the Consular Section, in conjunction with the FBI, had connected the two men, had falsely identified the one as the other. Well, I had to undo that because we were at the point of telling the Venezuelans to grab this guy. It was absurd. Finally, I felt I must interview the local source who had associated the two men to clarify the matter. There was a source in the American community they were all relying on. I found that the man was a fool who knew nothing, and here he was being relied on. All he knew was that there were two Cuban-Americans who might be the same individual. I don't know how he came to that conclusion. Then the question was how we would get this man into the Venezuelan crocodile business in the face of vested opposition. The pressure that began to arise from Washington and Florida on behalf of this crocodile man and his wife was about as great as anything I saw in the whole Bush Administration. I dealt with I don’t know how many ministers, and the pressure from the other side was equally intense. They did not want anybody cutting into their lucrative crocodile business. I ended up bringing this to the president and the minister of the environment and the

head of the Central Bank. The upshot was that we finally got them established in business in central Venezuela.

Now the economy, to go back to the economy and the difference is of course the big question wasn't so much oil, because there had been a settlement (although not a very good one) with the expropriated American companies in the interim, in the intervening 10 years, so that wasn't a burning issue... Nor was the price of oil a burning issue except for the Venezuelans because it was so low. Their problem was how to exist, how to get along, what sort of aid they could get from the United States. They had declared a moratorium on their debt payments. It was suggested that they would like to have their interest payments cut, and yet they were still making very loud Third World noises at the outset. Cap was very critical of U.S. policy. The United States had David Mulford as negotiator on behalf of Secretary of the Treasury Brady. Mulford was under secretary of the Treasury for financial operations. I'm not sure of his precise title, but he was Brady's negotiator. I was informed in August of 1989, shortly after I had become officially chargé d'affaires, that Mulford would allow a U.S. ambassador to sit in on his meeting with Carlos Andrés Pérez as a courtesy, the implication being that if there were no ambassador named by the time he got there, he would call on Cap unescorted. Well, it didn't work that way, of course, and Mulford was actually a reasonable man. Cap had been very worried about him, and when Mulford came down the first time he not only had to face Cap but before that he sat down in a room with Pedro Tinoco, who was Cap's head of the Central Bank. He had been head of Banco Latino, the biggest private bank in the country. Cap, to ensure the confidence of investors, had named Tinoco as his central banker. And there was also present Miguel Rodríguez, Minister of Planning, who was one of the “Chicago boys” and one of the real supporters of the economic reform from our point of view. In other words, he was the sort of fellow who would have reformed the Venezuelan economy in the way Mulford would have liked.

Q: *You might explain for the reader what you mean when you say "Chicago boys."*

SKOUG: “Chicago boys” was a term applied to "conservative" thinkers, who were really not so conservative, who had coalesced at the University of Chicago around the seminal ideas of Professor Friedrich Hayek. A number of them were involved in the Chilean economic reform that took place with Pinochet’s consent. They were very successful and got the Chilean economy back rolling after the Allende period. The “Chicago boys” down there had been embarrassed, in a way, by the association with Pinochet. But it wasn't such an embarrassment at that time. They were able to impose a new economic reform program that really worked by employing such measures as breaking up state companies and turning them over to private enterprise, reducing state subsidies, living within your means, reducing business taxes, the whole paraphernalia of measures that were really in a sense more economic liberalism than conservatism. These ideas were also promoted by scholars at the IESA economics institute in Caracas, where they were known as the “IESA Boys.” People with the same views were involved in the U.S. Federal Reserve System, people who took a more monetary view, who thought that by controlling the money supply you could inhibit inflation, the way Greenspan, who is a Chicago boy himself...

Q: *Alan Greenspan.*

SKOUG: Alan Greenspan.

Q: *Head of the Federal Reserve.*

SKOUG: So anyway, Miguel Rodríguez was the most authoritative representative of that school of thought within the Carlos Andrés Pérez Government. He and Tinoco were there, along with Reinaldo Figueredo and others of that rank. I think Mulford was glad to have some embassy support in this meeting, and then he sat down with Cap and they established a relationship pretty much as Bush and Cap had done. Previously, Carlos Andrés Pérez had given left-leaning speeches, populist speeches, Third World speeches complaining about the ruthless capitalists and so forth. Talking with Mulford, Cap and his team got down to brass tacks, and I think the Venezuelan reform, which was being spearheaded by Rodriguez and Tinoco anyway, was very much the sort of change that we would like to have seen. Not everybody felt that way. Some were violently opposed to any such change in the system. Less than a month after Pérez was inaugurated president in January, 1989, one of the first steps of the reform was implemented to raise prices modestly, particularly prices of gasoline and transportation. The price of gasoline in Caracas was the lowest in the world, probably, and population regarded it as a right. They had a lot of oil; therefore, they should be able to purchase gasoline for virtually nothing. But just as a beginning, the government decided to raise the price of gasoline slightly. Most private owners of vehicles did not react negatively to this measure. But the fact that prices that were raised for bus drivers as well, and that the bus drivers had to raise their fare very slightly, caused all hell to break loose in Caracas.

Q: *This is in 1989?*

SKOUG: 1989, February 27th, 1989. On that day I was sitting in my DCM's office and Donna Hrinak, the political counselor, was in there looking out the window, and suddenly she said, "There go Hell's Angels down the street." And I went to the window, and here went column after column of motorcycles totally dominating this main street, riding elbow to elbow and going towards the eastern part of the city. I didn't know what they were doing, but obviously they were sweeping everything out of their way. And nothing more was said or heard for several hours. Finally I heard the voice of our security officer about a half hour before closing time telling people to go home because there were disturbances in the city. One would have thought he should have informed the ambassador and me of that first. Meanwhile, President Perez was not in Caracas. He was in another city. This is possibly one reason why the street fighters decided to do it this way at this time. It was an organized revolt, taking advantage of the price increases to stimulate rebellion, and by sundown there was suddenly no authority left in the city. I had seen the invasion of Czechoslovakia, but I had never seen anarchy like this occur. The people with official cars, with license plates like Congreso del Estado, Districto Federal, were taking those license plates *off* their cars and driving them without any license plates rather than identify themselves to the revolutionaries. Things were out of control.

There was a previously scheduled meeting at the ambassador's residence that night. It was a reception for some visitors, but very few of them got there. Some did. Some buses got through. We did not know how serious things were in the city. My driver got through. My driver got me home that night, although we could see that there was smoke all over Caracas, and no one knew

who was in charge. There were no police anywhere to be seen. Usually there are quite a few police in prominence. Cap, still out of town, was saying nothing, and there was no statement whatsoever from the government. I went home that night and was unusually glad my German shepherd was there beside Martha and me. In the morning my wife still went to something they were having at the East German Embassy, but it was clear that there was still nobody in charge. There were no police anywhere. One could eventually see police on television. Television showed riots going on, looting, mass looting, looting everywhere, and television cameras photographing all of this stuff. People were on the streets in crowds. They were having this wonderful splurge, like school was out. They were looting the biggest stores in the city, and the police then would come like the Keystone Kops. They'd fire shots in the air, "bang-bang," and then people would stop looting for a minute, and then the police would be gone and they would resume their lives, resume the looting. This went on most of the second day, February 28th. Finally, Carlos Andrés Pérez, having returned to Caracas, came on the air at four o'clock and said that this couldn't continue, that there would have to be a curfew. He didn't say when or what kind. Then the minister of defense, General Italo del Valle Aliegro, (not Filmo López - this was before Filmo López's time) stated in a very calm but authoritative manner that the articles of the Constitution of Venezuela which permitted free assembly and so forth, page such-and-such, that article was suspended. The constitution was suspended. There will be a curfew. The curfew is going to be... *bang.* And there was a curfew that night. And the next day the military moved in. It was very interesting because Caracas has a little airport called La Carlota, which sits in the middle of the city, and the big airport is Maquetia, down at the coast. People asked, "Why do you have this little airport in the middle of this busy city with big buildings all around, planes whizzing in there?" And really, most people felt there was a trend to eliminate La Carlota as an airport in the middle of a busy city. Not after February 27-28. The military used La Carlota to move in. It would have been far more difficult to reestablish order without it. The national guard could not have regained order. It took the military. And the military did a certain amount of killing, and probably things did get out of hand. But by a couple of days they had order restored, and the military was tremendously popular as a consequence. General Aliegro for a time even considered making an independent run for the presidency.

Q: *Were there any manifestations against the American Embassy or not?*

SKOUG: Yes, we had an extra national guard detail out there. The mob came to our little ware house and gave the warehouseman a half an hour to get out of there so they could loot it, but he wouldn't leave. He stood his ground, and they didn't loot it, which shows, in part, that they were not willing to use that much force. They really wanted to loot. The embassy was threatened, but there was no hostile action around it. But that was an issue, and after that there were general strikes to protest the austerity plan, so Miguel Rodríguez and Pedro Tinoco had their austerity plan all right, and the president was going along with it, but there were a lot of people who felt betrayed. Strangely, many of those ransacking the city probably had voted for Perez three months earlier when he ran as a populist.

This is interesting in the light of what happened later. It was shortly thereafter that the first *putschist* movers came along, and this man Chávez, who is now president of Venezuela, of course, was associated with the *putschists* - the *golpe*, *golpe de estado*, as they call them, or *coup d'état*. You'd had elections in 1988 with a very high turnout. The two parties won almost all the

votes. Carlos Andrés won a solid majority, and yet the question was how deep was that support in the *barrios*? Carlos Andrés Pérez still had the cachet of a free spender, let's say a New Dealer, but his program was now more austere. So he was forced to put through a reform program that he would never have chosen himself if he could have, but he was doing it. The stress and discontent was growing. You really had two countries down there, too - the wealthy, of whom there were many. Venezuela for a number of years had been the wealthiest country in Latin America, with the possible exception of Argentina, and yet there were millions of citizens who had very little benefit from that, and there were a lot of foreigners living there who were attracted by the easy working conditions and the fact that the Venezuelans didn't want to do the hard work. So Colombians and Grenadians and Trinidadians and others came in and lived as a subclass, illegally or legally, in Venezuela living on the mountains or the hillsides. When the hillsides collapsed, they were the ones who would go. You know what I mean about the hillsides, the mudslides. They would build houses right out to the end of the mountain, and then when there would be a mudslide, those houses would go and the people would be killed. So it was a tremendous social problem.

The Latin American system really never has solved that problem anywhere. They have these tremendous differences. Of course, there are differences between rich and poor everywhere in the world, but they were exacerbated in Latin America, particularly in a country like Venezuela, where some people lived so very well. And yet they all considered themselves democrats, socialists, revolutionaries, and so forth. I had made a speech in Aruba in 1982 about "North-South relations," and I had argued in the speech that every country had a north-south, that the wealthy people were the "north" and the large majority were "the south." Venezuela had such a divide. Well, this was said in Aruba, not Venezuela, but it was true then, and it was just as true later of Venezuela, too. The support for Pérez's reform program probably was not very profound even though Pérez had been popularly elected. And yet in the elections of 1989, which were congressional elections and local elections, the same two parties were even stronger. Now one of the third parties, called MAS - Movimiento al Socialismo, "Movement towards Socialism" - was a democratic party composed of people who had been involved in the Castro revolution but who had given up the revolution and decided to work within the system. Even MAS was becoming more conservative, accepting a lot of the reform programs. Insofar as elections, you couldn't see any trend away from the two-party system or away from democracy. You couldn't see any reason to support a coup d'état. The officers harboring such thoughts in a country that had been democratic for over 30 years seemed like military madmen trying to take advantage of the situation of the country. There were also some civilian radicals who were very willing to risk their lives, were willing to engage in disturbances. It was actually obviously more serious than it appeared and became more so. But the first coup d'état against Pérez happened after I left the country, so there isn't really much I can say about them from personal experience.

Q: *In the embassy, you and your fellow officers, how well could you reach out into the Venezuelan society, I mean to get down to, say, the poorer elements and all? So often in embassies, particularly in Latin America, one gets sort of caught up by the wealthier class.*

SKOUG: Well, there were opportunities, such as giving support to local charities. I participated in that, went to the homes of these people. I met with them. But that isn't exactly having a large relationship. There are millions of them, after all, and you can only deal with a few. Really, the

chief contacts in the embassy were with the government and with the press, with the movers and shakers, and of course they were the wealthier classes. There were relationships with the trade unions, and it was an Acción Democrática government, a social democratic government, and so the prevailing view was that it was a popular government. I'd say we had reasonably good contacts with the Venezuelan middle class. We had some people in the Political Section who thought that things were worse than they seemed, and in retrospect they probably were right, but our policy was to encourage the reform, the Brady bonds and so forth, that reflected the need to get hold of an economy that had been managed by spendthrifts in the past. That was their problem. Earlier, they were buying everything that they could lay their hands on. Now it was recognized that they should take inefficient national enterprises and privatize them, but that went very, very slowly. Had more progress been made and quickly, the future might have been brighter. But again it would have been very difficult, because those people were used to not working very hard. The idea of bringing in the capitalists again was not too popular.

Q: *How about on the oil? We're still talking about the economy. Was Venezuela's role in OPEC an issue during the time you were there, or not?*

SKOUG: Yes, Venezuela was divided on oil policy between the philosophy of Celestino Armas, the minister of energy and mines, who was very close to Cap's original position. He was a nationalist and socialist who favored high oil prices in conjunction with the OPEC cartel. Subordinate formally to Armas but still a powerful influence was Petróleos de Venezuela, which I mentioned earlier as having been a state-owned company but managed by people who had all come out of private enterprise. And this organization was strengthened, of course, by the general philosophy of the reform: that is, getting away from state subsidies and so forth. Pedevesa wanted to be an active, free-wheeling company. They had, in effect, wanted to be the sort of thing that the Communists talked about in a “socialist” economy. Here you would have a company which was state-owned but which would behave like a capitalist company. And they tried to do that. So there was a lot of friction between the ideologue Celestino Armas and his pro-OPEC policies and free-wheeling Pedevesa, which wanted to make the best of Venezuela and wasn't particularly concerned about the OPEC relationship. The rivalry was not too different from the situation in the Herrera Campins administration when the “nationalist” role was played by Minister Calderon Berti. The difference was that the PDVSA board of directors actually feared Armas and suspected him of spying on them. My best source on the Pedevesa board was almost paranoid about this. On the other hand, Armas was hard to approach - kept me at a distance as long as he could.

But PDVSA could not be cowed. For example, the idea was bruited about of Venezuelan sales of oil to the American strategic reserves. This was first looked upon negatively by Carlos Andrés Pérez. How could he possibly do that? That would be, in effect, betraying the commitment to OPEC where they only produce so much oil, and the American strategic oil reserve was seen as an anti-OPEC weapon anyway. But that wasn't the way Pedevesa felt. They were very anxious to go ahead and do it. And one of the leaders told me, "Why do we even have to bother to tell OPEC about this?" OPEC had asked, but you don't have to tell them. I think eventually that position prevailed. We were able to get the Venezuelans to sell to our strategic reserve.

Although the directors of Pedevesa were very concerned about Celestino Armas and his friends,

looking over their shoulder, they were very powerful people, the directors of the board. I remember, at the time Senator Dole came to visit Venezuela in December of 1988, one of the things on his program was a visit to Pedevesa, as we frequently did for visitors. He wasn't particularly enthusiastic about going to a state-owned company. I said, "Well, you haven't seen this state-owned company." And Dole came away impressed.

But there was constantly friction with Cap - Cap, of course, being a big OPEC man at heart. Cap must have been tugged at very strongly in two ways throughout his entire administration because all of his heart lay with the Third World and with socialism and with free spending. Carlos Andrés was an interesting personality in that he had been very clearly involved in the corruption of his first administration, perhaps more so than previous Venezuelan presidents. One can guess that President Rómulo Betancourt was not corrupt and that President Caldera was not corrupt and that Leóni was not. The corruption came later as Venezuela acquired more wealth, and certainly in the second Cap administration that element again existed. But there's a question as to whether you can condemn a Latin American government for what had gone on for so many centuries in that region. Governments had always lived off the population. So here's a reformer speaking on behalf of the people - and I've heard him make public speeches where he talked about the poverty of various individuals as being their most ennobling characteristic - how poor they were and so they were wonderful. He wasn't poor at all. He was very well-to-do. It was that contradiction, of course, that angered the *golpistas*, the *coup d'état* officers. Caldera, another former president of Venezuela, at least the head of the COPEI party when COPEI and Acción Democrática...

Q: *COPEI being?*

SKOUG: The Catholic party. I've forgotten exactly what... Oh, yes, Caldera hated Perez and was not ill-disposed toward the Golpistas. COPEI was the acronym. It was the Catholic or Christian party. They and Acción Democrática had formed the democratic government at the time of the overthrow of the Pérez Jiménez dictatorship in January of 1978, and it continued on so that a representative of Acción Democrática won the first two elections, then COPEI won one, with a very small vote margin, and then Carlos Andrés Pérez won the fourth one, then COPEI won again with a very small vote, and then there were two more elections won by Acción Democrática (Lusinchi and Perez). And it wasn't until Caldera's election, after Carlos Andrés Pérez left office, that the two party system broke down. Caldera won not as a COPEI candidate (he had lost the COPEI nomination), but he won as an independent who appealed as a chauvanist both to the left and to the far right. Caldera stated that the failure of a coup d'état against Pérez would not strengthen him. He hated Pérez. He would do almost anything he could to bring him down. He was the counterpoise to Pérez. He was a rightist but nonetheless a nationalist, a socialist, in contrast to AD and COPEI, between which there was really very little difference. They stood for very much the same things, except Acción Democrática was more oriented in international relations toward the West, whereas COPEI was less so. Now, of course, both of them are on the sidelines.

Well, we perhaps should say something about Panama this time, which was one of the main areas of concern. Remember that Pérez thought that he had an agreement - and perhaps he did - from the original meeting with Bush that he would play a helpful role in Panama and in

Nicaragua, in Central America, in return for which we would be especially sympathetic to his economic problems. And we were sympathetic, in fact, and Bush was open to Cap, and they did occasionally talk on the telephone, and Cap was always open with me. Well, in Panama - you may remember that there were OAS-sponsored elections. They were won by a man named Endara in 1989, but Noriega did not let Endara take office. He beat him up and beat up his supporters, and Noriega maintained control. This was very embarrassing to Carlos Andrés Pérez, who was also embarrassed because the Latin group he hoped would take over and do something obviously wasn't going to do it. They had no intention, really, of doing anything except throwing up their hands in horror but not confronting Noriega. Now, Pérez understood this. We used to talk about it, and during the visit by Senator Dole and his delegation, we chatted at length over dinner in Miraflores, in the Venezuelan "white house," about Nicaragua. Then there was a discussion about Panama, and I said to President Perez that I thought perhaps some violence was necessary to force Noriega to submit to the popular will, and he said, "Yes, but the Panamanian people are afraid." That wasn't necessarily the sort of "violence" I had in mind. Maybe that's the violence he had in mind. By the way, Assistant Secretary of State for Latin American Affairs Bernie Aronson had asked me in August if I had any recommendations about Panama, and I said that I thought force would have to be used. He said he thought so, too. He said he thought so, too, but he wasn't sure that George Bush would go along. That was back in June, I think. Twelve months later finally the Administration felt it had to use force on Noriega. That was, of course, a big divisive issue. I called Cap at five in the morning, as soon as I found out that our troops were in there. I called him and he said, well, he'd spoken to Bush. I guess Bush had already called him. And he said, of course, he condemned it, and I said I was sorry because we had already talked about force being needed. But there had been a coup d'état of sorts in Panama shortly before, in which some Panamanian officers tried to control Noriega for a couple of hours, and Cap and the Venezuelans though that there had been an opportunity for these people to turn Noriega over as a prisoner to our forces and that we had refused. The Venezuelans often were misinformed by their sources, one of whom was a left-wing Panamanian in exile close to Perez and ill-disposed toward the United States. And I said I was sure that that had not happened, but that since we had not backed that or even known about that coup, we were not in a position to act. Well, he was very hurt and thought that was terrible, and then here we were just a short time later moving in ourselves. This could have been a situation where Cap could have been very critical, and I think there that my relationship with him was probably about as helpful as it ever was in anything that I did during my time down there because he was very measured in his reaction in public. I remember that he called in all of the diplomats. All of us were called in for the New Year's message or something, around January 1st, 1990, and everyone expected that I was going to get spanked, that the United States was going to get spanked for the terrible invasion. He really didn't say anything. He was so careful about what he said. And I thought that, one, he didn't want to insult me; secondly, he didn't want to insult the United States. He knew darn well what the problem was in Panama. He knew what the problem was in Latin America, that they could stand around and complain but that they would be unable to take any effective action. So then the question would be, Cap finally said, well, he would recognized the Endara government if U.S. troops got out and if there were free elections. Well, that's asking a lot, after we intervened, moved in and pulled Noriega out of the country, to then offer free elections. It was conceivable, but on the other hand there might have been a lot of killing. Free elections had been held just a few months earlier and Endara had won it fair and square and had got beaten up as a consequence. Now it was in our power to say, "Here's your government, the

one that just won the free election." Well, eventually that's what the Venezuelans did. They did go along with that. They were a big supporter of Endara, but it could have gone the other way. It could have been that they could have taken comfort with all the other colleagues like the Mexicans.

Q: *This is one of the problems, wasn't it, that throughout Latin America you could always kick the United States, but at the same time there was the feeling that, you know, they're going to take care of things if things get out of hand, i.e. in Grenada or in Panama or what have you.*

SKOUG: Yes, I think there is that feeling, and I think that feeling is or they can't admit publicly. They do admit it inferentially by their behavior, but very seldom will they say, "We knew you had to do that," although they really know we had to do it. Anyway, the intervention in Panama did not harm the Bush-Pérez relationship, which went on as before.

Q: *Well, it was helpful that Bush had called.*

SKOUG: It was very helpful.

Q: *In other words, he wasn't -*

SKOUG: Oh, he very much wanted Pérez's support. And of course, Pérez was not willing to give his support, but he did not give his opposition, which was much more –

Q: *So it was a recognition that Venezuela was important, and not just -*

SKOUG: It was. It was not what Figueredo wanted, the foreign minister. He would have liked to have a different policy. He would have liked to have seen us condemned for our action in Panama.

Q: *How was your relation with Figueredo?*

SKOUG: Not good. In the first place, Figueredo, as I say, thought the real power lay with the CIA. He knew who belonged to the exclusive country club in Caracas. It wasn't I. Figueredo was just the sort of person whose views and mine clashed on virtually every issue. Fortunately, I had Beatriz Rangel who became an ever better source close to the President. Eventually, there was somebody in the Foreign Ministry who became more supportive. Essentially it was Cap and Beatriz Rangel at the beginning who were my best friends. Figueredo was a terribly arrogant man. As I say, he's totally bilingual, but he's not at all well disposed towards the United States.

I arrived in Venezuela in October of 1988. The elections were held in November, the U.S. elections. By early February of 1989 there was an article in the Washington *Post* that Eric Javits was coming to Venezuela as ambassador. This was five months before Otto Reich actually left. Javits had been the campaign finance manager in New York for the Republican Party in the 1988 election. He was also the head of a prominent law firm there. He was a nephew of the late senator. I had known Javits at Columbia, just barely. He was one year ahead of me at Columbia College. He became a lawyer, and that was his entire profession, all his life.

One of the things that Javits concerned himself with in the spring of 1989 was who was going to be his DCM, so he summoned me to Washington to have dinner with him and his wife and then to have breakfast with him, at which time he told me that I could be the DCM in Venezuela as long as he felt comfortable. It was not exactly a commitment. And in July, just before Otto Reich left, Javits called me on the telephone and told me he had decided that I could stay in Caracas until the following summer when he was then going to bring in his own man as DCM. His appointment was not coming along as fast as he thought, but those were his plans. He sent down his wife incognito - she didn't come to the embassy - to look at the property as soon as Reich was gone. He sent down some people to plan redecorations of it. He began dealing directly with the administrative general services section. The residence was completely tied up as chairs were moved and areas blocked off. There were going to be all sorts of changes in the residence. It remained unusable for over one year as a consequence. In the meantime he was studying Spanish at FSI. But as time moved along, despite all the attention of Javits - and the big families in Venezuela thought he was coming, particularly Gustavo Cisneros, who was probably the most influential of a very, very wealthy Venezuelan family, talking about his knowing Javits and so forth. Javits did not come, but it still looked like he was about to come. That was the position I was in. I couldn't even use the residence. I had to use my own residence, and I had to use my own residence all the time I was chargé.

Javits himself in his conversation never indicated that there was a problem of that nature, just that there was a delay, there would be further delays. Anyway, it was undermining my authority for it to be known that this man was coming and was already making a lot of changes in the residence. So although he never came as ambassador, he cast a big shadow nonetheless for almost a year.

And no sooner had he given up the fight but Michael Skol, who was a... you know of him. He was a Foreign Service officer, deputy to Aronson. Skol let it be known that he would be coming and he would be ambassador in Caracas. So there always was in the public eye a name of somebody who was coming.

Q: *Which always puts off everything. You're waiting.*

SKOUG: That's right. Then there was one other thing. I was called in July 1989 by Larry Williamson, who had succeeded Bill Swing in Personnel. Swing had told me before I left that I would probably be chargé in Caracas for a long time. Now Williamson's message wasn't like that. Williamson said, "By the way, you didn't get a second LCE, so you'll be leaving no later than September of 1990, so you can leave any time you want." I had just become chargé d'affaires and was going to be chief of mission and the President's representative for the next 15 months. The attitude in Personnel was: "You can leave any time you want, but you'll definitely have to leave by September of 1990." I thanked him for his courtesy. Later I was told by Michael Kozak that they didn't give any second LCEs that year.

Q: *Now this was basically time in class.*

SKOUG: Yes, in the senior Foreign Service, if there was time in class against you, so you

couldn't make the next rank - and that had happened to me in 1987, I think... I got an LCE, so the LCE ran from 1987 to 1990, and the people who were most involved in that, such as Gene Scassa, who was executive director of the ARA Bureau, had indicated that there was no problem, I would certainly get another one - but I didn't. So I knew in July 1989 already that, one, Javits was coming and wanted to bring along his own DCM and, secondly, that I was not going to be in the Service for much longer anyway. Trying to manage an embassy with all these conflicts and everything that was going on, maintain the support of the staff, including the local staff, maintaining my relationship with the diplomatic community and maintaining the relationship with the Venezuelan Government - that was tough. And the thing that was... The ace I had in my pocket all the time was my relationship with the president because everybody knew it. I had a good relationship with President Perez, and soon all the ambassadors there, who used to ask me, "When is your new chief coming" stopped asking.

Q: *How did this play out? When did you leave?*

SKOUG: Actually, I left in September, 1990.

Q: *Without an LCE?*

SKOUG: Yes.

Q: *By the time you left, relations were going along all right that way.*

SKOUG: Oh, yes. The relationships with the government and with Carlos Andrés were excellent till the very end. Now in the case of Nicaragua, that was also an issue that I discussed with Cap many times and which he discussed on the phone with Bernie Aronson and he discussed, of course, with President Bush. His view essentially was that the Sandinistas would stay in power. He thought they were going to win a free election there. He admitted the situation in El Salvador was complicated by, one, Comandante Castro, he said, his involvement there, and also by the fact that Nicaraguans were unhelpfully involved in El Salvador. But the main question was - and I really haven't begun to discuss any of the events that happened in the first part of 1990. Do you want to have another session about that?

Q: *Sure.*

SKOUG: We perhaps should see that because it involved the Quayle visit, the Quayle discussion with Cap and Felipe González, the premier of Spain. I think that perhaps Nicaragua fits best into that context, because Nicaragua became much more important. After what had happened to Noriega in Panama, of course, made things more difficult for the Sandinistas. It made it more difficult for the Sandinistas to believe that they could lose an election and seize power after what had happened to Noriega. Moreover, they could see in early 1990 that the Soviet Union had abandoned the communist regimes in Eastern Europe.

Q: *Well, then, maybe we should stop at this point. We have covered things up to and, in a way, including how you left Venezuela, but we haven't covered the relations with Nicaragua and the Quayle visit, the vice presidential visit, and there was another one of somebody from Spain?*

SKOUG: Felipe González, the premier of Spain, was there at the same time, and Carlos Andrés and Felipe tried to get Quayle... And by the way, Quayle was also accompanied by Teddy Kennedy, and they hoped Kennedy would intervene on their side. What they wanted was for the *Contras* to disarm without disarming the Sandinistas, and Quayle was arguing that one would facilitate the other and that they should proceed apace. Quayle argued his case vigorously in responding to what was obviously a setup by the other side. And Kennedy, to my surprise, stepped in and supported Quayle when his opinion was requested.

Q: *Well, we'll pick that up. One other question I'd like to ask in this next time - well, two, sort of - did you get out to the hinterland much? You know, you look at Venezuela, and it's a big, big country, and yet one only hears about Caracas and the coast where the oil is. So we'll talk a little about that and also about Guyana. There's always a border dispute.*

SKOUG: Yes, there's a substantial part of Guyana being claimed by Venezuela.

Q: *Yes.*

SKOUG: Well, it would be good to talk about that, too, although under the Carlos Andrés Pérez administration Guyana was not threatened. It had been threatened in the time of Herrera Campins.

Q: *Okay, great.*

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Q: This is the 5th of January, 2001. Ken, Venezuela. Do you sort of want to start wherever you want to start?

SKOUG: Yes, I think we could pick up at the beginning of the year 1990. It was just at the end of 1989 that President Bush sent U.S. forces into Panama to capture General Noriega and to, in effect, liberate Panama to be governed by the Endara government, which had been duly elected but had been unable to take office. This action by the United States caused a great deal of discomfort in Latin America, including in Venezuela, and I think that this was one case where diplomacy was helpful to our interests. President Pérez was of two minds. He strongly opposed the U.S. unilateral intervention. At the same time he was terribly embarrassed that the Latin American collective leadership had failed to do anything to promote a peaceful and democratic solution in Panama. So he was of two minds, and pulling strongly on one side was his foreign minister, Reinaldo Figueredo, who was always disposed to take the anti-American position. At the various ceremonies that went on at the end of the year in Venezuela, I did my best to push Cap on the good side, emphasizing, as he knew, that Latin America hadn't acted, and therefore the United States had been obliged to act. He had said to me at a dinner for Senator Dole that unfortunately... I had said that only violence was going to finally solve the situation in Panama and deal with the attitude of Noriega, and he had said, yes, but unfortunately the Panamanian people weren't prepared to do that. And now he had a situation where violence was used, and the result was favorable in the sense of getting Noriega out, which he welcomed, but he didn't like the precedent.

Because of that, because of the obvious ambivalence in the mind of the president, Figueredo called me in early in the new year - on January 2nd, as a matter of fact - and he told me there weren't two Venezuelan positions on Panama; there was just one position, and that was the one that condemned the United States. That's Figueredo speaking, the foreign minister. However, it wasn't quite true, and since I had good relations with the president, finally he received me in a very friendly manner on January 25th of 1990, and agreed that it would suffice to call for constitutional elections in two, three, four years. He originally had said that Venezuela would recognize the Endara government only when U.S. troops were out and only if there were new elections. And, well, he knew there weren't going to be any new elections, and the point was to recognize the Endara government before U.S. troops got out, to give him some support. Anyway, that's the position that only Venezuela took. Venezuela was one of the eight leading Latin American powers who were concerning themselves with Panama, and they finally moved in the direction of recognizing Endara, when Cap backs away from his earlier stand and says there could be elections in two, three, or four years. That was fine.

Q: *Is there a pattern? There certainly was a pattern in Mexico and some other countries where the foreign minister and maybe the foreign ministry was usually sort of handed over to the anti-Americans. I mean not completely, but this was where they made their mark to show they were opposed to it and then sort of the president. I mean there are all sorts of certainly good solid relations elsewhere, but this is sort of "their sandbox," where the anti-Americans can play around, where it doesn't make a hell of a lot of difference. Is there any truth to that?*

SKOUG: I think, yes, there's a lot of truth, and I think you're absolutely right, with one *caveat*, that the chancellors or foreign ministers are frequently, were frequently anyway, from the left, and they were given this area, but it wasn't so anodyne as you might think, because they would get together, as for example they did in Geneva on human rights on Cuba, and whatever the attitude of their own government at home, since this was left to them to decide collectively, they decided to support Cuba. And this was essentially happening on Panama, and it was happening on Nicaragua as well. If you left it to the chancellors, sure, you were going to have good bilateral relations, let's say, with Mexico, but the Mexicans would play a devilish role in foreign affairs. And with Reinaldo Figueredo foreign minister of Venezuela that would have happened under Cap. One thing, the Administration had indicated that Vice President Quayle would like to make a trip down to Venezuela. He had been there representing the United States at the inauguration of Carlos Andrés Pérez in January of 1989, and he was willing to come again in 1990. Figueredo quickly informed me that a Quayle visit was not wanted. It was one thing for him to tell me, but he also made it public, that a Quayle visit was not wanted in Venezuela, Quayle should stay away. Eventually, President Pérez told me that he had reprimanded Figueredo for this statement. This was something that was rather sensitive information, when the president tells the American representative that he's reprimanded his foreign minister for making this sort of a statement. That's the sort of relationship I had with the president. Figueredo tried very hard to have established a doctrine that approaches to the president could only be through him. If that had happened, our bilateral relationship might really have deteriorated, and I have to thank Beatriz Rangel, who was Cap's assistant, without Figueredo's rank but with great influence - a lovely lady, and Latin American states like attractive women. She was very involved in Central America. Everyone liked her, including Daniel Ortega and all the others.

Well, anyway, Beatriz, I think, saw to it that the door to the president's office would be open, certainly to me, without going through the Foreign Ministry.

Q: *What was her position?*

SKOUG: She was assistant to the minister of the presidency. They have a minister - Figueredo had had that position before, before he moved to be foreign minister. She was formally the assistant to the minister, the number two, but her relationship with President Pérez was direct, and she frequently sat in on meetings. A very, very bright woman who later went to work for Henry Kissinger. The Rangel family in general is a very well-known family, and some of them very far to the left, but she wasn't. She was a moderate.

So in the case of Panama it eventually worked out pretty well. Nicaragua is harder because here President Pérez was involved from his first administration where he supported the Sandinistas. He helped them to come to power. He enjoyed very good relations with the Sandinistas. He also enjoyed pretty good relations with the Salvadoran revolutionaries, particularly Shafik Handel, who were conducting talks with the Cristiani government in El Salvador, and I think those talks sometimes took place in Venezuela. Anyway, Cap was very much involved as a mediator. I think he had foreseen this in that original meeting he had with Bush before they took office, in late 1988, where they had struck some sort of a bargain. It was always sort of a cloudy bargain, but the way Pérez understood it was we would be helpful to Venezuela with its economic problems, and they would mediate or be helpful in Central America without taking our position. Anyway, Quayle did come and had a meeting in the Guzmanía, which is a stately old building right on the Caribbean shore near Caraballeda. In other words, since Quayle had only a few hours to spend in Venezuela, Pérez not only wanted to meet him, but he had Felipe González, the Spanish premier, in tow. And so Carlos Andrés Pérez and Felipe González were waiting for Quayle at the Guzmanía. With Quayle came Ted Kennedy. It would be a very surprising situation. Again, Figueredo got involved, and for once I could sympathize with the guy. I'm sure you've dealt with some Presidential advance teams and Vice Presidential advance teams overseas.

Q: *Oh, yes.*

SKOUG: Well, anyway, Quayle was steamed up by Figueredo's remarks, of which he had, of course, been well informed - they were published remarks: "Quayle, don't come." So Quayle let it be known to his advance man that they didn't want Figueredo riding in the car with Quayle from the airport to the Guzmanía. Figueredo then said he wouldn't even show up if that was the case. Well, you know, who cares? But I could understand Figueredo's point, because he was the foreign minister, he was offering to eat humble pie by going to meet Quayle, and Quayle, through his advance men, these puppy dogs, wouldn't do it.

Well, everything that could go wrong went wrong with that session with people available. Eventually, Ted Kennedy got in the car with me and rode over. It was difficult to know who was riding with whom and where it was going. When we got there, there was a little room. Quayle was really not expecting that Felipe González was going to be there.

Q: *This raised the ante.*

SKOUG: It raised the ante. He had two guys - two senior, tough guys to deal with. My problem was that the same Secret Service guys who had roughed up Figueredo didn't want me in the room. Here I am, supposedly the President's representative in Venezuela, and they're trying to get me out of the room. Well, I didn't leave, but it was degrading and insulting to have somebody saying, you know, you really should not be here for this sensitive meeting. Aronson was there, but I was the notetaker. I arrogated to myself the responsibility of taking notes; otherwise, there wouldn't have been any notes, at least that we would have ever seen, of the discussion. And the discussion essentially focused on the disarming of the *Contras*, which was a point Felipe González and Pérez wanted to make. The *Contras* must be disarmed first; otherwise, nothing is going to happen in Nicaragua. And Quayle said, "Well, then the Sandinistas should also disarm." "Oh, well, but the Sandinistas are the government of the country." Well, anyway, it went back and forth, and I must say that when Pérez and González tried to isolate Quayle by calling Kennedy to their aid, Kennedy backed up Quayle, which I thought was-

Q: *Quayle was, of course, Vice President of the Republican George Bush, Senior, and Kennedy was a very much a senior Democrat from Massachusetts.*

SKOUG: Yes, and very liberal.

Q: *And very liberal.*

SKOUG: But Kennedy went abroad to support the policy of the United States, for which I give him full credit.

However, even accepting the fact that Pérez wanted the *Contras* disarmed, he was very helpful to us. On another important Nicaraguan issue, I was instructed to call on the minister for the presidency. Jesús Carmona, to ask that Pérez and the Venezuelan Government undertake the security for Mrs. Chamorro, who was running against Ortega in what was obviously going to be a fairly close election. No one knew who was going to win. Perez he agreed to do it. President Pérez took on the responsibility. We couldn't. Apparently Congress, which was active against the Contras, wasn't willing to provide security for Mrs. Chamorro either, although she was certainly not a Contra. Somehow, the United States couldn't provide a bodyguard for a foreign person who was not an elected official. She was just running for the presidency. Pérez did it, and that was important, because when Pérez later, after my time, was indicted for alleged misuse of his office, that was one of the items which was charged against him by the succeeding Caldera government, that he had used Venezuelan funds to protect Mrs. Chamorro in an election in Nicaragua. Well, I mean, if Mrs. Chamorro had been done in by the *Contras* or by the Sandinistas, they would have blamed the other one, and the net effect would have been that the Sandinistas would probably have solidified their power in Nicaragua. So it was a very important good deed which Carlos Andrés did for us in accepting that responsibility - for which he paid a price, although he would have paid the price anyway.

Q: *The press tended to beat up on Vice President Quayle. They kidded him. They treated him as sort of a dumb cluck.*

SKOUG: Right.

Q: *And at least on one Latin American visit, I remember they were doing this. Did you have any problems sort of press-wise with this? Once you give something a bad name, you know, it sort of hangs on.*

SKOUG: Yes, and he really was an innocent victim, I think. He was an intelligent guy. His wife was extraordinarily intelligent. She had come down, and we had suggested some program of sightseeing. She was interested in her subject, which was disaster relief. That's what she wanted to talk about, and that's what she did talk about. No sightseeing for her. No, they were a couple who were quite serious, and I think he got a very bad rep. I had dealt with Quayle twice before. Once when I was director of Cuban affairs and I went to see Quayle about the situation in Indianapolis before the Pan American Games and the possible invitation to Fidel Castro to come to Indianapolis. Quayle struck me as intelligent and sensible, although not as knowledgeable of foreign affairs as Dick Luger. Dick Luger was really first class.

Q: *Senator from Indiana.*

SKOUG: The other senator from Indiana, the senior senator. Luger was thorough and knowledgeable about foreign affairs. Quayle was reasonably knowledgeable. But Quayle did nothing in his first trip to Venezuela in 1989 or in his second trip to encourage the idea that he was a lightweight or a feather-brain. He carried out his mission as well as he could. When Figueredo was opposing Quayle's visit, he wasn't opposing him because of Quayle personally; he just didn't want a representative of the Bush Administration, a high official, coming down to visit.

Well, now, things didn't always run so smoothly. The Venezuelan military still harbored strong nationalistic feelings.

I mentioned Filmo López, the minister of defense who wanted more things from the United States in the narcotics area. He wanted the United States to give more general assistance. More money, in other words, which the Venezuelans would use for what they wanted. There was a military operation north of Colombia which was aimed essentially at drug-running, and the Venezuelans were asked to participate. They didn't participate, but they were informed. In fact, I was present when a U.S. team led by somebody from State and the Narcotics people came down to explain it, and Cap listened to the explanation and offered his support, although not Venezuelan participation. Later, Figueredo, the foreign minister, stated publicly that the Venezuelan Government had not been informed about this. Well, maybe he hadn't been informed, but I called him on the phone, and I said that since he'd made this statement publicly and the press was asking me about it, I was going to tell the press that indeed the president had been informed. Figueredo said, "Well, you have to say what you have to say." And I did say it, of course, and that didn't help Mr. Figueredo either, I suppose. But that didn't affect the attitude of Filmo López, and the navy people. They continued to oppose the operation and announced Venezuela wouldn't participate.

Subsequently, in the summer, there was another incident where a Venezuelan naval vessel, a frigate, illuminated a U.S. Coast Guard vessel, illuminated in the terms of radar. I mean, radar before you can fire, and our Naval attaché referred to it as an act of war. The Navy took it very seriously. There was some question as to the facts, as to what actually happened, but a protest by the United States was eventually delivered to the Venezuelans. What it showed was that the attitude of even the government assumed to be very friendly, like Venezuela, could be very, very nationalistic.

Q: *On the gun-running business and back and forth, was there any suspicion that there were people high up in the Venezuelan Government who were involved?*

SKOUG: There may have been suspicion in some quarters. I hardly believe it. It could have happened with gun-running, but in drug-running...

Q: *You mentioned trying to squelch the gun-running operation in Colombia.*

SKOUG: Well, it was drug-running that I meant. There was a plan discussed in my presence by the chief of station and the head of our DEA operation in Venezuela, which they described as an "FBI operation," and which they described as conditional, something that could be happening in the future, which would involve a controlled shipment of drugs through Venezuela from Colombia into the United States in order to apprehend villains. It turned out - and I think I mentioned earlier that this wasn't really what was happening because, according to the "60 Minutes" program, the chief of the CIA station there was later reprimanded for his participation in a so-called controlled scheme, which was apparently going on even as they talked about it in futuristic terms. It also was being argued about between the agency and the drug enforcement agency. If so, neither one was candid in telling me. They were supposed to tell me any time there were any disputes between agencies represented as to policy. I was totally uninformed about this dispute. It turned out, apparently, if the television report was accurate, that it wasn't controlled and that Venezuelan national guard officers were involved. So there was apparently involvement by senior Venezuelan officials in drug-running. It's just too lucrative, just too tempting, I guess. Now, I don't think that the president had any idea of that. He was always supportive of action against drug-running. A money laundering agreement was under discussion when I was there. The head of the central bank, Tinoco, was very much in favor of a money laundering agreement, which would have been very helpful in affecting any flow of cash through Venezuela, but I'm not aware of any senior government officials who were involved. There wasn't any General Ochoa, who was as you know executed by Castro for allegedly having participated in this trade.

Well, the crocodile business went on. I mentioned that one of the most time-consuming operations I had was supporting a Cuban-American who was trying to get into the crocodile tanning business in Venezuela against a very strong cartel. It amazed me that he was able to do this. He had a native American wife who was probably the brains behind his operation. Enough pressure was put, particularly through Michael Skol, who was deputy assistant secretary for Latin America in Washington and who came to support this venture quite strongly. Four congressmen were supporting him. Even Jeb Bush, who was not yet governor (he was a prominent Republican politician, son of the President), was supporting this enterprise, so eventually I think I talked to everyone in the Venezuelan Government from President Pérez on

down, and especially with Minister of the Environment Colmenares. Colmenares told me one day, with the honesty that they sometimes had with me, that he was being whipsawed between the Cuban-American's operation and the Cartel in Venezuela, which didn't want to give any ground. But eventually it did, and there was a ceremony in San Fernando de Apure, down in the Llanos region of Venezuela, opening up a crocodile tanning factory that would be owned by the Americans. So here was a case where heavy pressure being put on the Venezuelans finally giving way.

On the oil side, one should remember that after the Iraqis went into Kuwait there was a bit of an oil crisis again because this removed Kuwait's two million barrels a day production from the world's supply, and since Iraq was being punished, Iraq's oil production, which was probably the same or slightly higher, was also removed. This was a substantial reduction in the supply, and therefore price started up. There was a battle again within the Venezuelan Government, and again it was a case where we tried to use creative diplomacy. The minister of energy and mines, Celestino Armas, a strong OPEC man, and wanted prices as high as they could go; on the other hand, Petróleos de Venezuela, wanted to maximize Venezuelan oil production. If anything, they wanted American help in increasing output. It was quite a battle, again, for the president's mind because President Pérez was pro-OPEC in general. He believed in the Third World. He believed in the Third World forming coalitions to oppose the developed West where it could. On the other hand, he knew Venezuela was in trouble and Venezuela needed American help. So there was a battle that went on during the spring of 1990, culminating really in a victory by Petróleos de Venezuela. They had their 15th anniversary celebration. The president was there. Everybody was there. And they had a new director named Andrés Sosa Pietri. Sosa Pietri was formidable, and his selection was a big setback for Celestino Armas. And the final result was in the American interest - much increased Venezuelan oil production.

Q: *Were you involved in pushing for the increase?*

SKOUG: Yes, I was closely involved, and I worked on Armas, too. I mean Armas was difficult for me to reach. He did not want to be contacted, but I did finally, and I tried to have breakfast. I tried to have at least three breakfasts a week with senior Venezuelan officials. I think I had breakfast with every senior Venezuelan official at least once, sometimes more than once over this period of time, to meet with them one-on-one and without any breaks or anything. We would just talk, and I think those were very useful sessions.

Now you mentioned Guyana and Venezuelan foreign policy. Of course, during Herrera Campins's administration, the COPEI, or Christian Democratic administration that was in power in 1979 to 1984, that was also the period of the Malvinas/Falklands Crisis. The Venezuelans were putting heavy pressure on Guyana, nationalist pressure.

Q: *In American terms, Guyana. You're giving it the Venezuelan pronunciation.*

SKOUG: Maybe. I usually heard about it from them. Anyway, it's quite clear that the Venezuelans felt, all Venezuelans felt that the award of the Esequibo to Guyana was an error and the great powers were involved. The United States was involved in the award, along with our desire to conciliate the British.

Q: *When was this?*

SKOUG: It was around the turn of the century. I'm not sure of the precise date.

Q: *Part of the Teddy Roosevelt era.*

SKOUG: I think it was, and that was a period when the United States and Britain were finally, after 125 years of hostility, moving towards agreement. But there was also the time of the customs crisis, where the Germans, British, and Italians tried to force the Venezuelans by gunboat diplomacy to pay their debts. The United States stepped in and said that we would be the judge of that, and if anybody would make them pay their debts, we would do it, not the Europeans, and so forth. That was the spirit of that era, so Venezuelans had the strong feeling that they had been robbed of a substantial part of territory, and they didn't know what goodies were available in the Esequibo, but the adjacent Venezuelan area is full of raw materials, and so it could be assumed that maybe there are some in the Esequibo. I don't think, however, it was the lust for raw materials. It was really national pride driving them, and they saw their opportunity when the Argentines grabbed the Falklands. They thought that if this went unpunished, the Guyanese would read the tea leaves and would be more amenable to pressure. The form of pressure was subtle, but the use of military force wasn't precluded. If the Argentines got away with it, maybe the Venezuelans could have. But that was under Herrera Campins. The issue was kind of laid to rest by the outcome of the Anglo-Argentine crisis. I am not aware that Lusinchi, who was successor to Herrera Campins, or Acción Democrática, the social democrats, and ever raised this issue. Perez did not. However, the issue is there as long as any nationalist Venezuelan politician wants to use it, it will be there. Carlos Andrés Pérez was not that kind of leader. He was not a nationalist. He was a Third World leader who was realistic about supporting the interests of his own country. He was anything but a nationalist. And so there was no issue at that particular time.

Q: *Venezuela is a big country, and one sort of hears of the coast and Caracas, but what about getting out? What was it like out there?*

SKOUG: Well, it's a fascinating country, and I saw much of it during my five years in the country. For example, I had the opportunity in my first tour to go down to a place called Pijiguayos. The Orinoco River more or less divides Venezuela. The developed part of Venezuela is north of the Orinoco, and the sparsely settled undeveloped part (but with tremendous resources) is south of the river. The Orinoco rises in the southern tip of Venezuela. After coming north out of that area close to Brazil, it turns and flows eastward to fall into the Atlantic just north of Guyana. It's a jungle river all the way, and there are only a couple of bridges across it, one of them at Ciudad Bolívar. I believe there's now one more bridge, but the south and the east and also the southwestern *llanos*, all that is still wild country. In the Venezuelan wars for independence in the early 19th century, the *Llaneros*, the people who lived out there, provided some of the fiercest fighters for the Spanish, whereas the ones who were supporting Bolívar and Venezuelan independence were city boys who lived around Caracas or in the settled area of northern Venezuela along the coast. The *Llaneros* were very tough guys. Some of the battles of that war are fantastic reading. Anyway, that country is still wild, and yes, I took the opportunity

when I was in charge of the post to visit as much of Venezuela as I could, often in the Defense attaché's light aircraft. I went down into the Amazonas region. I visited Puerto Ayacucho, which is the first major port on the Orinoco River. Not only is it close to Brazil; of course, it's even closer to Colombia. Colombia is right across the river, and in that area Colombia was already infested by the FARC guerillas and more so now than then. Venezuela was very much concerned with protecting its national frontier with Colombia and with Brazil. Although there are a lot of people in Brazil, it's not so easy for those people to come up into Venezuela. That country is not inviting to settlement. It's very wiry jungle, high mountains - beautiful mountains like Autana, which they call the "magic mountain." I've seen Autana flying by. Fantastic country. And then further east you have the Tepuis, these peaks, these buttes of rock, old rock, which are jungle on top and have streams cascading down them. The highest falls in the world, for example, Angel Falls, were discovered by an American flyer named Jimmy Angel in the 1920s. They call that "the tallest angel," but there are many falls like that. It is also the country of the Guri Dam, where they dammed up the Caroní River and provided a tremendous amount of hydroelectric power. It's one of the biggest dams in the world. You used to see that area in Marlon Perkins' "Wild Kingdom" television show. The whole area along the Orinoco is a major steel and aluminum area. Unfortunately, they were state-owned companies. Originally they had been owned by Reynolds and other American companies. They were nationalized, and production fell off badly. It was the goal of Venezuelan reformers to reprivatize those industries, but there's been great difficulty in doing that. The Venezuelan system doesn't lend itself usually to privatizing. Even though there was a push, and even though you had people like Tinoco and the "Chicago boys" in the government trying to do this, there were strong forces in the government and society resisting this.

Now in that area, in addition to the amount of oil which Venezuela has elsewhere, which is considerable, there is a heavy oil belt. It's called the *Faja* or the fault of the Orinoco. And in the Faja of the Orinoco there is some of the world's largest supply of heavy oil, but the cost of producing this heavy oil and of making it profitable would be prodigious. It's sort of like tar. It's always been an objective - it was an objective as early as the 1970s - to develop this region. But it isn't developed yet, and unless there's a technological breakthrough it looks as if it will still be in the holding phase.

Q. Is there anything else we should cover on Venezuela?

SKOUG: I'd like to sum up a few problem areas. First of all the name of Eric Javits was in the public eye as ambassador-designate from February 1989 until February 1990, yet his name was never even submitted to the Senate. At his direct instructions, the general service section of the embassy took actions which rendered the ambassadorial residence unusable for public functions after the departure of Ambassador Reich in July 1989. He summoned me to Washington to meet with him, and the ARA front office strongly advised that I do so. The supposed imminent arrival of a new chief of mission tended to undermine my authority in the embassy and would have impaired my standing with the government of Venezuela and the diplomatic corps had it not been for my very cordial relationship with the head of state and government. Once Javits withdrew his name, it did not help that immediately the name of a foreign service officer was advertised as his successor, particularly because the man did not come until well after I had left post in September 1990.

It was also inappropriate that Personnel assigned an officer selected by Skol but with no prior experience in Venezuela to replace me in early July. Since my career was to end in September, what interest was served in trying to expedite my departure by three months against my wishes? Both Javits and Skol sought to influence post management long before their anticipated arrival.

Q: This officer selected by Skol came as DCM, technically.

SKOUG: Yes, with my approval he arrived in August and served as DCM although he could not occupy the DCM residence until my departure.

Q: What was his background?

SKOUG: He'd been in Latin America and spoke Spanish fluently.

The inspection of the post in July was as bizarre as any I experienced during my career, and of course I was an inspector myself. It virtually ignored all substantive aspects of the job, particularly the key element of maintaining close and productive working relationships with the head of government and the main cabinet ministers during difficult circumstances. The focus instead was on touchy-feely matters, a preoccupation with "morale." They used a questionnaire and probed embassy staff so hard that some told me that they felt the inspectors were trying to make a case. Morale problems among the Venezuelan staff were not new and were keyed to the well known fact that national employees were being paid in a swiftly and steadily deteriorating currency. No financial remedy was at hand. At the time of the second Quayle visit I was obliged to head off a rumored "strike" or other demonstration by national employees by warning the head of their association that this would assuredly not serve their own interests. I was more surprised that apparently the inspectors found disgruntled American employees. I was less prepared for this because, aside from special problems I've mentioned, no one raised it with me. Surely if it were an important matter, someone would have found a way to raise it, but it never came up. In fact, the stress on the negative appeared to be the brainchild of a rather abrasive deputy inspector general who arrived to oversee the inspection and whose mind seemed to have been made up before he set foot in Venezuela. Aside from intimidating the principal inspector from pursuing his notion of questioning the overly independent attitude of the CIA Station, the deputy inspector general who had been in personnel - arrogated to himself the right to demand that I leave early and let Skol's chosen DCM take over at once as charge d'affaires. Needless to say, I did not oblige him.

Q: Looking back at this, sometimes you have cabals, or whatever you want to call them - of people who say, "Now let's get..." I mean, you either get on the wrong side of somebody or they want you out for some other reason. Was this sort of an ARA thing?

SKOUG: I don't know. In ARA under Abrams my name was put forward several times for chief of mission vacancies. I wasn't chosen and don't know why. Certainly that was not ARA's fault. I also got strong backing from ARA/EX when Gene Scasa was there. I tried to establish a good relationship with Aronson and thought I had succeeded, but he was promoting Skol. It was demoralizing to me not to be invited to Aronson's first chiefs of mission meeting in June 1990

after I had been in charge in Caracas for 11 months. I inquired by telephone if this could possibly be an oversight and was told that only ambassadors were wanted. I know something about ARA chiefs of mission meetings, having attended several in Miami under Motley and Abrams, and almost invariably charges d'affaires were invited because they want input from each post, especially major ones. They want information. That's the point of having these meetings. Perhaps Aronson and Skol thought they knew enough about Venezuela from afar. Aronson had accompanied Quayle to Venezuela in March 1990, but that was a visit of less than three hours. Perhaps he was a quick study. Yes, I suppose that with the support of a deputy inspector general and some persons in personnel, you might call that a cabal although I would not criticize the ARA Bureau.

Some good things did happen to me in Venezuela or as a result of my service there. In early 1989 Vice President Quayle presented me with the Presidential Meritorious service Award dated October 1988 that I had earned as Coordinator for Cuba. That came with a little sweetener of $10,000. After departing Caracas I received a second Presidential Meritorious Service Award and another $10,000 from Larry Eagleburger for my service in Venezuela. As you know, these awards are based on one's comparative ranking by Foreign Service promotion panels against a peer group whose own performance level was pretty high. So I guess that colleagues in the Service must have been convinced that I was not doing too badly. But I cannot honestly say that a very interesting career of almost 34 years in service ended too happily.

Q: You left there in September of...

SKOUG: Of 1990. I'd been there two years.

MICHAEL A. BOORSTEIN
Administration Counselor
Caracas (1988-1991)

Mr. Boorstein was born in Washington, DC and was raised in that area. He was educated at Beloit College, the University of Colorado, Harvard University and the University of Turku in Finland. Entering the Foreign Service in 1970, Mr. Boorstein specialized in administration and personnel, serving in Palermo, Rome, Ottawa, Warsaw Curacao, Moscow and Beijing. In addition, Mr. Boorstein played a major role in the planning and construction of US embassies in Moscow and Beijing and in the renovation of consulates and embassies throughout the globe. He spoke six foreign languages. Mr. Boorstein was interviewed by Charles Stuart Kennedy in 2005.

Q: Okay, today is the 30th of November, 2005. Mike, we're going to your least favorite post in Caracas. You were there from when to when?

BOORSTEIN: Yes, I arrived there in early November of 1988 and left in June I believe 1991. I left Warsaw in June of 1988 and then had about 16 weeks of Spanish language training which

was language number five in my career and on top of the Italian and the French it was fairly easy for me to get to the 3/3 level in the 16 weeks. Off we went, arrived there literally on election day of 1988 and learned in the course of that evening that George Bush had been elected president defeating Michael Dukakis. Caracas, as I said, was my least favorite post in the Foreign Service, but it was also in its own way a fascinating place. A country of enormous contrasts. Like many countries in Latin America, you had a small elite, very wealthy slice of society of people who had made their money in oil predominantly and Venezuela being a member of OPEC. It was at the time one of the oldest, if not the oldest, democracies in Latin America. It had a reputation for enormous corruption in government. In the late 1980s they were just beginning to wean themselves away from a long period of government subsidies of almost everything, which sustained a very high standard of living, which reached well down into the middle class. The cost of living was low. I believe the price of a gallon of gasoline in 1988 was about 12 cents, maybe in the U.S. at that point it was maybe 60 cents, so it was still pretty low back home as well. No, it was more than that. It had been well over a dollar at that point in the U.S.

In any event, for a foreigner living in Venezuela, the rents were low, restaurant meals were very inexpensive, the price of gasoline as I said was quite low, but the economy was pretty much in shambles because they had been involved in a lot of deficits and they had borrowed money, and as part of borrowing that money, of course, under the trademark of the international monetary fund, they had to make certain structural changes in their economic framework, which led to some belt tightening and a downward spiral in the economy. The cost of living went up dramatically. In late February of 1989, we were still in temporary quarters. It took us a long time for the embassy to find us a rented apartment, so we were still living in another rented apartment temporarily and in late February of 1989 about a week of very violent civil unrest broke out because the government, what triggered it, was that the government raised the price of gasoline from 12 cents to 25 cents a gallon. This sparked, like I said, about a week of enormous civil unrest throughout the country, a lot of riots, a lot of fire bombings and the embassy was for at least one day was under siege because in the neighborhood there were roving gangs of people just causing trouble, firing guns or whatever. We had established a task force and were in touch with the operation center at the State Department.

The embassy compound at the time had two buildings. We had the main chancery where the ambassador was and I was working in a separate building, which housed the administrative section, the consular section and the U.S. Information Service. It was in the same compound, but it was separated by a parking lot. The disturbance was worse down at our end of the compound outside of our fence and so we were ordered by the security officer to basically flee from our building and take refuge in the main chancery. This was in broad daylight. We did, and nobody was hurt, and we just basically abandoned the other building. Things calmed down a little later in the day and we were able to go home, but we had a very active radio net and every morning we were all told to tune in around 7:00 in the morning and the ambassador, based on reports that were given to him from the security officer who was in touch with local authorities, would make a determination whether we should come to work or not. It was also giving advice to our families. Well, we were never told to stay home. I believe at one point for maybe two days the families were told to just stay put. There was really never that degree of a risk, but I have to say in my whole time in the Foreign Service that was the closest I came to internal strife, having spent so many years serving in controlled societies and the Soviet Union, Poland and later on in

China. This was a real rarity. That wasn't the reason I didn't particularly care for Venezuela. In late 1988 Carlos Andres Perez was elected president of Venezuela and his term after I left was marked with a lot of scandal and I believe he was forced to resign, but that was after I left. That pretty much describes the social economic political backdrop of my tour there.

The ambassador when I arrived was Otto J. Reich and Otto Reich was a political appointee from Ronald Reagan and because Bush was elected, even though Bush was still a Republican Reich left in about I think May or June of 1989 and Reich had previously in a special envoy for the State Department doing diplomatic work in Central America and he was somehow implicated in the Iran Contra business during Reagan's second term and had been investigated for some financial improprieties and I believe he was cleared. He was and still is the darling of the Cuban American community in south Florida. Otto Reich was born in Cuba, his father was German, his mother was Cuban and at a young age with his parents he fled to the United States, where he grew up. He was totally bilingual in Spanish and English. Very conservative and that was his background. He was a difficult ambassador in the sense that he was good in dealing with the Venezuelans. He did represent our country well. He had entrée into the Venezuelan government. Unlike today, we were on relatively good terms with the Venezuelan government.

Using his Latin roots and his language ability certainly helped. He made pretty good judgments. Where he was more controversial was in his particular management style within the embassy. He didn't give much support for any of the needs of the American staff. He really gave the impression that he basically cared very little for what concerns we might have had or I might have had as the administrative counselor. He was liked by the local staff, but again I think his Latin roots and his just way of operating was more familiar to their way of doing business. He was most loyal to his staff at the residence, . his major domo, the maids, the cook, the butlers. I had most of my difficulties with him regarding the salary and benefits of the household staff. He seemed to care very little about any other administrative issues as long as he felt his household staff was adequately compensated. It caused some problems because there were limits in how much we could actually pay because it came out of the embassy's budget, and of course I had to justify any increases back to Washington. There were some sparks that flew between the ambassador and me when I felt it was improper to give them raises beyond which they were justified receiving. We had a little bit of a tussle over that. The bureau of Inter-American affairs, the executive office, supported me on that and the executive director, Gene Scassa at the time was very smooth and basically told Ambassador Reich if he didn't stop pushing the envelope with regard to me and my responsibilities that he could end up under investigation by the inspector general and could go to jail. When he was told this all of a sudden he changed his tune and I remember once coming back from Washington where he was told this he said, "well, Mike, why didn't you warn me about this? About the trouble I could get into?" I looked at him and smiled and said, "well, I thought it best if it communicated from the executive director back in Washington. I certainly support what he was saying."

We had another bit of disagreement and that was over of all things the management of the embassy snack bar. The embassy snack bar was run by a woman named Dioni who as a young girl came over to Venezuela from Spain and had started working in the embassy cafeteria and eventually ran it and had been there for over 30 years. She just was a force to be reckoned with. She didn't like the idea that she had to follow certain rules and regulations that the Department

imposed in how you ran a concession on embassy grounds. I felt fairly powerless to deal with her while Otto Reich was there. As soon as he left Ken Skoug, who was the DCM, became the charge', and he was amenable to taking necessary steps to bring the snack bar's quality up to better or higher standards and to have them operate in a way that was consistent with what the State Department required. Part of the impetus came also from the embassy nurse who felt that there were certain hygienic standards that were being violated. She was seeing a lot of people coming in being treated for parasites and other stomach problems that she traced back to poor food handling techniques in the snack bar. At the end of the day, Dioni did not agree to sign a new agreement as a concessionaire in accordance with the different rules and basically quit. We were all delighted that she quit because that's exactly what we wanted to happen. It created some tension in the embassy because Dioni was liked by the Venezuelan staff because the menu was largely in tune with the kind of things they liked to eat. So, where it was very hard to get a good hamburger for example, you could get all the black beans and rice you wanted, which is not anything that I cared to eat at all. The best thing I could say about there is that they made a terrific cup of coffee and some of their pastries were good. We were able to get in a restaurant consultant from the Department's office of Commissary and Recreation Affairs, who came down and gave us advice on menu preparation, creating some dishes that were more in tune with the American palate.

We were fortunate also in that we had a 17-month hiatus between ambassadors after Otto Reich for reasons I'll go into shortly. Because of that the ambassador's chef was left with nothing to do and he expressed an interest in becoming the new snack bar head and we took him up on it and he came over and ran the snack bar. Now he was British and he did a marvelous job. I don't know how much longer he remained in that job because he did not go back to the residence after the next ambassador came, as I recall.

Again we were, it was a bit of an advantage that we had a long hiatus in regard to the improvement of the cafeteria. The reason we were without an ambassador for 17 months is a wonderful Washington story. A few months after Reich left, George Bush nominated another political appointee named Eric Javits, the nephew of the late Senator Jacob Javits.

Q: Of New York.

BOORSTEIN: Of New York, to become the next ambassador to Venezuela. I believe Javits had been the campaign chair or the finance chair of the reelection campaign for Bush in 1988. He was a wealthy guy from New York State. He made his money in real estate like so many other people.

Q: It was the election, not reelection.

BOORSTEIN: You're right, the election of George Bush. You're correct. He was nominated and before he came up for his hearings in the senate, in doing some background, it was discovered that he had been sucked into this Wedtech scandal. Now, I have to confess I don't recall any longer what Wedtech was.

Q: I know it was a scandal and I don't either. We've had so many since.

BOORSTEIN: It had something to do with finances, contracting, something like that and so after a period of time Eric Javits believed that his nomination was in jeopardy and so he withdrew his name. In the meantime Eric Javits had sent his wife down to Caracas to look at the residence and was starting to make decisions about changing the carpeting and the draperies and he even wanted to add electrical outlets to his little office in the residence. He gave clear instructions about what his dietary needs were. He was lactose intolerant so he wanted to make sure the kitchen help didn't make anything with regular milk and we got down to that level of detail. I remember I was up in Washington for one reason or another and he invited me to dinner and treated me to a lovely dinner at the Hay Adams Hotel. Then he sort of dropped out of sight. Now, I learned quite by accident and coincidence when I was getting ready to retire from the State Department and I was a nominee by the State Department for a UN agency position in The Hague with the Organization for the Prohibition of Chemical Weapons, that Eric Javits is now the U.S. representative to the OPCW. Whatever tainted him back in 1988 was not a problem in 2005 and he's actually had that job for several years, but anyway. For that reason, Ken Skoug was the charge' for 17 months. Then eventually in the fall of 1990 Michael Skol arrived as ambassador. Mike Skol was a career officer

…

Mike Skol had been I believe at the time one of the deputy assistant secretaries in the old ARA bureau, the bureau of Inter-American Affairs. Prior to that, I believe he had been deputy chief of mission in Bogota. Most of his career had been served in Latin America. I think early in his career he was vice consul in Naples. Mike Skol arrived in early to mid November of 1990 and so I was with him for about seven months. He was a very effective ambassador. He spoke excellent Spanish, was very comfortable in serving in that part of the world, and clearly was familiar with it from his previous work as well. He was highly regarded within the Department. I remember as a deputy assistant secretary he stopped over briefly in Caracas with Larry Eagleburger at the time he was undersecretary for political affairs. They were going off to some conference in Asuncion and they had a government aircraft and stopped briefly at the airport and we had a little meeting with him there. Michael Skol was not a problem for me in terms of administrative operations as long as things ran well and the house ran well and he had enough money for representation, he kind of left me alone, which is fine. An administrative officer will say that's pretty good. He had a bit of a temper and he was well known for his temper and he only got into it with me once over a silly issue of the miscount of a number of guests at an event that he hosted where he wasn't going to get reimbursed. There was a tradition in Caracas and again in many embassies where an ambassador would host a hail and farewell every six months or so for the people who had arrived recently and for those people that were leaving in the near future, and they're not reimbursed for that because its just solely the American staff and their families. For some reason the count was not correct and he ordered too much food and had a lot of waste and his secretary blamed my secretary and he wanted to summon my secretary up to see him, basically to be chewed out, to be disciplined for her mistake. I remember when my secretary came in telling me that she was summoned to go up to the ambassador's office and I knew what it was about, I told her that she's not to go, that I would go instead, that it wasn't her fault and I would deal with the ambassador. Well, I went up there and clearly he was very flustered, he didn't know what to say to me. He was all prepared to dress down a very junior secretary, who wasn't even a career secretary, she was the wife of one of the assistant air attaches and a young woman who was very capable, who just may have made an unfortunate mistake. Frankly I don't know whether she gave the right

information to the ambassador's secretary and she misinterpreted it. He didn't raise his voice to me at all and I offered a suggestion that maybe in the future that he should convey this information in writing so that there wouldn't be any misunderstanding and he thought that was just great and that was the end of it. He did have a temper and he sort of took pride in the fact that he could yell and scream at people. He and I had a respectful relationship.

Q: How did you get along with Ken Skoug, how did he operate?

BOORSTEIN: You know Ken Skoug?

Q: I've interviewed him and he had a reputation of being a very hardliner I think on Cuba.

BOORSTEIN: Well, he was the director of the office of Cuban affairs.

Q: Yes, I've talked with somebody who didn't agree with a hardliner, I don't know, but there was obviously considerable disagreement between Skoug and somebody else and I don't know, but anyway.

BOORSTEIN: I got along fine with Ken. I actually served with Ken in Moscow. He was the economic counselor in Moscow in the late '70s. If I'm not mistaken, this was his second tour in Venezuela, but I can't say for sure. Anyway, he and I got along pretty well. We had a regular meeting once a week or once every other week and he would have an agenda. He was a bit of a micromanager, had no sense of humor, very serious minded guy. His wife on the other hand was an absolute sweetheart. She was an accomplished artist and we still to this day have two of her paintings in an extra bedroom in our house. She made these lovely floral paintings. Their youngest son was about the age of my daughter and they knew each other at the University of Virginia as well as in school in Moscow earlier. We had a pretty good relationship with Ken.

When he was the charge' for 17 months, he never appointed an acting deputy chief of mission. He essentially did it all and he just about burned himself out. He relied on me a lot during those 17 months to help him with things. I was already a senior officer at that point because I was promoted while I was in Spanish language training into the senior service. He could have appointed the economic counselor a fellow named Al White to be the acting DCM, but he never did it. I don't know whether he didn't have confidence in Al or what the story was. The political counselor was an FS-1. As a matter of fact it was Donna Hrinak at the time that then rose to real stardom in the Foreign Service afterwards, ambassador to four different countries and whatever. Then she left to become DCM in Tegucigalpa and then Bill Milan arrived and he was also an FS-1, and the head of the consular section was Dan Welter. Dan was a senior officer as well, but for whatever reason he didn't tap any of us to be the acting DCM and it was tough, it was really tough.

He was dedicated. He very much wanted to be appointed as chief of mission to Managua, Nicaragua and that was the time when we didn't have an ambassador and we downscaled, demoted the relationship much like we had done in Poland.

Q: Downgraded.

BOORSTEIN: Downgraded, there you go. Downgraded the relationship. He didn't get that assignment and he then said the hell with it and he retired. He was a bit bitter about that.

Q: You mentioned as long as the house went well, this is something that often isn't noted in normal diplomatic memoirs and all this, but for the administrative officer, the ambassador's house is someplace that can be extremely absorbing. I know when I was in Greece, Ambassador Tasca's wife was very difficult. I think we had something like out of a staff of maybe five, I think for the four years I was there they had over 100 people and some were repeats, but could you talk about that in general and in particular?

BOORSTEIN: Sure. Well, Caracas was my second post as the senior administrative officer so I certainly had a taste of it from my previous tour in Warsaw and I don't recall any problems at all. John Davis and his wife, Helen, were very easy going. They spoke the language. The help was very good. I can't think of any issue that I recollect now, maybe closer to the time maybe there were a few things, but Caracas on the other hand, the ambassador Reich was very concerned about the perks of his household staff and wanted to make sure that they were adequately compensated. There was a high rate of inflation and economic turndown and these people would be affected by it. He was on my case for that.

Now, Ambassador Skol, while I said he didn't give me a hard time, there were some issues regarding the residence that were rather unique because Mike Skol arrived in early November and three weeks later the President of the United States arrived on a visit. This was right, he was originally going to come in September, but because of the lead up of the first Gulf War, that trip was canceled and he did make later, which was just a few weeks I believe before we started bombing Iraq. Mike Skol moved into the residence. The White House advance people wanted George Bush and his entourage to stay in the residence. The residence was quite bare. It had fresh paint on the walls. The Art in Embassies collection had not yet arrived, so Mike Skol wanted to have artwork in the residence. On his own, perhaps going through the cultural affairs office, he arranged for a loan of Venezuelan contemporary art from the Venezuelan art museum to be put in the residence and basically said to me, "Mike you take care of it, getting it delivered, getting it hung and taking care of it." I said, "what about liability?" He said, "well, you figure something out. You know that's what admin officers are there to do." I called up the bureau. First I called up the foreign buildings office and talked to an official there who said we can't support that cost. We self-insure. I think in this case its rather unique that there should be an insurance policy and you have to get the bureau of Inter-American affairs to pony up the money for that. I think I got an insurance quote. Let's just say it was, I don't know, $1,500, a very small amount of money, but I didn't have it in my budget. I had to call up the Inter-American bureau, ARA/EX and talk to the deputy executive director and arrange for funding. We got the funding, but I did not commit to the ambassador that I was going to support this until we got the funding taken care of. He was rather testy to me about you know, the residence needs to look good and this, that and the other thing.

Then there was a big job to replace some of the carpeting so that it could look better rather than to do it in a more normal fashion and one of the advance people from the State Department who had been sent down was a bit disdainful about how the place looked. I was quite upset at this

fellow. He was a fellow administrative officer and I said to him, "look, you're not in charge here, I am and you don't need to undermine my authority in what I'm trying to do." I'm happy to say that this gentleman didn't have nearly as successful a career in the State Department as I did and he's now gone. Be that as it may, that was a very special requirement to put the artwork up and we did and it did make a difference. I admire Ambassador Skol to have taken those extra steps to make it look good. He got annoyed once over a reimbursement voucher for a breakfast that he held at the residence because you could be reimbursed so much per head for a representational meal if it was breakfast, lunch, dinner, cocktail party, etc. So, he exceeded the limit for breakfast because he had bought a very high end melon and the budget and fiscal officer reduced the reimbursement amount down to the standard amount for the breakfast and the ambassador got really annoyed and called him into the office and chewed on him for a while. Frankly I don't remember if the amount was changed or not, I don't think it was. Sometimes these small things can be, these minor irritants can become major irritants.

Q: Also, too, it didn't happen here, but you can have the particularly the ambassador's wife, both career and non-career get very much involved in the house and sort of use it as their play thing.

BOORSTEIN: I was fortunate, you're quite correct, but I was fortunate in the sense that Otto Reich's wife, there were two small children at the house I believe and she was very much wrapped up in the kids, getting them off to school and whatever. I don't remember any difficulties with her. Mike Skol's wife was working. She was a Foreign Service Officer. She was the like the petroleum attaché I believe. This was a first because of conflict of interest that the lawyers agreed that because her supervisor, there had to be some special provisions made or understanding that she could actually go and work even though her husband was the ambassador. This was precedence setting for a tandem couple. She really wasn't all that interested. As a matter of fact we got extra money to hire a house manager, a residence manager, which before had basically been handled by the spouse of the previous ambassador. It can be a huge issue and also some of the renovation work in a residence. The ambassador and his wife would take a great deal of interest in what color paint goes on, the quality of the carpeting, changing pieces of furniture or linens and towels and whatever. It does take up an awful lot of time.

Q: What about security at the embassy and the whole thing, how did that work there?

BOORSTEIN: One of the reasons why I didn't like Caracas was that it was a very high risk post in terms of personal security. A lot of homes had break-ins. It got to the point where we would not allow any embassy officer to live in an individual house, that we would only lease apartments, lease housing in apartment buildings that had 24 hour security. We didn't force people who were in houses to leave. We had people who literally had had their homes broken into a half a dozen times. Fortunately, we didn't have any severe violence. We had a couple of cases where people were beaten up, pistol-whipped. There was a case where the new cultural affairs officer arrived and was living in a temporary house with a wife and two or three young children. Thieves broke in while they were there and took one of the kids, like a four year old kid, put a pistol up to the kid's head and said to the father, now, show us the money. Of course they did.

There were cases where if you were waiting in traffic someone would come up with a gun and rob you right there waiting in traffic in broad daylight. That was very stressful. We, me personally, I was never, my apartment was never broken into. It was a lovely apartment in a very secure building. It was a penthouse apartment with a gorgeous view of the valley looking down into Caracas and it was quite nice. The crime rate was significant and it was a factor.

Caracas was a bit of an anomaly because I felt it should have been given a hardship allowance and yet when you added up all the factors that go into what's called a hardship differential, 10% or 15% payment over and above salary, it never made the cut because again it was okay when it came to a lot of other aspects and quality of life. The availability of food, the quality of your medical services. You had a large number of physicians, generalists and specialists who had been trained in the United States, who spoke fluent English. The hospitals were considered good from a sanitary standpoint. A lot of embassy people, particularly the wives, would have cosmetic surgery done in Venezuela because, relative to the United States, it was dirt cheap. Those factors did not count numerically and in the formula used to grant a post differential. We never had one while I was there. We tried a couple of times. What was a particular stressful experience for me as the administrative counselor was that while we were there we lost our benefit of rest and recuperation travel.

Q: Of what?

BOORSTEIN: Rest and recreation travel, R&R and even though we didn't have a hardship differential we had an annual R&R trip which was the cost of a full fare economy to Miami. You could parlay that into an economy ticket to go pretty much wherever you wanted to in the United States. The reason for that was the criteria for R&R were such that it was deemed that it was a stressful enough post that necessitated a trip at government expense for purposes of reculturation, change of scenery, change of climate and whatever. Well, the Bureau of Inter-American affairs decided to take a review of all the posts that had rest and recreation travel with the idea that they could save money. So, those posts that had no post differential and an R&R benefit were particularly targeted, and we lost the R&R. I went on a campaign to get it restored. I tried three times and I brought up all kinds of evidence. I was particularly concerned, I was grandfathered because it existed when I arrived and I was able to take them while I was there. I was concerned about the lower ranking people in the staff and I used the particular case of one communicator who had four children who could never afford to take a trip outside the country where he would have to get on an airplane because he couldn't afford it with his salary. He was stuck in Venezuela for three years. It was a stressful place.

Well, I lost some credibility with Washington because I was a bit of a pest. I was quite aggressive. Now, I had the front office's support to do a special study and do things out of cycle and whatever. About four months after I left I got a letter from my secretary, the same secretary who had gotten into trouble with the ambassador and she basically said, "Mike, congratulations the R&R was restored." She enclosed an embassy notice announcing the restoration of the R&R and then attached to that was a special thanks to me for my persistence in getting the benefit restored.

Q: Well done.

BOORSTEIN: Yes.

Q: Were you under any threat from terrorists of some kind of another?

BOORSTEIN: Absolutely not. I mean I'm trying to think during the Gulf War we were on very much of a heightened alert. We were concerned about indigenous Muslims. There were some. I can't give you a number of people from the Middle East who were living in Venezuela because it was a bit of a melting pot. Whatever the intelligence people felt could have been difficult. We were on pretty much high alert. I remember we were doing a lot of cooperation with the British, for example, and we had extra forces from the Venezuelan army surrounding the embassy during the first few weeks of the Gulf War. It didn't last all that long, at least the ground phase didn't, but during the bombing phase.

Q: Were there any guerrilla movements? You know, I'm thinking of what's the name?

BOORSTEIN: Sendero Luminoso?

Q: Well, I was thinking of Betancourt, who is French. She's been kidnapped now for three years. But anyway.

BOORSTEIN: No, there was none of that, certainly not targeting the diplomats that I can recall at all. Like I said crime was the big concern. Terrorism, anything directed against us as Americans, there really wasn't any.

Q: Were you having any problems maintaining staff there because of crime and all that?

BOORSTEIN: Oh, the American staff.

Q: Yes.

BOORSTEIN: Not really. People who liked serving in Latin America looked upon Caracas as a better than average post. I remember when I got assigned as administrative counselor there were not a lot of competition at least for my job. I don't recall any difficult recruiting at all for anybody.

Q: Well, did you feel going there, did you feel you weren't a member of the Latin American club or not?

BOORSTEIN: To some extent. A lot of the male officers had wives from Latin American whom they had met early in their career. Bob Felder was the DCM and Bob's wife is Argentinean. Of course Otto Reich being from Cuba himself his wife actually was not Hispanic, not Latina. A number of other people either themselves, we had a high contingent of officers from Puerto Rico for example. There were a lot of these people who knew how to dance the Salsa, I never learned how to dance the Salsa, doing those kinds of things and linguistically they were quite comfortable. You know, I had already had a Washington assignment as a post management

officer for the Bureau of Inter-American affairs, so I felt quite at home in that bureau. I was not interested in having another assignment in Latin America and I never did. I never sought one.

Q: Why not?

BOORSTEIN: For the factors that I cited, I just didn't care for Venezuela, the crime, I didn't mention it before, but Caracas had horrendous traffic. Depending on your timing of when you left for work or when you left work to go home I remember getting into, having a sort of friendly disagreement with the deputy chief of mission, Bob Felder because at 5:30 I'd want to leave to go home because I usually was at work at 7:15 in the morning because I'd leave my house at 7:00 and I could get to work in a straight shot, 10 or 12 minutes, I was into the office and I would often have 45 minutes of real quiet time to do work or I'd go down to the cafeteria and have a cup of that wonderful Venezuelan coffee and a pastry and schmooze with my buddies and then start work. The embassy's official closing time I believe was 5:00 and at 5:30 I wanted to leave because if I waited until even a quarter to six it could take me an hour to an hour and a half to get home. If I left at 5:30 it would probably take me 20 minutes. There was that very narrow window of opportunity. I remember the DCM saying, "You know, Mike, I often want to see you about 6:00 and you're never here." I said, "I really don't want to get into the habit of having to stay until 6:00." He didn't come to work until 8:30 and he had a car and driver.

That was a factor. I also found the Venezuelan staff to be really, essentially with a few exceptions, fairly lazy, fairly by and large, kind of arrogant with a great sense of entitlement. Every time some new statistics came out about inflation they would beat the drums, we need a wage increase and whatever. They didn't particularly like me because I wanted to play it by the book and you really couldn't play it any other way because you just couldn't say "well, fine we'll give you a raise," because you need to get money to fund it. We would do wage surveys and I remember getting people down from Washington to try to do something special and one of the things that was particularly difficult and again it sort of shows you the cultural clash that occurs sometimes in working overseas.

This was the era where the U.S. government embraced the no smoking policy. The State Department had already imposed a no smoking ban in the State Department building in Washington and all the annexes and other offices in the United States and wanted to extend that ban to all the embassies around the world. So, we got a telegram from the Department probably from the undersecretary for management saying effective on such and such a date each embassy is to promulgate its own administrative guidelines, but essentially it must contain this which is now a legislative authority and this is the way its going to be. We wrote these regulations. Perhaps we had some informal means with the staff to let them know this was the way it was going to be. Well, you would have thought we had told every Venezuelan who smoked that they had to cut off one of their fingers. They just resisted it like crazy. For a while a number of us had to become the smoking police, had to go around to desks where we could literally see smoke coming out of a cubicle and say you can't do this. There are designated smoking areas outside the building. You have to leave in order to smoke. There was one younger FSN in general services, a Foreign Service National in the general services section, Tony was his name. Tony was probably 27 or 28 years old. A pretty good employee. He spoke fluent English. I think he had some university schooling in the States and he just wouldn't give up smoking. I would

sometimes find him smoking, his feet would be up on the desk and he'd be smoking away. I went by one time and I said, "You know, Tony, first of all it is not good. You're in a public area. I don't really appreciate you having your feet up on the desk and secondly you know that you can't smoke. Put out that cigarette. You can smoke outside and that's the way it is." So, you know, one week went by, two weeks went by, saw him doing it again, came back and warned him the second time. Maybe I put it in writing. He kept doing it. The third time I came back I said, "okay, this is it. I'm going to put this in writing. If I see you smoking with or without your feet up, you will be fired because we have rules and you are not obeying them." Then he finally stopped. He kept pushing the envelope on that.

Q: That gets old.

BOORSTEIN: Those were the factors, but you know, the good part about Venezuela was the climate was idyllic. We had no screens on the windows, we had no central heating, no central air conditioning, the only problem was occasionally at night because the people loved to party it would be a little noisy. We traveled in- country and went to Angel Falls. We went to a wonderful agricultural, almost like a game park preserve with a couple from the Canadian Embassy. Slept in mosquito netting and had wonderful guided four wheel drive tours throughout this wonderful area. Saw a guy handling a, oh, what is the thing, it's a huge, huge snake. Not a Cobra, an Anaconda that are common in Latin America. I mean these snakes honest to God were six to eight inches across in terms of diameter, huge things. Learned how to scuba dive. Got my certification as a scuba diver. As a matter of fact our security officer had gone through training to become a certified instructor and so he gave the classes. We did scuba diving and went off to Curacao, to Bonaire, Tobago as well as off the coast of Venezuela to go scuba diving. It was enjoyable from that standpoint. We had a lovely apartment. We were able to entertain quite a bit. It was good, learned Spanish, got to use Spanish. So from that standpoint it was all right, but against all these other things, especially coming from a post that I enjoyed as much as I did in Poland, it was quite a change.

ROBERT B. MORLEY
Deputy Chief of Mission
Caracas (1993-1995)

Robert B. Morley was born in Massachusetts on March 7, 1935. He attended Rutgers University, Central College of Pella, Iowa where he received his BA in 1957, and the University of North Carolina. He entered the Foreign Service in 1962, wherein he served in countries including Barbados, Poland, Venezuela, and Ecuador. He was interviewed by Charles Stuart Kennedy on July 1, 1997.

Q: In June of 1993, you left the NSC. Whither?

MORLEY: I went from the NSC to Caracas, where I became deputy chief of mission.

Q: You were in Caracas from 1993 to when?

MORLEY: I was in Caracas from 1993 until June of 1995.

Q: How did you get that position?

MORLEY: I was one of a short list produced by the Latin America Bureau for the position. There were consultations between me and the Department of State. I lunched a couple of lunches with Jeff Davidow, who had been designated to replace Ambassador Skol. Traditionally, the Ambassador has the final say on who will be his new DCM. He decided on me, maybe because he was impressed, but more likely because I was ARA's choice and he didn't have a strong preference for another candidate.

Q: So, you arrived in Caracas when?

MORLEY: In July of 1993. The ambassador then was Mike Skol. He and I overlapped for two to three weeks and then I was left as chargé d'affaires until Jeff Davidow arrived. I think that was the end of September or the beginning of October.

Q: You have already alluded to the fact that, of the Latin American countries, Venezuela was a problem from time to time because of attempted coups. You were fairly familiar with the Venezuelan situation.

MORLEY: Yes, I was fairly familiar with the Venezuelan situation. I had served there earlier, from 1976-1979. Then, of course, Venezuela kept popping up on our screen as the result of two attempted coups in 1992 and 1993.

Q: When you arrived there, could you describe the political and economic situation in Venezuela as you saw it?

MORLEY: Yes. At the time that I arrived, President Carlos Andreas Peres had been impeached by the congress and was awaiting trial. He was, in effect, isolated from political developments in Venezuela. There was an interim President who was basically an academician, well respected and a member of Congress, but who lacked a strong political base. We dealt with him because he was the President as a result of a constitutional process. He had been selected by the Congress. He was simply to take care of the business of the President until such time as elections could be held. They were held that fall. Rafael Caldera was elected.

In Venezuela, there was a lot of dissatisfaction. Carlos Andreas Perez had embarked on an ambitious economic reform program designed to encourage foreign investment and to reduce Venezuela's dependence on oil revenue. Traditionally, since essentially about 1922 or 1923, Venezuela had been a major exporter of oil to the world markets, especially to the United States. We were dependent on oil imports from Venezuela, especially along the east coast and especially in terms of heavy fuel oil for the furnaces in New England, as we used to say. New England furnaces ran on Venezuelan oil. The revenue from the sale of petroleum products abroad constituted by far the most important single source of income in the Venezuelan state. Oil being a commodity, there were times when the price of oil was very high and the Venezuelan economy

prospered. The government was able to afford certain kinds of social programs and support a tremendous expansion of the public sector to include things like steel mills, aluminum mills, and power plants, and so on. When oil revenue went down, the budget became strained and the GOV had trouble financing all of these programs. So, they would borrow abroad. Their credit had been traditionally good because, sooner or later, the price of oil would go up and they would have the wherewithal to pay off these debts. Perez was trying to change this equation. He felt that the future of Venezuela lay not in dependence on oil revenue, but in diversification. He tried to sell off unprofitable public sector enterprises and to encourage foreign investment, to diversify, and make Venezuela an exporter to world markets of something other than petroleum. The initial effect of this program had been, as it often is, an increase in unemployment, higher prices, a deterioration in the balance of payments as import restrictions were loosened up, and so on. The Venezuelan people were simply not used to that. For generations, they had lived on oil revenue. Carlos Andreas Perez was disturbing an equilibrium that they were very comfortable with. In addition, he was perceived as being corrupt, and as permitting corruption within government to go unpunished.

So he was unpopular when I arrived, and had been impeached. An interim President was in office, but most people were waiting for Rafael Caldera to assume office and straighten things out. He had been President during the early seventies. He was immensely popular because during his earlier incumbency as President, he had successfully undertaken public works like the autopistas, schools, transportation, education, all sorts of public works programs that were still considered to be landmarks in terms of the economic, political, and social development of Venezuela. So, he was the grand old man of Venezuelan politics. He won the election that fall in the expectation that he would turn things around, bring Venezuela back to a state of prosperity and equilibrium.

Q: What was the reading when you arrived there as far as from your Economic Section and also from Washington about whither Venezuela as far as maybe it wasn't done correctly? It would sound like the sort of thing that Peres had been pushing would be the sort of thing that we would agree with.

MORLEY: It was the sort of thing that we would agree with. It was unfortunate that he didn't get more popular support. He was probably moving too quickly for the political system to stand. Our major concern the summer that I arrived in Caracas was that the Venezuelan government was drifting, that there was a lack of strong leadership within the government, that Venezuela's constitution called for a strong presidency and there wasn't one. Certainly, the constitutional checks and balances were very much in favor of the President.

Here we had probably six months of almost drifting where the interim President was charged with taking care of the day to day business, but did not have the mandate to embark in any new initiative. So, none of the serious problems of Venezuela were addressed. We didn't know where they were going to go with the reform program. We were afraid that if Rafael Caldera were elected, he would undo a lot of the good progress that Perez had made. His previous record as President in the early 1970s reflected statist kinds of ideas where the government should get involved in major economic activities and have a strong hand in promoting development through the public sector. This was the time when a lot of the major public sector enterprises were

conceived. He was the one who was credited with the establishment of PDVSA, the public sector petroleum enterprise that produced, refined, marketed, and exported crude and product from Venezuela.

Q: What about the technocrats of Venezuela? One thinks today of the technocrats of Chile who basically were U.S.-educated. They were known as the "Chicago boys" because many of them came out of the University of Chicago monetary policy. Were the technocrats of Venezuela coming out of the United States, the business and other schools? What was the thrust? Statism had lost by the 1993 period much of its gloss. Were things changing? Were we playing a role?

MORLEY: The administration of Carlos Andreas Perez was perceived as relying too much on technocrats in key positions in the national bank, the petroleum industry, the Ministry of Finance, and so on. Perez was often criticized for relying too much on these people and not enough on the political experts who had a better handle on how rapid a pace Venezuela would tolerate in terms of economic reform. Sure, there were technocrats. Sure, they had a strong influence on Carlos Andreas Perez. But to a man like Rafael Caldera, it seemed as though a lot of what had gone wrong in Venezuela under Carlos Andreas Peres could by laid at the doorstep of these technocrats, who had undue influence over the course of events in Venezuela. So, we were afraid that his normal predilection for statist intervention would be strengthened by his conviction that these people had really screwed up, and that the Venezuelan people had suffered as a result.

Q: Who was the ambassador when you came in?

MORLEY: The Ambassador when I arrived was Michael Skol, but he was on his way out. The new ambassador-designate Jeff Davidow.

Q: What was his background?

MORLEY: He was a career diplomat.. Most of his time had been divided between Africa and Latin America. He had served as DCM in Venezuela during the 1985-1987 period. He had served as Ambassador in Africa. He had also served as senior Deputy Assistant Secretary in the Bureau of African Affairs in the Department of State.

Q: Both when you were Charge and when he arrived, how did you find relations with the Venezuelan government during this interim period?

MORLEY: They were very good. I probably had better access to the interim President of Venezuela than I had ever had with any president of any country that I can remember. Certainly, I guess, while I was Charge in Ecuador, I had fairly good access to the President, but when I was charge in Venezuela, I had easy access. I could pick up the phone and talk to him most anytime I wanted. The problem with that is, you couldn’t accomplish much because he didn’t have the power to do anything. He could deal with immediate problems. He could deal with operational things. But lobbying or making representations to him on major policy issues were often not effective. He simply didn't have the power to make decisions. He didn't have the political base.

Q: Did you and Davidow start working on the President to be or the President presumptive? Did we have anything other than just wanting to see that they didn't have any more coups? Did we have a policy?

MORLEY: As soon as Ambassador Davidow got to Venezuela he called on all of the major candidates. There were three or four of them. We did not place undue emphasis on any single candidate because we didn't want to give the impression to the Venezuelan public that the United States government was favoring this candidate against the other candidate and thus be open to accusations that we were interfering in the electoral process. Our public statements were that we supported the process, that we were neutral in terms of the outcome of the elections, that we would support whoever was elected, and that we hoped that whoever was elected, the Venezuelan government would continue its traditional good relations with the United States. Pretty bland stuff. There was an occasional reference to hope that the government would continue on its course of economic reform, but this was not a strong element of our position as it was publicly articulated. Privately, we assumed Caldera would be elected. We hoped he would continue the economic reform programs, but most of all we hoped he would bring the military under control and strengthen democracy in Venezuela. We were convinced that he was the only one that had the political credibility to restore stability to Venezuela.

Q: How did things play out during this 1993-1995 period from your perspective, the new administration, and our concerns?

MORLEY: Caldera was elected. He immediately instituted a number of initiatives that were designed to address the problems that made the Venezuelan public unhappy. He instituted exchange and price controls. He also promised the Venezuelan people that their interests would be taken as the highest priority. He signaled that there would be a period where he would digest what had happened and decide what elements, if any, of the reform program to pursue. In effect, however, he didn't continue the reforms. The result was inflation, a run on the Bolivar, and a decline in foreign exchange reserves. At the beginning of Caldera's administration Venezuela had between 12 and 13 billion dollars in reserves. Within seven or eight months, the reserves had declined to about seven billion dollars worth of reserves, of which a lot was gold and not really useable for paying Venezuela's obligations. They had a billion or two billion dollars in reserves that could actually be drawn upon on short notice. This caused a major crisis and the government responded by tighter controls on currency exchanges. The result was bureaucratic chaos. The rules and regulations had been drawn up hastily and weren't clear. There were any number of ways that people could get around the restrictions. A black market in currencies developed. The economic situation deteriorated. Caldera's efforts to deal with the financial crisis had failed. Eventually, what happened was that he had to reverse some of his policies. The Bolivar became freely exchangeable at a floating rate and was quickly devalued. When I got there, it was about 65 Bolivars to the dollar. It quickly went down to 270 or 280 to the dollar, practically overnight. With the lifting of price controls, the shock on the economy was tremendous. In the first year after the lifting of price controls, the black market disappeared. The consumer price index as measured in Venezuela went up by something like 45 or 50 percent. At the same time, people on Venezuela's social security system and other pensions suffered greatly because suddenly a 3,000 Bolivar monthly pension was worth little. So, there were a lot of complaints. Caldera's performance was a disappointment to many.

Q: We were just basically observers to this?

MORLEY: After the inauguration of President Caldera, we made any number of representations to him. We thought that his policy was not the correct one. We pointed out that foreign exchange controls meant to the foreign investor that he couldn't get his profits out of Venezuela, so there wasn't much point in him investing in Venezuela. So, foreign exchange controls meant that foreign investment in Venezuela would whither. We pointed out that price controls meant there were going to be shortages and a black market would develop very quickly. That, in effect, is what happened. We pointed out that the longer that he pursued these policies, the more likely there was going to be a big shock to the economy when the inevitable happened and he had to abandon these policies.

None of these points were made in public. We did not get into any kind of a public dispute with the government of Venezuela, but we called on the Minister of Finance, the Minister of Petroleum, the central bank head, and the President himself and tried to make these points as effectively as we could. But Caldera stuck to his guns until circumstances forced him to change.

Q: Were we watching the Venezuelan military as this unraveled?

MORLEY: Oh, yes. I remember during the time Caldera was in office, we kept a close watch on the military. Ambassador Davidow or I would go over and call on senior officers and keep in touch with their thinking. These were valuable conversations, because the Venezuelan military were not shy about articulating their opinions. One time, I remember, we had had a prominent visitor from Washington who wanted to call on the military. I forget what his precise business was. We went over to the headquarters building in Caracas. It was during the first year of the Caldera presidency and the economy was floundering. We discussed the internal situation in Venezuela. Our interlocutor, the Chief of the Joint Command, expressed concern. He said the military considered themselves responsible for safeguarding the nation of Venezuela. If things go wrong, they had an obligation to take action. I asked what he meant. He digressed and didn't say anything specifically. I went on to reiterated the position of the US: we supported democratic processes in Venezuela and expected the military to do the same.

I reported this conversation to Washington. Shortly thereafter, the Venezuelan military official went to Washington on a previously scheduled visit at the invitation of the then Chairman of the Joint Chiefs of Staff of the United States. He spent a lot of his time explaining what he meant in his comment to me. He didn't deny the substance of the comment, but he tried very hard to explain it away. In effect, I think that his comment during my call on him in his office had the effect of bringing the Venezuelan military up short, not only because of my reaction, but because of the priority that his interlocutors in Washington assigned to this issue during his visit there.

Q: That is very interesting. During the 1993-1995 period, was there terrorism and drug problems in Venezuela?

MORLEY: There wasn’t much of a terrorist problem and there wasn't much of a narcotics problem, no. There was some drug cultivation and abuse, but it was not considered a major

problem.

Q: What about American business there? You've mentioned all the effects on it. Did you get involved in helping American business?

MORLEY: Yes, we got involved in promoting and support the interests in U.S. business. Jeff Davidow, our ambassador to Venezuela, and his predecessor, Mike Skol, were very active on this front. A major investment in Venezuela that had taken place before I got there was GTE's purchase of 49% of the outstanding shares of CANTV, which was the national telephone company in Venezuela. Although they owned only 49% of the stock, the agreement called for GTE to be manager of the enterprise. This had happened during the time when Perez was President of Venezuela. Because it was such a large investment by an American company, it was very closely watched. Bruce Hadad, who was the head man for GTE in Venezuela, was careful to keep us informed on what was developing because he recognized the precedent that everything he did set for other investors coming to Venezuela.

I've got to say that he was treated very badly. At one point, he embarked on what any corporate manager would do - cost cutting kinds of things, trying to invest in improvements in service. GTE had badly underestimated the amount of money it was going to take to bring CANTV services, especially its residential service, up to snuff. The telephone system was terrible. Initially at least, the public perception of what GTE and Hadad were doing was raising the cost of service and initiating layoffs with no real improvement in service. These were the short-term effects. So, GTE and Hadad quickly got a bad name among the Venezuelan public. In fact, a warrant was issued for his arrest at one point. He had to flee the country to avoid imprisonment.

This discouraged foreign investment in Venezuela. American businessmen contemplating an investment in Venezuela were turned off by GTE's experience. It set very poor precedent. Part of the problem was probably Hadad himself. His Spanish was terrible. When he went to talk to Venezuelan press or testify before the Venezuelan congress, he didn't do very well because he didn't speak Spanish. He was just acting like the typical very successful American corporate leader. You cut costs. You raised prices. You made decisions that were supposed to make the system more cost effective and efficient, but that didn't go down well. We tried to act as a bridge between Hadad and the government of Venezuela, explaining how the GTE investment was good not only for Venezuela's telephone system, but that he should be treated with respect the investment should be treated in a positive manner because of the demonstration effects on potential other investors. It didn't work. By the time I left, I think there had been a net decrease in investment, in part due to GTE's experience and in part due to the policies as perceived by American investors that were being pursued by Rafael Caldera.

Q: Were there any problems during the time you were there with the reception of Venezuela oil in the United States?

MORLEY: No, this was never a problem. Venezuela had a good, traditional market. They had always had a good market. The major consumer of Venezuelan oil products had always been the United States. Even during the period of the oil embargo in the 1970s, Venezuela did not join other OPEC countries in embargoing oil shipments to the United States. In fact, it increased its

shipments. So, there was never a problem.

Q: Did you get involved in the perennial border dispute that Venezuela has with Guyana?

MORLEY: Venezuela had border disputes both with Colombia and Guyana. None of these were treated as hot issues during the time I was there.

Q: Were there any other issues that we should discuss about Venezuela?

MORLEY: No, I don't think so.

Q: You left Venezuela at a time when Venezuela wasn't looking too good as far as wither Venezuela.

MORLEY: That is correct. I follow Venezuelan now. It still doesn't look very good. Their exchange rate is now around 470 bolivars to the dollar. Their inflation rate is between 30-40% a year and real interest rates are negative. There is still a lot of discontent. There have been no challenges that I am aware of to Caldera's authority like there were to Perez' authority. Most people believe and did believe while I was there that, regardless of anything else you may say about Caldera, he is honest and he has the best interests of the Venezuelan people at heart. A lot of people doubted that Perez was in the same category.

NICOLAS ROBERTSON
Public Affairs Officer
Caracas (1997-1999)

Mr. Robertson was born and raised in California. He was born in Wilmington, near the heart of the Los Angeles Harbor district. He attended University of California at Santa Cruz. Mr. Robertson first desired to be an academic, but then spent some time working as a chef on a ship. After returning home, he took the Foreign Service written and oral tests and passed. Mr. Robertson subsequently was stationed in South Africa, Barbados, Argentina, Nigeria, Ghana, Venezuela, and worked as the Deputy Director of the Office of African Affairs in at the State Department. Mr. Robertson was interviewed by Charles Stuart Kennedy in 2009.

Q: Where'd you go after that?

ROBERTSON: I went to Venezuela. I was there for the election of Chavez; we made great efforts to make sure there was a fair election. Venezuelans loved Chavez; I despised him at the time, I despise him now but Venezuelans love him. Says something about Venezuelans. John Maisto was ambassador, a superb professional.

Q: John and I are having an ongoing dialogue. We've got him out of Venezuela and bringing him back to the OAS. But anyway, this point-

ROBERTSON: I mean, I'm glad that we made great efforts to make sure that there would be a fair election.

Q: Okay. So we'll talk about it- We're talking about '97?

ROBERTSON: Ninety-seven to '99.

Q: Today is the 13th of October, 2009, with Nick Robertson. And Nick, you know where we left off?

ROBERTSON: I'd just been expelled from Ghana and went to Venezuela; that would have been July of 1997.

Q: By the way, getting expelled, I mean, this thing sort of-

ROBERTSON: PNG'd.

Q: PNG'd. Did the agency treat that as say, well, stuff happens and all or did somebody get around and say well, he got himself expelled; was it a blot on your copybook or not?

ROBERTSON: No. As a matter of fact, I seriously think that I had a lot of friends in the government, and when Mrs. Rawlings decided to throw me out my friends made it look as good for me as possible. So I went out as a free-press martyr. As I said, I think it was mostly because Hillary didn't go to Ghana and Mrs. Rawlings thought it was my fault. But they dressed it up and said I was interfering, interfering with their plans to prosecute for criminal libel and the State Department expelled a friend of Mrs. Rawlings from the Ghanaian embassy, as retaliation.

Q: Good.

ROBERTSON: Actually it was a credit to me, much more than I deserved. If they really wanted to mess me up they could have tried to frame me for dealing on the black market or stealing antiquities or something. They said I was interfering with their criminal libel prosecutions and standing up for journalists they wanted to send to jail. That looks great on a CV (curriculum vitae).

Q: Sure. Okay, how did the Venezuela thing, was it just open or did they make room for you or what?

ROBERTSON: No, it was just open. The Ghanaians expelled me pretty much at the end of the tour. My son missed a month of school and he has never forgiven me for it but I had already been assigned to Venezuela by the time I got expelled.

Q: So you were in Venezuela from when to when?

ROBERTSON: July '97 to July '99.

Q: What was the situation in Venezuela, just sort of in general before we get to what you were up to?

ROBERTSON: Interesting. I got there in '97, just before President Clinton visited. That gave such a boost to Venezuela's business prospects that my biggest headache as PAO was finding housing for the U.S. staff because the Venezuelan landlords started canceling leases and doubling rents. And so from say October '97 to January, when the price of oil dropped sharply, it looked like Venezuela was headed for a boom. In January of '98 the leading presidential candidate was a former Miss Universe. I think Ambassador John Maisto probably talked about it.

Q: Yes, he did.

ROBERTSON: Yes. And it changed quickly. We went from the situation where landlords were literally doubling rents, which were already at Manhattan levels anyway.

Q: Well why would a Clinton visit do that?

ROBERTSON: They thought it was a signal of new levels of engagement. Oil was looking up after the Mexican problems and before the Asian collapse when oil prices just went through the bottom. But Venezuela had a long democratic tradition, they had a reasonably open political system. They had oil and looked to be set on a path for some kind of economic reform. It was really a grotesquely inefficient state and needed reform to unlock all these other possibilities. Clinton was there, and it looked like Mack McLarty had friends and contacts in Venezuela.

Q: McLarty was-

ROBERTSON: McLarty was the childhood friend, of Clinton, and his first White House Chief of Staff. Anyway, the Clinton visit looked like this was just part of a move for greater Venezuelan integration into the international economy besides the oil.

Q: Did you get involved in the Clinton visit?

ROBERTSON: Sure, just like everybody else.

Q: What were you doing?

ROBERTSON: We handled the White House press operation, with the care and feeding job. I mean, there's no substance to it, you've just got a lot of demanding people there, you make sure the telephones work. By this time, by '97, we had to make sure we had internet lines as well. And as usual the lead up is much more painful than the visit. We spent a month in rehearsals with junior White House staff and that takes up time. It was my introduction to cell phones, the first time that we could be tracked. It was really marvelous, being in places like Nigeria and Ghana without telephones. You'd get lost for days and nobody could track you. I missed a White House call and so when I got back to the embassy there was a cell phone waiting for me with instructions on how to use it.

Q: Before you went out to Venezuela, what were you hearing about Venezuela and sort of the upcoming election?

ROBERTSON: As I said, in February, when the oil prices were still reasonably good the leading candidate was Irene Sáez, who was a former Miss Universe, and not a bad politician. She was also the mayor of one of the political entities that comprises Caracas. Venezuela was known as a chronic under performer. Oil fed corruption for close to a century. Radical change was not on the horizon when I got there in 1997 and it wasn't really on the horizon until April, May of '98, about six months before the election.

Q: Was anybody talking about, you know, at the embassy the discrepancy between the wealthy and the not wealthy and all?

ROBERTSON: Yes, it was a notoriously corrupt and inefficient government. It still is. I mean, it's a curious place; it was notoriously corrupt and inefficient with a very visible social cleavage, and it attracted swarms of immigrants from the rest of Latin America. I despise Chavez; you know, it was painful to see the Venezuelans make that choice. By May, June of '98, with the December election, I still thought it possible Chavez wouldn't make it.

Q: What was your initial contact with the situation there? Why did you despise Chavez?

ROBERTSON: It's my age, I suppose. My wife is from Argentina and as we said, we've seen this movie before.

Q: You're talking about Peron?

ROBERTSON: Yes, Peron. Chavez is left wing military, but there's a certain stylistic-

Q: Right wing, left wing militaries-

ROBERTSON: Yes.

Q: -is the same.

ROBERTSON: Yes. And Venezuela is in many ways an admirable country, the best country and society I've ever been in for openness about race and religion and region; a very friendly and tolerant society. Most of the racial stratification seemed to me, after being there a couple of years, mostly a product of immigration. The Europeans who came in droves after World War II, and all the way up until 1980, were better prepared than the Venezuelans and much more driven; they moved to the top. It was a reasonably open society; it was corrupt but it wasn't oligarchical; it was very open, and with good connections with the ruling party everybody could play. And on the other end, when I first got there I saw there were black guys pushing ice cream carts in the residential neighborhoods, and Caracas is a very steep valley. I thought gosh, look at those poor guys. This has got to be the worst job in Venezuela. Someone told me these guys are all Haitians; Haitians have the monopoly on ice cream carts. And so you had both at the top and the bottom

racial stratification that's sort of a product of immigration. It was curious. Something else caught my attention. We talk about social injustice in Venezuela, which was a fact. But Venezuelans never left. There's no community of poor Venezuelans in Buenos Aries, or Bogota or Rio, whereas Caracas was filled with poor immigrants from all over the hemisphere. It actually made for a nice environment. It was the most cosmopolitan South American place I've ever been in.

Q: Probably good food of all kinds.

ROBERTSON: Yes. I mean, we had thousands of Argentines, Uruguayans, Mexicans, Colombians, Bolivians, Brazilians, Chileans, plus all the people from the Caribbean. Everybody had come to Venezuela and we could hear all Latin American popular music performers, all the top people from every country came to Caracas.

Q: Well now, there weren't then the top 10 families who'd been there forever as there were in so many of the Latin American countries?

ROBERTSON: No. I'm a failed historian by background, so I jumped into that question as soon as I got there. No, the 19th century in Venezuela was really bloody**.** The independence wars lasted basically from 1810 to 1900 and there was no population **g**rowth in the country in the 19th century for all practical purposes. They slaughtered each other and they ran out of oligarchs. They opened it up just because there weren't enough people of Spanish descent left in the country.

Q: Well they had the Red and the Black or the Red and the White parties for awhile where they used to inter- you know, take turns being in charge or was that elsewhere?

ROBERTSON: Until the end of the 19th century things never got that orderly. It's a great story. They have a slave revolt but it's led by a white royalist. The Spaniards triggered a slave revolt to get rid of Bolivar and his friends. And the slave army drove him out and then the Spanish royalist died and the same army switched teams and went all the way to Peru. But it was very mobilized. You had the tradition of sort of mass mobilization for political ends and so you'd have revolts all over the country in the 19th century and it had been just soaked in blood. There was a really interesting phenomenon I found in Venezuelan popular music. There weren't songs celebrating fighting or war or bloodshed as there are in Colombia, for example. There had been the same songs celebrating bloodthirsty generals and caudillos in Venezuela just like everywhere else, but they had a real cultural change at the beginning of the 20th century; they just decided to drop that. They had a dictator who was brutal, Gomez, but popular music didn't celebrate his excesses. They just dropped all that kind of martial stuff out of popular music. And they got oil in 1917 and became the first petro country. By 1925, eight years later, it was a food importer; only two million people in the whole country and they were importing food; everybody just dropped tools when they found oil.

Q: Well this is one of the, you know, sort of ironies or whatever you want to call it, because Venezuela is a great place for agriculture.

ROBERTSON: Spectacular.

Q: But nobody uses it. I mean, sort of delinquent soil or something, I don't know.

ROBERTSON: Yes. And you know, they missed all of the big export pushes previously. They have rubber, they have cocoa, they have coffee; they had everything, hides and tallow, meat, but they missed all of the export booms because they were just so disorderly.

Q: Yes. And of course it's part of that curse of oil, too.

ROBERTSON: Yes.

Q: Even in a wealthy place where oil could dominate.

When you got there what was the embassy seeing about the election? I mean, what was sort of the word?

ROBERTSON: When I got there, there was an election scheduled. It looked like Irene Sáez was the leading candidate. There was always a possibility of Carlos Andres Perez coming back, as hard as it is to believe. But in 1997 it did not look on the verge of the radical path it has taken. It's very easy to trace what happened; the bottom fell out of the oil market.

Q: Why did that have a difference?

ROBERTSON: Oh, because all Venezuela does is distribute oil money. That was the whole economy. They had all these industrial promotion plans, and all sorts of subsidies, plus a tradition of tariff protection, and most of that just turned into hustles. They had made a good start on some aspects of reform. When I got there they had a light industrial sector in one of the states that exported a billion dollars a year of finished products to Colombia; that's all gone now. It was tough to do business with Venezuela, it was a very expensive place to do business. Wages were high, productivity was low. Just to give you an example they would advertise in downtown Caracas in the sort of poorer areas, a lunch special that was like $8.

Q: Yes.

ROBERTSON: But then the bottom fell out of the oil market and it hit $15 a barrel. The economy was hyper sensitive to that kind of thing and just started winding down sharply. And so in February, it still looked Irene Sáez; May-June, as oil prices continued to slip, it could go either way; by the fall, by this time of the year in 1998, with a December election it looked like Chavez was going to take it. With all of Chavez's behavior and all his comments about the U.S., the U.S. embassy under Maisto's leadership made a great effort to explain to all Venezuelans that this was going to be a fair election and we didn't want any hanky panky. I think a lot of the traditional parties and upper class Venezuelans assumed that the U.S. was going to step in. They didn't have to run a campaign because if it looked like Chavez would win, the U.S. would do anything to prevent that, including backing a coup or supporting some sort of election theft. And we jawboned throughout 1998, telling everybody, no, there's going to be an election and it had better be a fair election. Most of the embassy staff was out there as monitors on election day.

Q: Well was Chavez seen as radical as he became? Or how did-?

ROBERTSON: I don't think there were any real surprises. There were several views which were parallel. First, this is apparently what the country wants; you can't do anything about it. It will be worse if the election doesn't hold. Second, if he has no complaint, if there's no negative U.S. reaction to them, let's see what can happen, maybe we can work with this guy, maybe things will go along smoothly. That didn't work, as you know. We thought that he was more responsive to good treatment than he was. You know, he had a world view in which we're the bad guys and even if we did not oppose him, even if we did nothing to hurt his election campaign it didn't make any difference because he assumes we did. He talks like we did. I mean, he's pretty crazy. His coup attempt in '92, you know, it was really contemptible.

Q: Well then, what did- what were you- you went out-

ROBERTSON: I was the public affairs officer.

Q: Public affairs officer. So you were the top public diplomacy guy.

ROBERTSON: Yes.

Q: How would you describe, when you got there, the media, the press, TV and all?

ROBERTSON: They had very high professional standards. The major newspapers and the regional newspapers, state or provincial newspapers were good. They had money, they had training, they had standards. Venezuelan television is popular throughout the Spanish speaking world, but I've also seen Venezuelan soap operas in Africa dubbed into English, with high production standards, good looking actors and actresses. There hadn't been dramatic issues in Venezuela for a long time, since the Kennedy years, since the guerrilla uprising. The oil boom in the 1970s made the country crazy with hopes and possibilities. Then things began to grind down in the 1980s up until the Chavez coup attempt in 1992. There was an alternation of two parties, mostly the social democrats with a few Christian democratic administrations for a little variety. The Caldera administration elected in 1994 was headed by the traditional Christian Democratic leader but he had put together an interesting coalition including the man who headed the Castroist guerillas in the 1960s. The parties ceased to be very ideological, and politics was all about patronage. There was no trend setting media that led the way. You could read front pages with completely different lead items. You had to read a lot of different things to find out what was going on. It wasn't fragmented, because fragmented implies people pursuing a lot of different interest…

Q: Well, I mean, were the papers, the TV stations particularly partisan or not?

ROBERTSON: They all were tied to the two parties that had been in power since 1958, but there were not major national arguments about specific issues. The media were professional, as we understand it in the U.S. No major media were pro-Chavez, though there were small leftist and rightist publications outside the mainstream. All of the media were democratic, believed in

democratic, electoral politics.

Q: Well, was the handwriting pretty well on the wall when the election took place?

ROBERTSON: Yes, by the time the election came around everybody knew that Chavez was going to win. The opponent was a good candidate, the governor of the state that was such an economic success. But it took them a long time to get behind one candidate. Initially both of the traditional parties wanted to come in with their own candidates, a guaranteed loser. They had gotten very complacent during their 40 years, and just didn't take it seriously. As I said before, I think many of them thought that we would step in and do something.

Q: And I take it there was- within the embassy we were trying to say we're not going to do it.

ROBERTSON: Every embassy office made the point with our various contacts that we wanted to see a free and fair election. No discussion.

Q: No winks or nods.

ROBERTSON: No winks or nods. We were clear. And we put the embassy staff on the streets on the day of the election to back our commitment. The Carter Center was there, too. I'm trying to think how long the, I wouldn't call it "honeymoon," how long the sort of peaceful coexistence lasted and it lasted three or four months. I had gone to talk to the editor of one of the newspapers, the former Minister, Teodoro Petkoff who had been the leader of the guerrilla uprising in 1960. We were joking that he had been in politics all his life; he'd tried electoral politics, then he was a guerrilla, and then he went back to electoral politics. We joked that Petkoff has spent his whole life in politics but he was terrible; he was terrible at kissing babies, at going to local stuff. He was a brilliant executive; he was a very good minister of commerce, and frankly he was one of the reasons for the relatively bright view of the country that I mentioned during the 1997 Clinton visit. He is also a brilliant editor. And hostile to Chavez.

Anyway, I went up to talk to him, we're just talking. I walked out, and somebody asked me about our overflights of Venezuelan territory carried out routinely as part of the anti-drug traffic campaigns. Anyway, I went back to the embassy and reported that Chavez was going to revoke our overflight rights for the DEA (Drug Enforcement Agency) planes, the military.

Q: Yes, you might explain what that was.

ROBERTSON: This was before the famous Colombian bases. We were doing some overflights, part of the anti-drug trafficking activities, and they were military overflights, reconnaissance. It would have been about March of '99, maybe April of '99, and Chavez decided that he was going to stop that.

Q: Now, were we watching the Chavez-Colombia relationship?

ROBERTSON: Yes. Don't forget, though, that at that time the Chavez relationship with FARC, the Colombian rebel groups, was not that deep or formal. One of the sad issues when I was there

was the FARC shot three Native American activists who had gone down to work with indigenous groups in Colombia. They were murdered by FARC in Venezuela. They put them down at the border with Venezuela and shot them as they crossed. We weren't at all ambivalent about FARC.

Q: FARC being the-

ROBERTSON: The Colombia guerrilla group, *Fuerzas Armadas revolucionarias de Colombia*. They were very powerful in Venezuela just because the Venezuelans were so lax. It was easy to get money in and out; it was hard to control the Venezuelan banking system because so much comes in and out and they're not terribly – not a very bureaucratic culture. And so it was always a loose banking system which FARC could manipulate. FARC collected taxes from ranchers and farmers almost all the way to Caracas. They had a strong underground presence there. There's a huge population of Colombians in Venezuela and so there was no way to sort of "spot" FARC. It wasn't something that was at the official level – the Venezuelan parties were not even mildly sympathetic - it was just the fact that Venezuelan society made it very easy for them to operate. The same probably holds true of drug traffickers. Colombia had always looked upon Venezuela as a problem, a factor in the ability of FARC to keep going. It's a guerilla force that can do banking, supplies and even R&R for troops just by getting in vehicles and crossing a border. But obviously Chavez tilted the scales at least rhetorically, initially. And this was before the spectacular reversals to FARC's fortunes. Chavez's penchant for talking too much was pretty obvious in the first six months of his government, and it was clear that he was going to provoke diplomatic tensions with Colombia.

Q: At the embassy did you find, you know, I mean your idea is of course to outreach to have, you know, free discussions everywhere; were these beginning to be shut down while you were there?

ROBERTSON: No. No. Chavez always threatened to move against the press. He hadn't done anything when we were there, and for the six months of Chavez's government that I saw we were still in a mode of peaceful coexistence. I don't think we ever left that, except we got irritated. I personally do not believe that the 2002 coup really was our affair. It didn't matter because Chavez thinks we did it, and it fits his world view. But in the first six months we could talk to pretty much anybody, even people within the Chavez government.

Q: How about the Cuban equation? When you were there, did Venezuela recognize Cuba?

ROBERTSON: Oh yes. Chavez never made it a secret that he considered himself sort of a disciple of Fidel Castro. But relations between Cuba and Venezuela are long and deep. Immigrants from the Canary Islands settled in both places so there were many family relations. Cuba was a much better educated, richer society than Venezuela, and in the early 20th century Venezuelans who could not afford New York vacationed in Havana to savor its metropolitan sophistication. A lot of anti-Castro exiles went to Venezuela and believe it or not, if you live in the United States, they became Social Democrats, which is hard for us to imagine for Cuban exiles. They're very big in business; they always had been, even before Castro there had always been a lot of Cuban businesspeople there.

There was also a very large presence of people the Cubans call "soft exiles," because they can live in Venezuela and work and go back to Cuba. Everybody talked about Chavez bringing in Cuban doctors; they were always there and as a matter of fact when I was there it was funny. Well before the election there was a minor problem in education, that Venezuelans who graduated from the public medical schools had to work for two years in a public hospitals or health services, but they couldn't find jobs because Cuban doctors were coming and taking the jobs. The jobs paid a few hundred dollars a month, a fortune for a Cuban doctor and the equivalent of Peace Corps wages for a Venezuelan.

Q: Well as a job, how did you find this? It sounds like there were all sorts of, you might say opportunities, but at the same time they weren't going anywhere.

ROBERTSON: Yes. It was perfectly open, very sophisticated, and very pleasurable in many ways. But for me it was so very different coming from Africa, especially in Ghana with a large, large bilateral aid program and a huge multilateral aid program. The U.S. embassy is a real center of influence in Ghana. In Venezuela the president of the Venezuela American Chamber of Commerce represents this huge fixed investment, hundreds of billions of dollars and he naturally tends to be a more influential figure than the American embassy. I hadn't been anywhere before where the American business community so much dwarfed the American official presence.

Q: Well, I realize it's hard to characterize but would you say the American, when you were there the American business community had an outlook or a stance towards what was happening in Venezuela?

ROBERTSON: What can I say? It was a very corrupt country, certainly one of the most corrupt countries in this hemisphere and a very expensive place to do business. Even before Chavez a lot of multinationals were moving out; Proctor & Gamble and a few others whose names escape me had big manufacturing operations which were leaving Venezuela well before Chavez was on the scene just because it was too expensive and difficult to do business there, and they would rather set up in Colombia. It's funny but Colombia, with almost a full scale civil war was easier to do business in than Venezuela, which was just corrupt and spectacularly inefficient.

The petroleum companies assumed that they would continue to enjoy a privileged position in Venezuela, and in a way they were right. Things didn't change for them as abruptly. I don't think that there was any coordinated business lobbying going on in Washington or in Caracas trying to get the Administration to take a harsher line on Chavez. I think everybody agreed that there was nothing that could be done; we've got to see if we can live with this.

Q: Yes. What about did Brazil cross your radar and all?

ROBERTSON: You just reminded me about something funny about Venezuela. Yes, I remember Venezuela cheering on Brazil in the World Cup in 1998. That was remarkable; I'd never seen a Latin American country applaud for its neighbors, but Venezuelans are not big in international soccer. They share a border with Brazil, but not much goes over that border

Q: Well when you look at it, it looks like you're heading right off in a real wilderness.

ROBERTSON: Oh yes, yes.

Q: I mean, particularly going south, I mean, well, and I guess north too.

ROBERTSON: Actually, geographically Venezuela is spectacular. You can start in the Andes, in western Venezuela, and drive about 30 hours and be in the middle of the Amazon, the Amazon Basin. Beautiful.

Q: Well how was life there?

ROBERTSON: It was the best country I've been in for music. And I played a lot, continued with my jazz. I put together a band, we did concerts in Caracas, went to other cities and played. It's a spectacular musical culture. Oddly enough, it's a spectacular music culture but it's an open place that does not have any signature sound, like Merengue in the Dominican Republic or salsa in Puerto Rico. But their salsa bands are the greatest in the world. It's the best musical place I've ever been. Los Angeles just hired a Venezuelan conductor for its symphony, and there is a children's orchestral movement throughout the country that is remarkable.

In Venezuela, at any kind of business gathering, official gathering, people would be late, very casual in their attitudes toward the whole thing. Music was different; Music rehearsals, man, everybody's on time and everybody's paying attention. It was really interesting. There was a big recording industry, and a huge domestic market for all styles of Latino music. And at the time I thought they might beat Miami out as a musical center. Other things being equal they could have become a regional center for publishing, recording, movies, distribution, all of that. So my fun time in Venezuela was spent with music, which was a great way to see Venezuela.

Q: Well how did you and your wife find it socially? Did you find yourselves captured by one group or not or could you mix around? How did it work?

ROBERTSON: Oh, it was, as I said, the most open country I've ever been in for race, religion, nationality and everything. We had friends from all over. Venezuelans are open and friendly, easy to get to know. We had Argentine-Venezuelan friends. An old friend of ours from Barbados, from El Salvador, married to a Colombian, who had worked for the Pan American Development Bank was in Caracas so we spent a lot of time with them. Okay, getting around was a bit difficult. Traffic was a problem and there was some risk of going out at night. It wasn't as bad as it is now. It was a spread out city and you could spend a fair amount of time in transit if you didn't know your way around.

We had one episode which turned out funny. My wife had worked at the Venezuelan American Chamber of Commerce and then she'd gone back to work in the embassy and she was working in the consular section doing visas. Now, Venezuela is a pretty easy country for visas; we had no immigration problem.

Q: Basically they came and went back.

ROBERTSON: Yes. We had no problem. But Norma got a visa recommendation for a Haitian businessman from the Venezuela American Chamber of Commerce. The head of the Venezuela American Chamber of Commerce was a Cuban, more a Miami Cuban than a Venezuelan Cuban. Norma said this is fraud because that guy would never give a visa recommendation to a black man. And she was right. So she goes to the consul and says this is fraud, we've got to check into this. Then we got a threatening phone call. I don't know who it was. We had stepped on some toes and we got a threatening phone call at home saying when our son went to school and got out and that we had better leave Venezuela. And so we had guards for a week, you know, 24 hour personal guard, but we stayed. My wife had taken the call and we reported it, the security people came over, we were discussing, deciding whether to stay or go. I said to Norma, okay, the guy who called, where was he from? What was his accent? She said he was Venezuelan. So we decided well, Venezuelan, these are laidback people, we'll stay. I said if you get a call with a Colombian accent we're on the next plane out of here. And so we had bodyguards 24 hours for a couple of weeks and then they hung around for another few weeks but we apparently hadn't crossed any big time Colombian gangsters.

Q: Well, so you were there what, about two years?

ROBERTSON: Yes, two years. We came back, we could have stayed a year longer but we decided we wanted our son to do three years in high school here.

Q: So where did you go then?

ROBERTSON: We came back here.

Q: When you left Venezuela in what, '99?

ROBERTSON: Ninety-nine.

Q: How did you- I mean, just in your own mind, whither Venezuela?

ROBERTSON: At least it's a society that can go through these kind of traumas without a big official bloodshed, although street violence is apparently out of hand now. But I mean, socialism in Venezuela doesn't mean work; it doesn't mean like, you know, gulags or the White Sea canal or anything like that. I mean, the point of Venezuelan socialism is you get a lot of money for doing no work. The point of Venezuelan socialism is the point of Venezuelan government; you get a lot of oil money, you can give your friends a lot and you can even give your enemies some. Even Juan Vicente Gomez, a man who had no compunction about hanging student leaders up on meat hooks, found it was generally cheaper and more pleasant to buy your enemies off than to kill them.

Q: Yes.

ROBERTSON: And some things in Caracas were funny. I thought that the posh part of town with the fancy restaurants and art galleries would have some trouble but, no, the number of fancy restaurants has doubled. Expensive art galleries continue to flourish. There had been a lot of

social mobility and Venezuela was corrupt but it was open. You didn't have to be in there for 200 years to get your money. Everybody could play. I remember a friend of mine, a superb piano player who's now in Vancouver. He came back from studying at Manhattan School of Music and then went to Berklee, Boston, jazz Berklee; he said when he came back, his parents had friends in the ruling party, Accion Democratica, and so somebody just offered him an exclusive right to import Blue Note Records, the prominent jazz record label. He says, you know, it was just sort of friendly, a nice gesture towards a friend's kid, no big deal, no strings – just "How'd you like a monopoly?" And they had controlled imports and all these licenses, what the Indians called the import license raj. These were generous people; everybody gets to play.

And Chavez is Venezuelan, and I don't think he is likely to do anything new in Venezuela. What concerns me is Chavez has a lot of Cubans working in security. I don't think the Venezuelans are likely to shed a lot of blood when it comes time for Chavez to go, but the Cubans might.

Q: Yes. Well the Cuban security service, along with the East German security service and the Czech security service, talking about Cold War times, were the backbone of a lot of these regimes because they were nastier and more efficient than the local people.

ROBERTSON: Yes. And that's certainly true in Venezuela today. Everything is going more or less as predicted – all the indicators in Venezuela are bad.

Q: Well there is the thought of don't, in a way don't confront; I mean, maybe there's not much we can do but just sort of let Chavez run his course. Does that make sense?

ROBERTSON: Yes. That was certainly the policy and the practice when he was elected, and despite the extremely nasty rhetoric during the Bush years nothing much changed there. I mean, he didn't do anything completely out of line. He wasn't any harder on the American oil companies with Bush than he was with Clinton.

I'm of an age to remember the overthrow of Allende in Chile. I was talking about it with a Chilean exile in Caracas, an Allende supporter who had to leave Chile in 1973 and went to Caracas. He said, years from the events, that it was a terrible government, a disaster for Chile, and the story that went down, the story in everybody's mind is that the U.S. ganged up on the socialist government and overthrew it. He said and it didn't happen like that, but in any case Allende would have been voted out and his government relegated to history as a dismal failure, a joke. Instead, by getting involved with Pinochet, we saved Latin American socialism from paying any moral or historical debt for a real disaster. And this time everybody can see Chavez leading his country. I mean, Oliver Stone has just made a movie about him; God, what an embarrassment.

Q: Oliver Stone being a, sort of a left wing director who wrote a movie about sort of the Kennedy assassination, which had somehow a New Orleans kind- I mean, it didn't make any sense but this is the sort of thing he does.

ROBERTSON: Yes. And he just presented that at the Cannes Film Festival this summer. I mean, Chavez has a lot of money to give away; as long as oil prices stay up he's okay. There's no other

sector in the Venezuelan economy now. I mean, they're importing everything. They finished off agriculture and they still have some cocoa and some other things but almost everything else in Venezuela has collapsed; it's just government now, taking over.

End of Reader