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

AMBASSADOR RICHARD HOLWILL

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TABLE OF CONTENTS

INTERVIEW

Q: Where were you born and raised?

HOLWILL: I was born in Shreveport, Louisiana at the end of World War II. My father got out of the Army Air corps at Barksdale and married a woman there. Went back to New York for a time but then came back to Shreveport, I grew up there attending Jesuit high school, then went to LSU (Louisiana State University).

I tried to skate on foreign languages at LSU. I used my Jesuit high school Latin to get through a 200-level course (which was well below what we covered in high school) and proceeded to try to study economics. I love economics as a social science. But, to get a BS in economics, I would have had to go back and take four or five high-level math and statistics courses.

To graduate in history, I needed a modern foreign language. So, I took an assignment for a grad student supporting research on the fruit companies. Most of the fruit company papers are in repository at LSU. There are corresponding in San Pedro Sula, Honduras. So I went down to Honduras for the summer took a total immersion Spanish course and wrote a thesis paper on the fruit company operations. That gave me the language and extra hours that I needed for a BA in history.

After college, some friends and I went to hitchhike around Europe. I stopped at a couple of U.S. embassies and began to get an interest in diplomacy.

Q: And what year is that?

HOLWILL: 1968.

Q: Okay.

HOLWILL: The Soviet troops had gone into Czechoslovakia. We were headed toward Istanbul and heard that the troops might go into Romania next. So we drove across Yugoslavia, watched troop movements all the way. Clearly the Yugoslavian government was worried. Tito was still alive and had his troops moving in case they came in after him. Got to Romania. Absolutely nothing happened. Met some lovely people, found that my Latin helped me better than my Spanish.

Q: Just as an aside, I had to learn Romanian for a tour in the Romanian Foreign Service, and yes, it retains case endings very similar to Latin, so you were in a great position.

HOLWILL: I know there are a lot of Turkish words in there, as well. But, we got by. I visited US embassy. We had time to kill in Bucharest, and found that I was fascinated by it. Fascinated by the Marines, fascinated by the efficiency. You know, mostly because the consulate and in the American Center, which was the library and was a gathering place for young Romanians. I took a pretty strong interest in that.

Then, came back to the States, still not much going on. Drove with another friend up to Alaska. Worked on drilling rigs for a while. I had been a roughneck summers in high

school; I would go work the oil fields in Oklahoma. So, I worked the offshore rigs in the Kenai Peninsula of Alaska.

Came back and found a draft notice. I went to the recruitment center to see what I had to do, and Marine recruiter said, "If you want to be above average, step forward." I stepped forward and was quickly on my way to MCRD (Marine Corps Recruit Depot) San Diego, then to infantry training. I spent a pretty boring two years doing next to nothing.

Q: Huh. Interesting, in the Vietnam years. So, where were you posted? Where were you assigned?

HOLWILL: First, I was assigned to Fourth Battalion, Eleventh Marines (4/11) but they pulled 4/11 out of Vietnam, sent them back to Twenty-nine Palms so I wound up in California through the War.

After the Marines, I took a job as a radio newscaster and telephone-talk show host. I have always had a relatively good voice. I was a DJ and newscaster in college and at a TV station as a news-anchor. After the war, I worked as a newscaster and then wound up at a public radio station at the University of Missouri at Rolla. I voiced and sent what we would now call podcasts to National Public Radio. That then led to a position at NPR as White House Correspondent.

Q: Wow. Interesting. Okay so now what year is that, when you joined National Public Radio?

HOLWILL: '74.

Q: Okay. Because from '69 to '71 you were in the Marines if I'm not mistaken, and then moved into the – after you were –

HOLWILL: At University of Missouri at Rolla. My oldest daughter was born there.

Q: Ah, but where did you meet your wife?

HOLWILL: We met at LSU. And we'd stayed in touch. It was only after I'd been in the Marines that we started dating seriously. She came out to California, and I came back for Christmas. We got engaged and married later that year.

Q: And you were married in what year?

HOLWILL: '71. It was the year I got out of the Marine Corps. We married shortly before I got out. She found Twenty-nine Palms to be lovely. And when you're a young couple living in a house that's about twenty five yards from the Joshua Tree National Monument, life is good.

While at the University, I was noticed by National Public Radio, I applied and got the job as White House Correspondent. So, I was White House Correspondent from Nixon's resignation through Carter's inauguration.

Q: Okay, so that would be from '73, no '74 –

HOLWILL: '74. My daughter was only a few weeks old.

Q: And that would mean you also moved to Washington from Missouri.

HOLWILL: Correct. Well, I moved to the suburbs. Did not like the suburbs. Wound up buying a house in Capitol Hill, or in the city on Capitol Hill. It was a total dump. It had been a boarding house, and it took a lot of work. I think we bought it for $45,000 but probably put $200,000 into it.

Q: Which, yeah, you couldn't even buy a closet for that now.

HOLWILL: After that – after NPR (National Public Radio) I did a little of consulting and then wound up with a consulting firm. They were doing regulatory work for various energy companies, and some energy work.

Q: Now, just one remark here. It's really interesting to see that you go from NPR, which is journalism, to an investment banking firm, you said? Because the two professions aren't necessarily related.

HOLWILL: But the investment banking firm had a newsletter it put out to its clients, so I was doing the newsletter and learning the rest of the business. While there I wrote a paper on why we should deregulate energy prices and do away with the Department of Energy. The paper was published by the Heritage Foundation.

The consulting firm was faltering in 1980. Heritage was expanding so I went to the Heritage Foundation. It may sound strange but I went from the left wing NPR (National Public Radio) to the right wing Heritage. I've personally stayed in the center all that time. There are elements of what Heritage does that I support, there are elements of what Heritage does that appall me, especially now that is more into social issues.

Q: It is very interesting that you went over to Heritage, because at that point, Heritage was also just getting started.

HOLWILL: Heritage had its feet on the ground but it was just beginning to be noticed. The first thing I did for them was Agenda 83 – Heritage had a series called Mandate for Leadership –

Q: Right, I remember those.

HOLWILL: Reagan actually lifted several things out of it. I had contributed one chapter to that on energy policy, based on what I'd done at that investment banking firm doing energy.

Q: And, by the way, I was in college at the time of these publications by Heritage, and we used them at Georgetown as part of studying the election and the issues.

HOLWILL: I wrote part of the energy chapter and edited the rest of the book. I focused on the folly of price controls and the economic bias in the system.

Q: Now, what were the opposing forces at that time? Just, local, state, representatives who had a constituency and wanted to keep them happy or – ?

HOLWILL: When the price control regulations were written, there was a bias inserted into one element of it that favored small production by oil companies, by wildcatters, by small oil and gas companies. There was also a small business benefit in there regarding the refinery business. That program gave small refiners an edge over the big. The little refineries would have made any money without some kind of subsidy. So the market diversion to these small companies was inefficient. It demonstrated the folly of trying to manage the market.

In any event, I realized that I didn't really belong at Heritage. I went to White House Personnel, they said, "We love you. You wrote that piece on energy; we love it. You can go anywhere in government except the Energy Department."

Q: And being provocative at least gets more people to read it. You know, if it was all measured and very careful, maybe not as many people would pay attention.

HOLWILL: Indeed. There was a war going on in Central America. I actually knew something about Central America from my history courses. We had a wonderful professor at LSU who focused on the Caribbean and the Caribbean influence on the east coast of Mexico. Jane DeGrummond. Loved her dearly. I took four courses from her. So I knew something about Central America. So, I said, "Okay, fine, I'll apply."

And, met Tom Enders, got along well with Tom, and he asked me to come in as his deputy assistant secretary, at which point Tom leaves, I'm in limbo, Tony Motley comes in, and Tony says, "Yeah, you look like a guy I could use." I started off handling Congressional stuff for him, and there was a lot of Congressional fighting going on, but moved into policy –

Q: And forgive me, again, this is the early years of the first Reagan administration?

HOLWILL: I became a deputy assistant secretary in the Latin America Bureau just before the invasion of Granada – '83 – stayed in that office 'till '88, which was Iran Contra. So there was a lot going on in there. And I'd moved into a position where I was in charge of U.S. policy in the Caribbean. I had that and I was on board the Panama

Canal Commission, and loved the work. I think I was a very good deputy assistant secretary and I think I was a pretty crappy ambassador.

Q: Well, before you go on, just to locate this briefly, I was in Costa Rica, working at the embassy as a junior officer from '86 to '88. I arrived, I had my initial interview with Ambassador Tams, and within six weeks of my arrival, he was gone. The one thing he asked me to do when I arrived was go to Nicaragua, be sure you are acquainted with Nicaragua and all of the issues there; by the time I got back, he was gone.

HOLWILL: It was an interesting time in Central America. So I worked many of those Congressional issues. Met Ollie North and I think the first time I was in a RIG, a Restricted Interagency Group, I'm six months in, had the rule: keep your mouth shut, your eyes and ears open. I'm sitting there and some Marine Corps Major – with my background, I knew how to read his ribbons, I knew his resume, I could see he was decorated.

At one point he said, and I will never forget this to my dying day, "It is of transcendental importance that we be seen as supporting this clandestine operation." How do you put a word like transcendental into the mouth of the average marine? But how do you justify clandestine and being seen at the same time? It summarized policy better than anything I could ever say. I didn't have much to do with the Contras. However, I was DAS (Deputy Assistant Secretary) when Baby Doc fell apart.

Q: Wow. That's pretty significant.

HOLWILL: Clay McManaway was ambassador in Haiti. Clay wanted to talk to me; he didn't trust the secure line. And I said, "Well, I'll come down."

"No, I don't want someone of your rank coming here." So, he came to Washington and he sat down and he said, "You could overthrow this guy with a speech."

Clay told me that Duvalier's inner circle had been telling him that Baby Doc incompetent and had to go. We had a request from Haiti through Ron Brown, their lobbyist. Ron came to see me and say something like: "You've got to show him some love." Don't let my use of slang terms fool you. Ron made a very professional presentation. He made his ASK: "We need you to turn the food back on."

I said, "You need to do something first." He was shutting down all the clerical radio stations. Radio Soleil was the most popular. I said, "You get him to loosen the reins on the Radio Soleil and the other Catholic and Protestant radio stations, and we can talk again."

Duvalier allowed Radio Soleil to begin broadcasting and I think six weeks later he was gone. I don't now have notes with me but the timeframe was compressed.

I had always believed that the communication among the U.S. colonies through the committees of correspondence enabled them to come together for the American Revolutionary War. This had me thinking that that the most important thing was for the Haitian people to be able to communicate, understand their common situation and chose a future for themselves.

A crisis ensued. The Haitians wanted him out, and we set it up for him to leave. We didn't know where he was going to go. I went to Paris and was sitting in the Quai d'Orsay when a bulletin came in that Baby Doc may have left Haiti. And I think Shultz had said something on an airplane about it. There had been a strange flight in the night and speculation that Baby Doc had left. I'm sitting in a meeting trying to find him a home thinking, what next?

Then we found that Baby Doc had not left. The French foreign ministry official said: "Oh, he'll never leave."

And I said, "If he does will you take him?"

And the guy says, "Sure."

Things in Haiti get worse. We set up a working group in State's Operation Center. So, I was in charge of operations – virtually living in the Op Center for a while. So, the next week, I think it was ten days later, Duvalier leaves and goes to France. The French were furious. The U.S. ambassador to Paris was angry as hell. I hadn't cleared it with him. But, we did it.

Interestingly, about ten years later, we learned that that first flight had been all of his artwork, and a lot of the other stuff he wanted out.

So, then we moved from that to a period of trying to nurture Haiti to a democracy. It is foolish of us to think that we can go into a country which has an authoritarian history, no real history of democracy, no intermediating institutions, no civil culture, and think that we can bring them into the twentieth century.

It brought to mind the difference between Locke and Hobbes. Hobbes says, "Life is nasty, brutal, and short, unless you have a king." So, you pledge to the king. And Locke was the other way, talking about the rights of man. Life in Haiti was nasty, brutal and short. Democracy was a non-starter.

Haiti went through some chaotic periods. The controversy in Haiti was a policy called *desocote*, which – I think I've got it right – was a Haitian Patois word that means "uproot." Many Haitians wanted to uproot all of the past, all of the Duvalier regime. The elite and the dispossessed fought back. We pressed for an election but those who feared "mobocracy" attacked people standing in line at a polling place. That was a signal to everyone. Democracy will lead to chaos.

Amid the shooting, I had access to a couple of armored cars, and went with the security guys to get some of the congressional staffers out of different hotels. But then you collect them and have to figure out what to do with them. I made a choice to send them back on the U.S Air Force plane that brought down the official delegation. I didn't have permission. I figured better to ask for forgiveness than permission. If I get fired, I get fired.

Q: Well, did you get in trouble?

No. I actually got a lot of praise from the Secretary and others at the Department. That one decision contributed to the decision to name me as ambassador.

Q: Tell me more about that.

HOLWILL: Elliot Abrams suggested Barbados but that is a post that would usually go to a high-dollar donor. Bulgaria was open. I said, "That sounds interesting," 'till my wife said, "You're nuts." And we wound up in Ecuador.

Q: And what year did you – it was –

HOLWILL: Summer of '88.

Q: So, summer of '88 is the big election season. Now, George H.W. is running –

HOLWILL: I knew it was going to be a short tour. I would have liked for it to have been longer but was happy with it anyway. Bush, 41, gets elected, and he sends the first baseman from the Yale baseball team down. Good guy. Paul Lambert, really good guy, and a better ambassador than I was. I was still carrying with me a little bit too much ideology.

Q: Interesting. What do you mean exactly by that?

HOLWILL: I was looking at the subsidies in the Ecuadorian system, the subsidies on oil and all these other things thinking, this is one of the things holding them back. They're not selling enough oil abroad, they're selling the domestic stuff too cheaply. There were several incidents. But Ecuador had gone through a transition from León Febres Cordero to Rodrigo Borja. Rodrigo Borja Cevallos. Febres Cordero was a conservative. Borja was a socialist.

And I had eight USAID guys come into me and say, "We want to get a waiver on spending funds on something other than American. We're supporting a malaria project down on the coast, and we need a couple of Japanese motorcycles. The American motorcycles are just too big." I said no. If USAID is to support the project, you support something else and let the Japanese give them the motorcycles.

So that got out and it angered some in government. Then they came and asked for a bridge loan, there was some agricultural credits available. I made the judgement that it was a bad move. I was right. But there was a lot of anger about that. And they were very unhappy with me.

Q: When you say they – the Ecuadorians or the Washington bureaucracy? Both?

HOLWILL: The Ecuadorians. But they – When George Bush plays tennis with Rodrigo Borja, it does come up – the Ecuadorians are not happy with the U.S. Ambassador. The CIA station got word of them and the Chief brought me a cable saying that. I approved the cable and it went out with a notation that: "The ambassador has seen this report."

So, but thinking back on it now, I realize I'd done it backwards. When I was deputy assistant secretary I'd send out a cable saying, "Deliver this tough message." Invariably the ambassador would send something back: "Why don't you come down and do it?"

I get a cable saying, "Deliver this tough message." And I would say, "Okay." You know, I didn't use Washington the way I should have used it, and I've learned a hell of a lesson from that, and a hell of a lesson about – I could go on for hours about how politics works in Latin America. But the insights I gained into politics in Ecuador, and then began to understand how the world works in and throughout Latin America. That was a lesson I could never have learned any other way.

Q: But to go back for a second to Ecuador, how did you see the way it was functioning back then?

HOLWILL: It was tribal. Here, people vote their economic interests, and your economic interest is tied to, let's say, low taxation in the United States, or it's tied to infrastructure spending. You're going to vote for candidates who support those things.

In Ecuador, the people vote based on their social network. This phenomenon is best described in Alan Rider's book Distant Neighbors. He described Mexican politics by saying that everyone has a couple of people who are obligated to them, and that person has an obligation to someone who's slightly higher. This network become a faction. If you are part of the winning faction, you thrive. If not, you have to scramble. These networks of power were really what was influencing the election in Ecuador. I've talked to people who've worked the Middle East, and they said, "It is exactly the same." It is exactly the same.

Q: Patronage networks.

HOLWILL: Well, yeah, I guess you could call it patronage, but it was networks of self-interest. I mean, it was family, clan, tribe, with different names. In Ecuador, there are the "Turcos" from the big Lebanese community in Guayaquil. Then you have the Serranos who live in the mountains. The two groups were self-referential.

Then there is the third group, what you might call swing voters. Often they identified themselves by race. If someone's Indian, they'll say, "*Yo soy indigeno.*"

Q: Indigenous.

HOLWILL: Yeah. Or, "*Yo soy turco*." (I am Lebanese.) What I saw, however, was a gross increase in people who called themselves "*mestizos*" (mixed race Indigenous and Spanish), claiming part of their Indian roots.

That was the first indication I had that the swing was on, first to the right with *mestizos* saying that they were *blancos*. They replaced Rodrigo Borja with Sixto Durán Ballén, part of the rich – perceived rich – white oligarch families in the Sierra. He could not get anything through Congress. Gridlock develops and he gets nothing done. The swing went back. *Mestizos* started claiming indigenous roots and elected a *Turcos,* who had been in exile, comes back, Abdala Bucaram, and he was known as the Madman, El Loco. It was fascinating.

I'm out of Ecuador, I'm just watching this, and I'm going back and forth, so doing some non-recourse finance –

Q: Oh, and just for a moment, define what non-recourse finance is for the non-expert.

HOLWILL: It is when you, for example, sell an electric power generator, you collateralize the generator by pledging the revenue from the sale of electricity would go to pay off the bill for the generator.

In Ecuador, there was a big, Swiss-owned cement company that was generating and incredible amount of heat power in the process of making cement. It would have been a perfect co-generation project. We could use the head to make steam that would drive generators. However, under Bucaram, the economy in Ecuador collapses and the project essentially became non-viable.

Q: So, the co-generation, the attempt at creating co-generation, does not go through?

HOLWILL: No. Three or four of my deals fell apart at the same time I've got a kid in college.

Q: A pity because, thinking about how energy prices on the market have changed over the years, it would have been such a fantastic project for them to take advantage of, but, okay.

HOLWILL: But you've got to have a certain number of elements and you've got to have someone stable enough to pay the electric bill, and you've got to charge people for electricity. And if you're going to let them get free electricity, then you've got a problem. So, that was one of the reasons we pulled out of that project.

Q: Now, you finish your term in the State Department having learned a great deal about how business is done overseas, and now you want to take that knowledge, and where do you go?

HOLWILL: You try to build from the base of knowledge that you have, both about economics and politics. You see a need and think about how to satisfy that need.

Q: Now when you say finance, what you're doing essentially is trying to put together people into projects, into sellable, marketable projects. Were they mostly in Latin America?

HOLWILL: I started with Southern Electric in Ecuador. And then with Rolls Royce in Argentina. Menem was president in Argentina, they were privatizing electric power. One of the labor unions took over a power plant in Rosario, Argentina, and wanted help modernizing the plant. Rolls Royce wanted to sell jet engines as power generators and considered an investment if the cash generated by the plan could be dedicated to paying for the engines that generated the power. That is non-recourse finance.

The union, was the *Federacion Argentina de Trabajadores de Luz y Fuerza* – the Federation of Argentine Electric Power Workers. It was a partnership of strange bed-follows.

Q: Okay. This is now the early '90s, and you're working in an energy sector, an electricity sector. Can you just reflect for a couple minutes on what the energy sector was like in Latin America and if it had been really good, what would it look like? Because one of the problems that we found when I was working in Latin America was, you could talk to people on a national level, but you could almost never get them to understand economies of scale and being able to have transmission among countries.

HOLWILL: My focus was not on macro economics. I was looking at the most micro things: can these guys pay the money back. Turns out a few years later they can't as they go through another financial crisis and I've got a kid in college and I need more consulting assignments. I did one project for Amway. The General Council called up and said, "You are the only consultant to ever finish a job. Come up here for a couple days and look and see what we're doing."

Q: This is now a very different business from the one you had been consulting.

HOLWILL: Yes, but it's the same kind of work, because you're still trying to make foreign governments do what you want. I said to the GC "Here's your problem: you're hiring all these big names, and they don't get their hands dirty. They'll talk to the head of state and maybe he remembers to tell somebody something. You've got to push it down the chain of command."

And they said, "Wonderful. You're hired." And they made an offer, and I loved the people but the reputation of the company was such that I had to squeeze a few more

dollars out of them. But I went to Amway in 1979. January 1979. Have had – I've loved every minute of it. We've had a situation in China where they totally shut us down.

Q: Why did they shut you down in China? I'm just curious.

HOLWILL: Two basic problems. One, in translation, in using the words that explain what you're doing. One, in terms of public outcry over some pyramid schemes that were doing crazy things. The linguistic problem I've found, in Japan, in China, was that they would say, "multi-level marketing". That doesn't translate. So, in Chinese and in Japanese and in Korean, the words they use are "pass along marketing."

The perception of the Government was, that somebody was taking an increase, increasing the price every stage of the way. That's not what you do. There's one transaction. It's from the company, to the buyer. But you are paying commissions to the sales person and to those provide sales-management services.

I got an emergency call from the head of Amway China. I was actually on vacation in France with my family. "Richard, you've got to come over."

So, I get over to China. I'm with the President of the company at a pick up center in a sort of industrial part of town. And all of a sudden, the *gong an*, literally – "peace officers" – show up. The President, Eva Chang, says, "Richard, you go down and deal with them. This lady will be your interpreter."

I explained that distributors were returning product and getting their money back. I explained that we were not selling products. We were buying back unsold inventory. We're taking all of our inventory back; anyone who wants to bring it back, we'll give them their money back."

He gets on the phone with his boss. Finally, he says "Okay but be very careful."

Eva said, "I couldn't have done that." She is Hong Kong, Chinese, and was intimidated by the PRC Government. I spent the next couple of years really training people in how you deal with government. I've had to do that in China, I had to do that in India, I had to do that in Brazil.

Much of what I do is mentor staff by teaching our overseas people how to lobby. You don't say do me a favor. You say, "This policy is good for you and for your constituents. The constituents might be senior bureaucrats. They might be the people who voted for you or your boss. The key is that the policy-maker makes the decision based on his needs and not on yours. When you can do that, you can get people to buy into what you want.

Q: Now, my understanding of Amway is that it works on the micro level like any kind of retail sale that does not have an actual shop. The retailers are independent, and they just sort of use their own social networking to advertise the product, sell the product, and so

on. And so why would they run into a problem with the government? What are these foreign governments' objections?

HOLWILL: When there is a problem, and someone comes to complain, and the company doesn't respond, there's a big problem. That will get your attention. And then you get police officers or somebody looking at the company and they can't figure it out, so they say, "They must be doing something wrong, let's shut them down." Much of what I do is explain the company to policy makers.

But for ten years now, I've been trying to get policy changed in India. The problem is that we are just like anybody else. You have salesmen. You have a sales team. You'll have a regional sales executive. You'll have a senior sales executive. They're all paid based upon productivity. You cannot pay them for recruiting. Payment for recruiting is a Ponzi scheme. However, because of the benefits that a managing distributor receives is from sales by the recruit subsequent to the act of recruiting, officials are suspicious of the business model.

And, in fact, I used that exact argument when I got the Indian government to finally issue guidelines that would tell you that we're just like a standard FMCG company – FMCG in India is Fast Moving Consumer Goods. We're just like that.

They suspect that you are a Ponzi scheme problem but 99 percent of the problems with direct selling are caused by inventory loading. Good companies guarantee to repurchase unsold inventory. You have to enforce that rules. We have hundreds of people who do nothing but monitor what our distributors are doing and slapping them on the wrist, if necessary, or bringing them in to retain them.

We've had to dismiss distributors who were generating millions of dollars of profit a year, and we've done it. When somebody in Russia is refusing to obey the rules, you have to deal with it. It isn't fun to go talk to the Russian police but you have to do that if you are to educate authorities about your business. When, amid a crisis as in China, you're giving people money back, you establish a reputation that allows you to ask for policy changes.

Now, we solved that in India. We made sure that the Russians understood the business and understood what we were doing. And when we fired that guy making millions for us, they took cognizance of that. They made note of the fact that we were enforcing our rules. We do it here. I have come to have the greatest respect for the owners of that company. They are ethical, they are determined to do it right.

My job is not unlike diplomacy: how do you convince an official in a foreign country that the policy change you need is in the interest of that country? How is that different from being an ambassador?

Q: Not at all. That is exactly what diplomats and ambassadors are doing.

HOLWILL: But more importantly, I was training local staff to do it right. And the local staff in China was all about guanxi (the system of social networks that influence business; used in China), all about the relationship. And relationship gets you through the door. But it's the same thing with the distributor: it's that family connection, that friendship that gets you through the door, if he doesn't understand his products he can't sell them. If you don't understand the policies, you can't sell it. Basically, I teach policy management to the people who work for me or indirectly report to me.

Q: Now, in addition to your work for Amway, you've also taken on a few other activities with the Chamber of Commerce and advisory committees and so on. How would you describe that?

HOLWILL: We pay for them. But, you know, you want to speak with a unified industry voice, and this is a way to be sure that the voice is unified. It also gives me some personal credibility when I have to go deal with State, or deal with USTR (U.S. Trade Representative) or deal with Commerce. And I got to know some of it, and I began to understand trade law.

Q: With gaining credibility by being involved in some of this industry and professional organizations.

HOLWILL: Oh. I have enough personal credibility to go to State and talk to the desk officer, talk to the office director of the DAS (Deputy Assistant Secretary). You know, if I really need to, I can find a way to get to the Assistant Secretary. But, when I go to Commerce, when I go to USTR, having that title – not ambassador – having the title of chairman of this committee or that committee, I get more credibility, just walking in.

Q: Interesting, because you do, by law, have the right to maintain the title ambassador. Any person appointed to a bilateral country, you get to keep that title.

HOLWILL: I thought the protocol on this was different. I thought that political appointees did not, and that you only keep the title if you make it to career ambassador, the Tom Pickerings of the world.

Q: No, that's not true. You are entitled to that, once it's a bilateral embassy. The only exceptions are to international organizations, and then Congress – the Senate – has to say, "And yes, rank of ambassador is conferred." But yes, if you're confirmed as an ambassador by the Senate, you're ambassador for life. You keep that title for life. Even if you're only there three months.

HOLWILL: I'm sorry, but if someone uses that title after they've left office, I tend to think they're a horse's ass.

Q: Well, that's a different story. I'm not making a value judgement about it, I'm just telling you what the protocol is.

HOLWILL: As a general rule, I don't use it. But I have noticed that when someone walks up to me and says, "How are you doing, Ambassador?", that people pay attention. But if you're a pompous fool, then you're going to turn people off. If you are warm, personable, an interesting person, then okay, fine, it works.

Q: They will see immediately why you were an ambassador. They will say, "Oh, this guy, he's really approachable and he really knows what he's doing and he must have had a lot of connections in that country that were really helpful because, you know, it's obvious that he's used his skills in diplomacy," and so on and so on.

HOLWILL: I worked for Texaco at one point, in Ecuador, helping them negotiate the terms of their exit. A big court case on that now. The deal was, Texaco pays and the Ecuadorian oil company does the work. Texaco's out of there. Texaco paid, the oil company did the work. You get a New York lawyer who gets local people to sign a petition and sue Texaco's survivor company Chevron, and you wind up in court for years. Of course, the U.S. judges have thrown it out, but current president Correa has tried to make it a deal worldwide.

Q: That's remarkable. But the other thing about your career is that these days, they say, if you're going to be successful, you need to reinvent yourself roughly about every five years. And you did that, basically, throughout your life. How did you manage that?

HOLWILL: Someone once told me that changing jobs was like wing walking, you better have another wing to jump to before let go of the first one.

But then too, you learn as you go. I learned discipline in the Marines. I learned to write and communicate as a journalist. I learned about energy. I called on all of this knowledge as I went along. I learned that I was fairly good at managing the embassies that reported to me. Didn't get in trouble during Iran Contra. And, although, I sort of did. I'd seen Ollie with some people that I know to be fanatically right. I sent him a note saying, "Cut the crap; you'll get us all in trouble." Well, a special prosecutor found that and said, "What did you know and when did you know it?"

So, I had to explain the whole thing, and finally I had a good friend of mine come in as a lawyer and he said, "What? You're going to ding the only guy in town that told him to stop?" Everybody got a laugh out of it.

In any event, I've taken those life lessons and am something of a self-taught trade geek, which brings back memories of my time at ACDA (Arms Control and Disarmament Agency). Negotiating a nuclear weapons treaty is far easier than negotiating a trade agreement. Trade agreements have so many moving parts. You have so many interests that you have to satisfy. Some people are going to get screwed; they're going to try to kill the agreement. Some people are going to make out well. You've got to make sure that that agreement is enough of a net positive to get people on enough people on board to satisfy Congress.

And you're going to have a few people whose businesses are going to be disadvantaged. You've got to handle that. Nuclear weapons, hey, you either kill us or you don't. The question for the negotiator is how many warheads can you move? How do we know where your launchers are? What is the ratio between our slow-fliers, air-breathers, the bombers, and your fast fliers, the missiles that can't be called back?

It was a fascinating job.

Q: While you were there, did you get involved with CFE (Treaty on Conventional Armed Forces in Europe)?

HOLWILL: Peripherally. I went to Vienna a couple times on CFE, talked to our negotiators. Went to several meetings where the NATO (North Atlantic Treaty Organization) partners were working things out. Learned that the Turks were the most pragmatic and easy to deal with it. They got it. European nations, I'll never figure out. But the problem with negotiating any kind of treaty is you have to make sure your stakeholders are happy. But State and DOD (Department of Defense) were always at each other's throats. There's several books out about this. Gambit is one very good one.

Q: Yeah, I was at OSCE (Organization for Security and Cooperation in Europe) during part of that time so I saw some of the negotiations, but I just thought since you were in ACDA you might have had a unique perspective on what was going on.

HOLWILL: I didn't get deeply into it. I knew what was going on, I knew what the obligations would be, I realized the strategic significance, but I let the experts do the work. In that case, one of my responsibilities was dealing with Congress. So, I had to keep Congress informed. So, I would go up and brief Biden, brief Gore, brief McCain.

Q: For people who are thinking about international service or international work, what would you advise them to do these days? Because obviously, your rise was interesting and different and perhaps unique to the era, when you could make those jumps from one place to another. I'm not sure it's quite that easy these days.

HOLWILL: I don't think has been easy or will be easy. I think one very important this is to find a mentor. I've tried to be a mentor both at the State Department and here at Amway is try to spend a lot of time mentoring my staff. I had a woman who'd been here for two years, and she was working as a secretary and had her masters in international affairs, and I called her in and said, "It's time for you to go. I'm not going to push you out, I'm not going to fire you, but you're wasting everything you learned by staying here. I can replace you. I can get somebody just as good, for the same amount of money, and you deserve a raise, but I can't give you a raise. There's nowhere to go from being a secretary." She wound up at the Office of Naval Intelligence. Another woman went to be an aid to a member of Congress. Another woman whose husband is an ATF (U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives) agent now runs a charity.

As for advice, you have to remember that you create your own opportunities. I contend that, opportunity is the most precious commodity in the economy. The advice that I give young people is that, if you prepare yourself to recognize and seize opportunities, you'll be alright.

Q: And if you can sell opportunities. If you see them and you can offer them, that's a lot of value added that perhaps not everybody has the capacity to do.

HOLWILL: But, you know, I had this wacky education and never got a post-graduate degree of any kind, but I feel like I've got a PhD in DC.

Q: But that's important for the work you're doing now.

HOLWILL: You know, I have things that I absolutely love, things I absolutely hate, that I hated at State, hate today. Writing annual reviews. Is there anything worse?

Q: It's agony, and there's no way out.

HOLWILL: And you've got an officer at State, and you don't want to say that he walked on water at an early age, and somehow, I managed to write it well enough that I got kudos from HR for it, personnel. So, being creative in writing. But you know State. It's the corridor reputation.

Q: Absolutely. It's still true. In fact, they now recognize that you are going to lobby for your job and they've now got not formal regulations but they have all sorts of recommendations on what you should do to find your next job, and essentially it is plan as if it is a new job you are going to in the private sector, as if you were looking for your next job and you need to do a resume and you need to hold information, etc., etc. All of that.

HOLWILL: I think the thing I've learned that was quite valuable was how to get a new job.

Q: That's gold standard.

HOLWILL: And how to survive when you don't have one. But you survive by selling your smarts; that's what consulting is. I don't think there's any more valuable course to take to do what I've done than economics as a social science. Add history to it, and then you can apply one to the other relatively effectively.

There is another factor that has helped me. I have what marines call "command presence".

Q: This is very important, and it's no small thing, because to at least even have the appearance of command does have – It's kind of like one of the values in a business is its

brand loyalty, or the intangibles that still have a value, it's hard to put a monetary value on them, but there's a value there.

HOLWILL: The Marine Corps recognizes it. At one point, all the guys got together and said, "We need to go see the brass about how the NCO (non-commissioned officer) club is being operated, and we want you to go do it."

"Well, why me?"

"Because you look like you're in charge."

Then the captain called me in one day and said, "Corporal Holwill, we think you're officer material."

And this pretty Cajun girl had already said, "You do and I don't," so I said, "Captain, sir, I think I'm civilian material."

"Get the bleep out of my office!"

Q: But it is something important I think for anybody who's going to be jumping from different kinds of jobs, from one job to another, to be able to speak in a commanding way about what they can bring to the table perhaps, or why hiring them will be such a benefit.

HOLWILL: Yeah. I think that's helped me get new jobs.

Q: And it is something I think people need to know how to do properly, because as you mentioned earlier, you can be an ambassador and be pompous and stand around and wait for people to –

HOLWILL: Kiss your ring.

Q: Exactly. Or, you can demonstrate how you were a successful ambassador using the skills and the personal appeal that you have and the commanding presence that you have. And I think that those intangibles are still very valuable in the workplace or in the labor market today.

HOLWILL: When I was working at the investment bank, we'd have kids come in who were MBA (Master of Business Administration) candidates and they would intern for us, and I was absolutely amazed at how impractical they were. I didn't have an MBA. I'd never taken a business class in my life. I best training I got was NCO (non-commissioned officer) school in the Marine Corps. It was "Strive to be the guy that others want to follow."

Q: I think anybody can understand that, but what it does take is initiative, it takes some thinking through of the downstream effects of things, and who are the players and what are their interests. Who do you need on your side and how do you get them there?

HOLWILL: I've got to think the two basic rules that I taught my daughters. One, run to the sound of the guns. If there's a crisis, you come in, help, and are successful, you will be noticed. You will get ahead faster if you do a pretty good job in a crisis than if you do a perfect job in a position no one cares about. Two, don't be afraid to take a job that is over your head. If you're qualified for a job it's no fun. Always have things a little over your head; you must reach for it.

Q: I think that's a fantastic place to end actually, because that is advice I think once again anybody interested in following in more or less the same general direction that you've gone can really take home. Thank you.

End of interview